

BEFORE THE MISSOURI GAMING COMMISSION

STATE OF MISSOURI

MEETING

June 22, 2011

Missouri Gaming Commission

3417 Knipp Drive

Jefferson City, Missouri

COMMISSIONERS PRESENT:

James L. Mathewson, Chairman

Suzanne Bocell Bradley

Barrett Hatches

Jack L. Merritt

REPORTED BY:

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AGENDA

1			
2			PAGE
3	I.	Call to Order	
4	II.	Consideration of Minutes	12:16
		A. May 25, 2011	
5			
6	III.	Consideration of Hearing Officer Recommendations	
		B. James Scott	
		1. Resolution No. 11-029	14:25
7		C. Jeffrey L. Sauls	
		1. Resolution No. 11-030	28:13
8		D. Michael Mee	
		1. Resolution No. 11-031	32:2
9		E. Shante Riddlespriger	
		1. Resolution No. 11-032	34:4
10		F. Terri L. Ruby	
		1. Resolution No. 11-033	36:17
11		G. Linda Rosten	
		1. Resolution No. 11-034	41:3
12		H. John Kelly	
		1. Resolution No. 11-035	43:12
13		I. Michael Gillis	
		1. Resolution No. 11-036	45:8
14			
15	IV.	Consideration of Relicensure of Class A & B Licensees	
		Isle of Capri Casinos, Inc (Class A)	
16		IOC-Kansas City, Inc. (Class B)	
		IOC-Boonville, Inc. (Class B)	
17		IOC-Caruthersville, LLC (Class B)	
		*Presentation by Applicant	
18		*Presentation by City of Kansas City	
		*Presentation by City of Boonville	
19		*Presentation by City of Caruthersville	
		*Public Comment	
20		*Investigative Summary	
		*MBE/WBE Compliance Review	
21		*Staff Recommendations	
		J. Resolution No. 11-037	66:24
22		K. Resolution No. 11-038	111:6
		L. Resolution No. 11-039	88:15
23		M. Resolution No. 11-040	67:18
24	V.	Consideration of Relicensure of Certain Suppliers	
		N. Gaming Partners International USA	
25		1. Resolution No. 11-041	113:17

1	O. Tech Art Manufacturing, Inc.	
	1. Resolution No. 11-042	114:17
2		
3	VI. Consideration of Licensure of Level 1/Key Applicants	
4	P. Resolution No. 11-043	116:11
5	VII. Consideration of Rulemaking	
	Q. Final Orders of Rulemaking	118:20
6	1. 11 CSR 45-4.030 - Application for Class A or Class B License	
7	2. 11 CSR 45-10.020 - Licensee's and Applicant's Duty to Disclose Changes in Information	
8		
9	VIII. Consideration of Settlement Agreement	
	R. American Legion Post 253	
10	1. Resolution No. 11-003-B	126:15
11	IX. New Business	126:19
12		
	X. Old Business	126:19
13		
	XI. Motion for Closed Meeting under Sections 313.847, Investigatory, Proprietary and Application Records and 610.021(14)	130:19
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		

1 CHAIRMAN MATHEWSON: Good morning,
2 everyone. Nice to see you here. We'll call this meeting
3 to order. Angie, would you call the roll, please?

4 MS. FRANKS: Chairman Mathewson?

5 CHAIRMAN MATHEWSON: Here.

6 MS. FRANKS: Commissioner Bradley?

7 COMMISSIONER BRADLEY: Here.

8 MS. FRANKS: Commissioner Jones?

9 Commissioner Hatches?

10 COMMISSIONER HATCHES: Here.

11 MS. FRANKS: Commissioner Merritt?

12 COMMISSIONER MERRITT: Present.

13 CHAIRMAN MATHEWSON: Okay. Quorum being
14 present. Commissioner Jones couldn't be with us today. So
15 first of all, to everyone who would not remember that this
16 lady has been here before, but Commissioner Bradley is back
17 as a member of the Commission, having been appointed by the
18 governor a week ago, or something like that. So we want to
19 welcome Commissioner Bradley back with us.

