

1 MISSOURI GAMING COMMISSION

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4 Commission Meeting

5

December 2, 2009

6

Missouri Gaming Commission

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3417 Knipp Drive

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Jefferson City, Missouri

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12 COMMISSIONERS: James L. Mathewson, Chairman

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Darryl T. Jones

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Larry W. Plunkett, Sr.

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Suzanne Bocell Bradley

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1 CHAIRMAN MATHEWSON: Okay. Good morning,
2 everyone. Thank you all for being here this morning. We
3 appreciate your interest in what's going on with the
4 Gaming Commission.

5 Would you call the roll there, dear lady,
6 please.

7 MS. FRANKS: Chairman Mathewson.

8 CHAIRMAN MATHEWSON: Here.

9 MS. FRANKS: Commissioner Shull.

10 (No response.)

11 MS. FRANKS: Commissioner Jones.

12 COMMISSIONER JONES: Present.

13 MS. FRANKS: Commissioner Plunkett.

14 COMMISSIONER PLUNKETT: Present.

15 MS. FRANKS: Commissioner Bradley.

16 COMMISSIONER BRADLEY: Present.

17 CHAIRMAN MATHEWSON: Okay. Quorum being
18 present. Sorry to report that Commissioner Shull is sick
19 and is not able to be with us today. As everyone knows,
20 he never misses, so, you know, he must be sick. I'm sorry
21 that he is. We'll check on him a little later.

22 The Chair would accept a motion to consider
23 the minutes for the September 30th, 2009 minutes.

24 COMMISSIONER JONES: So moved.

25 COMMISSIONER BRADLEY: Second.

1 CHAIRMAN MATHEWSON: Comments, questions,
2 discussion? Seeing none, call the roll, please.

3 MS. FRANKS: Chairman Mathewson.

4 CHAIRMAN MATHEWSON: Approve.

5 MS. FRANKS: Commissioner Jones.

6 COMMISSIONER JONES: Approve.

7 MS. FRANKS: Commissioner Plunkett.

8 COMMISSIONER PLUNKETT: Approve.

9 MS. FRANKS: Commissioner Bradley.

10 COMMISSIONER BRADLEY: Approve.

11 MS. FRANKS: By your vote, you've adopted
12 the minutes of the September 30th, 2009 meeting.

13 CHAIRMAN MATHEWSON: Chair would accept a
14 motion on the October 27th, 2009, and I think we can
15 combine the 27th and 28th, can't we, in one motion,
16 please.

17 COMMISSIONER PLUNKETT: Make a motion we
18 approve.

19 COMMISSIONER JONES: Second.

20 CHAIRMAN MATHEWSON: Any questions,
21 discussion? Call the roll, please.

22 MS. FRANKS: Chairman Mathewson.

23 CHAIRMAN MATHEWSON: Approve.

24 MS. FRANKS: Commissioner Jones.

25 COMMISSIONER JONES: Approve.

1 MS. FRANKS: Commissioner Plunkett.

2 COMMISSIONER PLUNKETT: Approve.

3 MS. FRANKS: Commissioner Bradley.

4 COMMISSIONER BRADLEY: Approve.

5 MS. FRANKS: By your vote, you've adopted
6 the minutes for the October 27th, 2009 meeting and the
7 October 28th, 2009 meeting.

8 CHAIRMAN MATHEWSON: Thank you. Executive
9 Director McNary.

10 MR. McNARY: Mr. Chairman, I'd like to move
11 an item up -- of new business up to the top of the agenda.
12 You directed our investigators to do a thorough and
13 expeditious investigation of the matter concerning the
14 former CEO Dan Lee of Pinnacle Entertainment, and I've
15 asked Captain Elder to give a status update at this time.

16 CHAIRMAN MATHEWSON: Thank you. Good
17 morning.

18 CAPTAIN ELDER: Good morning, Chairman,
19 Commissioners. As you know, there was an incident that
20 occurred over in St. Louis County at one of the Commission
21 meetings. I think it made the Post Dispatch immediately.
22 That same day I spoke with the Gaming Commission and
23 you-all requested us to do an investigation. We assigned
24 officers immediately, and we have been working diligently
25 on that. We've had two officers assigned that's been

1 putting in several overtime hours to get all the witnesses
2 interviewed.

3 To date, we've interviewed 26 people
4 involved in this. Again, not only the Gaming Commission
5 but the Highway Patrol wants to make sure that we're doing
6 a very thorough investigation and interviewing all the
7 parties that may have some information involved in this
8 investigation.

9 We have secured some surveillance of not
10 only the chambers area during the meeting, but also they
11 have video coverage that they replay this Commission
12 meeting on Sundays on the TV. So we have that that we've
13 reviewed as well.

14 Currently we're waiting on a couple
15 statements to be returned. Some attorneys are reviewing
16 those. At this time we've interviewed all the people that
17 we are going to interview, unless at some point in time we
18 get all the statements in that we need to reinterview, we
19 may have to conduct some reinterviews for that. As you
20 know with investigations, sometimes there may be
21 information obtained from the written statements that may
22 need to be followed up on.

23 So at this point in time, we are, like I
24 said, we're waiting for the two written statements to come
25 in. At that point in time we should be able to finalize

1 this into a report and present that to the Commission for
2 your review.

3 CHAIRMAN MATHEWSON: Okay. Thank you.
4 We -- I think all the Commissioners were concerned that we
5 get on top of this as soon as it happened. I know Senator
6 Green also contacted us and wanted a thorough
7 investigation. I believe that's his district in which
8 that occurred, or at least connected to it. So we've
9 tried to keep him informed as we have gone through with
10 the investigation, and we will continue to do that.

11 If you would, Captain, share with us,
12 we're -- you're hoping to have this wrapped up by next
13 week so that we could have a full report and we could take
14 further action, if any?

15 CAPTAIN ELDER: At this point in time, like
16 I said, we're waiting on -- we've been pushing to get the
17 final statements in from a couple people that we already
18 interviewed. They said that they would provide us a
19 written statement to follow up. We've been pushing on
20 those. We're hoping to have those statements by the end
21 of the week, and then it's just a matter of putting
22 everything in a finalized order, getting the paperwork
23 reviewed and getting the report to you for your review.

24 At this point in time, we are done with all
25 the interviews, unless we have a follow-up interview that

1 needs to be done when we get the written statement that
2 comes back. And I can assure you that we did act quickly
3 and diligently. I had guys working 12, 14-hour days
4 initially to get all the interviews done.

5 As with any investigation, you want to
6 conduct interviews as soon after the event as possible so
7 that stories don't change, you get all the full facts. We
8 have done that. You know, some of the people we are
9 interviewing are out of state, so we've had to set up
10 interviews with that.

11 We have completed all those interviews, and
12 it's in our best interests to get the report wrapped up,
13 and we're going to work hard to get that done for you.

14 CHAIRMAN MATHEWSON: Thank your guys for
15 their hard diligent work on this, Lester. Thank you very
16 much. Please, do that.

17 And I haven't had a chance to talk to all
18 of you, so I -- but I think that it's just imperative that
19 we wrap this thing up as quickly as possible, and I was
20 hopeful that we were going to be able to do it today, but
21 we can't and that's fine. I understand that. I'd rather
22 have a very thorough investigation so there's no question
23 about where we are and the information we have to make a
24 good decision on.

25 Okay. So hopefully we're going to be able

1 to wrap this up next week, and we'll share it with the
2 world. As soon as we get the report and our
3 recommendation on this thing, why, we'll move forward.

4 CAPTAIN ELDER: Again, we are trying to
5 wrap this up as soon as possible so that you can make that
6 decision. And outside of these statements that we're
7 waiting on, we've pretty much got everything wrapped up
8 and ready to go.

9 CHAIRMAN MATHEWSON: Any Commissioner,
10 anyone have any questions of Captain Elder at this time?
11 Okay. Thank you.

12 CAPTAIN ELDER: Thank you.

13 CHAIRMAN MATHEWSON: Thank you very much.
14 Gene.

15 MR. McNARY: Mr. Chairman, in that regard,
16 Angie's done something of a head count for next week, and
17 we think that we would have a quorum if you intend to act
18 on this next week.

19 CHAIRMAN MATHEWSON: I certainly want to do
20 that, Gene. I think that's in the best interests of
21 everyone. I think long before I got here on this
22 Commission, which I'm honored to serve, we have maintained
23 this group, and you as director have over the past several
24 years and those preceding you have kept a very positive
25 attitude on dealing with whatever needed to be dealt with

1 in a very positive, transparent management measure. And I
2 think in this case if we can do this next week, we should
3 do it as soon as we get that report in and we should make
4 a decision about it and move on. Okay?

5 MR. McNARY: Yes, sir.

6 CHAIRMAN MATHEWSON: Thank you very much.
7 Go ahead.

8 MR. McNARY: Next item, consideration of
9 hearing officer recommendations. The first two, I
10 believe, are Steve Stark.

11 MR. STARK: Good morning, Commissioners.
12 The first case is regarding Troy Jordan. Mr. Jordan made
13 application for a Level 2 occupational license in December
14 of 2008. The application process requires a disclosure of
15 any past criminal history, not only convictions or plea
16 bargains, but rather also arrests or any detaining by law
17 enforcement.

18 Mr. Jordan did disclose and reveal a past
19 history, answering yes to that question showing five
20 different items on his past history.

21 The application process continues to ask
22 questions to disclose and warn the applicant of the need
23 to disclose everything. The Commission as part of its
24 process of investigating an applicant did find a failure
25 to disclose a criminal incident in 1986 in which

1 Mr. Jordan was arrested for a felony charge of stealing.
2 Mr. Jordan after that arrest did plead guilty to the
3 felony charge of stealing and received a suspended
4 imposition of sentence with one year of probation.

5 Now, what makes this case a little more
6 complicated is the fact that Mr. Jordan had previously
7 worked in the industry here in Missouri for several years,
8 had a license since 1994. Each year thereafter, the
9 license was renewed. He elected to seek employment
10 elsewhere in February of 2008, and then came back to
11 apply -- I guess allowed his license to expire. Then
12 applied in December of 2008 to work again in the gaming
13 industry.

14 So my finding is that he did fail to
15 disclose this particular arrest and guilty plea in his
16 application of December 2008. That would be grounds for
17 denying a license.

18 On top of that, there's a statute that says
19 that the Commission shall deny application -- or
20 applicants a license if there is a felony conviction or
21 guilty plea to a felony. That language is mandatory.

22 So the conclusion is that the two bases,
23 the failure to disclose and the felony guilty plea, would
24 be grounds to deny Mr. Jordan his license, and that would
25 be my recommendation, in spite of the fact that he was

1 previously licensed.

2 CHAIRMAN MATHEWSON: Any questions of him?

3 Okay. Is Mr. Jordan here?

4 MR. JORDAN: Here.

5 CHAIRMAN MATHEWSON: Would you like to make
6 some comments, Mr. Jordan? Right there, please.

7 MR. JORDAN: Basically what he said. I
8 don't think I failed to disclose it. I think it's just
9 worded differently. The charge, I guess, was stealing,
10 and on my report I put driving an auto without owner
11 permission, which it was always told to me it was. And I
12 didn't put that on my first application back in '94, and
13 like he said, I was relicensed every year from then.

14 And then just when I came back in December
15 of this year, '08, yeah, '08 is just when it came back
16 that you-all said that I couldn't have a license then.
17 I've got almost 15 years with Harrah's. Just want to keep
18 working. That's it.

19 CHAIRMAN MATHEWSON: Any questions of
20 Mr. Jordan?

21 Mr. Jordan, just out of curiosity, I mean,
22 you were interviewed about this, weren't you?

23 MR. JORDAN: Yes.

24 CHAIRMAN MATHEWSON: Okay. I mean, can you
25 understand the problem? I mean, you see that, you know --

1 MR. JORDAN: I understand technicalities,
2 but why wasn't this found when I first applied and every
3 subsequent year after that? There wouldn't be a problem
4 right now, I guess. I mean, I've got -- people retire
5 from jobs after 15 years. I mean, this is all I know how
6 to do now. I'm 43 years old with six kids. If this goes,
7 I don't know what to do.

8 CHAIRMAN MATHEWSON: Okay. Any
9 commissioner have any questions of Mr. Jordan?

10 COMMISSIONER BRADLEY: There's no question
11 this was -- this is a felony, you did plead guilty, it was
12 a felony, correct?

13 MR. JORDAN: My parents took care of it. I
14 was 19 years old at the time. To me, it was always an
15 SIS. That meant it went away after I did my one year
16 probation. The next year after this, I went down to
17 Central Missouri State and got my criminal justice degree.
18 Had I known this was going to follow me for the rest of my
19 life, I wouldn't have went into criminal justice. Not
20 that I went into criminal justice, but I got my degree in
21 it. Had I known I was never going to be able to get a
22 job, I probably wouldn't have went in that line of college
23 work.

24 COMMISSIONER BRADLEY: Well, this is a very
25 unfortunate situation. There's no question by the law,

1 it's mandatory, is that correct, mandatory by the SIS? It
2 is a -- he pled guilty to it and it's a felony, so it's
3 mandatory by what we are bound by the law --

4 MR. STARK: Correct.

5 COMMISSIONER BRADLEY: -- by the law that
6 we cannot give him a license?

7 MR. JORDAN: I saw a lot of words may not
8 in there, not can.

9 COMMISSIONER BRADLEY: But my question is,
10 it's discretionary as to whether sometimes being reported,
11 but there's no discretion, if I read the law correctly.
12 I'd like to have you make sure.

13 MR. STARK: Finding of --

14 COMMISSIONER BRADLEY: Let me know, tell us
15 clearly right now, if it is a -- even though it's an SIS,
16 you must plead guilty to it to get the suspended
17 imposition of sentence. So you have to plead guilty to
18 the felony charge, am I right, lawyers here?

19 MR. HINCKLEY: The statute states that if
20 you plead guilty to or been convicted of a felony, you
21 shall not be granted a license. The only permissive
22 language is if there is a finding that the position is
23 non-gaming-related. However, anybody that's on the gaming
24 floor has access -- gaming badge is a gaming-related
25 function.

