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MISSOURI GAMING COMMISSION

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TRANSCRIPT OF PROCEEDINGS

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8

BE IT REMEMBERED that on Wednesday, April 21,

9

2010 at 10:33 a.m. at the Stoney Creek Inn &

10

Conference Center, Prairie Room, 1201 North Woodbine,

11

St. Joseph, Missouri, the above-referenced meeting

12

convened. The Court Reporter was Sandy Sondag, CCR

13

for the State of Missouri, from ACE Court Reporting.

14

A P P E A R A N C E S

15

Commissioners:

Mr. James L. Mathewson, Chairman

16

Mr. Noel J. Shull

Mr. Darryl T. Jones

17

Ms. Suzanne Bocell Bradley

18

Secretary:

Ms. Angie Frank

19

Executive Director:

Mr. Gene McNary

20

21

General Counsel:

Mr. Christopher W. Hinckley

22

Assistant Deputy Director - Enforcement

23

Mr. Clarence Greeno

24

Missouri State Highway Patrol

Sergeant Terry M. Wilkinson

25

1 P R O C E E D I N G S

2 (Hearing commenced at 10:33 a.m.)

3

4 CHAIRMAN MATHEWSON: Okay. Sandy is here
5 ready to go, let's hear it for Sandy. Wasn't Sandy's
6 fault. Sandy didn't know. Once again, the system
7 isn't working very well. It's not Sandy's fault. Put
8 that in the record there, this guy right here said
9 that.

10 Thank you all very much. Thank you for being here
11 this morning, we appreciate it. It's good to be in
12 St. Joe. We had a, yesterday, an opportunity to tour
13 a casino here. I was impressed and I think all the
14 commissioners were. It's a nice operation for this
15 size community. So we're pleased to be in St. Joe,
16 and we welcome those of you that aren't in the St. Joe
17 market, too. And so with that we need to rectify
18 Ms. Angie's minutes, don't we?

19 MR. McNARY: You need to call the meeting
20 to order.

21 CHAIRMAN MATHEWSON: We just did. Okay.
22 Call to order, and would you call the roll.

23 MS. FRANK: Chairman Mathewson.

24 CHAIRMAN MATHEWSON: Present.

25 MS. FRANK: Commissioner Shull.

1 COMMISSIONER SHULL: Present.

2 MS. FRANK: Commissioner Jones.

3 COMMISSIONER JONES: Present.

4 MS. FRANK: Commissioner Plunkett.

5 (No response)

6 MS. FRANK: Commissioner Bradley.

7 COMMISSIONER BRADLEY: Present.

8 CHAIRMAN MATHEWSON: Okay. Now let's get

9 squared away on the minutes because we got a little

10 problem there. We don't have the same members here

11 today that were at the last meeting, so what do we

12 need to do?

13 MS. FRANK: We can still --

14 CHAIRMAN MATHEWSON: We can do the 10th,

15 we're okay on that?

16 MS. FRANK: We can do March 10th.

17 CHAIRMAN MATHEWSON: Okay. Can we accept a

18 motion to adopt the minutes from the March 10th

19 meeting?

20 COMMISSIONER SHULL: Move approval.

21 COMMISSIONER JONES: Second.

22 CHAIRMAN MATHEWSON: Any discussion? All

23 in favor? We'll call roll.

24 MS. FRANK: Chairman Mathewson.

25 CHAIRMAN MATHEWSON: Approved.

1 MS. FRANK: Commissioner Shull.

2 COMMISSIONER SHULL: Approved.

3 MS. FRANK: Commissioner Jones.

4 COMMISSIONER JONES: Approved.

5 MS. FRANK: Commissioner Bradley.

6 COMMISSIONER BRADLEY: I abstain because I
7 was not present.

8 MS. FRANK: By your vote you've adopted the
9 minutes of the March 10th, 2010 commissioner meeting.

10 CHAIRMAN MATHEWSON: Okay. March 24th, we
11 need to hold onto for a while; right?

12 MS. FRANK: Correct.

13 CHAIRMAN MATHEWSON: For everyone's
14 benefit. It isn't the same members here today that
15 were here that time. So at any rate we'll hold that
16 up until we have -- we'll approve them and we'll
17 approve those minutes, and I know that was important
18 for you all to know that.

19 Okay. Mr. McNary, sir.

20 MR. McNARY: Mr. Chairman, Members of the
21 Commission, this consists of three consideration of
22 disciplinary actions.

23 Tab C concerns a Level 1 licensee, Gayle Ezell,
24 Director of Surveillance at Ameristar St. Charles.
25 11 cameras lost communication and failed to record

1 video from January 10th, 2010 through January 11th,
2 2010, over 13 hours. Surveillance supervisor and
3 personnel were not familiar with functions of the
4 Health PC nor were they properly trained on the operation
5 of the Health PC.

6 This failure to train resulted in violations
7 relating to the recording of surveillance coverage.
8 This is Ameristar St. Charles first case like this,
9 hence, we do not recommend a fine; however, the staff
10 recommends the Commission suspend the Level 1
11 license of Gayle Ezell for two days.

12 CHAIRMAN MATHEWSON: Okay. Any questions
13 of Mr. McNary by members of the Commission on that
14 disciplinary action for two days suspension on Gayle
15 Ezell?

16 COMMISSIONER SHULL: What areas of the
17 casino were uncovered; do we have that?

18 MR. HINCKLEY: Yes, it was the -- I believe
19 it was the cage. Take a second here. It's not
20 included in the discipline, the exact location. My
21 recollection is it was in the cage area. There is a
22 representative from -- Troy, do you know?

23 MR. STREMMING: I'm not certain. We don't
24 have anybody from St. Charles here today.

25 COMMISSIONER SHULL: I'll withdraw the

1 question.

2 COMMISSIONER BRADLEY: May I ask, what
3 about the training strategies, has that been addressed
4 due to this event? Has training changed?

5 MR. STREMMING: I could say that it was
6 reported to us that it has been changed into the --
7 our officers on the boat, they say that they have --
8 they are all aware of how to operate this now.

9 COMMISSIONER BRADLEY: Okay.

10 CHAIRMAN MATHEWSON: Any other questions?

11 COMMISSIONER SHULL: I move approval of
12 DC-10-149.

13 COMMISSIONER BRADLEY: Second.

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

16 MS. FRANK: Chairman Mathewson.

17 CHAIRMAN MATHEWSON: Approved.

18 MS. FRANK: Commissioner Shull.

19 COMMISSIONER SHULL: Approved.

20 MS. FRANK: Commissioner Jones.

21 COMMISSIONER JONES: Approved.

22 MS. FRANK: Commissioner Bradley.

23 COMMISSIONER BRADLEY: Approved.

24 MS. FRANK: By your vote you've adopted

25 DC-10-149.

1 CHAIRMAN MATHEWSON: Mr. McNary.

2 MR. McNARY: Mr. Chairman, Tab D, E and F
3 arise out of the drug situation at Ameristar Kansas
4 City. An investigation was conducted in reference to
5 illegal drug usage within the security department. It
6 was reported two security shift managers were using
7 cocaine and had done so on property.