20 Suzanne, nice to have you here.

21 COMMISSIONER BRADLEY: Thank you. It's a
22 pleasure to be here.

23 CHAIRMAN MATHEWSON: Thank you. Roger?

24 MR. STOTTLEMYRE: Mr. Chairman,
25 Commissioners, you had told me you would like to recognize

1 some people from the Gaming Division that had an impact on
2 the victims and the situation we had down in Joplin, and
3 because of that I got with the Captain and we had as many
4 of them as could come in today. We did have 15 officers
5 that were assigned down in Joplin at one time or another.
6 I believe that's the correct number: Ten that went down
7 initially and five on another trip.

8 But at this time I'd like to ask them to
9 come forward and be recognized, and thank them for their
10 efforts -- I know that you wanted to do that -- if they
11 would, please.

12 CHAIRMAN MATHEWSON: Would all of you with
13 the Patrol that volunteered to go to Joplin on that
14 terrible disaster come forward, please? We sure want to
15 recognize you. God love you for doing what you did.

16 MR. STOTTLEMYRE: And I believe Chris
17 Jolly's going to make a few comments, I asked if he would,
18 and kind of tell about their detail and what their
19 responsibilities were.

20 CHAIRMAN MATHEWSON: Please do that.

21 SERGEANT JOLLY: Good morning, Mr. Chairman,
22 Commissioners. We appreciate, obviously, your recognition
23 this morning. I think I speak on behalf of these guys
24 (indicating). We'd rather the recognition to go to those
25 victims and families and those affected directly by the

1 tornado, including our brother in law enforcement, Master
2 Patrolman Jefferson Taylor, who lost his life doing what we
3 did, and was struck by lightning and died later.

4 I'm going to give a short presentation and
5 kind of an overview of what we did. Obviously, the tornado
6 occurred on Sunday, May 22nd. It was a Sunday, at
7 5:41 p.m, and it was an EF5, 200 mile-per-hour winds. As
8 of right now, there's been 155 dead as a result of this
9 tornado.

10 (A video was played.)

11 I'm going to play a video here, and this
12 kind of gives you an idea of the landscape after the
13 tornado hit. This was actually taken -- I actually took
14 this on Memorial Day, a little bit more than a week later.
15 This is the main thoroughfare east on 26th Street, just
16 east of St. John's Hospital and, as you can see, there's
17 just nothing left. And this is pretty much the heart of
18 where the tornado hit.

19 One interesting story, talking to residents
20 there and a Joplin police officer that worked this area
21 every day, you notice the rolling hills that are through
22 here. They were surprised to notice these rolling hills
23 through here because when you have buildings up and
24 housing, and this is residential area, they were surprised
25 to see the rolling hills. They didn't know there were

1 rolling hills there until after the tornado hit. As you
2 can see, trees were pretty much stripped down to the bark,
3 and just leveled this whole area.

4 These are some of the services we provided
5 with the Patrol: Traffic control, security patrol, command
6 operations. President Obama did come a week after the
7 tornado to speak at a memorial service at the University.
8 DMORT assistance, DMORT is a federal agency that comes to
9 these mass-casualty events; it stands for Disaster Mortuary
10 Operation Response Team. We had troopers there, assigned
11 to the temporary morgue.

12 And, obviously, the worse thing we do as
13 troopers is death notifications, and it's sad to say we
14 have a lot of experience doing those. This was like none
15 other, though. We had to give a lot of those,
16 unfortunately.

17 Now, I've got some pictures. This is a
18 trooper working an intersection. I'll say that it wasn't
19 just the Highway Patrol. We had a lot of help. I think
20 400 agencies -- fire, police, EMS -- responded in one way
21 or another. I noticed Kansas City, Jackson County;
22 St. Joe, Buchanan County; just to name a few. I know
23 Sedalia had their own issues that week with their tornado,
24 Mr. Chairman. And the grey and black uniforms of Green
25 County, I did see them there as well.

1 This is another thing we did, roving
2 patrols, and basically providing security to those areas
3 that were hit, checking on residents, and just checking on
4 people, making sure that they're actually supposed to be
5 there. And there's Sergeant Morrison and Trooper Howrey
6 (ph.) on those kind of patrols, and it was very rewarding
7 to them. I know, if you're in a traumatic experience like
8 that, you just want to feel safe again, and I think we did
9 our best at doing that.

10 This is actually a search-and-rescue dog
11 that I got to, actually, watch work in the afternoon. And
12 it had just been in Tuscaloosa the week before. There's a
13 whole -- about eight dogs from this particular
14 search-and-rescue team in Memphis.