1 MR. STARK: Looking at the Findings of Fact
2 and Conclusions of Law, No. 7 in the Conclusions of Law
3 cites that particular statute that says a license shall
4 not be granted if the applicant has pled guilty to or has
5 been convicted of a felony.

6 Now, there's other regulations and statutes
7 that give discretion to the Commission relative to other
8 crimes. So Mr. Jordan is correct that there is language
9 in here about may, may deny or may revoke, but that's
10 relative to non-felony matters.

11 COMMISSIONER BRADLEY: And that's
12 exactly -- I had circled that same paragraph, that the
13 language here says license shall not, which doesn't give
14 us any discretion whatsoever; is that correct?

15 MR. STARK: Yes, your Honor. Yes.

16 COMMISSIONER BRADLEY: Thank you.

17 CHAIRMAN MATHEWSON: Let me go back just a
18 little bit, just I guess because I'm curious. Has
19 there -- has there ever been a time since this
20 commission's been in law that we have waived that statute?
21 It's pretty clear what it says, isn't it, Chris? I
22 mean --

23 MR. HINCKLEY: You can't waive the statute.

24 CHAIRMAN MATHEWSON: I understand. I
25 understand. Have we ever ignored it? You know, I

1 understand.

2 MR. HINCKLEY: That's a joke, right?

3 CHAIRMAN MATHEWSON: That was a joke. That
4 was meant to be. As you should know me now, it was.

5 MR. McNARY: I believe that there was a
6 case that the Commission went its own way, and it was this
7 Commission, and it was somewhat confused, but the
8 Commission said, we're going to do it and that's all there
9 is to it.

10 MR. HINCKLEY: The exact language of the
11 statute with regard to -- which is controlling, but does
12 have an exception, it states, except that employees
13 performing non-gaming-related occupations as determined by
14 the Commission shall be exempt from the requirements of
15 this subsection. And this subsection is the one that
16 mandates anybody that pleads guilty to or been convicted
17 of a felony not get a license. The case of Mr. Jordan,
18 his function is gaming-related.

19 CHAIRMAN MATHEWSON: Okay. Any other
20 questions of Mr. Jordan?

21 MR. JORDAN: No.

22 CHAIRMAN MATHEWSON: I'm sorry. I totally
23 sympathize with your situation, and it doesn't help your
24 situation, but let me just say, I mean, in the short time
25 that I've been on here for like four months now or

1 something, this SIS thing just keeps jumping up, you know,
2 because there often is -- attorneys give counsel to a
3 client like you that, you know, it's not there. As soon
4 as you serve your probation period, whatever it is, well,
5 it's over. You know, unfortunately, that's not what the
6 law says.

7 And maybe at some point we need to go back
8 to the legislature and discuss this situation, but I think
9 at this point, Mr. Jordan, I appreciate you coming down
10 here, sir. We're going to have to just deal with it as
11 the information is before us.

12 MR. JORDAN: I understand.

13 CHAIRMAN MATHEWSON: Thank you, sir. Thank
14 you for coming down.

15 COMMISSIONER BRADLEY: I move to approve
16 Commission Resolution No. 09-095.

17 COMMISSIONER PLUNKETT: Second.

18 CHAIRMAN MATHEWSON: Call the roll, please.
19 Any further discussion? Call the roll, please.

20 MS. FRANKS: Chairman Mathewson.

21 CHAIRMAN MATHEWSON: Approve.

22 MS. FRANKS: Commissioner Jones.

23 COMMISSIONER JONES: Approve.

24 MS. FRANKS: Commissioner Plunkett.

25 COMMISSIONER PLUNKETT: Approve.

1 MS. FRANKS: Commissioner Bradley.

2 COMMISSIONER BRADLEY: Approve.

3 MS. FRANKS: By your vote, you've adopted
4 Resolution No. 09-095.

5 CHAIRMAN MATHEWSON: Next, sir, please.

6 MR. STARK: Our next case is the case of
7 Lan Nguyen. This case actually deals with two different
8 cases. The first case deals with a failure to disclose an
9 arrest in the application process. The second deals with
10 a 1997 incident involving alleged assistance with a casino
11 patron to violate the \$500 loss limit.

12 First, the application process. In
13 December of 2007, Mr. Nguyen made application to obtain a
14 Level 2 occupational license. The application process
15 requires disclosure of any past criminal history.
16 Mr. Nguyen gave the answer no. The process, of course,
17 continues to ask questions and warnings about the need to
18 disclose.

19 Based on the investigation by the
20 Commission, it was found that Mr. Nguyen did indeed have a
21 criminal history of failing to disclose a previous arrest
22 on an unlawful use of a weapon. At this hearing,
23 Mr. Nguyen admitted that he just forgot about that
24 particular item. In fact, there was no criminal charges
25 imposed against him, and the so-called unlawful weapon was

1 merely a cigarette lighter.

2 He further said that he did talk to a
3 Gaming agent and his lawyer about the need to disclose
4 that as part of his record, and apparently he was advised
5 that it was not on his record for -- or needed to
6 disclose. So he did not disclose it, but does acknowledge
7 that the application process did require disclosure. So
8 that failure to disclose would give the Commission
9 discretion to deny Mr. Nguyen a license.

10 The second matter, Mr. Nguyen had
11 previously had a temporary license in 1997 and was working
12 in Kansas City at a casino, but was himself a patron in
13 another casino in Kansas City, and there was an allegation
14 at that time that he participated in an effort to violate
15 the \$500 loss limit law that existed at that time.

16 The investigator for the Commission
17 observed videotape of this incident, which I find the
18 following facts: A particular patron had a conversation
19 with an employee of the casino, and they were looking
20 through the trash can. In 1997 there was a need to have a
21 piece of paper to keep track of your losses, and you had
22 to have that piece of paper in order to buy in the chips
23 or the money to gamble.

24 But through this video observance by the
25 investigator, it was apparent that the employee of the

1 casino and this patron were looking for extra scripts or
2 this piece of paper to gain more money to possibly exceed
3 the \$500 loss limit.

4 The hunting through the trash cans, then
5 approaching other patrons and having a discussion
6 apparently about script. It looked like the patrons were
7 able to show their scripts but ended up keeping the
8 scripts to themselves. And then finally the employee and
9 the other patron approached Mr. Nguyen, and Mr. Nguyen
10 dropped a piece of paper that appeared to be his script,
11 and this other patron stooped down, picked up the script
12 and walked away, went off to gamble some more.

13 Now, there was an identification problem in
14 the very beginning. Apparently there's another employee
15 at the casino of Vietnamese descent, which Mr. Nguyen is,
16 and the other employee also has the same last name of
17 Nguyen. So initially there was a question as to identity,
18 but based on the investigation, the comparison of
19 photographs, it was identified that Mr. Nguyen was indeed
20 the participant in this effort to assist a patron in the
21 violation of the \$500 loss limit.

22 Now, Mr. Nguyen actually left his
23 employment in Kansas City and moved elsewhere. He was not
24 advised that this investigation was going on or that there
25 was attempt to discipline his license in 1997. So there

1 was no hearing in 1997 with regard to this incident, and
2 it was just recently brought up when he reapplied for a
3 license in 1997.

4 The Commission elected to pursue that
5 particular case as a further basis to deny the license, in
6 addition to the failure to disclose previous arrests.
7 But based upon the testimony of the Gaming Commission
8 agent and his observation of the video, which
9 unfortunately was not available, so it was to the
10 disadvantage of Mr. Nguyen not to have observed that
11 video.

12 But the burden of proof was upon Mr. Nguyen
13 to prove his suitability by clear and convincing evidence,
14 and so for both counts, the failure to disclose a prior
15 arrest and the participation at another casino with an
16 attempt to violate the \$500 loss limit, my recommendation
17 is that the license, the present application for license
18 be denied.

19 CHAIRMAN MATHEWSON: Any questions?

20 Mr. Nguyen, would you like to make some comments, sir?

21 MR. NGUYEN: On '96, I did have a license
22 on the '96. You know, I already tell the gaming about my,
23 you know, arrest and they say it's okay. Everything is
24 clearly not on my record. You know, that's why I didn't
25 feel --

1 CHAIRMAN MATHEWSON: What about the report
2 do you disagree with? Is there something about what he
3 said?

4 MR. NGUYEN: Yeah, he's right.

5 CHAIRMAN MATHEWSON: Okay. But, I mean,
6 he's right on what he presented to us?

7 MR. NGUYEN: Yes.

8 CHAIRMAN MATHEWSON: And you did show up at
9 the hearing and had your chance to rebut or to discuss
10 what the charges were?

11 MR. NGUYEN: Yes.

12 CHAIRMAN MATHEWSON: And you did that?

13 MR. NGUYEN: Yes.

14 CHAIRMAN MATHEWSON: Okay.

15 MR. HINCKLEY: Mr. Chairman? Chris
16 Hinckley. I think Mr. Stark pointed out there were two
17 matters before Mr. Stark under this.

18 CHAIRMAN MATHEWSON: Yes.

19 MR. HINCKLEY: Mr. Stark recommended
20 denial. That would be the appropriate recommendation for
21 the second case, which was an application case. The first
22 case it was recommended, since Mr. Nguyen held his license
23 at that time, that that license be revoked. I believe
24 that in this case there would need to be two separate
25 recommendations, one for the primary -- the original case,

1 which would be revocation or not, and then the second
2 case, which I believe you've recommended denial for.

3 MR. STARK: If I may, Commissioners. My
4 understanding is that he did not have a license between
5 1997 and his application in 2007. So would there even be
6 jurisdiction to do a revocation?

7 MR. HINCKLEY: That would be correct, then.
8 You're just proceeding on the denial due to the fact that
9 there's no jurisdiction on the original case?

10 MR. STARK: Well, the original case
11 basically became moot when he no longer had his license,
12 but it could still be a basis for determining suitability
13 on the present application. That's the way I understood
14 it, we were going to have a common record for both the
15 failure to disclose and the incident in 1997 on the loss
16 limit as a basis for determining suitability, not
17 necessarily revocation.

18 Now, the denial letter does mention
19 revocations, but I think that would be incorrect to say
20 that.

21 MR. HINCKLEY: Okay. Then it's appropriate
22 then that the conclusion here is one conclusion and denial
23 and no reference to revocation because that would be
24 forever controlling.

25 MR. STARK: Okay. I'm not recommending

1 revocation because I don't think there's jurisdiction. I
2 think we're in the process of a temporary license, whether
3 it should be denied or not denied.

4 CHAIRMAN MATHEWSON: So what's before us,
5 then?

6 MR. STARK: The issue of denial of the
7 present application.

8 CHAIRMAN MATHEWSON: Just the denial of the
9 present license or --

10 MR. STARK: Temporary license.

11 CHAIRMAN MATHEWSON: Temporary license?

12 MR. STARK: Right.

13 CHAIRMAN MATHEWSON: Do you care to speak
14 to that any more or --

15 MR. NGUYEN: No.

16 CHAIRMAN MATHEWSON: Okay. Any questions?
17 Thank you for coming down today. Appreciate it.

18 Make a motion, please.

19 COMMISSIONER PLUNKETT: Make a motion we
20 approve Resolution 09-096.

21 COMMISSIONER JONES: Second.

22 CHAIRMAN MATHEWSON: Any further
23 discussion? Call the roll, please.

24 MS. FRANKS: Chairman Mathewson.

25 CHAIRMAN MATHEWSON: Approve.

1 MS. FRANKS: Commissioner Jones.

2 COMMISSIONER JONES: Approve.

3 MS. FRANKS: Commissioner Plunkett.

4 COMMISSIONER PLUNKETT: Approve.

5 MS. FRANKS: Commissioner Bradley.

6 COMMISSIONER BRADLEY: Approve.

7 MS. FRANKS: By your vote, you've adopted
8 Resolution No. 09-096.

9 MR. McNARY: Chairman, Items F and G are
10 handled by Hearing Officer Don Wolff, who is in Florida
11 and has delayed his golf game to be with us by phone.

12 CHAIRMAN MATHEWSON: Is he on duty or is he
13 down there vacationing? Do we care? We don't care.

14 (Don Wolff was placed on the speaker
15 phone.)

16 CHAIRMAN MATHEWSON: You're on, boss. Go.

17 MR. WOLFF: Good morning, Senator and
18 members of the Commission, Mr. McNary, Mr. Hinckley and
19 everyone else. First of all, thank you very much for
20 accommodating me by allowing me to make these reports via
21 the telephone.

22 Our first case is Kevin Henry, and it is a
23 revocation of his license for a Level 2 occupational
24 gaming license. He was alleged to have stolen a pair of
25 sunglasses valued at \$170 that belonged to one of his

1 coworkers. We had an extensive hearing in which a strong
2 circumstantial case was presented. Mr. Henry in his
3 testimony caused me to believe that additional witnesses
4 might be necessary for completeness, so we scheduled a
5 second hearing. Mr. Henry did not appear, and as you
6 know, failure to appear allows us to assume all of the
7 facts alleged to be true.

8 However, for the purpose of completeness,
9 let me give you a brief summary of what the first hearing
10 did reveal. It did reveal that a security officer by the
11 name of Ursly placed his sunglasses, a rather expensive
12 pair, around \$170, on the desk of the security office
13 where he was a security officer, and when he was called to
14 go to a different location to work, he left the sunglasses
15 there on the desk.

16 His next substitute security officer who
17 took his place saw those sunglasses and put them on a
18 shelf above the desk, and that security officer then left
19 and Henry took over. The video camera in the security
20 room reveals much but not everything, and the video camera
21 did show Henry removing the sunglasses from a stack of
22 papers on the shelf, along with the stack of papers on the
23 shelf, and placing the papers back on the shelf but
24 keeping the sunglasses on the desk and, using papers,
25 swept the sunglasses towards him, and then subsequently

1 move those sunglasses to a different location.

2 In the next room where a camera is also
3 located, there is a lost and found with various sunglasses
4 in a box. Henry was observed by the camera to go back
5 into the back room and return with a pair of black
6 sunglasses and bring them to the shelf in the other room
7 where the original sunglasses had originally been placed.