8 Security director Don Thiede and assistant
9 director Carissa King were aware of the drug
10 usage but failed to disclose the information because
11 of a close friendship between the four. Numerous
12 employees failed to notify or report allegations of
13 drug usage and a third degree assault.

14 Failure to report criminal and regulatory
15 violations resulted in a delay that allowed the
16 conduct to continue and ordered a successful
17 investigation. I know the Commission is concerned
18 about this. Staff has no recommendation at this time.

19 COMMISSIONER JONES: Commissioners,
20 Mr. Chairman, I'd like to table D, E and F until next
21 month, if that's acceptable?

22 CHAIRMAN MATHEWSON: Mr. Jones has
23 requested that we hold up on this decision process by
24 the Commission to seek better understanding of the
25 chain of events that occurred here.

1 COMMISSIONER BRADLEY: I'll second.

2 CHAIRMAN MATHEWSON: Okay. Commissioner
3 Bradley seconds that motion. Is there any further
4 discussion on the motion to deal with this at our next
5 meeting? Call roll on that motion, Angie, please.

6 MS. FRANK: Chairman Mathewson.

7 CHAIRMAN MATHEWSON: Yes.

8 MS. FRANK: Commissioner Shull.

9 COMMISSIONER SHULL: Yes.

10 MS. FRANK: Commissioner Jones.

11 COMMISSIONER JONES: Yes.

12 MS. FRANK: Commissioner Bradley.

13 COMMISSIONER BRADLEY: Yes.

14 CHAIRMAN MATHEWSON: Thank you,
15 Commissioners. Mr. McNary.

16 MR. McNARY: Tab G, Mr. Chairman, concerns
17 Harrah's Maryland Heights. Two security officers
18 allowed an underaged patron who was 19, entered the
19 casino floor, was loud and consumed several
20 intoxicating beverages. The underaged patron was in
21 the casino for approximately 48 minutes, drank three
22 beers, did not gamble. Staff recommends that the
23 Commission fine the casino \$25,000.

24 CHAIRMAN MATHEWSON: Any questions of
25 Mr. McNary on Tab 153? The Chair would accept a

1 motion, then, to accept the recommendation of staff.

2 COMMISSIONER JONES: Move for the
3 acceptance of DC-10-153.

4 COMMISSIONER BRADLEY: Second.

5 CHAIRMAN MATHEWSON: Any discussion? Call
6 roll, Angie, please.

7 MS. FRANK: Chairman Mathewson.

8 CHAIRMAN MATHEWSON: Approved.

9 MS. FRANK: Commissioner Shull.

10 COMMISSIONER SHULL: Approved.

11 MS. FRANK: Commissioner Jones.

12 COMMISSIONER JONES: Approved.

13 MS. FRANK: Commissioner Bradley.

14 COMMISSIONER BRADLEY: Approved.

15 MS. FRANK: By your vote you've adopted
16 DC-10-153.

17 CHAIRMAN MATHEWSON: Mr. McNary.

18 MR. McNARY: Tab H, Mr. Chairman, involves
19 two counts, Harrah's North Kansas City. Count 1, a
20 table game supervisor failed to remove the decks of
21 cards from a blackjack table within the required
22 six-hour time limit. The cards remained in play for
23 30 minutes longer than allowed by the CSR.

24 Count II, a similar situation, a table games
25 manager failed to remove the decks of cards from a

1 poker table within the required six-hour time limit.
2 The cards remained in play for six hours and 52
3 minutes.

4 Table games manager stated there was an oversight
5 in reviewing the card change log and he missed the
6 card change. Staff recommends the Commission fine the
7 casino \$10,000.

8 CHAIRMAN MATHEWSON: Any questions of
9 Mr. McNary on that recommendation? If not the Chair
10 will accept a motion to accept staff recommendation.

11 COMMISSIONER JONES: Mr. McNary, for all
12 the table games, all the card games, the allotted time
13 is six hours?

14 MR. McNARY: Yes, sir.

15 COMMISSIONER JONES: Okay. Just wanted to
16 make sure.

17 MR. McNARY: They change them every
18 six hours.

19 MR. HINCKLEY: It depends on whether or not
20 the players -- the patrons handle the cards; correct?

21 UNIDENTIFIED MEMBER OF AUDIENCE: Correct.

22 MR. HINCKLEY: And it varies. The six-hour
23 time limit is in games where the players handle the
24 cards, and it's a one-day for the players.

25 UNIDENTIFIED MEMBER OF AUDIENCE: Regular

1 blackjack is 24 hours.

2 CHAIRMAN MATHEWSON: Okay. Any questions?

3 The Chair would accept a motion to accept staff
4 recommendation.

5 COMMISSIONER SHULL: Move to accept
6 DC-10-154.

7 COMMISSIONER BRADLEY: Second.

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

10 MS. FRANK: Chairman Mathewson.

11 CHAIRMAN MATHEWSON: Approved.

12 MS. FRANK: Commissioner Shull.

13 COMMISSIONER SHULL: Approved.

14 MS. FRANK: Commissioner Jones.

15 COMMISSIONER JONES: Approved.

16 MS. FRANK: Commissioner Bradley.

17 COMMISSIONER BRADLEY: Approved.

18 MS. FRANK: By your vote you've adopted

19 DC-10-154.

20 MR. McNARY: Mr. Chairman, Tab I, Harrah's

21 North Kansas City. Security officer allowed an

22 underaged 19-year-old patron to enter the casino. The

23 underaged patron was on the casino floor for

24 approximately 7 hours and 23 minutes. The underaged

25 patron bought in for a total of \$246 at several table

1 games and slot machines. He never purchased or
2 consumed alcohol.

3 None of the seven table games dealers IDed the
4 patron. The casino was responsible. All employees
5 are responsible for IDing of those that appear to be
6 underage. These people did not, and staff believes a
7 message needs to be sent to the casino that
8 everybody's responsible for IDing of underaged
9 patrons.

10 There were several who were disciplined and were
11 L-2s, Level 2s, and I think they -- you have those
12 names in your notes. Staff recommends a fine of
13 \$25,000.

14 CHAIRMAN MATHEWSON: Any questions of
15 Mr. McNary on 10-155? Seeing none, the Chair would
16 accept a motion to adopt the staff recommendation.

17 COMMISSIONER BRADLEY: Motion to approve
18 DC-10-155.

19 COMMISSIONER JONES: Second.

20 CHAIRMAN MATHEWSON: Call roll, please.

21 MS. FRANK: Chairman Mathewson.

22 CHAIRMAN MATHEWSON: Approved.

23 MS. FRANK: Commissioner Shull.

24 COMMISSIONER SHULL: Approved.

25 MS. FRANK: Commissioner Jones.

1 COMMISSIONER JONES: Approved.

2 MS. FRANK: Commissioner Bradley.

3 COMMISSIONER BRADLEY: Approved.

4 MS. FRANK: By your vote you've adopted
5 DC-10-155.

6 MR. McNARY: Tab J, Mr. Chairman, involves
7 Isle of Capri Caruthersville. This was an incident
8 involving a \$540 overage in the vault. An
9 investigation revealed multiple violations. A further
10 review of the cage operations over the following weeks
11 revealed issues with training of cage members,
12 supervisors incorrectly implementing policies and
13 procedures, as well as the cage manager and financial
14 controller failing to adequately supervise and
15 implement policies and procedures and adhere to the
16 current regulations set forth for licensees.