15 This kind of gives you a view of the
16 destruction. Look again at the trees and how the bark is
17 just stripped away. Obviously, cars -- I've never seen
18 cars mangled like they were in this tornado. And,
19 obviously, being state troopers, we've seen a lot of
20 accidents. But just amazing, the destruction.

21 This is St. John's. I'm sure you've watched
22 news reports of St. John's Hospital. There was anywhere
23 between 3- to 500 -- they're not really sure -- in the
24 hospital at the time of the direct hit of the tornado,
25 because of visitors. There were nine people killed around

1 the hospital. And I just read an article this week where
2 the upper beams of that hospital had actually twisted four
3 inches.

4 This is a transportation bus that was out
5 there in front of St. John's. This is a box truck that is
6 wrapped around a tree. That just shows you some more, just
7 amazing power of this storm. We saw trees like this,
8 uprooted, all over the city. In fact, outside even the
9 direct hit of the tornado, there was trees like this down.

10 Interesting story with this: This is a
11 house. If you look back behind the washer and dryer and
12 the stud wall back there, that was a closet. And Sergeant
13 Morrison talked to this resident, and he took cover in that
14 closet back behind the washer and dryer and he did survive
15 the tornado. Very lucky.

16 This is a picture of Joplin High School.
17 Joplin was having their commencement ceremonies at the
18 University on the north side of town, which wasn't hit. In
19 fact, it started at three o'clock and people actually were
20 driving back into the tornado, from commencement
21 ceremonies. But I'm thinking if graduation would've taken
22 place there, we would've had a lot more casualties.

23 This is a house that's pretty much moved to
24 the middle of the street. This interesting photo, if you
25 look through the window on the right side, you see the

1 house is gone, but the clothes are still hanging in the
2 closet. And this pretty much shows how much power -- this
3 was taken by Corporal Finnigan (ph.) over by St. John's
4 Hospital, and what happens when a two-by-four goes through,
5 at 200 miles an hour, a concrete curb.

6 It was nice to see that some of the
7 residents had a sense of humor after all this. You see,
8 For Sale, Open Floor Plan, Natural Lighting. Pretty
9 amazing, after losing everything, they could have a sense
10 of humor.

11 Became kind of a patriotic scene. The
12 spirit of Joplin kind of became contagious with everybody
13 there. You see the cross there, it actually is straight as
14 an arrow. And, obviously, the thanks coming from people
15 that lost everything meant a lot to us. And I think we all
16 felt like, after coming back, it was the most rewarding --
17 one of the most rewarding things we've ever done on the
18 Highway Patrol.

19 And, obviously, they still need a lot of
20 help there, so if you can, they're seeking volunteers, and
21 that's a way you can help. Mr. Chairman.

22 CHAIRMAN MATHEWSON: Hey, guys. God bless
23 you.

24 SERGEANT JOLLY: Thank you.

25 CHAIRMAN MATHEWSON: I mean it. Thanks for

1 being here today. We appreciate it very much. Isn't it
2 about the first chapter, the first verse and the sixth
3 verse, or something, The Lord said, Let there be light. It
4 is one of those. I didn't --

5 COMMISSIONER HATCHES: It's in there.

6 CHAIRMAN MATHEWSON: It's in there. You
7 bet. It's there. Okay. Chair would at this time accept a
8 motion for the consideration of minutes from the May 25th
9 meeting.

10 COMMISSIONER MERRITT: So moved.

11 COMMISSIONER HATCHES: Second.

12 CHAIRMAN MATHEWSON: But, you know, we kind
13 of got a problem here, you know that?

14 MR. GREWACH: Sir?

15 CHAIRMAN MATHEWSON: I think I was not here
16 and she was not here.

17 MR. GREWACH: That's true.

18 CHAIRMAN MATHEWSON: So I think two of you
19 are going to approve these minutes. Okay? Wait a minute.
20 Barrett, was you here?

21 COMMISSIONER HATCHES: Yeah.

22 CHAIRMAN MATHEWSON: Okay.

23 MR. GREWACH: And it's -- I mean, there's
24 nothing improper about a member who wasn't here voting to
25 approve the minutes.