8 He then goes back and forth to the room
9 with the sunglasses in the lost and found box and
10 eventually places the sunglasses behind a computer, which
11 the camera does not see. He then leaves. A short time
12 later, less than two hours, the owner of the sunglasses
13 reappears. The sunglasses are not anywhere in the room,
14 and the loss is reported.

15 That was the end of the case until Henry
16 took the witness stand and testified he did not steal the
17 sunglasses. He thought they were lost. He then went on
18 to provide evidence of his own testimony that had not
19 previously been revealed, that is that another person had
20 asked him about the sunglasses, a name which he gave,
21 which he later changed, that there was other information
22 that was taken about what he did that had not been
23 offered, that he had been offered to take a polygraph but
24 refused to take it first of all because he didn't drive or
25 couldn't drive. He was offered a ride. Still refused.

1 He had his case, criminal case referred to
2 the local prosecutor. He had an attorney. An offer has
3 been made by the local prosecutor that if Henry would make
4 restitution, there would be no prosecution, and that was
5 all ongoing at the time of the hearing.

6 The end result is that I asked for a
7 continuation of the hearing so that I could hear testimony
8 concerning that which Mr. Henry gave, either new witnesses
9 and/or witnesses who had previously given statements. We
10 scheduled a new date. I told Mr. Henry that he better
11 make up his mind as to whether or not he wanted to
12 continue with this hearing or whether he was going to
13 accept the prosecutor's offer, because if he was going to
14 accept the prosecutor's offer, that would be an admission
15 of guilt and he wouldn't be prosecuted. If he was not
16 going to accept that offer, then we would have a
17 continuation of this hearing.

18 Never learned whether he accepted the offer
19 or not. He failed to appear at the rescheduled hearing.
20 That failure to appear gives us a presumption that all of
21 the facts alleged are true. And, therefore, because of
22 his act in stealing a pair of sunglasses, I support the
23 recommendation and recommend to you that his license be
24 revoked.

25 CHAIRMAN MATHEWSON: Any questions?

1 Is Mr. Henry here? Chair would accept a motion, please,
2 regarding Henry.

3 COMMISSIONER JONES: Move for the
4 acceptance of Resolution No. 09-097.

5 COMMISSIONER BRADLEY: Second.

6 CHAIRMAN MATHEWSON: Any discussion? Call
7 the roll, please.

8 MS. FRANKS: Chairman Mathewson.

9 CHAIRMAN MATHEWSON: Approve.

10 MS. FRANKS: Commissioner Jones.

11 COMMISSIONER JONES: Approve.

12 MS. FRANKS: Commissioner Plunkett.

13 COMMISSIONER PLUNKETT: Approve.

14 MS. FRANKS: Commissioner Bradley.

15 COMMISSIONER BRADLEY: Approve.

16 MS. FRANKS: By your vote, you've adopted
17 Resolution No. 09-097.

18 CHAIRMAN MATHEWSON: Monica Walcott.

19 MR. WOLFF: Senator and members of the
20 Commission, this case is a little unique. First of all,
21 let me tell you that there is clearly sufficient evidence
22 to support the denial of her application for a Level 2
23 occupational gaming license because, in fact, she failed
24 to report an arrest some few years earlier for interfering
25 or resisting arrest and kidnapping. She was, in fact,

1 arrested on those charges. She failed to report that
2 arrest, and, therefore, there is sufficient evidence there
3 for you to deny her license on the grounds of failing to
4 disclose the arrest.

5 However, I suggest that we take a look at
6 the entire facts of the case to determine whether or not
7 that's the appropriate remedy under these particular
8 circumstances. As one or two of you may know, I have
9 spent a long time in my career protecting children, both
10 with Boys and Girls Town and Big Brothers and Big Sisters
11 and many other ways. I have been very concerned about
12 abuse of children.

13 In this particular case, we have an aunt,
14 an applicant who is an aunt of a very young minor child
15 born to her niece. The niece, the mother of the child, is
16 a heroin addict. Her boyfriend is the heroin supplier and
17 dealer, and that has been a subject of concern for this
18 family for some time in that they wanted her, A, to quit
19 her drug abuse, and B, to end her relationship with her
20 dealer/supplier boyfriend.

21 The mother of the natural child placed the
22 child with our applicant, who is the aunt, and left town
23 for several days or left custody, temporary custody with
24 Walcott. When she returned, she returned and wanted her
25 child back, but she was with her boyfriend, the

1 dealer/supplier, a relationship that some in the family
2 had thought had ended.

3 She refused, believing it was in the best
4 interests of the child not to turn the child, minor child
5 over to a heroin addict who had by her conduct shown that
6 she was continuing the relationship with her supplier and
7 dealing boyfriend, and, therefore, Walcott on her own took
8 the course of action of refusing to return the child.

9 Now, at this particular point, the school
10 solution would have us all knowing that there are other
11 ways to deal with this problem, such as calling child
12 abuse hotline and welfare and other agencies, even 911, to
13 get some professional help. We are dealing with someone
14 who doesn't perhaps have the educational background that
15 others of us might have, and she didn't make that
16 judgment. Instead, she chose not to return the child,
17 believing that was in the best interests of the child.
18 She and her husband then filed a petition for guardianship
19 alleging all of these same facts with the court.

20 In the meantime, the police have been
21 contacted by the natural mother of the child indicating
22 that the aunt is refusing to turn the child over, and they
23 are somewhat bound by many of these new laws that we're
24 all familiar with that protect children from kidnapping
25 and Amber Alerts and the like. The police at this

1 particular point are not listening to Walcott and her
2 husband explain the details and circumstances and, in
3 fact, she's arrested, taken into custody on the charge of
4 interfering or resisting arrest as well as kidnapping,
5 charges that were considered by the prosecutor to be
6 meritless and dropped. There was no prosecution at any
7 time.

8 So now we are faced here in this case with
9 a technical failure to disclose an arrest and facts that
10 might be at least extenuating at the least, if not
11 excusable at the worst or most.

12 I choose to believe that we need a more
13 humanistic approach in cases like this, and that we can
14 well understand the circumstances and facts surrounding
15 the mother's refusal to turn the child over. We can
16 understand why she might have thought, with her lack of
17 education, that this arrest was not one that was an arrest
18 officially because it was a family matter and was dropped.

19 She had been told by the police that if the
20 prosecutor didn't issue any charges, the matter would be
21 dropped. She might well have assumed from that language
22 that there was no arrest because course of conduct was in
23 retrospect a very proper course to take.

24 I'm recommending to you that we not deny
25 her license. However, I do say to you there is sufficient

1 grounds for you to choose to do so if you wish. I
2 therefore recommend to you that her license not be denied.

3 CHAIRMAN MATHEWSON: Questions?

4 MR. McNARY: Mr. Chairman, let me say that
5 the resolution is consistent with Mr. Wolff's
6 recommendation. So a vote of approval would grant her the
7 license or would allow her to be licensed. You can change
8 the resolution.

9 CHAIRMAN MATHEWSON: I mean --

10 MR. McNARY: If you approve the resolution,
11 she would be licensed.

12 CHAIRMAN MATHEWSON: I understand that side
13 of it. I didn't understand what Chris said.

14 MR. McNARY: He just said you don't have to
15 approve the resolution.

16 CHAIRMAN MATHEWSON: Okay. I understand.
17 Any questions of Mr. Wolff? Okay. Is Ms. Walcott here?
18 Don't see her. Okay. Mr. Wolff, what time's your golf
19 match?

20 MR. WOLFF: I missed it, Senator. I had to
21 choose you or golf, and I chose you.

22 CHAIRMAN MATHEWSON: You chose us. Gosh,
23 thank you very much. We'll put that down as an A point
24 for you. Okay. Now go lay in the sun or something.
25 Okay?

1 MR. WOLFF: Thank you, Senator. Have a
2 good day.

3 CHAIRMAN MATHEWSON: Have a good day.
4 Thanks for reporting in.

5 MR. WOLFF: You're welcome. Thank you.

6 CHAIRMAN MATHEWSON: Thank you. Okay.
7 Commission, what do you want to do with Monica Walcott,
8 Resolution No. 09-098 or whatever number we want to assign
9 to it if we change it? It will still be the same.

10 COMMISSIONER BRADLEY: I'm disappointed she
11 didn't appear today. I mean, I think it is very important
12 whether or not her license was going to be denied or
13 issued. So I'm -- I think that's disappointing that she's
14 not here. We take these cases pretty seriously about if
15 they don't report, I mean, in the application, how many
16 times we've gone over this in every -- in every meeting we
17 have so many of these, that, you know, if she reported it,
18 it wouldn't even have to go through all this process if
19 she had.

20 Anyway, I'm not -- I'm not saying I
21 would -- I would accept Mr. Wolff's recommendation because
22 he actually heard her. He being the hearing officer, he
23 can make that determination about her credibility and what
24 went on. So I would, you know, I would suggest that we --
25 that we probably follow his recommendation, go ahead and

1 issue the license, but I just kind of want to make
2 it on the record, I'm sorry she didn't show up.

3 COMMISSIONER JONES: I concur with you,
4 Commissioner, but there's nothing in the statute that says
5 she has to attend this.

6 COMMISSIONER BRADLEY: No.

7 COMMISSIONER JONES: It's the hearing that
8 she's obligated to attend.

9 COMMISSIONER BRADLEY: That's true.

10 CHAIRMAN MATHEWSON: That's true. Any
11 further discussion? Are you making the motion that we
12 accept the recommendation of the hearing officer?

13 COMMISSIONER BRADLEY: Yes. I'll make that
14 motion to approve Commission Resolution No. 09-098.

15 COMMISSIONER JONES: And I second.

16 CHAIRMAN MATHEWSON: Any further
17 discussion? Call the roll, please.

18 MS. FRANKS: Chairman Mathewson.

19 CHAIRMAN MATHEWSON: Approve.

20 MS. FRANKS: Commissioner Jones.

21 COMMISSIONER JONES: Approve.

22 MS. FRANKS: Commissioner Plunkett.

23 COMMISSIONER PLUNKETT: Approve.

24 MS. FRANKS: Commissioner Bradley.

25 COMMISSIONER BRADLEY: Approve.

1 Todd George, who you know well, vice president and general
2 manager of Lumiere Place Casino. Mr. McNary was kind
3 enough to mention Mr. Crim, who's also in the audience and
4 available to testify today, and, of course, our outside
5 counsel, Jerry Riffel, a partner in Lathrop & Gage.

6 We have others from Pinnacle who are
7 available to answer questions or be part of the
8 presentation at Todd's election, and with your permission,
9 Mr. Chairman, I'd like to turn the presentation over to
10 Mr. George.

11 MR. GEORGE: Thank you. I'd just like to
12 point out who is here in case anybody does want to ask
13 them questions. We have Rob Boyd, who's here with us from
14 the recruiting department, Charles Felton from purchasing,
15 Christine Lomas from compliance, Mario Mizano from
16 marketing, Bob Oldani from security, Mack Bradley is here
17 from governmental affairs, and Scott Saunders is here from
18 finance and to flip the slides.

19 And there is one other person from the City
20 that's here as well, and that is Captain Gwen Spicer from
21 the St. Louis Police Department and commander of
22 District 4. She's in the back there.

23 With that, we'll begin, and this hopefully
24 will be brief. As you can see, this is our financial
25 service on a year to date basis, and the year over year

1 growth has been actually fairly material. Our projections
2 in 2009 were to do approximately \$159 million in AGR in
3 gaming revenue. We're actually exceeding those
4 expectations and doing \$168 million.

5 And what's driving that obviously below is
6 the admissions are higher than anticipated, and that has
7 led to improved taxes paid to the State. Projected was
8 about \$45 million, and currently we're sitting at about
9 \$48 million, about \$11 million above prior year on the tax
10 line.

11 This is just a graph showing a monthly
12 comparison showing the seasonality in there, July being
13 our biggest month with several of the events going on in
14 downtown St. Louis as well as a nice table game hold
15 percentage.

16 This shows our market share, and this
17 market share is a little bit different because we factor
18 in not only state of Missouri but also state of Illinois
19 with Casino Queen being our closest competitor and then
20 Argosy Alton Belle, which is shown on the next page,
21 showing that still Ameristar, who's represented in the
22 audience today, at 28.4, and then going down through, a
23 lot of our growth coming from being able to take some of
24 those patrons back from Illinois, from Casino Queen; Alton
25 Belle.

1 Initially when the project opened we were
2 at about \$507 million. Since that time, our current
3 investment stands at approximately \$564 million. We've
4 added additional slots, additional gaming tables,
5 additional signage. Finished up some of the hotel, the
6 parking lots, the tunnel, those basically driving that
7 number to the 564.

8 Employment practices and procedures. Our
9 goal based on our agreement with the city is to hire
10 25 percent minority population, 5 percent females. We
11 exceed the goals with the commitment to hiring a diverse
12 workforce.

13 On the following slide we go into how we do
14 that. Basically, we are right now with River City coming
15 online, we're actually creating some efficiencies there by
16 still having the job fairs, whether it's Slate with the
17 job fairs interview workshops, working with the
18 International Institute, Missouri Career Centers, the Go
19 Network at St. Patrick's Center, Missouri Black Expo,
20 Hispanic Diversity Network, Hispanic Chamber of Commerce,
21 St. Louis Job Corps, and then the First Civilian Diversity
22 Network.

23 All of these things Rob Boyd as well as I
24 believe now we're up to five or six people attending all
25 of these labor forces and a lot of online applicants based

1 on the way the economy is right now.

2 The partnerships that we have, I won't name
3 them all, but we work closely with all the colleges and
4 universities in the area. I believe every one is on
5 there. We've had decent success, especially in our
6 culinary program, working with a name that I can't
7 pronounce, L'Ecole Culinaire. But we also work with UMSL
8 and Harris Stowe, and lately have been getting more
9 interest from St. Louis University as well as Washington
10 University.

11 Our employee demographics, this includes
12 not only Lumiere Place and Hotel Lumiere, but also our
13 Four Seasons Hotel. Right now our minority numbers in our
14 employees are 52 percent. Our non-minorities are 48
15 percent, gender 54 and 46, and 64 percent of our employees
16 reside in the state of Missouri.