17 Evidence found during the investigation suggests
18 the entire cage had not been adequately supervised or
19 trained. There were several people involved in the
20 discipline. The staff recommends that the Commission
21 fine the casino \$30,000.

22 CHAIRMAN MATHEWSON: Any questions of
23 Mr. McNary on 10-156?

24 COMMISSIONER JONES: Again, the question,
25 the training has been implemented?

1 TOM CAMPBELL: I would

2 say that's also been corrected.

3 COMMISSIONER JONES: Okay.

4 TOM CAMPBELL: The

5 training has been in place. They're trying to do the

6 right thing.

7 COMMISSIONER JONES: Okay.

8 MR. McNARY: If they don't, then there will

9 be a recognition of that the next time, the next

10 violation.

11 CHAIRMAN MATHEWSON: Okay. Chair would

12 accept a motion to accept the staff recommendation on

13 10-156.

14 COMMISSIONER JONES: Move for acceptance of

15 DC-10-156.

16 COMMISSIONER BRADLEY: Second.

17 CHAIRMAN MATHEWSON: Any discussion? Call

18 roll, please.

19 MS. FRANK: Chairman Mathewson.

20 CHAIRMAN MATHEWSON: Approved.

21 MS. FRANK: Commissioner Shull.

22 COMMISSIONER SHULL: Approved.

23 MS. FRANK: Commissioner Jones.

24 COMMISSIONER JONES: Approved.

25 MS. FRANK: Commissioner Bradley.

1 COMMISSIONER BRADLEY: Approved.

2 MS. FRANK: By your vote you've adopted
3 DC-10-156.

4 MR. McNARY: Mr. Chairman, an adjunct to
5 that discipline is Tab K which involves a Level 1
6 licensee, Pacey Bowens, financial controller who is
7 the one who failed to adequately train and supervise
8 her subordinates. Staff recommends the Commission
9 suspend her license for five days.

10 CHAIRMAN MATHEWSON: Roger, has that
11 already occurred since this all happened in September
12 of '09, has that suspension already been enacted or it
13 will happen?

14 MR. STOTTLEMYRE: It only happens after
15 your action, approving.

16 CHAIRMAN MATHEWSON: Okay. Any other
17 questions on 10-157?

18 COMMISSIONER BRADLEY: What about the other
19 employees, especially where it all started, the domino
20 effect it went through, what all happened?

21 MR. ROGER STOTTLEMYRE: We have a -- I
22 don't have the list in front of me --

23 MR. McNARY: I have a list.

24 MR. ROGER STOTTLEMYRE: -- but we do have a
25 list of other employees that were disciplined.

1 COMMISSIONER BRADLEY: But they were all --

2 MR. ROGER STOTTLEMYRE: There were all --

3 COMMISSIONER BRADLEY: They were all
4 disciplined?

5 MR. ROGER STOTTLEMYRE: Yes, ma'am.

6 COMMISSIONER BRADLEY: Okay, fine. And now
7 trained?

8 MR. ROGER STOTTLEMYRE: Yes, ma'am.

9 MR. McNARY: There were five, LaQuita
10 Lane was disciplined two days; Angela Thacker
11 case supervisor, three days; Linda
12 Cannon, case supervisor, five days; Teresa
13 Nichols, case manager, five days; and Kelvin Mitchell,
14 lead cashier, two days.

15 COMMISSIONER BRADLEY: Okay, thank you.

16 CHAIRMAN MATHEWSON: Those have already
17 occurred; is that correct?

18 MR. McNARY: No, I think those take --

19 MR. HINCKLEY: The Level 2s. They're
20 issued by the executive director, most likely served
21 by now.

22 CHAIRMAN MATHEWSON: Okay. I guess there's
23 where I was confused.

24 MR. HINCKLEY: The level 1s come to you.

25 CHAIRMAN MATHEWSON: I'll remember that.

1 Thank you. Okay, any other questions? Chair would
2 accept a motion to accept staff recommendation on
3 10-157.

4 COMMISSIONER SHULL: Move approval with
5 10-157.

6 COMMISSIONER JONES: Second.

7 CHAIRMAN MATHEWSON: Call roll, please.

8 MS. FRANK: Chairman Mathewson.

9 CHAIRMAN MATHEWSON: Approved.

10 MS. FRANK: Commissioner Shull.

11 COMMISSIONER SHULL: Approved.

12 MS. FRANK: Commissioner Jones.

13 COMMISSIONER JONES: Approved.

14 MS. FRANK: Commissioner Bradley.

15 COMMISSIONER BRADLEY: Approved.

16 MS. FRANK: By your vote you've approved
17 DC-10-157.

18 MR. McNARY: Tab L, Mr. Chairman, is Isle
19 of Capri Caruthersville. Casino operations manager
20 informed MGC of several slot machines found to be
21 operating with revoked software. A slot technician
22 supervisor advised eight slot machines were taken out
23 of service.

24 A GLI revocation letter dated July 2nd of '09
25 required that software be upgraded by December 29th of

1 '09. The EGD machines with the revoked software were
2 in service from December 29th, '09 to January 7th of
3 2010, a total of nine days. The staff recommends
4 Commission fine the casino \$15,000.

5 CHAIRMAN MATHEWSON: Any questions of
6 10-158 of Mr. McNary? If not the Chair would accept a
7 motion to accept staff recommendation.

8 COMMISSIONER BRADLEY: I move to approve
9 DC-10-158.

10 COMMISSIONER SHULL: Second.

11 CHAIRMAN MATHEWSON: Call the roll, Angie,
12 please.

13 MS. FRANK: Chairman Mathewson.

14 CHAIRMAN MATHEWSON: Approved.

15 MS. FRANK: Commissioner Shull.

16 COMMISSIONER SHULL: Approved.

17 MS. FRANK: Commissioner Jones.

18 COMMISSIONER JONES: Approved.

19 MS. FRANK: Commissioner Bradley.

20 COMMISSIONER BRADLEY: Approved.

21 MS. FRANK: By your vote you've adopted
22 DC-10-158.

23 MR. McNARY: Item 4, Mr. Chairman, on the
24 agenda concerns settlement agreements and General
25 Counsel Chris Hinckley will address them.

1 MR. HINCKLEY: Mr. Chairman, Commissioners,
2 behind Tabs M through Q are settlement agreements. In
3 each case the licensee contacted the Commission
4 shortly after the commission issued preliminary orders
5 and the
6 licensees and the Commission and myself began to
7 negotiate settlement agreements regarding these
8 matters.

9 Behind Tab M is Resolution 10-041 regards
10 settlement agreement with Ameristar Casino Kansas
11 City, and in that case concerning underlying
12 disciplinary matter of 10-108 where the Commission
13 fined the casino \$25,000 on a two-count discipline
14 involving underaged patrons.

15 The Commission and the licensee have agreed to
16 settle this matter for a payment of \$22,500. The
17 staff would ask the Commission to approve this
18 settlement agreement.

19 CHAIRMAN MATHEWSON: Any questions of
20 Mr. Hinckley? The Chair would accept a motion to
21 adopt staff recommendation.