1 COMMISSIONER BRADLEY: But I would abstain,
2 just because I wasn't a Commissioner, and these three could
3 approve.

4 CHAIRMAN MATHEWSON: Yeah. Okay. Angie,
5 call the roll, please.

6 MS. FRANKS: Commissioner Merritt?

7 COMMISSIONER MERRITT: Approved.

8 MS. FRANKS: Commissioner Hatches?

9 COMMISSIONER HATCHES: Approved.

10 MS. FRANKS: Commissioner Bradley?

11 COMMISSIONER BRADLEY: Abstain, due to the
12 fact that I was not a Commissioner at the time of the
13 meeting.

14 MS. FRANKS: Chairman Mathewson?

15 CHAIRMAN MATHEWSON: Approve.

16 MS. FRANKS: By your vote you've adopted the
17 minutes from the May 25, 2011 meeting.

18 CHAIRMAN MATHEWSON: Roger Stottlemire,
19 please, sir.

20 MR. STOTTEMYRE: Mr. Chairman, Item III on
21 the agenda is Consideration of Hearing Officer
22 Recommendations; Mr. Steve Stark will present those.

23 CHAIRMAN MATHEWSON: Good morning, sir.

24 HEARING OFFICER STARK: Good morning,
25 Commissioners. Our first item is the case of James Scott.

1 Mr. Scott was a holder of a Level II occupational license,
2 enabling him to be employed upon a gambling boat.

3 On September 28, 2008, Mr. Scott was
4 arrested for several charges, among them resisting arrest,
5 a Class D felony. On October 7, 2008, Mr. Scott reported
6 to the Commission that he had been arrested for speeding.
7 However, the Commission investigator was conducting a
8 review of the background of current licensees and
9 discovered that on January 15, 2010, Mr. Scott had pled
10 guilty to the felony charge of resisting arrest.

11 Missouri law provides that any licensee
12 shall truthfully report any change in their information
13 that they've made on their application, or previous
14 information regarding their license, to the Commission.
15 Also, the law provides that a conviction or a guilty plea
16 to a felony is a disqualifier for obtaining or maintaining
17 a license.

18 Mr. Scott really had no defense, other than
19 he believed that if he served his probation period that the
20 felony would no longer exist. However, the court records
21 do show that he pled guilty to a felony, and therefore,
22 triggered the statute that provides for him to be
23 disqualified from maintaining a license. And the
24 Commission's proposal that his license be revoked is
25 appropriate, and that would be my recommendation.

1 CHAIRMAN MATHEWSON: Is Mr. Scott here, by
2 any chance?

3 (No response.)

4 CHAIRMAN MATHEWSON: Any questions by
5 members of the Commission?

6 (No response.)

7 CHAIRMAN MATTEWSON: The Chair would accept
8 a motion to approve the recommendation.

9 COMMISSIONER BRADLEY: Motion to approve
10 Commission Resolution No. 11-029.

11 COMMISSIONER HATCHES: Second.

12 CHAIRMAN MATHEWSON: Any discussion?

13 (No response.)

14 CHAIRMAN MATTEWSON: Call roll, Angie,
15 please.

16 MS. FRANKS: Commissioner Merritt?

17 COMMISSIONER MERRITT: Approve.

18 MS. FRANKS: Commissioner Hatches?

19 COMMISSIONER HATCHES: Approve.

20 MS. FRANKS: Commissioner Bradley?

21 COMMISSIONER BRADLEY: Approve.

22 MS. FRANKS: Chairman Mathewson?

23 CHAIRMAN MATHEWSON: Approve.

24 MS. FRANKS: By your vote you've adopted
25 Resolution No. 11-029.

1 HEARING OFFICER STARK: Commissioners, our
2 next case is the case of Jeffrey Sauls, your Item C.
3 Mr. Sauls was a holder of a Level II occupational license,
4 working -- able to work on a gambling boat.

5 On March 2, 2009, the Florissant, Missouri
6 Police Department arrested Mr. Sauls for driving while
7 intoxicated. Due to prior convictions, the charges were
8 augmented, in that he was charged as a persistent offender
9 with a Class D felony.

10 Mr. Sauls did inform the Commission that he
11 had been arrested for driving while intoxicated. The date
12 of his notification was February 3, 2010, which is about 11
13 months after the reportable event.