17 Our payroll and benefits, you can see a
18 slight decline year over year on the salaries and taxes,
19 but a fairly significant increase in taxes and benefits,
20 basically driven by increased health care costs, increased
21 workers' comp claims, and the more people enrolling in the
22 program after their 90-day probationary period.

23 Our current employee head count stands at
24 1,664. That includes Hotel Lumiere, Four Seasons, and
25 Lumiere Place, and a lot of that again reflecting the

1 seasonality, May being one of the higher months with 31
2 days and some holidays in there.

3 Our turnover, below 40 percent. During the
4 opening that spiked at about 80 percent. A lot of people
5 came in and first time at a casino, were not really
6 prepared or ready or really not what they hoped it would
7 be. We're doing a better job of preparing people and
8 hiring the right people to reduce that turnover and
9 cutting it in half in one year. We're pretty proud of
10 what our human resource department has been able to do as
11 well as the departmental training managers.

12 Unemployment rate. This is just the
13 metropolitan area, so it does include the East St. Louis
14 side. You can see the trend is a little bit higher than
15 the national average, the federal average through some of
16 those months, but has kind of levelled off here as of late
17 at about 10 percent.

18 Vendor diversity, and this is something
19 Charles can speak to in more detail if needed, but on a
20 year to date basis our total spend, we are spending about
21 20.78, almost 21 percent with MBEs. Our WBEs, we're at
22 9.6 percent, coming a little bit higher than 30 percent it
23 looks like. But really, again, our goals there are 25 and
24 5. They are goals that we worked with the City and
25 Mr. Crim to establish and deal extensively with John

1 Nathan to find additional vendors. And to the best of my
2 knowledge, this is, I believe, the highest in the state
3 from a percentage standpoint.

4 Next page we'll go through how we did some
5 of this. We worked with the airport certification group
6 as well as Rodney Crim and the City of St. Louis, the
7 Minority Business Council. We have vendor fairs, meet and
8 greet gatherings. We also work with the casino
9 association and the gaming association and our other
10 properties to try to make sure that we are hitting as many
11 as possible, and John Nathan has been a big help with
12 that. We include at least one minority vendor on every
13 bid over \$2,500. We advertise in newspapers, the Urban
14 League Expo and a variety of networking seminars.

15 Crime rate statistics. These are provided
16 by the crime analysis unit with the St. Louis City PD.
17 You can see that year over year, and we -- our property is
18 located between two different regions, so this rolls up
19 between downtown and north riverfront. Then there's a
20 total at the end. If you want to just go to that total,
21 Scott. And one more.

22 And this is the combined total of all of
23 those showing that in 2009 there's been significant
24 improvement, not only at our location but within the city.
25 Unfortunately, the rankings came out and the questionable

1 rankings came out, and St. Louis was ranked again No. 2
2 for dangerous crimes. But we have actually seen a
3 decrease in our area, and Captain Spicer can speak in more
4 detail on that if needed.

5 But we have a very good working
6 relationship. It's really three groups working together.
7 It's the Highway Patrol assigned to our property as well
8 as our security department and the St. Louis City PD that
9 continue to work on issues as recent as last night, again,
10 working in partnership with the St. Louis Police
11 Department as well as -- as well as the Highway Patrol.

12 Additional meetings, improved
13 communication, 4th District bicycle unit and a car
14 clouting squad, and we've added additional patrols down
15 there as well. Police patrols have increased on weekends,
16 Thursday through Saturday, to manage the traffic and crime
17 and the public nuisance issues. Right now there's
18 currently two sergeants and nine officers assigned, which
19 is a significant increase from when we opened the first
20 year.

21 We also set up a community improvement
22 district, which we fund, we self fund with a self-imposed
23 tax that rolls into our property tax. That accounts for
24 about \$365,000 annually. We have improved the safety down
25 there by spending here. The big expenditure is \$27,000

1 for additional fencing, additional camera coverage,
2 \$53,000 for overtime services for our security department,
3 \$20,000 for directional safety, \$75,000 working with our
4 neighbors in Laclede's Landing for additional coverage
5 there, and then \$20,000 for additional safety vehicles,
6 which include Gators and hybrids and bicycles.

7 We hope to be able to continue to improve
8 the area with the use of a CID, which has been very
9 helpful and something that Mr. Riffel has helped us a lot
10 with to ensure that we are spending money the right way.

11 This is a letter that the mayor provided
12 that Mr. Crim will be going over as soon as I'm done with
13 this. And then this is what Captain Spicer has provided,
14 which goes into some more detail of what I talked about,
15 the crime trend.

16 On the DAP issues, again, we are catching
17 them much the same way that we caught them before. We are
18 looking at them prior to cashing checks or paying out
19 jackpots. We make sure that they are removed from any
20 mailing lists and any duplicate accounts are reviewed in
21 the player database.

22 Underage gaming, which has been a very big
23 topic as of late, and this last weekend was no exception,
24 and our security department did a fantastic job, and I
25 believe we caught 14.

1 MR. OLDANI: 11 minors and 3 adults with
2 false ID.

3 MR. GEORGE: 14 in total, 11 minors and 3
4 adults over the Thanksgiving holiday. Several people were
5 home from college and out on the Landing having a good
6 time, and none of them were able to get onto the gaming
7 floor. So they've done a great job, and I really commend
8 Bob and the entire staff there as well as the Gaming
9 agents assigned to the property.

10 And this is one of those things that we've
11 talked about numerous times, and it's something that can
12 happen when you're trying to make sure that the right
13 people are getting into the right place. I think our
14 security department's done great, something that the White
15 House can learn from or the Secret Service.

16 MR. McNARY: Were those people turned over
17 to the Metropolitan Police Department --

18 MR. GEORGE: They were.

19 MR. McNARY: -- for prosecution?

20 MR. GEORGE: They were.

21 MR. McNARY: Excellent.

22 MR. GEORGE: This is our charitable
23 contributions, and we've exceeded over \$400,000 in not
24 only cash payments but as well as providing items for
25 charity auctions, like the Four Seasons stay and spa

1 package, Hotel Lumiere food, food benefits, things of that
2 nature.

3 Employee volunteerism. We've really tried
4 to make sure collectively our 1,600 employees give back to
5 the community. These are some of the examples in which
6 our employees volunteer and give back, and it's -- as time
7 goes on, we notice that this list continues to grow and
8 we'll make sure that it does.

9 Would you like to hear from Mr. Crim now or
10 would you like to ask questions?

11 CHAIRMAN MATHEWSON: Any questions at this
12 time? Good report.

13 MR. GEORGE: Thank you.

14 CHAIRMAN MATHEWSON: Last month, October,
15 which I don't think is included in this, you were up
16 again.

17 MR. GEORGE: We were up again. In November
18 we're up significantly as well.

19 CHAIRMAN MATHEWSON: Good. Thank you.

20 MR. CRIM: All right. Thank you, Todd.

21 Good morning, members of the Commission.

22 I just want to highlight just a couple of
23 things just very briefly. You do have the letter in your
24 package from Mayor Francis Slay again indicating our
25 support for Lumiere Place Casino. Again, we started this

1 relationship back in 2003. It's been a great
2 relationship. Everything that they said they were going
3 to do they actually did. They actually presented the
4 numbers, and so I won't go into the numbers.

5 But in addition to what Todd George just
6 said, they've been a great corporate citizen. He
7 mentioned a number of the organizations, and they're also
8 involved with the Regional Chamber Growth Association, the
9 Partnership for Downtown St. Louis, the Convention and
10 Visitors Commission, and a number of other organizations
11 downtown and throughout the city.

12 So that ranks them up as one of our best
13 companies in the city of St. Louis, and we would recommend
14 that you relicense Lumiere Place.

15 MR. McNARY: Mr. Crim -- can I ask,
16 Mr. Chairman?

17 MR. CRIM: No.

18 MR. McNARY: When these -- when these --
19 when the Missouri citizens authorized gaming and casinos,
20 they were supposed to be riverboat casinos, and it's even
21 written into the law that it's supposed to look a little
22 like a riverboat. Does this look like a riverboat to you?

23 MR. CRIM: It looks like the best riverboat
24 the City has ever seen.

25 MR. McNARY: All right. I thought you'd

1 say that.

2 CHAIRMAN MATHEWSON: High in stature, too,
3 right?

4 MR. CRIM: Again, having this Four Seasons,
5 in addition to the gaming, but having this Four Seasons
6 that's one of the best in the -- actually, the only -- my
7 understanding, the only Four Seasons in the midwest
8 outside of Chicago is pretty impressive, having that here
9 in St. Louis. And then also having this, I call it, Las
10 Vegas style experience in downtown St. Louis, it's pretty
11 impressive as well.

12 CHAIRMAN MATHEWSON: Any other questions?

13 MR. McNARY: Thanks.

14 COMMISSIONER JONES: Mr. George, I'd like
15 to commend you. I think with your investment in security
16 on the Laclede's Landing, I'm quite confident and sure
17 that that has improved the relationship with the Laclede's
18 Landing tenants down there. So thank you for that.

19 Question on your vendor diversity spend.

20 Does Mr. Nathan have the detail to support the number?

21 MR. GEORGE: He does. We provide a report
22 to Mr. Nathan with all the vendors that we utilize and all
23 the dollars spent for them.

24 COMMISSIONER JONES: Excruciating details?

25 MR. GEORGE: It's painful detail.

1 COMMISSIONER JONES: I just want to make
2 sure, so when I ask to pull all the records, that all the
3 details that support the numbers are there.

4 MR. GEORGE: Mr. Nathan and Mr. Felton have
5 a very close working relationship because of the nature of
6 their assignments, and we go through constantly looking to
7 develop and incubate new businesses, but make sure
8 that we are getting an adequate spend wherever we can.
9 And I think what we're seeing, some of the businesses that
10 we've been working with are now growing and able to take
11 on additional responsibility, not only for us but also for
12 the other operations.

13 COMMISSIONER JONES: Thank you.

14 MR. GEORGE: Thank you.

15 CHAIRMAN MATHEWSON: Thank you. Any other
16 questions? Thank you all very much.

17 MR. McNARY: Mr. Chairman, the
18 investigative summary will be presented by Corporal Sam
19 Seaton.

20 MR. SEATON: Mr. Chairman, Commissioners,
21 good morning. On September 26, 2009, Casino One
22 Corporation, doing business as Lumiere Place Casino,
23 submitted a relicensing application to the Missouri Gaming
24 Commission. Lumiere Place Casino requested renewal of
25 their Class B riverboat gaming license which will expire

1 on December 18, 2009.

2 Casino One Corporation is a wholly-owned
3 subsidiary of Pinnacle Entertainment, Incorporated of Las
4 Vegas, Nevada. Pinnacle Entertainment, Incorporated
5 currently holds a Class A license in Missouri.

6 Background investigators from the Missouri
7 State Highway Patrol's Gaming Division, aided by
8 information provided by Missouri Gaming Commission staff,
9 conducted an investigation into the suitability of the
10 Lumiere Place Casino to continue to operate as a Class B
11 riverboat licensee.

12 The investigation included criminal,
13 financial and general character inquiries of associated
14 key and level one personnel, as well as contacts with
15 city, state and federal agencies that have regulatory
16 authority over Lumiere Place Casino. MGC financial
17 investigator, Mr. W. William Fox, conducted an in-depth
18 financial analysis of both Lumiere Place Casino and its
19 parent company, Pinnacle Entertainment, Incorporated.

20 The findings of the investigation were
21 provided to the Gaming Commission staff for their review.
22 A copy of that document should be in your notebooks.

23 I'd be happy to answer any questions you
24 may have. Thank you.

25 CHAIRMAN MATHEWSON: Any questions on the

1 report? Good. Thank you, sir --

2 MR. SEATON: Thank you.

3 CHAIRMAN MATHEWSON: -- very much.

4 MR. McNARY: Mr. Chairman, let me say,
5 consistent with Commissioner Jones' comment about the
6 security and beefing up of the police patrols and all
7 they've done, Captain Wayne Spicer -- Gwen Spicer is here.
8 Sorry. Thanks for being here and for what the City of
9 St. Louis has done. Is there anything you'd like to say
10 to the Commission?

11 CAPTAIN SPICER: I took over the 4th
12 District in January of this year and we developed a strong
13 relationship with the Lumiere staff. We -- through our
14 decentralization, the chief added more manpower to the
15 district, and we were able to augment the patrols down
16 there on the Landing.

17 We developed in the 4th District a response
18 team to address the larcenies from vehicles, which seemed
19 to be the crime that was plaguing them at the time. Since
20 that time we reduced that particular crime by over
21 5 percent this year in comparison to the same stats last
22 year. So we had some great success. Our robberies, there
23 has been no increase in the robberies down there, and the
24 city at this time has an increase overall. So I believe
25 that to be a success story also.

1 So other than that, we've put out
2 additional patrols in the peak hours, which happen to be
3 Thursday, Friday, Saturday and Sunday evenings, for
4 traffic management. We do initiatives for our specific
5 ordinance, an entertainment ordinance that prohibits
6 minors from being in the Landing. We do initiatives at
7 certain times, particularly this time of year when kids
8 are home from college, to prohibit them in that area,
9 trying to keep minors out of the casino and so forth.

10 We have various patrols. We're on bikes.
11 We're on Polaris ATVs. We're on foot. We have overtime
12 details out, also a sergeant and four officers additional
13 patrol in that area of the casino. We meet closely with
14 the security director and his staff. We do a lot of crime
15 followup using some of their video and that type thing.

16 Like I said, I think through the working
17 relationship we developed we were able to reduce crime.
18 The city at this time has a 3 percent reduction overall in
19 crime, and we're experiencing a 13 percent reduction in
20 crime in this particular area.

21 MR. McNARY: Well done. Well done. And,
22 you know, I'd even support a resolution commending Captain
23 Spicer for the progress that's been made.

24 CHAIRMAN MATHEWSON: Good. I would, too.
25 Any questions, comments? Thank you very much. Thank you

1 for coming down today. Appreciate it.

2 I notice -- was there anyone else that had
3 a public comment before we take the staff recommendation?
4 Was there anyone else that wanted to say anything, good,
5 bad or indifferent? Okay. Thank you.