22 MR. McNARY: Mr. Chairman, last time we
23 shortened the process by taking all of these at the
24 end.

25 MR. HINCKLEY: I apologize, I shouldn't

1 have asked you to approve it at this point. I'll do
2 that at the end.

3 CHAIRMAN MATHEWSON: Why did you do that?
4 It was the lawyer in you, wasn't it?

5 MR. HINCKLEY: No...

6 CHAIRMAN MATHEWSON: Okay.

7 MR. HINCKLEY: Done so long the other way,
8 I guess I'm still working through the new methodology.

9 CHAIRMAN MATHEWSON: Okay. Does any member
10 of the Commission object to taking these to the end
11 and then voting on all five of them at the same time?

12 COMMISSIONER BRADLEY: No.

13 COMMISSIONER SHULL: No.

14 COMMISSIONER JONES: No.

15 CHAIRMAN MATHEWSON: Okay. Proceed,
16 Mr. Hinckley.

17 MR. HINCKLEY: Thank you. Behind Tab N we
18 have Commission Resolution 10-042 concerning licensee
19 Harrah's Maryland Heights, and underlying disciplinary
20 matter 10-109, where the Commission fined the casino
21 \$25,000 for failure to report surveillance coverage.
22 In that case the licensee and the Commission have
23 agreed to settle the matter for a payment of \$22,500.

24 Behind Tab 0 you have Commission Resolution 10-043
25 concerning licensee Harrah's North Kansas City, and

1 underlying disciplinary matter 10-009, where the
2 Commission fined the casino \$75,000 for failure to
3 properly identify and escort an intoxicated patron
4 from the casino floor. The licensee and the
5 Commission have agreed to settle this matter for a
6 payment of, let's see, let me do my math in my head
7 here, 67-5.

8 And behind Tab P the Commission Resolution 10-044
9 regarding licensee Harrah's North Kansas City, and
10 underlying disciplinary matter of 10-110 where the
11 Commission fined the casino \$10,000 for matters
12 involving an underaged patron on the gaming floor.
13 The Commission and the licensee have agreed to settle
14 this matter for a payment of \$9000.

15 Behind Tab Q we have Commission Resolution 10-045
16 concerning licensee Isle of Capri Caruthersville
17 whereby the underlying disciplinary matter of 10-111,
18 the Commission fined the casino \$10,000 for an
19 incident whereby 2 underage patrons were discovered on the
20 gaming floor. The Commission and the licensee have
21 agreed to settle this matter for a payment of \$9000.

22 The staff would ask the Commission to approve all
23 of these settlement agreements.

24 CHAIRMAN MATHEWSON: Any question on any of
25 the five that Mr. Hinckley has presented the

1 Commissioners? Then the Chair will accept a motion to
2 adopt staff recommendation on the M, N, O, P, Q.

3 COMMISSIONER SHULL: I move approval for
4 10-041, 10-042, 10-043, 10-044 and 10-045.

5 COMMISSIONER BRADLEY: Second.

6 CHAIRMAN MATHEWSON: Call roll, Angie,
7 please.

8 MS. FRANK: Chairman Mathewson.

9 CHAIRMAN MATHEWSON: Approved.

10 MS. FRANK: Commissioner Shull.

11 COMMISSIONER SHULL: Approved.

12 MS. FRANK: Commissioner Jones.

13 COMMISSIONER JONES: Approved.

14 MS. FRANK: Commissioner Bradley.

15 COMMISSIONER BRADLEY: Approved.

16 MS. FRANK: By your vote you've adopted
17 Resolution numbers 10-041, 10-042, 10-043, 10-044 and
18 10-045.

19 MR. McNARY: Item 5, Mr. Chairman, concerns
20 relicensure of a certain supplier. Sergeant Terry
21 Wilkinson is with us to handle that.

22 SERGEANT WILKINSON: Mr. Chairman and
23 Commissioners: The Missouri State Highway Patrol
24 investigators conducted the re-licensing investigation
25 of NRT Technology Corporation of Toronto, Ontario,

1 Canada.

2 NRT Corporation is the manufacturer of ticket
3 redemption kiosks that are in use on the casino floor.
4 The investigation consisted of jurisdictional
5 inquiries, feedback from affected gaming clients, a
6 review of disciplinary actions, litigation and
7 business credit profiles, as well as a review of the
8 key persons associated with the company. The results
9 of this investigation were provided to the MGC staff
10 for their review.

11 MR. McNARY: Staff recommends relicensure.

12 CHAIRMAN MATHEWSON: Okay, any questions?
13 Chair would recognize a motion to accept staff
14 recommendation on the relicensure.

15 COMMISSIONER BRADLEY: Motion to approve
16 Commission Resolution Number 10-046.

17 COMMISSIONER JONES: Second.

18 CHAIRMAN MATHEWSON: Call roll, please.

19 MS. FRANK: Chairman Mathewson.

20 CHAIRMAN MATHEWSON: Approved.

21 MS. FRANK: Commissioner Shull.

22 COMMISSIONER SHULL: Approved.

23 MS. FRANK: Commissioner Jones.

24 COMMISSIONER JONES: Approved.

25 MS. FRANK: Commissioner Bradley.

1 COMMISSIONER BRADLEY: Approved.

2 MS. FRANK: By your vote you've adopted
3 Resolution Number 10-046.

4 MR. McNARY: Item 6 concerns licensure of
5 certain Level 1 key applicants, and Terry will handle
6 that one as well.

7 SERGEANT WILKINSON: Missouri State Highway
8 investigators along with gaming commission financial
9 investigators conducted comprehensive background
10 investigations on multiple key and Level 1 applicants.
11 The investigations included but were not limited to
12 criminal, financial and general character inquiries
13 in the jurisdictions where the applicants
14 lived, worked and frequented.

15 The following individuals are being presented for
16 your consideration: Linster W. Fox, Executive Vice
17 President and Chief Financial Officer for
18 ShuffleMaster, Incorporated; Keith W. Henson, Vice
19 President of casino operations for Pinnacle
20 Entertainment, Incorporated; and Lynn C. Swann,
21 director of Harrah's Entertainment, Incorporated.

22 The results of all investigations were provided to
23 the Commission staff for their review, and you have a
24 summary report before you for all applicants being
25 considered.

1 MR. McNARY: Lynn Swann's a familiar name.

2 CHAIRMAN MATHEWSON: Yes, it certainly is.

3 MR. McNARY: Staff recommends licensure of
4 these applicants.

5 CHAIRMAN MATHEWSON: Any questions? Chair
6 would accept a motion to accept the recommendation of
7 staff and licensures.

8 COMMISSIONER SHULL: Move approval for
9 10-047.

10 COMMISSIONER BRADLEY: Second.

11 CHAIRMAN MATHEWSON: Call the roll, please.

12 MS. FRANK: Chairman Mathewson.

13 CHAIRMAN MATHEWSON: Approved.

14 MS. FRANK: Commissioner Shull.

15 COMMISSIONER SHULL: Approved.

16 MS. FRANK: Commissioner Jones.

17 COMMISSIONER JONES: Approved.

18 MS. FRANK: Commissioner Bradley.

19 COMMISSIONER BRADLEY: Approved.

20 MS. FRANK: By your vote you've adopted
21 Resolution Number 10-047.

22 MR. McNARY: Item 7, Mr. Chairman, concerns
23 Final Order of Rulemaking. Clarence Greeno will speak
24 to that.

25 MR. GREENO: Good morning, Mr. Chairman,

1 Commissioners.

2 CHAIRMAN MATHEWSON: Good morning.

3 MR. GREENO: Behind Tab T you will find one
4 Final Order of Rulemaking, 11 CSR 45-12.010 relating
5 to excursion liquor licenses.