14 On July 15, 2010, Mr. Sauls entered a plea
15 of guilty to the felony charge of driving while
16 intoxicated, and the Court directed that Mr. Sauls
17 participate in a drug court program, where the drug court
18 would have intensive supervision, drug treatment, and as a
19 result of his successful completion of that drug court
20 program, his guilty plea would be withdrawn. However, the
21 guilty plea still exists on the record.

22 Mr. Sauls did testify credibly that, based
23 upon what his lawyer told him, what the judge had said to
24 him in the court proceeding, that he believed he was not
25 pleading to a felony conviction, but rather pleading and

1 agreeing to participate in the drug court program.

2 Mr. Sauls did believe that his criminal
3 matter was actually still pending and that there would be
4 nothing to report to the Commission about his court
5 proceeding being a plea of guilty to driving while
6 intoxicated for the felony charge. However, the drug court
7 program does require a guilty plea as part of its
8 participation.

9 However, the record did show, from the drug
10 court administrator, that successful completion of a drug
11 court results in a withdrawal of the guilty plea and
12 criminal charges are dismissed; cases do not result in a
13 conviction.

14 However, the statute provides that a guilty
15 plea to a felony is a disqualifying event. It doesn't
16 really matter what the lawyer said, doesn't matter what the
17 judge says. The guilty plea at the time is the
18 disqualifying event. Whether or not successful completion
19 of the drug court would occur is not the issue; according
20 to the statute, it's the guilty plea.

21 As such, the Commissions' recommendation
22 that Mr. Sauls' license be revoked is appropriate, and that
23 would be my recommendation.

24 CHAIRMAN MATHEWSON: Is Mr. Sauls here, by
25 any chance?

1 MR. SAULS: Yes, I am.

2 CHAIRMAN MATHEWSON: There's a microphone
3 right there in front of you, sir. Mr. Sauls, right there.
4 I think it's hot. Proceed, sir.

5 MR. SAULS: What was that?

6 CHAIRMAN MATHEWSON: You had some comments
7 you wanted to make?

8 MR. SAULS: Yes, sir. As far as I
9 understood with my attorney and going to Judge Dolan, that
10 this was -- at the time that I was rehired -- I had been
11 laid off at the Admiral Casino, and during that time was
12 when I had the DUI.

13 I did not try to hide anything from the
14 Gaming Commission. When I renewed my license, I reported
15 that to Jeff City, and actually called and told them, and
16 then filled out all the paperwork. From my understanding,
17 this was all pending, and they did it as a -- since I
18 worked at the Admiral under the Pinnacle Corporation, they
19 did it as a transfer, so there was no other paperwork that
20 had to be filled out. And I have not ever tried to hide
21 anything from the Gaming Commission, whatsoever.

22 The reason that I did this is to -- go into
23 the drug court was to get rid of the problem that I had
24 created for myself. And when I pled into that, it was
25 under my belief that this would be resolved once I

1 completed this program, and that I could maintain a gaming
2 license. And so that's why I went ahead and did this.

3 Like I said, all criminal charges are
4 dismissed. I've been doing very well in the program. My
5 sobriety is very important to me now. I've been sober for
6 over two years. I've never had a sanction in the program,
7 and I will graduate in November. And that's about all I
8 can say in my defense.

9 CHAIRMAN MATHEWSON: Thank you, sir. Did
10 you have an attorney that represented you at any point
11 during all this?

12 MR. SAULS: The only attorney that I had, I
13 submitted the information when I filled out -- yes. Once I
14 was in the drug program, I had no other attorney after
15 that.

16 CHAIRMAN MATHEWSON: Okay. But -- let me
17 leave you for just a moment, please.

18 So his guilty plea is still in effect. Am I
19 correct there or is --

20 HEARING OFFICER STARK: No, it is. I
21 think -- as I understand, the St. Louis drug court, at that
22 time, required you to plead guilty in order to, first,
23 participate in the drug court. So you'd have that guilty
24 plea on your record if you failed or somehow got suspended
25 from the drug court program, then you would be a convicted

1 felon.

2 If you successfully completed the drug
3 program, then they would go back and withdraw your guilty
4 plea, but it's still on your record. And in this case, Mr.
5 Sauls has not yet completed the program; it is a 15-month
6 program. So it's to be seen whether or not the guilty plea
7 will be withdrawn.