6 Mr. McNary.

7 MR. McNARY: Staff recommends relicensure
8 of Lumiere Place.

9 CHAIRMAN MATHEWSON: Any discussion? Call
10 the roll, please. I'm sorry. Probably ought to have a
11 motion.

12 COMMISSIONER JONES: I move to accept
13 Resolution No. 09-099.

14 COMMISSIONER PLUNKETT: Second.

15 CHAIRMAN MATHEWSON: Any further
16 discussion? Call the roll, please.

17 MS. FRANKS: Chairman Mathewson.

18 CHAIRMAN MATHEWSON: Approve.

19 MS. FRANKS: Commissioner Jones.

20 COMMISSIONER JONES: Approve.

21 MS. FRANKS: Commissioner Plunkett.

22 COMMISSIONER PLUNKETT: Approve.

23 MS. FRANKS: Commissioner Bradley.

24 COMMISSIONER BRADLEY: Approve.

25 MS. FRANKS: By your vote, you've adopted

1 Resolution No. 09-099.

2 MR. McNARY: Mr. Chairman, ready to move to
3 the next item?

4 CHAIRMAN MATHEWSON: Let's take a
5 five-minute break.

6 (A BREAK WAS TAKEN.)

7 CHAIRMAN MATHEWSON: Let's get started
8 again, please. Mr. McNary, please.

9 MR. McNARY: Mr. Chairman, Item V on the
10 agenda concerns licensure of certain Level 1/key
11 applicants. Lieutenant Rex Scism will address those.

12 LT. SCISM: Good morning. I'm here with my
13 list of names again.

14 CHAIRMAN MATHEWSON: Hey, Rex, thanks for
15 all your work on the other situation, too.

16 LT. SCISM: No problem. My pleasure.

17 CHAIRMAN MATHEWSON: Appreciate it. Go
18 ahead, please.

19 LT. SCISM: Missouri State Highway Patrol
20 investigators, along with Gaming Commission financial
21 background investigators, conducted background
22 investigations on multiple key person and Level 1
23 applicants. The investigations included but were not
24 limited to criminal, financial, and general character
25 inquiries which were made in the jurisdictions where the

1 applicants lived, worked and frequented.

2 The following individuals are being
3 presented for your consideration this morning: William J.
4 Isreal, assistant general manager and vice president of
5 marketing for Ameristar Casino in Kansas City; Gregory L.
6 Manthei, director of finance for Ameristar Casino, Kansas
7 City; Robert L. Guido, independent director, Bally
8 Technologies; Gerard R. Smriga, general manager for
9 HGI-Mark Twain Casino; Robert A. Bittman, director of
10 International Game Technology; Richard J. Schneider,
11 executive vice president of International Game Technology;
12 Edmund Quatmann, senior vice president, general counsel
13 and secretary for Isle of Capri Casinos, Incorporated;
14 Jeanne-Marie Wilkins, chief information officer for Isle
15 of Capri Casinos, Incorporated; Linda L. Sohm, president
16 and treasurer for Midwest Game Supply; and finally Charles
17 P. Sohm, vice president and secretary for Midwest Game
18 Supply.

19 The results of all the investigations were
20 provided to the Gaming Commission staff for their review,
21 and I believe you all have summary reports before you for
22 all the applicants being considered.

23 CHAIRMAN MATHEWSON: Any questions of Rex?

24 MR. McNARY: Staff recommends relicensure
25 or licensure.

1 CHAIRMAN MATHEWSON: Chair would accept a
2 motion. Commissioner Bradley had to step out for a phone
3 call.

4 COMMISSIONER PLUNKETT: Move to approve
5 Resolution 09-100.

6 COMMISSIONER JONES: Second.

7 CHAIRMAN MATHEWSON: Call the roll, please.

8 MS. FRANKS: Chairman Mathewson.

9 CHAIRMAN MATHEWSON: Approve.

10 MS. FRANKS: Commissioner Jones.

11 COMMISSIONER JONES: Approve.

12 MS. FRANKS: Commissioner Plunkett.

13 COMMISSIONER PLUNKETT: Approve.

14 MS. FRANKS: By your vote, you've adopted
15 Resolution No. 09-100.

16 CHAIRMAN MATHEWSON: Mr. McNary.

17 MR. McNARY: Item VI, Mr. Chairman, is
18 consideration of relicensure of certain suppliers. Rex.

19 LT. SCISM: Missouri State Highway Patrol
20 investigators conducted a relicensing investigation of
21 three supplier companies before you this morning currently
22 licensed in Missouri. These investigations consisted of
23 jurisdictional inquiries, feedback from affected gaming
24 company clients, a review of disciplinary actions,
25 litigation and business credit profiles, as well as a

1 review of key persons associated with each of the
2 companies. The results of these investigations were
3 provided to the MGC staff for review. Again, I believe
4 you have those in your binders.

5 The following companies are being presented
6 for your consideration. The first one this morning is
7 Atlantic City Coin and Slot of Pleasantville, New Jersey.

8 CHAIRMAN MATHEWSON: Any questions?

9 MR. McNARY: Staff recommends relicensure.

10 CHAIRMAN MATHEWSON: Chair will accept a
11 motion.

12 COMMISSIONER JONES: Move for the approval
13 of Resolution No. 09-101.

14 COMMISSIONER PLUNKETT: Second.

15 CHAIRMAN MATHEWSON: Any discussion? Call
16 the roll, please.

17 MS. FRANKS: Chairman Mathewson.

18 CHAIRMAN MATHEWSON: Approve.

19 MS. FRANKS: Commissioner Jones.

20 COMMISSIONER JONES: Approve.

21 MS. FRANKS: Commissioner Plunkett.

22 COMMISSIONER PLUNKETT: Approve.

23 MS. FRANKS: By your vote, you've adopted
24 Resolution 509-101.

25 LT. SCISM: The second company for your

1 consideration is Western Money Systems of Sparks, Nevada.

2 MR. McNARY: Staff recommends relicensure.

3 CHAIRMAN MATHEWSON: Chair will accept a
4 motion.

5 COMMISSIONER PLUNKETT: Motion to approve
6 Resolution 09-102.

7 COMMISSIONER JONES: Second.

8 CHAIRMAN MATHEWSON: Call the roll.

9 MS. FRANKS: Chairman Mathewson.

10 CHAIRMAN MATHEWSON: Approve.

11 MS. FRANKS: Commissioner Jones.

12 COMMISSIONER JONES: Approve.

13 MS. FRANKS: Commissioner Plunkett.

14 COMMISSIONER PLUNKETT: Approve.

15 MS. FRANKS: By your vote, you've adopted
16 Resolution 09-102.

17 LT. SCISM: And the final company for your
18 consideration is Atronic Americas, LLC, Las Vegas, Nevada.

19 MR. McNARY: Staff recommends relicensure.

20 COMMISSIONER JONES: Move for the
21 acceptance of Resolution No. 09-103.

22 COMMISSIONER PLUNKETT: Second.

23 CHAIRMAN MATHEWSON: Call the roll.

24 MS. FRANKS: Chairman Mathewson.

25 CHAIRMAN MATHEWSON: Approve.

1 MS. FRANKS: Commissioner Jones.

2 COMMISSIONER JONES: Approve.

3 MS. FRANKS: Commissioner Plunkett.

4 COMMISSIONER PLUNKETT: Approve.

5 MS. FRANKS: By your vote, you've adopted
6 Resolution 09-103.

7 LT. SCISM: Thank you.

8 CHAIRMAN MATHEWSON: Thanks, Rex.

9 MR. McNARY: Mr. Chairman, let me deviate
10 from the agenda just a moment. We have the top brass of
11 the Missouri State Highway Patrol here, and you never know
12 when they're going to have to run out on an emergency.
13 I'd like to ask Colonel Keathley and Major Replogle to
14 stand, please.

15 CHAIRMAN MATHEWSON: Good morning,
16 gentlemen. Thank you for being here. Thanks for
17 everything you do every day. We appreciate you very much.

18 MR. McNARY: Item VII on the agenda
19 concerns the delegation of authority to you, the Chairman.
20 This is a resolution that's done annually that provides
21 the Chairman the authority to extend a license for 60 days
22 when it's necessary to -- when the Commission is not
23 meeting and it's necessary to continue the license, and
24 then it's ratified at the next Commission meeting. So
25 this resolution would give the chairman that authority.

1 CHAIRMAN MATHEWSON: In fact, there's two
2 that you have here that I just did back a week or so ago,
3 one for Boonville and the one for something else, oh,
4 license of Gaming Laboratories International.

5 Okay. Chair would accept a motion to
6 continue as we have done in the past granting the chairman
7 the authority.

8 COMMISSIONER PLUNKETT: Motion to approve
9 Resolution No. 09-104.

10 COMMISSIONER JONES: Second.

11 CHAIRMAN MATHEWSON: Any discussion? Call
12 the roll.

13 MS. FRANKS: Chairman Mathewson.

14 CHAIRMAN MATHEWSON: Approve.

15 MS. FRANKS: Commissioner Jones.

16 COMMISSIONER JONES: Approve.

17 MS. FRANKS: Commissioner Plunkett.

18 COMMISSIONER PLUNKETT: Approve.

19 MS. FRANKS: By your vote, you've adopted
20 Resolution 09-104.

21 CHAIRMAN MATHEWSON: Mr. McNary.

22 MR. McNARY: Item VIII on the agenda -- I'm
23 sorry Commissioner Shull is not here to see that I am
24 presenting these disciplines.

25 Tab N concerns Ameristar Casino Kansas

1 City, Inc. It's DC-09-341. This involves an Ameristar
2 employee paying a jackpot to a DAP without checking the
3 database, and the employee had not been trained. Staff
4 recommends a \$10,000 fine. Any questions on that
5 discipline?

6 CHAIRMAN MATHEWSON: Any questions, members
7 of the Commission?

8 COMMISSIONER JONES: Mr. Chairman, are we
9 going to -- can we approve all of those at one time or do
10 we have to do it individually?

11 MR. McNARY: I would like to go through --

12 CHAIRMAN MATHEWSON: I think we need to do
13 them one at a time, probably.

14 MR. HINCKLEY: It's not required that you
15 do them one at a time because there's no resolution
16 associated with them. Simply be a vote at the end.

17 CHAIRMAN MATHEWSON: What would you like to
18 do, Gene?

19 MR. McNARY: I'd like to go through them
20 all, and then at the end I would ask for approval to send
21 notices to --

22 CHAIRMAN MATHEWSON: Okay. Everybody okay
23 with that? Just proceed, go on down the line, then, Gene,
24 please.

25 MR. McNARY: All right. Thank you. Tab O

1 is directed at Ameristar Casino St. Charles, DC-09-342.
2 Staff alleges failure to report to the Commission amounts
3 from June 12th, 2009 to July 16, 2009, to the company's
4 slot tech group. There was a \$933.83 malfunction that
5 didn't reflect the progressives amount increased by
6 \$1,070. This goes to the integrity of the games, and
7 staff recommends a \$25,000 fine.

8 CHAIRMAN MATHEWSON: Any questions on that
9 one? P.

10 MR. McNARY: Tab P is directed to
11 Aristocrat Technology, Inc., DC-09-343. Staff alleges
12 Aristocrat shipped unapproved software to Ameristar
13 St. Charles. It's the second incident. Staff recommends
14 a \$10,000 fine.

15 CHAIRMAN MATHEWSON: Any questions? Q.

16 MR. McNARY: Tab Q, Missouri Gaming
17 Company, doing business as Argosy Riverside Casino,
18 DC-09-344. MGC auditors allege, No. 1, a dealer failed to
19 inspect poker cards. The company committed to training
20 for poker dealers after violations in June and July but
21 failed to do so. Second finding, part 2, three of six
22 changes in key access made more than 72 hours after change
23 in employee position.

24 On both of these counts, staff rec -- well,
25 in the aggregate, staff recommends a \$10,000 fine.

1 CHAIRMAN MATHEWSON: Any questions? R.

2 MR. McNARY: Tab R, Missouri Gaming
3 Company, doing business as Argosy Riverside Casino,
4 DC-09-345. Staff alleges use of revoked software in two
5 EGDs. A prior 2008 case involved 44 EGDs with a revoked
6 bill validator, with revoked bill validator software, for
7 \$10,000. This is not as egregious. Staff recommends a
8 fine of \$10,000.

9 CHAIRMAN MATHEWSON: Any questions,
10 comments?

11 MR. McNARY: Tab S, Isle of Capri-Kansas
12 City, DC-09-346. Staff alleges the company failed to
13 inform the company slot techs of the requirements for
14 Phase 2 testing. Staff recommends a \$12,500 fine.

15 CHAIRMAN MATHEWSON: Any questions,
16 comments? T.

17 MR. McNARY: Tab T, HGI-Mark Twain Inc.,
18 DC-09-347. Staff alleges two employees of the bill
19 validator count team failed to clear their hands.
20 Surveillance showed a pattern of failure. Staff
21 recommends a fine of \$10,000.

22 CHAIRMAN MATHEWSON: Any questions or
23 comments? Chair would accept a motion to accept in one
24 vote 09-341 through 09-347.

25 COMMISSIONER JONES: Move for acceptance of

1 DC-09-341 through DC-09-347.

2 CHAIRMAN MATHEWSON: Any questions,
3 comments, concerns? Call the roll, please.

4 COMMISSIONER JONES: We need a second.

5 CHAIRMAN MATHEWSON: I'm sorry.

6 COMMISSIONER BRADLEY: Second.

7 MS. FRANKS: Chairman Mathewson.

8 CHAIRMAN MATHEWSON: Approve.

9 MS. FRANKS: Commissioner Jones.

10 COMMISSIONER JONES: Approve.

11 MS. FRANKS: Commissioner Plunkett.

12 COMMISSIONER PLUNKETT: Approve.

13 MS. FRANKS: Commissioner Bradley.

14 COMMISSIONER BRADLEY: Approve.

15 MS. FRANKS: By your vote, you have adopted
16 disciplinary complaints DC-09-341 through DC-09-347.

17 CHAIRMAN MATHEWSON: Thank you. Gene.

18 MR. McNARY: Item IX, Mr. Chairman,
19 concerns settlement agreements, and general counsel Chris
20 Hinckley will address those.