6 Section 2 of the Rule provides the Commission the
7 authority to discipline for cause the excursion liquor
8 license or the Class B licensee for any violation of
9 Missouri law or the liquor rules set forth in Chapter
10 12 of the regulations.

11 The amendment adds the wording "any facility named
12 on the excursion liquor license," thereby providing
13 the Commission the ability to impose discipline upon
14 any specific venue named on the liquor license rather
15 than upon the excursion liquor license in totality
16 which covers every venue on the property at which
17 liquor is sold or served.

18 A notice of proposed rulemaking containing the
19 text of the proposed rule was published in the
20 Missouri Register, providing a period during which
21 interested parties could submit comments.

22 Additionally, a public hearing was held at which
23 individuals or groups were provided the opportunity to
24 express their agreement with or concern about the
25 proposed rule. No written comments were received, and

1 no one appeared to testify at the public hearing. I
2 would be happy to answer any questions.

3 CHAIRMAN MATHEWSON: Any questions of
4 Clarence? No questions. Chair would accept a motion
5 to adopt recommendation on -- well, I don't know, do
6 we have to accept consideration of rule making on
7 that? I don't think we do, do we?

8 MR. McNARY: Just adopt the final order.

9 CHAIRMAN MATHEWSON: Okay. Chair will
10 accept a motion to adopt the final order.

11 COMMISSIONER SHULL: Move approval of
12 11 CSR 45-12.010.

13 COMMISSIONER JONES: Second.

14 CHAIRMAN MATHEWSON: Call the roll, please.

15 MS. FRANK: Chairman Mathewson.

16 CHAIRMAN MATHEWSON: Approved.

17 MS. FRANK: Commissioner Shull.

18 COMMISSIONER SHULL: Approved.

19 MS. FRANK: Commissioner Jones.

20 COMMISSIONER JONES: Approved.

21 MS. FRANK: Commissioner Bradley.

22 COMMISSIONER BRADLEY: Approved.

23 MS. FRANK: By your vote you've adopted
24 Final Order of Rulemaking 11 CSR 45-12.010.

25 MR. McNARY: Item 8's agenda concerns

1 waiver of a licensure for institutional investor.

2 Clarence.

3 MR. GREENO: Mr. Chairman, Commissioners:

4 Behind Tab U is Resolution 10-048 regarding waiver of

5 licensure for an institutional investor. Kornitzer

6 Capital Management, Incorporated, is an institutional

7 investor holding and requesting to hold publicly

8 traded interest in multiple licensees.

9 KCM has submitted requests for waiver to hold up

10 to 20 percent interest in these licensees in

11 compliance with 11 CSR 45-4.020. The submitted

12 waivers certify all holdings are for institutional

13 investment purposes only with no intent to be involved

14 in the management or operation of the licensees.

15 Because the holdings may exceed the 10 percent

16 threshold for which the executive director may grant

17 waiver, this resolution is before the Commission

18 today. And again, I would be happy to answer any

19 questions.

20 MR. McNARY: Staff recommends the waiver be

21 granted.

22 CHAIRMAN MATHEWSON: Chair will accept a

23 motion to approve.

24 COMMISSIONER JONES: Move to accept

25 Resolution Number 10-048.

1 COMMISSIONER BRADLEY: Second.

2 CHAIRMAN MATHEWSON: Call roll, please.

3 MS. FRANK: Chairman Mathewson.

4 CHAIRMAN MATHEWSON: Approved.

5 MS. FRANK: Commissioner Shull.

6 COMMISSIONER SHULL: Approved.

7 MS. FRANK: Commissioner Jones.

8 COMMISSIONER JONES: Approved.

9 MS. FRANK: Commissioner Bradley.

10 COMMISSIONER BRADLEY: Approved.

11 MS. FRANK: By your vote you've adopted

12 Resolution Number 10-048.

13 MR. McNARY: The next item is new business,

14 Mr. Chairman, and I have one item to bring before the

15 Commission just as a matter of notification and asking

16 for your approval. And that would concern the license

17 application process on the 13th license that will be

18 freed up on, before July 1st.

19 Staff has formed a task force for this process. I

20 think I've already advised you as to the members of

21 that task force. We're also in the process of

22 executing an MOU with the Department of Economic

23 Development whereby they will provide an economic

24 analysis for each riverboat gaming application.

25 We've asked representatives of DED to be a part of

1 the following steps in the application process. We
2 have already invited any prospective applicant to
3 submit a notice of interest, and that is due on May
4 1st.

5 On May 4th the task force plans to review the
6 information submitted pursuant to the notice of
7 interest. The information provided will begin the
8 process of gauging the possible locations and levels
9 of interest for a 13th gaming license.

10 On May 11th we have a general managers meeting
11 scheduled and will be -- I will -- Mike Winter, the
12 executive director for the association is already
13 doing a head count as to who's going to be there and
14 who won't be, but I will also send out an invitation
15 to the GMs about that meeting. There are several
16 previously scheduled items but we will also discuss
17 with the industry their position on this 13th license.

18 On May 18th, and presently set for 2:00 p.m. that
19 day, staff plans to hold an application information
20 meeting for all potential applicants, jurisdictions
21 and interested parties. We'll just open it up for
22 everybody, even those who don't think there should be
23 a license issued.

24 At this meeting staff will discuss the contents of
25 a gaming application and inquire from the applicants

1 how long it might take to gather the required
2 information and, actually, their criteria is
3 statutory. General counsel Hinckley has put together
4 an excellent, I think it's about three pages to advise
5 everyone what's required by statute and what's
6 required in our own regulations.

7 We believe at that meeting we should be able to
8 come back to the Commission at the May 26th meeting,
9 which is in Jeff City, and provide you with a proposed
10 resolution as to when the deadline opening and
11 deadline for the applications should be established.

12 We'll get more information at the May 18th
13 meeting, which should put us in a position to
14 establish a deadline. I know the Commission's
15 position is that it's in the best interest of the
16 State to move expeditiously through this process, and
17 so even at the May 18th meeting we'll let these
18 prospective applicants know that the Commission wants
19 to move right along.

20 CHAIRMAN MATHEWSON: Will you at that time,
21 the 18th meeting, or at any of the other meetings,
22 will a part of that application process contain a
23 timeline of, "we get the license when can we do this"
24 sort of a deal on each of those people? Is that going
25 to be a part of it?

1 MR. McNARY: Well I think that the
2 application process, there's a lot for them to put
3 together.

4 CHAIRMAN MATHEWSON: I understand.

5 MR. McNARY: But I think when they decide
6 to make the application they will have already done a
7 lot of the research.