8 CHAIRMAN MATHEWSON: Let me make sure I
9 understand. Okay? Any other Commissioner jump in here,
10 but -- because I'm a little confused. So he is in the
11 program now.

12 HEARING OFFICER STARK: Correct.

13 CHAIRMAN MATHEWSON: You will graduate --
14 what did you say? October?

15 MR. SAULS: In November.

16 CHAIRMAN MATHEWSON: In November. Okay.
17 You'll graduate from that 15-month program in November. At
18 that time will that then, the guilty plea, be expunged?

19 HEARING OFFICER STARK: Well, according to
20 the court administrator, she doesn't use the word
21 "expunged." She says, Criminal charges are dismissed. So
22 I can't answer that question.

23 CHAIRMAN MATHEWSON: I'm --

24 MR. SAULS: I have a copy of the paperwork
25 right here, if you'd like to review it.

1 COMMISSIONER BRADLEY: Yeah. So the
2 difference is, is the guilty plea withdrawn or are the
3 charges dismissed?

4 CHAIRMAN MATHEWSON: Said dismissed.

5 COMMISSIONER BRADLEY: It's two different
6 things.

7 HEARING OFFICER STARK: Well, it does say
8 withdrawal of guilty plea and criminal charges are
9 dismissed. So it withdraws the guilty --

10 CHAIRMAN MATHEWSON: That wipes it clean
11 then, doesn't it, Counselor?

12 COMMISSIONER BRADLEY: Then that would not
13 be a plea of guilty; is that correct?

14 CHAIRMAN MATHEWSON: Counselor, I need a
15 little help here. I'm not --

16 MR. GREWACH: Certainly. If I could weigh
17 in on that issue, at least from the Staff's perspective.

18 CHAIRMAN MATHEWSON: Mr. Sauls, just stand
19 by. We're not leaving you. We're -- I'm trying to get
20 some information here. Thank you.

21 MR. GREWACH: When we look at 313.812.8, you
22 know, I think it specifies that, A license shall not be
23 granted if the applicant has pled guilty to or been
24 convicted of a felony. You know, so I think -- I guess, if
25 I was going to interpret the legislative intent there, you

1 know, it's -- you could just say, been convicted of.

2 Because, typically, in a drug-court
3 situation -- a drug-court situation, from my perspective,
4 is really not much different than someone having an SIS, a
5 suspended imposition of sentence. It's just a more
6 intensive term of supervision and more required of the
7 defendant there. But they plead guilty at the entry level,
8 and then, if they complete it, just like in an SIS, the
9 case is closed, the plea is withdrawn, the record's closed.

10 So if you have someone who successfully
11 completes an SIS, go look at the public court record,
12 you're not going to see any conviction on there. Same with
13 a successful drug court participant who completes that --
14 you know, record. Then, at that point in time, they'd be
15 at that same status where they would have withdrawn their
16 plea, case is closed.

17 But the question here is, does 313.812.8 say
18 that historical event of the defendant pleading guilty on
19 that date disqualifies him from the license? And that's
20 our position on that.

21 CHAIRMAN MATHEWSON: That it did disqualify
22 him?

23 MR. GREWACH: It does qualify. So the fact
24 that when you enter that plea of guilty, no matter what
25 happens after that, if you're later allowed to withdraw it

1 for completion of the program, or you get an SIS and later
2 withdraw it, and the case is dismissed after that, that
3 historical event, the fact that you pled on that particular
4 date is the disqualifying event.

5 CHAIRMAN MATHEWSON: Okay. Now, let me
6 take you one more step, please. Okay? If he -- let's
7 assume he's going to complete this program the first day of
8 November, just look for a date. Okay? If he then went
9 back and applied for a license on December 1st, would that
10 guilty plea be in effect?

11 MR. GREWACH: Yes.

12 CHAIRMAN MATHEWSON: It would be?

13 MR. GREWACH: Yes.

14 CHAIRMAN MATHEWSON: He would still have
15 to, number one, disclose it; number two, then from his
16 discloser would disqualify him. Is that what you're
17 saying?

18 MR. GREWACH: That would be our position.

19 CHAIRMAN MATHEWSON: Whoa.

20 MR. SAULS: If that was true, I never
21 would've went through the program, from my thoughts -- from
22 what I was told.