21 CHAIRMAN MATHEWSON: Mr. Hinckley.

22 MR. HINCKLEY: Mr. Chairman, Commissioners,
23 I direct your attention to Tab U and Commission Resolution
24 No. 09-105 regarding settlement agreement and waiver of
25 hearings concerning licensee Ameristar Casino Kansas City,

1 and the underlying disciplinary matter No. 09-274. In
2 that matter the Commission issued a \$25,000 fine after
3 hearing facts alleging that a 19-year-old underage patron
4 was discovered on the gaming floor after presenting his
5 identification which clearly stated that he was under 21.

6 Upon the Commission issuing this fine, the
7 licensee immediately contacted the Commission and took
8 responsibility for their actions or inactions. The
9 licensee and the Commission engaged in settlement
10 negotiations regarding this matter and, pending Commission
11 approval, agreed to settle this matter for a payment of
12 \$22,000 -- \$22,500.

13 Staff recommends that the Commission adopt
14 this resolution.

15 CHAIRMAN MATHEWSON: Questions of
16 Mr. Hinckley? Chair would accept a motion to accept the
17 recommendation of staff on the settlement of \$22,500 in
18 09-105.

19 COMMISSIONER BRADLEY: Motion to approve
20 Commission Resolution No. 09-105.

21 COMMISSIONER PLUNKETT: Second.

22 CHAIRMAN MATHEWSON: Any discussion? Call
23 the roll, please.

24 MS. FRANKS: Chairman Mathewson.

25 CHAIRMAN MATHEWSON: Approve.

1 MS. FRANKS: Commissioner Jones.

2 COMMISSIONER JONES: Approve.

3 MS. FRANKS: Commissioner Plunkett.

4 COMMISSIONER PLUNKETT: Approve.

5 MS. FRANKS: Commissioner Bradley.

6 COMMISSIONER BRADLEY: Approve.

7 MS. FRANKS: By your vote, you've adopted
8 Resolution No. 09-105.

9 CHAIRMAN MATHEWSON: Mr. Hinckley.

10 MR. HINCKLEY: And I now direct your
11 attention to Tab V and Commission Resolution 09-106,
12 regarding settlement agreement and waiver of hearings
13 concerning licensee HGI-St. Jo, and underlying
14 disciplinary matter No. 09-277.

15 In that matter, the Commission issued a
16 \$10,000 fine, after hearing facts alleging that count team
17 members repeatedly failed to clear their hands after an
18 audit finding and a compliance directive and a follow-up
19 audit. Upon the Commission issuing this fine, the
20 licensee immediately contacted the Commission and took
21 responsibility for their actions or inactions.

22 The licensee and the Commission then
23 engaged in settlement negotiations regarding this matter
24 and, pending Commission approval, agreed to settle the
25 matter for a payment of \$9,000. The staff recommends that

1 the Commission adopt this resolution.

2 CHAIRMAN MATHEWSON: Any questions of
3 Mr. Hinckley? Chair would accept a motion.

4 COMMISSIONER PLUNKETT: Motion to approve
5 Resolution 09-106.

6 CHAIRMAN MATHEWSON: Any discussion?

7 COMMISSIONER JONES: Second.

8 CHAIRMAN MATHEWSON: Call the roll, please.

9 MS. FRANKS: Chairman Mathewson.

10 CHAIRMAN MATHEWSON: Approve.

11 MS. FRANKS: Commissioner Jones.

12 COMMISSIONER JONES: Approve.

13 MS. FRANKS: Commissioner Plunkett.

14 COMMISSIONER PLUNKETT: Approve.

15 MS. FRANKS: Commissioner Bradley.

16 COMMISSIONER BRADLEY: Approve.

17 MS. FRANKS: By your vote, you've adopted
18 Resolution No. 09-106.

19 CHAIRMAN MATHEWSON: Mr. McNary.

20 MR. McNARY: Item X concerns placement of
21 individuals on the exclusion list, and I guess I should
22 say former Colonel Roger Stottlemire will handle that.

23 MR. STOTTEMYRE: Chairman, Commissioners,
24 good morning.

25 I'll refer you to Tab W for Commission

1 Resolution 09-107 regarding exclusion of an individual
2 named Fernando "Nando" Bartolotta from excursion gambling
3 boats and facilities in Missouri.

4 Pursuant to Code of State Regulations, the
5 Missouri Gaming Commission has the authority to place a
6 person on the exclusion list for conviction of a felony in
7 any jurisdiction of any crime involving moral turpitude or
8 performing an act or having a notorious unsavory
9 reputation which would adversely affect public confidence
10 and trust in gaming, and placement on the exclusion list
11 prohibits such persons from contact of any kind with any
12 Missouri riverboat gaming operation.

13 The evidence in support of our request to
14 exclude Mr. Bartolotta is as follows: On or about June 6,
15 1997, Mr. Bartolotta was convicted of one count of
16 interference with commerce by threats or violence, one
17 count of interstate transportation of stolen property, and
18 one count of bank robbery in District Court for the
19 Eastern District of Missouri, and was sentenced to 220
20 months imprisonment.

21 Also, records indicate that in 1985,
22 Mr. Bartolotta was convicted of illegal gambling in the
23 Eastern District of Missouri and sentenced to six years
24 imprisonment.

25 I would offer that either of these

1 convictions are legally sufficient for placing
2 Mr. Bartolotta on the State's exclusion list. Therefore,
3 the staff recommends that the Commission approve
4 Mr. Bartolotta's placement on the exclusion list and
5 direct Mr. McNary to issue a Notice of Exclusion to
6 Mr. Bartolotta.

7 CHAIRMAN MATHEWSON: Any questions of the
8 colonel?

9 Roger, help me out. I was looking here.
10 Does he hold a present license?

11 MR. STOTTLEMYRE: He does not hold a
12 license. This would just ban him from coming to the
13 casinos and gambling, yes, sir.

14 CHAIRMAN MATHEWSON: Any questions? Chair
15 would accept a motion on Resolution 09-107.

16 COMMISSIONER BRADLEY: Motion to approve
17 Commission Resolution No. 09-107.

18 COMMISSIONER JONES: Second.

19 CHAIRMAN MATHEWSON: Any comments? Call
20 the roll, please.

21 MS. FRANKS: Chairman Mathewson.

22 CHAIRMAN MATHEWSON: Approve.

23 MS. FRANKS: Commissioner Jones.

24 COMMISSIONER JONES: Approve.

25 MS. FRANKS: Commissioner Plunkett.

1 COMMISSIONER PLUNKETT: Approve.

2 MS. FRANKS: Commissioner Bradley.

3 COMMISSIONER BRADLEY: Approve.

4 MS. FRANKS: By your vote, you've adopted
5 Resolution 09-107.

6 CHAIRMAN MATHEWSON: Roger.

7 MR. STOTTLEMYRE: Okay. I now refer you to
8 Tab X and Commission Resolution 09-108 regarding the
9 exclusion of an individual, Bonnie Sue Lawson, from
10 excursion gambling boats and facilities in Missouri.

11 Once again, the Code of State Regulations
12 allows the Missouri Gaming Commission -- or says the
13 Missouri Gaming Commission has the authority to place a
14 person on the exclusion list, and the evidence in support
15 of our request to exclude Bonnie Sue Lawson are as
16 follows:

17 On or about September 24th, 2008, Bonnie
18 Sue Lawson pled guilty to one count of theft of government
19 funds in the District Court of the Western District of
20 Missouri, and was sentenced to 37 months in federal prison
21 and ordered to repay close to \$118,000 in restitution.

22 From 2003 to 2006, while holding the
23 elected position of public administrator for Buchanan
24 County, Missouri, a position responsible for acting as an
25 appointed guardian, conservator or representative payee

1 for mentally ill or developmentally disabled adult county
2 residents, Lawson embezzled for her own use the money or
3 payments from the Social Security Administration which
4 were intended for her clients.

5 Also, during this period of time Ms. Lawson
6 was a frequent customer of the area casinos. Therefore,
7 staff recommends that the Commission approve Mrs. Lawson's
8 placement on the exclusion list and direct Director McNary
9 to issue a notice of that exclusion to Bonnie Sue Lawson.

10 CHAIRMAN MATHEWSON: Any questions of the
11 colonel? Chair would accept a motion.

12 COMMISSIONER JONES: Move for the adoption
13 of Resolution No. 09-108.

14 COMMISSIONER PLUNKETT: Second.

15 CHAIRMAN MATHEWSON: Any discussion? Call
16 the roll, please.

17 MS. FRANKS: Chairman Mathewson.

18 CHAIRMAN MATHEWSON: Approve.

19 MS. FRANKS: Commissioner Jones.

20 COMMISSIONER JONES: Approve.

21 MS. FRANKS: Commissioner Plunkett.

22 COMMISSIONER PLUNKETT: Approve.

23 MS. FRANKS: Commissioner Bradley.

24 COMMISSIONER BRADLEY: Approve.

25 MS. FRANKS: By your vote, you've adopted

1 Resolution No. 09-108.

2 MR. STOTTLEMYRE: Thank you.

3 MR. McNARY: 11, Mr. Chairman, concerns
4 rulemaking, proposed rulemaking, and Clarence Greeno will
5 handle this. The first part of it, you may recall I kept
6 you advised we're changing the deposits that casinos make
7 to the Department of Revenue, that procedure, so it's more
8 timely, and we're also reducing the number of days that
9 the casinos keep a reserve, and we can do this on an
10 emergency basis. Mr. Greeno will go into it and answer
11 any questions. He's also going to handle the rules on
12 junkets.

13 MR. GREENO: Good morning, Mr. Chairman,
14 Commissioners. Behind Tab Y you will find five emergency
15 amendments to sections of 11 CSR 45-11, all of which
16 relate to taxation regulations. The first amendment is to
17 11 CSR 45-11.020, deposit account, taxes and fees. This
18 amendment allows licensees to make their daily tax
19 payments directly from their operating accounts to the
20 State's deposit account for the Department of Revenue. It
21 also changes the requirement that their existing admission
22 and gaming tax reserves be for two days' payment instead
23 of seven days as presently required.

24 11 CSR 45-11.030, payment - gaming tax, is
25 being amended to require daily deposits directly into the

1 State's account instead of weekly as presently required.

2 11 CSR 45-11.050, admission fee. This
3 amendment, like that to 11 CSR 45-11.020, allows licensees
4 to make their admission tax payments directly from their
5 operating accounts to the State's deposit account for the
6 Department of Revenue.

7 11 CSR 45-11.070, return and payment for
8 admission fee. This amendment, like that of 11 CSR
9 45-11.030 for gaming tax, requires daily deposits of
10 admission fees directly into the State's account instead
11 of weekly as presently required.

12 And lastly, 11 CSR 45-11.130, failure to
13 file return or pay tax or fee. This amendment just
14 removes the wording requiring daily deposits into their
15 own holding account, rather requiring that deposits be
16 made to the Commission via the State's deposit account
17 with the Department of Revenue.

18 Each of these emergency rules is to be
19 effective on the January 6th, 2010 gaming day, and will
20 expire on or about July 4th of 2010. I'd be happy to
21 entertain any questions that you might have about these
22 proposed amendments.

23 CHAIRMAN MATHEWSON: Help me out, how that
24 works. Is that electronic transfer?

25 MR. GREENO: Yes, sir.

1 CHAIRMAN MATHEWSON: So today, when this is
2 in effect in January, today we -- they are -- casinos are
3 depositing that money from yesterday?

4 MR. GREENO: That's correct.

5 CHAIRMAN MATHEWSON: Is that where we are?

6 MR. GREENO: That's correct.

7 CHAIRMAN MATHEWSON: So there's like a
8 24-hour cycle or something?

9 MR. GREENO: Actually, I think there's
10 about a two-day delay in it, but they -- each of the
11 casinos presently are required to have two separate,
12 accounts with their banks, and then the money accumulates
13 in those two accounts, and then weekly that money is
14 transmitted to the State.

15 This is going to do away with those two
16 separate accounts and allow them to make these transfers
17 directly from their operating accounts daily to the State.

18 CHAIRMAN MATHEWSON: Okay. So it will
19 be -- it will be electronically fund transferred then. So
20 probably what we're working on today on transfer of
21 something that happened Sunday or Monday.

22 MR. GREENO: Well, actually, they only have
23 to sweep the accounts to the State every seven days
24 presently, and we're moving that to daily. So that money
25 will now reside in the State's account and the State will

1 draw any interest on that money as opposed to it residing
2 in a special account for a week at the casino property, at
3 the casino's bank.

4 CHAIRMAN MATHEWSON: It seems to me like a
5 darn good time to do this because they're not getting much
6 off the interest on the money right now. It's goofy, .4
7 or something, whatever it is. But do you know, how much
8 right now is the interest on those day transfer funds?

9 MR. GREENO: I don't know, Senator. As a
10 matter of fact, a lot of these -- the banking institutions
11 pay no interest to the casinos for their operating
12 accounts.

13 CHAIRMAN MATHEWSON: Okay.

14 MR. GREENO: If anyone is gaining the
15 interest off that money sitting there, it's the banks.

16 MR. McNARY: These are swept on Thursdays,
17 which means that the weekend deposits, the bank has use of
18 that money from the weekend all the way through to
19 Thursday. The new procedure not only affects interest
20 that might come back in the future, but it's a cash flow
21 matter that money goes to Department of Revenue, then it
22 can be distributed to Early Childhood on a more expedited
23 basis, and education.

24 CHAIRMAN MATHEWSON: I like it. I mean, we
25 discussed this sometime when I first came on, I think,

1 about looking at that. I mean, I'm not saying we're doing
2 it because of my big bright idea. I'm just saying I was
3 curious about that because it doesn't seem logical to me
4 that if they weren't making anything and we weren't making
5 anything, then why not do it, because we can sure use it
6 every day. So thank you. That's wonderful.

7 MR. McNARY: Actually, that was my idea.

8 CHAIRMAN MATHEWSON: I know. It would be.
9 Press release is already written, isn't it? LeAnn, is the
10 press release written?