8 CHAIRMAN MATHEWSON: I think so, too.

9 MR. McNARY: And so we want the Commission
10 to determine when the deadline is, when we want these
11 applications.

12 CHAIRMAN MATHEWSON: Yes, sir, I understand
13 that. I -- you know, we -- I think, I think the
14 Commission, I know this one at least, really wants to
15 work closely with the process, and, because I want to
16 give all the applicants an opportunity to know that
17 this was done properly, and if that takes a little
18 extra time then I understand that.

19 But also understand that at a point here in the
20 not very distant future we're going to have the 13th
21 license that's going to be available. This isn't
22 creating any revenues, you know, for the school kids
23 of this state, and I think that's what's important,
24 too. So anyway.

25 Let me ask this, Gene, so I have no problem,

1 personally, but I'll ask the other Commissioners if
2 they do on what you've presented to us. I think
3 that's, that's sound thinking in trying to put that
4 together to get the most information possible.

5 I wonder, though, out of courtesy to those that
6 have taken their time and waited to get this meeting
7 started this morning if, just, is there anyone here
8 representing the casinos that have questions of what
9 Mr. McNary has just said? Troy, do you have a
10 question?

11 MR. STREMMING: Well I think, and I'm
12 speaking on behalf of Ameristar Casino --

13 CHAIRMAN MATHEWSON: Sure. And identify
14 yourself for the record.

15 MR. STREMMING: Oh, sure. Troy Stremming,
16 I'm senior vice president of governmental affairs and
17 public relations for Ameristar Casinos.

18 You know, from Ameristar's perspective, and,
19 again, I'll let the other operators speak for
20 themselves, but I know from listening at association
21 meetings, and I know Mike Winter spoke to the
22 Commission, I believe, at the last commission meeting,
23 our concern is that we're not getting the cart before
24 the horse. And historically, the Commission has
25 always taken the position that we've looked across the

1 state and did an economic analysis of the entire state
2 to see where, if anywhere, is the appropriate location
3 for a new license. And we certainly recognize the
4 need to get that license issued for state revenue
5 purpose. We recognize the broad discretion that the
6 Commission has, our concern is, as Gene was very
7 gracious to allow the industry to come speak to him on
8 the 11th, we don't get the opportunity to speak to you
9 all. We can't speak to you in any ex parte
10 communications, as we all know very clearly, this is
11 the only session that we're allowed to talk to you.

12 This timeline that we have not seen, and I have
13 not heard discussed to this point, or really heard the
14 Commission take a position to this point on what they
15 intend to do with that license, we would just like to
16 make sure that the process is slowed down enough so
17 that there can be an economic -- a perfect example of
18 this, depending who shows interest on May 1. If
19 that's where the Economic Development is going to
20 focus their attention, that might not be the location
21 that's at the best interest of the State of Missouri.

22 I mean, I view the state of, you know, Missouri's
23 role here is to create the most revenue that they can
24 for the state, put it in a location that wants it
25 there, and also have the most -- the least impact they

1 have on existing operators so that they're growing
2 revenue, not just redistributing revenue from one
3 casino to another.

4 So, for example, the best location for the State
5 of Missouri might not be an application that you see
6 on May 1. So I just think that it would be beneficial
7 for the State to at least look to see what is in the
8 best interest of where that location would be, not
9 just base it on what you see by May 1, because in this
10 economic environment you might not see a lot of
11 operators that are interested at this point, you might
12 simply see cities, counties and locals that say, "we
13 would like to have that location," but you might not
14 see the interest from operators based on the economic
15 environment.

16 So I know that's Ameristar's concern, that we at
17 least look broadly, first, before we go down this path
18 of issuing a license without knowing what's in the
19 best interest.

20 CHAIRMAN MATHEWSON: So as, Troy, as you
21 hear what Mr. McNary, how do we change that to get to
22 where your concern is?

23 MR. STREMMING: I don't know what he's
24 proposing because we've never seen it. This is the
25 first that we've learned of it today. I don't know

1 what the proposal, I don't know what the time frame
2 is, and I didn't hear anything regarding a statewide
3 market analysis to get a better understanding of, are
4 there markets that are saturated? We have, you know,
5 2000 new positions that just came online in St. Louis,
6 haven't been in operation for three months.

7 In Kansas City we have a \$500 million facility
8 that's being built across the state line that just put
9 a shovel in the ground. So I think it's going to be
10 difficult to get a really solid understanding of the
11 market until we get time for those additional gaming
12 positions to be absorbed.

13 MR. McNARY: Mr. Chairman, we -- this MOU
14 that we're entering into with the economists at DED is
15 going to give us a statewide picture. That's an
16 economic analysis that I think this Commission has to
17 have. And our objective, rather than running our own
18 market study, if we believe that a combination of
19 market studies, including Mr. Stremming's would be
20 helpful, and we will feed those to the economists who
21 then can do the analysis statewide and determine just
22 how much, you know, that that's going to be a revenue
23 analysis and a competition analysis, and they have
24 modeled --

25 CHAIRMAN MATHEWSON: So do I understand

1 what you're saying there? You're saying that, that
2 you will invite the existing casinos in the state to
3 provide that information on their market or whatever?

4 MR. McNARY: Absolutely. And we have.
5 I've already talked to Mike Winter about that, and
6 he's --

7 CHAIRMAN MATHEWSON: Oh, well, okay, maybe,
8 maybe that's where the breakdown is. When did that
9 meeting occur, the last one where you talked to Mike?

10 MR. McNARY: It's been a month ago
11 probably.

12 CHAIRMAN MATHEWSON: Okay. Troy, I
13 think...

14 MR. STREMMING: We would just like to
15 understand what the process is. Again, today, we're
16 talking about a plan that we've never seen. We're
17 talking about a study that we have no idea what it
18 looks like, what it involves.

19 You know, I think, to be quite honest with you, I
20 don't know that Ameristar or Harrah's or any other
21 gaming operator in the state is best positioned to do
22 the market analysis, the state or us, whoever that
23 might be, the industry should look to a market
24 analysis entity that this is what they do, and they
25 focus on gaming issues, not, you know, all types of

1 economic development that look to get the best
2 analysis that we can. And that's certainly something
3 that the industry, I think, would be interested in.
4 If not, I know that Ameristar would.

5 But to set out a plan of when the applications are
6 going to be due, when the license process is going to
7 take place without even having the market analysis
8 completed and studied by you, the decision makers,
9 seems to be getting the cart before the horse.

10 MR. McNARY: At the May 18th meeting we
11 hope to get some market studies. We have invited
12 people to indicate their interest, and as a part of
13 that letter that went out to several people who
14 inquired, that letter said, if you have a market study
15 we'd like to have it, so we hope to see some market
16 studies come in, then we can feed it to the DED.

17 CHAIRMAN MATHEWSON: Okay.

18 MR. McNARY: And they have some excellent
19 models that they can tell you, you know, you put an
20 Applebee's one place, how can it affect competitors
21 and other Applebee's other places, you know. We need
22 to take advantage of that, and they're an independent
23 group, and they operate statewide, so we're not
24 putting the cart before the horse, it's just a matter
25 of getting started with the people who are interested

1 first, and that's what that meeting's about.

2 CHAIRMAN MATHEWSON: Okay.

3 MR. STREMMING: If I could just say, with
4 due respect to Mr. McNary, being someone who's
5 involved in development, you know, those studies are
6 going to look like what best benefits whoever is
7 submitting that application for that location, Number
8 one.