23 CHAIRMAN MATHEWSON: Yeah.

24 MR. SAULS: That's the reason that I did the
25 program, basically, was to maintain my license.

1 CHAIRMAN MATHEWSON: Okay. Well, let me
2 ask you this, sir: Are you presently still working in a
3 casino?

4 MR. SAULS: Yes, sir, I am; River City.

5 CHAIRMAN MATHEWSON: In River City.

6 MR. SAULS: I've been in the gaming business
7 over 30 years.

8 CHAIRMAN MATHEWSON: Okay. So you're still
9 maintaining your job. If we then support the position that
10 is presented to us, in opposition to your position, you're
11 out of a job.

12 MR. SAULS: Yes, sir.

13 CHAIRMAN MATHEWSON: Is that correct?

14 MR. GREWACH: That would be correct.

15 CHAIRMAN MATHEWSON: Okay.

16 MR. SAULS: And I don't want to lose my
17 house.

18 CHAIRMAN MATHEWSON: So during the course
19 of the drug court, how often were you required to do a UA?

20 MR. SAULS: Every day -- excuse me. Every
21 day I have to call what's called a drop line, and they go
22 by a color code; my code right now is red/blue. And
23 when -- it's random. Whenever they want me there, I have
24 to be there.

25 I've never had a sanction, never had a

1 dilute, which is a, like, if they think you're doing drugs
2 or something and you try to absorb more water. I've never
3 had a problem with any of it. Never missed one. I've
4 never missed a court date. Never been late for any --
5 anything.

6 CHAIRMAN MATHEWSON: Any -- yeah. Please.

7 MR. SAULS: I also wear -- excuse me. I'm
8 sorry.

9 COMMISSIONER BRADLEY: Go ahead.

10 MR. SAULS: I also have to wear an ankle
11 bracelet. It's kind of embarrassing. It's expensive; it's
12 \$300 a month, and that tests your blood-alcohol content on
13 a 24-hour period. I'm monitored and, like I said, I've
14 never had a sanction whatsoever.

15 CHAIRMAN MATHEWSON: Commissioner?

16 COMMISSIONER BRADLEY: Mr. Chairman, would
17 you entertain the fact that I -- since I've just come back
18 on here and been gone for a while, and I -- being a lawyer,
19 I'd really like to read up on this a little more. And
20 would you entertain a motion to continue this?

21 CHAIRMAN MATHEWSON: Yeah. Yeah. I -- in
22 fact, that's where my thought process was going. I don't
23 remember someone that's been here -- well, there isn't
24 someone that's been here longer than you, and you just came
25 back.

1 MR. SAULS: May I interrupt for just one
2 second? I know this really doesn't matter because I hold a
3 Level II license, but there have been other people in the
4 casinos and where I work that have completed this program.
5 They may have been back of house, cashiers, stuff like
6 that. I know one cook that has graduated from this
7 program, and everything is gone. All the criminal, the
8 guilty plea, everything is dismissed.

9 And I have the paperwork right here from the
10 court administrator with her signature. And that's why I
11 did this, to completely eliminate this. And quite frankly,
12 I'm proud of myself for doing it.

13 CHAIRMAN MATHEWSON: Well, you know what?
14 You should be, sir. You should be. I mean, you know, I
15 suspect I've very seldom ever met anybody that hadn't made
16 a mistake, you know. I've made them, and I suspect about
17 everybody has. But, you know, it isn't about the mistake,
18 generally, it's about what you're going to do about taking
19 your life forward after a mistake. Right?

20 MR. SAULS: Uh-huh.

21 CHAIRMAN MATHEWSON: And it would appear to
22 me that you're making a very, very intense effort to try to
23 keep your life going, after making a mistake. You know,
24 I --

25 COMMISSIONER MERRITT: I'll make a motion,

1 if you're ready for one.

2 CHAIRMAN MATHEWSON: Okay.

3 COMMISSIONER MERRITT: I make a motion that
4 we table this until next month's meeting, and give
5 Commissioner Bradley a chance to maybe educate us.

6 CHAIRMAN MATHEWSON: I like that motion. I
7 think --

8 COMMISSIONER BRADLEY: Second.

9 CHAIRMAN MATHEWSON: I think I also want
10 to -- if I may -- I've accepted your motion, okay, and the
11 second. But I would, for a point of clarification, when
12 does your license expire? Somebody help me with that.