11 MR. McNARY: Are you going to go on then?

12 CHAIRMAN MATHEWSON: Why don't we go on,
13 then.

14 MR. GREENO: Mr. Chairman, Commissioners,
15 behind Tab Z you will find a proposed amendment to
16 11 CSR 45-10.040 relating to the prohibition and reporting
17 of certain transactions, specifically to subsection
18 (8)(e), the definition of financial institution. The
19 existing rule defines a financial institution as any bank,
20 savings institution or trust company organized and
21 supervised under the laws of any state or the laws of the
22 United States.

23 The proposed amendment adds the words or
24 other entity specifically approved in writing by the
25 Commission. The proposed amendment will allow Commission

1 staff to consider on an individual basis and after
2 considerable scrutiny financial institutions organized and
3 supervised under the laws of jurisdictions outside the
4 United States.

5 I'd be happy to entertain any questions you
6 have about the proposed amendment.

7 CHAIRMAN MATHEWSON: Any questions? How do
8 you -- how do we want to vote on these, Gene?

9 MR. McNARY: We can take the emergencies
10 all together.

11 CHAIRMAN MATHEWSON: You want to take them
12 just section by section? You want to go ahead and hear
13 Clarence's position on all of them and then we'll go back
14 and take them up one at a time, or how do you want to do
15 it?

16 MR. McNARY: Well, we can vote on five of
17 them at a time, but if you want Clarence to just go ahead
18 and go through the entire laundry list --

19 CHAIRMAN MATHEWSON: You okay with that?
20 You're okay with that? Let's do that. Then we'll go back
21 and pick them up and vote.

22 MR. GREENO: And then the remaining five
23 rules under Tab Z are the proposed rules codifying the
24 emergency rules that we previously discussed. An
25 effective date of these rules will be June 30 of 2010,

1 thereby precluding any lapse between the expiration date
2 of the emergency rules and the codified rules.

3 CHAIRMAN MATHEWSON: Any questions?
4 Proceed.

5 MR. GREENO: Behind Tab AA you will find
6 eight Final Orders of Rulemaking, the first three, 11 CSR
7 45-4.020, 11 CSR 45-4.190 and 11 CSR 45-4.200, all
8 relating to licensing. A Notice of Proposed Rulemaking
9 containing the text of the proposed rules was published in
10 the Missouri Register, providing a period during which
11 interested parties could submit comments.

12 Additionally, a public hearing was held at
13 which individuals or groups were provided the opportunity
14 to express their agreement with or concern about the
15 proposed rules. One letter of comment was received, and
16 one person appeared to testify at the public hearing.

17 The amendment to 11 CSR 45-4.020 adds the
18 providers of junket services to the list of individuals or
19 entities required to possess a Missouri Gaming Commission
20 issued supplier license, while the amendment to 11 CSR
21 45-4.190 replaces the mandate that a complete
22 reinvestigation of Class A, Class B, supplier and key
23 licensees be conducted every sixth year with wording to
24 the effect all licensees have a continuing obligation to
25 demonstrate suitability to hold a license, and that the

1 Commission may reopen the investigation of a licensee at
2 any time.

3 The proposed amendment to 11 CSR 45-4.200,
4 like the proposed amendment to 11 CSR 45-4.020, adds that
5 providers of junket services to the list of individuals or
6 entities required to possess a Missouri Gaming Commission
7 issued supplier license. No comments were received
8 relative to 11 CSR 45-4.020 and 11 CSR 45-4.200.

9 One comment was received in writing and was
10 reiterated at the hearing concerning 11 CSR 45-4.190, that
11 being that the rule imposed an affirmative obligation upon
12 licensees to demonstrate suitability without specifying
13 what a licensee must do to demonstrate suitability.

14 A suggestion was received on wording that
15 would alleviate the concerns expressed, and staff, upon
16 review, determined inclusion of the proposed wording would
17 not alter the Commission's -- the Commission desire to
18 accomplish through the rule. Therefore, staff amended the
19 rule to include the wording that licensees have a
20 continuing obligation to demonstrate suitability at all
21 times by complying with all gaming laws and regulations.

22 CHAIRMAN MATHEWSON: Any questions? Okay.

23 MR. GREENO: Also behind Tab AA are five
24 Final Orders of Rulemaking, 11 CSR 45-4.500, .510, .520,
25 .530 and .540, establishing licensing requirements and

1 standards for the operation and conduct of junkets, junket
2 enterprises and junket representatives. A Notice of
3 Proposed Rulemaking containing the text of the proposed
4 rules was published in the Missouri Register, providing a
5 period during which interested parties could submit
6 comments.

7 Additionally, a public hearing was held at
8 which individuals or groups were provided the opportunity
9 to express their agreement with or concern about the
10 proposed rules. Four letters of comment were received,
11 and no one appeared to testify at the public hearing.

12 The first rule, 11 CSR 45-4.500,
13 establishes terms and definitions used within the junket
14 industry and these rules. Based upon comments received,
15 staff has elected to revise the definition of agent by
16 removing the inclusion of employees of Class A and Class B
17 licensees from the definition.

18 Secondly, the definition of the word junket
19 was amended to make it clear that it is an arrangement by
20 and between a junket enterprise or junket representative
21 and a Class A or Class B licensee.

22 Then thirdly, the definition of junket
23 representative was amended to exclude licensed employees
24 of Class B licensees and employees of Class A licensees
25 who receive no compensation either directly or indirectly

1 from a junket enterprise or junket representative.

2 A definition of the term theoretical hold
3 was added to make clear the basis upon which a junket
4 enterprise or junket representative can be compensated by
5 a Class A or Class B licensee.

6 11 CSR 45-4.510 sets forth licensing
7 requirements for junket enterprises and their employees
8 and imposes upon junket license holders the requirement to
9 comply with the provisions of Section 313.800, et seq and
10 11 CSR 45.1, et seq.

11 Comments relating to this junket revolve --
12 I'm sorry. Comments relating to this rule revolved around
13 the potential cost to junket enterprises and junket
14 representatives for licensure. Staff appreciates this
15 concern, and associated fee structures are being examined
16 and will be submitted as Proposed Orders of Rulemaking.

17 Changes to this rule, however, are not
18 warranted as statute limits the types of licenses that can
19 be issued by the Commission, and junket operations most
20 closely fit within the supplier license arena.

21 Another comment received on this rule
22 related to junket licensees being required to display
23 their Commission issued license badges on their persons
24 while performing their duties while on a Class B
25 licensee's premises. Many junket representatives in the

1 course of their business participate in gaming while on
2 these junkets. Therefore, the wearing of a gaming license
3 would be inappropriate. Staff feels the rule should be
4 amended to require they have their license on their person
5 and present it upon request of any agent of the Commission
6 or casino licensee.

7 11 CSR 45-4.520 establishes general
8 requirements relating to the manner in which individuals
9 are selected or approved to participate as junket patrons.
10 Two comments were received relative to this rule. One
11 that the title and purpose of the rule be reworded to
12 clearly establish the rule's focus is to establish that
13 the manner by which the patrons are selected is
14 determinant of whether or not an arrangement constitutes a
15 junket, and second that the threshold value of
16 complementaries may be too low.

17 Staff agreed to reword the title and
18 purpose of the rule and amended it accordingly. The value
19 placed on complementaries, however, is consistent with
20 that of other jurisdictions, and staff did not feel a
21 change to be warranted.

22 11 CSR 45-4.530 establishes policies to
23 which junket enterprises and representatives must adhere,
24 and sets forth specific prohibitions. As a result of
25 comments received, staff has amended the rule to, one,

1 establish a junket enterprise, junket representative or
2 agent or employee thereof can only be compensated on the
3 basis of theoretical win unless specifically approved in
4 writing by the Commission; two, allow the acceptance of
5 gratuities but prohibit their solicitation; three, allow
6 for the payment of ancillary services or other items of
7 value for patrons participating in a junkett -- in a
8 junket if disclosed in writing to the Class B licensee for
9 which the junket was arranged; and four, deleting the
10 prohibition from gambling at the establishment where the
11 junket enterprise or junket representative is engaged in a
12 junket arrangement.

13 And then lastly we have 11 CSR 45-4.540,
14 which establishes requirements for junket agreements,
15 schedules and reports which must be filed and maintained
16 by Class B licensees. Upon consideration of comments and
17 reviewing the regulatory necessity of required reports,
18 staff amended the rule by reducing the number of reports
19 to be submitted and adding clarifying language as to what
20 the reports must include and how they should be retained.

21 Again, I would be happy to entertain any
22 questions you might have relative to these rules.

23 CHAIRMAN MATHEWSON: At the present time --
24 we've discussed this before -- there's no licensure on the
25 junkets. I mean, this is going to create it, right? We

1 don't have one right now, do we?

2 MR. GREENO: That's correct, sir.

3 CHAIRMAN MATHEWSON: And this will go into
4 effect when?

5 MR. GREENO: This would be a July -- a
6 June 30th, 2010. No. That was the proposed. I'm sorry.

7 CHAIRMAN MATHEWSON: No. I thought it --

8 MR. GREENO: It should be 30 -- is it 30
9 days after the publishing of the rules?

10 CHAIRMAN MATHEWSON: It's 30 days after.

11 MS. HUTCHISON: Terri Hutchison, Missouri
12 Gaming Commission. The effective date will be March 30,
13 2010.

14 CHAIRMAN MATHEWSON: So are we doing
15 junkets today?

16 MR. GREENO: There are some casinos that
17 are -- have agreements with junket enterprises to bring
18 junkets into the state of Missouri. Each of those casinos
19 are presently submitting their contracts with the junket
20 enterprises to the Missouri Gaming Commission for review
21 and approval prior to exercising those junkets.

22 CHAIRMAN MATHEWSON: Okay. Any further
23 questions? Okay. Thank you very much. Now, Mr. McNary.

24 MR. McNARY: Mr. Chairman, staff recommends
25 approval of the proposed emergency amendments under Tab Y.

1 the emergency amendments 11 CSR 45-11.020, 11.030, 11.050,
2 11.070 and 11.130.

3 CHAIRMAN MATHEWSON: Now, Chair would
4 accept a motion on 45-10.040 through 11.130, Z, one
5 motion.

6 COMMISSIONER BRADLEY: Make a motion to
7 approve the proposed amendments 11 CSR 45-10.040 through
8 11.130.

9 COMMISSIONER JONES: Second.

10 CHAIRMAN MATHEWSON: Any comments? Call
11 the roll, please.

12 MS. FRANKS: Chairman Mathewson.

13 CHAIRMAN MATHEWSON: Approve.

14 MS. FRANKS: Commissioner Jones.

15 COMMISSIONER JONES: Approve.

16 MS. FRANKS: Commissioner Plunkett.

17 COMMISSIONER PLUNKETT: Approve.

18 MS. FRANKS: Commissioner Bradley.

19 COMMISSIONER BRADLEY: Approve.

20 MS. FRANKS: By your vote, you've adopted
21 the proposed amendments 11 CSR 45-10.040, 11.020, 11.030,
22 11.050, 11.070 and 11.130.

23 CHAIRMAN MATHEWSON: Okay. The next one
24 will be under AA, the Final Orders of Rulemaking, again,
25 one through eight in one motion.

1 COMMISSIONER PLUNKETT: Make a move we
2 approve Resolution 11 CSR 45-4.020 through 11 CSR
3 45-4.540.

4 COMMISSIONER JONES: Second.

5 CHAIRMAN MATHEWSON: Any thoughts,
6 comments? Call the roll, please.

7 MS. FRANKS: Chairman Mathewson.

8 CHAIRMAN MATHEWSON: Approve.

9 MS. FRANKS: Commissioner Jones.

10 COMMISSIONER JONES: Approve.

11 MS. FRANKS: Commissioner Plunkett.

12 COMMISSIONER PLUNKETT: Approve.

13 MS. FRANKS: Commissioner Bradley.

14 COMMISSIONER BRADLEY: Approve.

15 MS. FRANKS: By your vote, you've adopted
16 the Final Orders of Rulemaking for 11 CSR 45-4.020, 4.190,
17 4.200, 4.500, 4.510, 4.520, 4.530 and 4.540.

18 MR. McNARY: Mr. Chairman, Item XII
19 concerns licensing ratification. You as Chairman extended
20 the licenses on November 23rd for Isle of Capri Boonville
21 and Gaming Laboratory International, and that -- those
22 extensions under these resolutions needs to be ratified by
23 the Commission at this time.

24 CHAIRMAN MATHEWSON: Wouldn't it be a good
25 idea to vote those separate? Don't we need to separate

1 those? Okay. That's the ones that was distributed a
2 while ago. All right. Any questions, comments? The
3 Chair would accept a motion on Resolution 09-110, dealing
4 with the Boonville operation.

5 COMMISSIONER JONES: Move for acceptance of
6 Resolution No. 09-110.

7 COMMISSIONER BRADLEY: Second.

8 CHAIRMAN MATHEWSON: Any discussion? Call
9 the roll, please.

10 MS. FRANKS: Chairman Mathewson.

11 CHAIRMAN MATHEWSON: Approve.

12 MS. FRANKS: Commissioner Jones.

13 COMMISSIONER JONES: Approve.

14 MS. FRANKS: Commissioner Plunkett.

15 COMMISSIONER PLUNKETT: Approve.

16 MS. FRANKS: Commissioner Bradley.

17 COMMISSIONER BRADLEY: Approve.

18 MS. FRANKS: By your vote, you've adopted
19 Resolution No. 09-110.

20 CHAIRMAN MATHEWSON: The Chair would now
21 accept a motion on Resolution 09-111.

22 COMMISSIONER JONES: Move for acceptance of
23 Resolution No. 09-111.

24 COMMISSIONER PLUNKETT: Second.

25 CHAIRMAN MATHEWSON: I have a motion and a

1 second. Any discussion? Call the roll, please.

2 MS. FRANKS: Chairman Mathewson.

3 CHAIRMAN MATHEWSON: Approve.

4 MS. FRANKS: Commissioner Jones.

5 COMMISSIONER JONES: Approve.

6 MS. FRANKS: Commissioner Plunkett.

7 COMMISSIONER PLUNKETT: Approve.

8 MS. FRANKS: Commissioner Bradley.

9 COMMISSIONER BRADLEY: Approve.

10 MS. FRANKS: By your vote, you've adopted

11 Resolution No. 09-111.

12 CHAIRMAN MATHEWSON: Mr. McNary.

13 MR. McNARY: Item XIII concerns relicensure

14 of bingo manufacturers and suppliers, and Corporal Mike

15 Finnegan will make the presentation. I believe these can

16 be voted on together.