9 Number two, I don't think that you can compare the
10 gaming industry to an Applebee's. I think that our
11 industry is a very unique one. I think that it really
12 needs to be studied by an entity that focuses on
13 gaming. I think the last study that the Commission
14 conducted a few years ago regarding Sugar Creek was
15 the innovation group, so there's several around the
16 country. I don't know who you guys used the last
17 time, but I know it was a group that focuses on gaming
18 solely.

19 And again, I just think that you should first
20 better understand, this is the only opportunity we get
21 to talk to you all, and you are the decision makers,
22 and we're just hopeful that we look, if instead of
23 running down this path and making a decision that's
24 going to put a casino in this state for years to come,
25 in whatever location it might be, that we just have a

1 better understanding of what the market is currently
2 before we go down that path. And if those development
3 studies are part of an application, those development
4 studies are certainly going to run in line with what
5 they're trying to get accomplished in this state, and
6 all we're saying is, let's look at the whole state
7 with an independent view and make a decision of where
8 we should be focused, where the state should be
9 focused to create the most new revenue for the State
10 of Missouri.

11 MR. McNARY: We think we're doing that,
12 Mr. Chairman. We know that every market study that's
13 submitted is going to be biased, including
14 Mr. Stremming's. He's going to have one that says
15 there's no place to put it in the state of Missouri.
16 But, our opinion is, that if you put all these
17 together, and we're advised by the economists that
18 they can plug those in and come out with an accurate
19 picture, at least that's the best that we can ask for.

20 CHAIRMAN MATHEWSON: Okay. Let me go back
21 to one point that Troy made though, Gene. Is maybe
22 there a breakdown between the discussions with our
23 staff and Mike Winter on getting out, and I'm not
24 being critical of Mike because everybody knows he's
25 been around forever, you know, I mean, he's a good

1 guy, but are we breaking down somewhere, because you
2 indicate, Troy, that you've never seen this timeline
3 at all, and Gene says that he has presented that to
4 Mike.

5 MR. STREMMING: Well I don't know that that
6 happened. I think what Gene said was that he has told
7 Mike that they would welcome the studies from the
8 industry.

9 CHAIRMAN MATHEWSON: Oh, okay.

10 MR. STREMMING: Which might have occurred
11 here recently. But the whole point is, we want to
12 hear what the Commission wants to see, and we'll be
13 more than happy, I can only speak for Ameristar, but I
14 can certainly tell you, we'll be more than happy to be
15 involved in that process.

16 But this plan is something that has not been
17 presented to anyone. I haven't seen it, I know this
18 issue was not even on the agenda today. I was here,
19 as most everybody knows, because of a disciplinary
20 action that we had on the agenda today that got
21 tabled. But I mean, it very well without this topic,
22 I think it's the most important topic that you all as
23 commissioners are going to make for years to come
24 based on where to locate a casino and it wasn't on the
25 agenda today. That's concerning us.

1 CHAIRMAN MATHEWSON: Okay. Troy, I
2 understand that, and that's the reason why I asked
3 that. And I'm sure that I got kind of a bad-looking
4 expression on Gene's face when I asked you all to
5 respond if you chose to. But, you know, we find
6 ourselves sometimes as commissioners, you know, in
7 that same position you're talking about, because I
8 mean, you know, we're, we are the decision makers but
9 we can't enter into the debate. You know, I mean, it
10 puts us in a really, really bad situation. And as
11 most of you all know, having been a senator for
12 30 years in this state, I'm used to leading the charge
13 not sitting back, waiting for somebody to tell me
14 something.

15 MR. STREMMING: I understand.

16 CHAIRMAN MATHEWSON: And so it puts us in
17 kind of a bad situation, too, Troy, you know, because
18 if we get involved, and then we got to make a
19 decision, somebody's going to -- oh, foul.

20 MR. STREMMING: And the whole purpose of me
21 standing up today was simply to say that, you are the
22 decision makers.

23 CHAIRMAN MATHEWSON: That's right.

24 MR. STREMMING: And we would simply like to
25 have the opportunity to understand the plan, before

1 you go down a path of approving a plan, we would like
2 to know what the plan is, what type of study is going
3 to be conducted, what's the timing for us to allow to
4 get our information in, and to be quite honest, if May
5 18th is the date, I mean, that's less than a month
6 away, and to conduct a really in depth market analysis
7 of gaming in the State of Missouri, you're going to
8 have a real tough time getting that completed in 30
9 days, or less than 30 days. I don't think that's
10 realistic.

11 MR. McNARY: Well, again, there is no plan.
12 There's no -- you haven't heard a plan. What we're
13 doing is trying to get everybody's input, including
14 yours, and, you know, you've been eloquent in
15 presenting your points, but we're trying to get
16 everybody together and find out what's out there as we
17 go along.

18 There is no plan at this point. There's nothing
19 to vote on. What I'm advising you and advising Troy
20 and everybody who is interested in it, is the process,
21 and the timeline that we're trying to establish and
22 trying to do it in an expeditious way.

23 Now, you know, the market study is going to be
24 given to you, the economic analysis, 30 days after the
25 close of the application, period. So that's going to

1 be what you act on in a decision, in your decision
2 making function. And I think that's a better analysis
3 than if we go out right now and try to figure out,
4 well where do we need a casino, because I don't know
5 that you can make that determination. Somebody may
6 come in with a \$500 million plan and somebody else may
7 come in with a \$50 million plan that could be better
8 because of its location and other concerns.

9 CHAIRMAN MATHEWSON: And I -- so that all
10 of you that are kind enough to be here this morning
11 recognize that, you know, certainly, I as chair will
12 take some responsibility here, because, again, I'm
13 trying to look out into the future, recognizing that
14 sometime between now and the first of July we're going
15 to have a license in our hand, and it's going to be up
16 to us to determine with the best information that's
17 available to us, on where that license should be
18 located. Okay?

19 My current concern, also, is that it may take two
20 years from the time we issue it before we ever get any
21 production coming out of there into the taxpayers of
22 the State of Missouri. That bothers me. You know,
23 I'm trying to justify that, how do we say to the
24 people of the State of Missouri, as a Commission, we
25 did the best we could, but it took two and a half

1 years, you know. And you could look at it from the
2 side of giving everybody a chance to visit about it,
3 and certainly we want all the best information we
4 possibly can, because we don't want to make a decision
5 without that information. We also want to get a
6 casino open making that 13th license a viable thing for
7 the people. Okay.

8 So, you know, I encourage all of you to work with
9 staff. And you know, if -- I hate to say this, but,
10 you know, if at the 18th meeting, if things don't come
11 right, I'm sure the staff's going to tell us on the
12 26th or whatever our next meeting is, we don't have it
13 yet, you know, and we need some more time to do this.
14 And I suspect this Commission is going to say, then
15 that's what we'll have to do. May not like it but
16 that's what we need to do to get the best information
17 possible to make a decision. So anyone else want to
18 speak to this? Please.

19 MR. TOM CAMPBELL: Mr. Chairman, Tom
20 Campbell with Gallop Johnson Neuman law firm. I
21 represent the Isle of Capri, I did not know that there
22 was going to be an opportunity for this so I did
23 not get permission from my clients to speak.