17 CHAIRMAN MATHEWSON: We have two separate

18 resolutions dealing with two different subjects.

19 MR. McNARY: They should be voted on

20 separately, as I was saying.

21 CHAIRMAN MATHEWSON: That's what I thought

22 you said. Don't do a press release on that one.

23 CPL. FINNEGAN: Mr. Chairman,

24 Commissioners, today I am presenting several companies for

25 relicensure as suppliers or manufacturers of bingo

1 products in the state of Missouri. You may notice some of
2 the companies mentioned hold dual licenses. The primary
3 difference between relicensing a manufacturer and a
4 supplier is a bond requirement, which is incumbent upon a
5 supplier as they are responsible for paying tax on items
6 sold.

7 The relicensure of both manufacturers and
8 suppliers includes, but is not limited to, federal and
9 state tax checks, customer and product lists, corporate
10 organization, gaming license checks, as well as various
11 criminal and financial background checks on each company's
12 key persons.

13 The following four companies have applied
14 for relicensure of their supplier's license: All American
15 Bingo, Inc., Bingo Supply Center, GameTech International,
16 Inc., and Games Galore.

17 MR. McNARY: Staff recommends relicensure.

18 CHAIRMAN MATHEWSON: Okay. Any comments or
19 questions? Chair would accept a motion on Resolution
20 09-002-B.

21 COMMISSIONER BRADLEY: Motion to approve
22 Commission Resolution No. 09-002-B.

23 COMMISSIONER JONES: Second.

24 CHAIRMAN MATHEWSON: Any questions,
25 comments? Call the roll.

1 MS. FRANKS: Chairman Mathewson.
2 CHAIRMAN MATHEWSON: Approve.
3 MS. FRANKS: Commissioner Jones.
4 COMMISSIONER JONES: Approve.
5 MS. FRANKS: Commissioner Plunkett.
6 COMMISSIONER PLUNKETT: Approve.
7 MS. FRANKS: Commissioner Bradley.
8 COMMISSIONER BRADLEY: Approve.
9 MS. FRANKS: By your vote, you've adopted
10 Resolution No. 09-002-B.
11 CHAIRMAN MATHEWSON: Proceed.
12 CPL. FINNEGAN: The following 11 companies
13 have applied for relicensure of their manufacturer's
14 license: Applied Concepts, Inc.; Arrow International,
15 Inc.; Douglas Press, Inc.; Fortunet, Inc.; GameTech
16 International, Inc.; International Gamco, Inc.; MMG, Inc.;
17 Pollard Games, Inc., doing business as American Games;
18 Universal Manufacturing Company; Les Enterprises
19 Carosielli, Inc., doing business as Servi Jeux; and VKGS,
20 Inc.
21 MR. McNARY: Staff recommends relicensure.
22 COMMISSIONER BRADLEY: Motion to approve
23 Commission Resolution No. 09-003-B.
24 COMMISSIONER PLUNKETT: Second.
25 CHAIRMAN MATHEWSON: Any discussion? Call

1 the roll, please.

2 MS. FRANKS: Chairman Mathewson.

3 CHAIRMAN MATHEWSON: Approve.

4 MS. FRANKS: Commissioner Jones.

5 COMMISSIONER JONES: Approve.

6 MS. FRANKS: Commissioner Plunkett.

7 COMMISSIONER PLUNKETT: Approve.

8 MS. FRANKS: Commissioner Bradley.

9 COMMISSIONER BRADLEY: Approve.

10 MS. FRANKS: By your vote, you've adopted

11 Resolution No. 09-003-B.

12 CHAIRMAN MATHEWSON: You know, I was just

13 commenting to -- apologize. I was commenting to

14 Commissioner Jones, the bingo shops in Sedalia aren't

15 doing well. In fact, they're closing up.

16 MR. FINNEGAN: It seems to be down

17 statewide.

18 CHAIRMAN MATHEWSON: Is that pretty much

19 statewide?

20 MR. FINNEGAN: Yes.

21 CHAIRMAN MATHEWSON: Several of them --

22 they did real well with them, different clubs and

23 organizations and so forth, but they're not -- they're not

24 doing real well now.

25 CPL. FINNEGAN: It's declined. It's

1 declined.

2 CHAIRMAN MATHEWSON: I think it's those
3 casinos taking all their business is what I think, but
4 what do I know?

5 MR. FINNEGAN: Thank you.

6 CHAIRMAN MATHEWSON: Thank you, sir, very
7 much. Commissioner.

8 MR. McNARY: Item XIV --

9 CHAIRMAN MATHEWSON: Or Gene.

10 MR. McNARY: Item XIV is the monthly update
11 on the River City Casino project, and the distinguished
12 Bob Herr is here to bring us up to date.

13 CHAIRMAN MATHEWSON: Good morning, sir.

14 MR. HERR: Good morning.

15 CHAIRMAN MATHEWSON: How are we doing down
16 there? Still moving along?

17 MR. HERR: We're moving along very well.

18 Mr. Chairman, Commissioners, my name is Bob Herr. I am
19 the project director for Pinnacle Entertainment's
20 corporate design and construction group, and I'm the
21 onsite lead person for Pinnacle at the River City Casino
22 project.

23 I'd like to first off say that I'm happy to
24 be back in front of you today. I believe the last time we
25 were together you-all were onsite for a walk through, and

1 I think you personally were able to observe the progress
2 that we are making down in the city of Lemay.

3 So with that, we haven't talked about the
4 access road in a while, but I'd like to give you a quick
5 update on that. Phase 1, which goes from the interstate
6 to Lemay Ferry Road, is open to the public. And we -- and
7 within this last month on November 10th St. Louis County
8 held a ribbon cutting ceremony, and Phase 2 is now open to
9 the public.

10 Phase 3, which takes us from Broadway into
11 the site, construction is all but done on that. We're
12 putting some light poles up and fencing, but we will open
13 that phrase of the project once we open the overall
14 project.

15 And just quickly on some slides of those
16 phases, that's Phase 1 that goes from Interstate 55 to
17 Lemay Ferry. Phase 2, which is the phase that just
18 recently opened, goes from Lemay Ferry down to Broadway,
19 and then Phase 3 takes us from Broadway into the site.

20 The next slide is at the Broadway
21 intersection. On the right-hand side of that slide you'll
22 see we're starting to put landscaping in. There'll be
23 some monument signage, which is the designator into the
24 site itself.

25 Overall on the site work right now, we're

1 moving through the final stages of paving. We've stamped
2 the architectural stamped concrete drive lane and walks.
3 All this work basically is remaining just at the Porte
4 Cochere dropoff area. In the parking lots themselves, the
5 asphalt is all complete and we'll be striping within the
6 next month or so. Landscape is in progress, and we're
7 putting up the site parking lot lighting. That's just
8 beginning this week.

9 So from the site work perspective -- you
10 can go to the next slide, please. From the site work
11 perspective, we're really just tidying up the odds and
12 ends now.

13 This photograph was taken on the 20th of
14 November, all of our aerial photographs are, and you can
15 see we've got a little green space now there, our greening
16 up of the site. Our sod and seed has been installed and
17 is being established. All of our large trees and
18 plantings are going in the planter beds. And basically
19 the site work that's remaining right now is up close to
20 the building, which would be in that parking lot at the
21 bottom of the page. That's where we're doing all of our
22 slot machine loading down at the main Porte Cochere area.

23 Overall on the general construction side,
24 we're just about 80 percent complete. Our interior casino
25 finishes are all -- are 90 percent plus complete. There's

1 just a little bit of tidying up of details within the
2 casino floor itself. And then the remainder of our front
3 house spaces, the restaurants and the VIP room and the
4 public spaces, they're in various stages of finishes,
5 anywhere from drywall all the way through painting and
6 carpeting and wall covering and all but the art work going
7 up at this point.

8 Our turnover schedule as we're coming
9 through construction, through commissioning certification
10 with the Gaming Commission and with turning over to our
11 operational groups, our first milestone date for those
12 activities was reached on November 2nd where we started
13 loading slot machines onto the floor, and at that time the
14 floor was actually deemed a live gaming floor.

15 Phase 1 testing began just yesterday with
16 your staff onsite to start all the Kobetroneing of the slot
17 machines that have been installed and readied for it, and
18 Phase 2 testing begins on January 18th. Currently, of our
19 2,100 total slots, we've got 1,250 that are up and ready
20 for testing, for Phase 1 testing. And we will complete
21 all of our slot installation by December 11th, so that's
22 coming up shortly next week. And then table game
23 installation is scheduled to begin the first week of
24 January.

25 The next slide is of our gaming floor

1 layout. Basically, everything to the right side of where
2 these clouds are, those are all the slot machines that
3 have been installed and are ready for testing, and then
4 the remaining slots are just in that, what is it, south
5 about a fourth of the casino floor, and we're moving very
6 quickly through having those ready for Phase 1 testing.

7 I brought along just a few slides showing
8 the overall progress. The front view of the building
9 right now, that parking lot that you see looks a little
10 rough right now, but that's where we've done all of our
11 loading of the slot machines. And in the upper left-hand
12 corner of the photograph is where our Porte Cochere, and
13 that's the last of the site work that's being done now.

14 On the rear view of the building, and then
15 also on the left-hand side of that photo, that shows the
16 prominent north entry to the building. That's where our
17 North Plaza is, where the fine dining restaurant and the
18 buffet restaurant are located. And in the upper
19 right-hand corner, that's where the 24-hour diner, the
20 Beer House restaurant and the Grand Court and the main
21 dropoff area will be.

22 This north elevation shows progress made
23 with the landscape going down and completion of that North
24 Plaza and the main north entry area. That exterior facade
25 there that you see, although it looks a little bit

1 unfinished, we had -- because of weather concerns, we
2 wanted to get that stamped concrete down, which is a
3 little more weather critical than the exterior building
4 finishes. So we are completing those finishes right now.

5 Inside on the casino floor, as I said
6 earlier, we're progressing very well with all of the slot
7 machine installs. This is just a representative photo of
8 throughout the floor of how far along we are with the slot
9 machines.

10 And I apologize. In the lower right-hand
11 corner, I didn't catch it before I got this report
12 prepared, but the date stamp on the photograph is a little
13 bit premature.

14 Then as I said earlier, Phase 1 testing
15 began yesterday, and actually this is a photo of your
16 staff onsite doing Kobetron activities.

17 The next photo is our Grand Court, which is
18 at the south end. That's the main entry of our facility.
19 You can see the wall covering is up on the high parts of
20 the ceiling. Our skylight is all but complete at this
21 point, and all the ornamental architectural detailing on
22 the inside of the casino is coming along. We still have a
23 few lifts in there because of the high work, but once
24 those back out and the flooring starts, this Grand Court
25 area will wrap up very quickly.

1 And our buffet, you can see we've got
2 carpeting going down now. Our ceiling elements are
3 completed. So we're not too far away from getting that
4 all punched out and ready for furniture.

5 And then the south elevation, this is off
6 the south public parking lots. This would be another
7 entry into the facility, the public entry that would be.
8 And then our main Porte Cochere dropoff area, of course,
9 is where valet activities would take place and just
10 dropping off and picking up guests.

11 And then lastly, our overall project
12 schedule. I'm happy and proud to say that that
13 November 2nd date was an original date on our schedule.
14 We met that. And our overall completion date of
15 January 31st we are on schedule for. Getting the kitchens
16 and the restaurant spaces completed, we're also on
17 schedule for all of those.

18 And we are looking for an opening to the
19 public still in the spring of 2010, and I've been approved
20 to say that we're even focusing now, our goal is to open
21 in March of 2010, and as we get through our commissioning
22 activities and completion of construction, along with your
23 staff, we'll be coordinating an exact opening date.

24 And then as I've always done, our web cam's
25 up and running. This is a picture as of yesterday

1 afternoon also. So you can monitor progress from the site
2 from our web cam as well.

3 So basically, overall, we're progressing.
4 Everything is moving along very well for us right now, on
5 schedule, on budget, and everything's coming together very
6 nicely for us. I'd be happy to answer any questions if
7 you have any.

8 CHAIRMAN MATHEWSON: Any questions? Thank
9 you very much.

10 MR. HERR: You're welcome.

11 CHAIRMAN MATHEWSON: You're doing good.
12 Thank you.

13 MR. HERR: Thank you.

14 CHAIRMAN MATHEWSON: Mr. McNary, do we have
15 new business?

16 MR. McNARY: We do not, Mr. Chairman. Nor
17 do we have any old business.

18 CHAIRMAN MATHEWSON: We don't have any old
19 business either. We're just taking care of business,
20 aren't we? Okay. We're about to wrap up this thing.

21 Chair would accept a motion under
22 Section 313.847 and 610.021.1 and 14 to close the meeting.

23 COMMISSIONER BRADLEY: So moved.

24 COMMISSIONER JONES: Second.

25 CHAIRMAN MATHEWSON: Call the roll.

1 MS. FRANKS: Chairman Mathewson.
2 CHAIRMAN MATHEWSON: Approve.
3 MS. FRANKS: Commissioner Jones.
4 COMMISSIONER JONES: Approve.
5 MS. FRANKS: Commissioner Plunkett.
6 COMMISSIONER PLUNKETT: Approve.
7 MS. FRANKS: Commissioner Bradley.
8 COMMISSIONER BRADLEY: Approve.
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C E R T I F I C A T E

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

I, Kellene K. Feddersen, Certified
Shorthand Reporter with the firm of Midwest Litigation
Services, do hereby certify that I was personally present
at the proceedings had in the above-entitled cause at the
time and place set forth in the caption sheet thereof;
that I then and there took down in Stenotype the
proceedings had; and that the foregoing is a full, true
and correct transcript of such Stenotype notes so made at
such time and place.

Given at my office in the City of
Jefferson, County of Cole, State of Missouri.

Kellene K. Feddersen, RPR, CSR, CCR