24 CHAIRMAN MATHEWSON: I know you didn't.
25 And you know, again, let me apologize, this isn't on

1 the agenda, but at the same time I recognize, Bob's
2 sitting out where you are, then probably Troy's right,
3 this is the only time we're going to get a chance to
4 talk to us about this.

5 MR. TOM CAMPBELL: My point is, though, I
6 don't have direct authorization from my client on
7 speaking. Perhaps as someone who has represented
8 gaming interests in the state for over ten years, and
9 just with one observation, I forget who mentioned it,
10 but someone said, well the potential applicants would
11 have pretty much all they would need to put the
12 application together. And I know you used the word
13 expeditious a couple times and I commend it, I think
14 we do need to get some productivity out of this 13th
15 license.

16 But the fact of the matter is, from a practical
17 standpoint, at best I can count, there are probably
18 eight sites in the state at a Tier 1 level, and
19 probably another half dozen at a Tier 2 level.

20 For a company to look at a decision, vis-a-vis, an
21 application that will commit them to millions of
22 dollars of investment, they need to look at these
23 sites with some diligence, but also in a judicious
24 manner, which does take some time. They would need to
25 look at potential sites, probably more than one. They

1 would have to negotiate some sort of acquisition or at
2 least with a land holder. They would need to -- this
3 is a critical point, they would need to establish some
4 sort of financing mechanism, and with a tight credit
5 market that is taking certainly longer now than it did
6 even a year ago.

7 And so my only observation that I would like to
8 submit to the Commission is that these companies are
9 going to need some time to put a good application
10 together, and we're talking, you know, I would say at
11 a minimum 90 days and perhaps more to really do the
12 due diligence necessary to put application or
13 applications together.

14 I think that anything that tries to rush the
15 application process will potentially chill prospective
16 applicants who simply will conclude there is not
17 enough time to do the due diligence necessary to
18 present an application to the Commission, as it makes
19 some sense from them from a business standpoint and
20 what makes some sense for you as decision makers.

21 CHAIRMAN MATHEWSON: Okay, thank you.
22 Okay, now, everyone here understand that I'm going to
23 get in trouble because this was not an agenda item and
24 it was not posted as such and now I've just allowed
25 it? So all you lawyers out there stand by, okay? I'm

1 probably going to need one okay?

2 MR. HINCKLEY: It's all right. He's just
3 informing you of staff intention to do something.
4 There's no vote here, there's no approval so we're all
5 set.

6 MR. McNARY: And you're immune from getting
7 in trouble.

8 CHAIRMAN MATHEWSON: Okay. Anybody else
9 have anything to say? How about our friends and our
10 hosts in our community here, you guys want to say
11 anything to the Commission while you're here?

12 MR. CRAIG TRAVERS: I would just like to
13 say thanks, everybody, for coming to visit us in
14 St. Joe, and, basically, that with the points that
15 were brought up both by Mr. Stremming and by the
16 attorney who chose to speak, which is also good, I
17 think they're all good points, I think that, you know,
18 they stated the process which we are as a company
19 going through right now, it's the very same, similar
20 situation in the State of Iowa where studies were
21 concurred or were done by two different independent
22 companies for the State of Iowa, that results were
23 submitted to the State of Iowa, and as a result
24 they're in the very same process with regards to
25 issuing more licenses, and, obviously, it's a very

1 long and arduous process and a lot of work and a lot
2 of stress for the Commission to deal with it, because
3 of all the opposing and interested people that are
4 involved. But you know, it takes time. You have to
5 be very careful with the studies because the studies,
6 as Mr. McNary pointed out, everybody gets a study done
7 and they know what they want the study to say so they
8 make sure the study they get done says what they want
9 it to say. And, you know, studies that need to be
10 done definitely need to be done by operation of the
11 Commission, not any one individual licensee, and those
12 are the kinds of studies that you'll get that will
13 really tell you the true picture of the state and the
14 market and where licenses of this nature should be
15 considered.

16 CHAIRMAN MATHEWSON: Okay. Who are you?

17 MR. CRAIG TRAVERS: Craig Travers. I'm
18 the general manager of Terrible's in St. Joe.

19 CHAIRMAN MATHEWSON: Thank you. Thanks a
20 lot for having us down yesterday and looking at your
21 operation.

22 MR. CRAIG TRAVERS: Appreciate it.

23 CHAIRMAN MATHEWSON: Okay, Mr. McNary. Any
24 old business?

25 MR. McNARY: No old business, Mr. Chairman.

1 We need to have a motion for close, a closed meeting.

2 CHAIRMAN MATHEWSON: Okay. Again, thank
3 you all very much for being here. We'll work through
4 the process and we do appreciate everyone attending
5 this morning and we're always happy to see you.

6 COMMISSIONER JONES: Mr. Chairman, can we
7 get a motion to close the meeting under Section
8 313.847 and 610.021(1) and Sections 11 and 14?

9 CHAIRMAN MATHEWSON: I think that would be
10 an excellent motion.

11 COMMISSIONER BRADLEY: Second.

12 CHAIRMAN MATHEWSON: Call roll, please.

13 MS. FRANK: Chairman Mathewson.

14 CHAIRMAN MATHEWSON: Approved.

15 MS. FRANK: Commissioner Shull.

16 COMMISSIONER SHULL: Approved.

17 MS. FRANK: Commissioner Jones.

18 COMMISSIONER JONES: Approved.

19 MS. FRANK: Commissioner Bradley.

20 COMMISSIONER BRADLEY: Approved.

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22 (Hearing concluded at 11:33 a.m.)

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C E R T I F I C A T E

STATE OF MISSOURI)
)
COUNTY OF CLINTON)

I, the undersigned Certified Court Reporter of the State of Missouri, do hereby certify that said proceedings were taken before me and thereafter transcribed into computer-aided transcription under my direction and supervision; and I hereby certify that the foregoing transcript of proceedings is a full, true and correct transcript of my shorthand notes.

I further certify I am neither counsel, nor related to any party to said action, nor otherwise interested in the outcome thereof.

IN WITNESS WHEREOF, I have hereto set my hand and affixed my seal this 4th day of May, 2010.

SANDRA S. SONDAG, CCR
ACE Court Reporting
407-492-5110

MISSOURI GAMING COMMISSION
Open Session Minutes
April 21, 2010

The Missouri Gaming Commission went into open session at approximately 12:46 p.m. on April 21, 2010, at the Stoney Creek Inn, St. Joseph, Missouri.

Gene McNary submitted his resignation effective July 1, 2010.

Commissioner Bradley moved to accept Gene McNary's resignation as of July 1, 2010. Commissioner Jones seconded the motion. After a roll call vote was taken, the motion passed unanimously.

Commissioner Jones moved to approve Roger Stottlemyre as the Executive Director of the Missouri Gaming Commission effective July 1, 2010. Commissioner Shull seconded the motion. After a roll call vote was taken, the motion passed unanimously.

Commissioner Bradley moved to adjourn the open session meeting. Commissioner Shull seconded the motion. After a roll call vote was taken, the motion passed unanimously.

Open session ended at 1:30 p.m.