13 MR. SAULS: I'll have to renew again in
14 January.

15 CHAIRMAN MATHEWSON: Oh, okay. Okay. So
16 we're okay. We're clean on that. I didn't want us to take
17 an action here and then you go lose your job while we're
18 holding this back. Okay? Does that make sense, what I'm
19 saying?

20 MR. SAULS: Yes, sir.

21 CHAIRMAN MATHEWSON: So do you have
22 something you want to say on the motion before us,
23 Counselor?

24 MR. GREWACH: No. That's perfectly all
25 right. If the Commission needs any type of brief, memo

1 from me, I'd be happy to provide it.

2 CHAIRMAN MATHEWSON: We will.

3 COMMISSIONER BRADLEY: We'll talk to you.

4 May I have one more question?

5 CHAIRMAN MATHEWSON: Sure.

6 COMMISSIONER BRADLEY: We have so much
7 information here that we've all gone through. Does he have
8 information in his hand that is not in our book?

9 MR. GREWACH: He could. Now, I can tell you
10 that the rules state that all the evidence is supposed to
11 be presented to the hearing officer at the hearing. The
12 parties then have the opportunity under the rules to come
13 and make their oral argument at the time.

14 There isn't any provision in the rules for
15 accepting additional evidence. Certainly, if the
16 Commission directs us to, we'll certainly look at it, but I
17 just wanted -- just for future reference, that's really --
18 for the Level IIs, when they come, it's not to reopen an
19 evidentiary hearing or take more evidence or testimony.
20 But if you'd like for us to, we can take --

21 CHAIRMAN MATHEWSON: I would suggest that
22 we accept his information. And we can copy it and send it
23 back to you, sir, or whatever you want to do, or we can get
24 somebody to copy it before you leave here today.

25 MR. SAULS: I believe they may have both

1 copies. One of these is from Bridgeway Behavioral Health
2 and the other one is from Glenda J. Gill, the court drug
3 [sic] administrator.

4 CHAIRMAN MATHEWSON: Okay. Let's just make
5 sure --

6 COMMISSIONER MERRITT: Yeah. Here's the
7 Bridgeway.

8 CHAIRMAN MATHEWSON: Yeah. Okay. We've
9 got it. We have everything. Okay. We have a motion and a
10 second before us that we take no action at this time on
11 this particular case, and that we will review and next
12 month's meeting, then we will take it back up. Now, sir --
13 let's vote on that motion. Okay? Angie?

14 MS. FRANKS: Commissioner Merritt?

15 COMMISSIONER MERRITT: Approve.

16 MS. FRANKS: Commissioner Hatches?

17 COMMISSIONER HATCHES: Approve.

18 MS. FRANKS: Commissioner Bradley?

19 COMMISSIONER BRADLEY: Approve.

20 MS. FRANKS: Chairman Mathewson?

21 CHAIRMAN MATHEWSON: Approve.

22 MS. FRANKS: By your vote you've tabled the
23 Jeffrey Sauls case until the July meeting.

24 CHAIRMAN MATHEWSON: Okay. Now, sir, let
25 me tell you, at that July meeting, we will notify you of

1 it. Now, I'm not suggesting that you need to drive all the
2 way back down here. Okay?

3 I mean, I think we will have, based on your
4 information -- we appreciate you coming -- and we will
5 further review this, and at the July meeting we'll make a
6 decision. Whether you're here or not is probably not going
7 to have an impact on that decision. Okay? I mean, just to
8 be honest with you, okay, because we have an opportunity to
9 review that. And we appreciate you coming forward, and do
10 you have anything else you'd like to say?

11 MR. SAULS: No. Other than I've never tried
12 to hide any of this. I just figured it would be better for
13 me -- anyone involved, that I told the truth. The only bad
14 thing was when it happened I was on unemployment, and I'd
15 hate to be there again. I almost lost my house once. I
16 don't want to do it again.

17 CHAIRMAN MATHEWSON: Okay. Thank you very
18 much for coming, sir.

19 MR. SAULS: Thank you.

20 CHAIRMAN MATHEWSON: Have a safe trip home.
21 You can stay for the rest of the meeting if you want to,
22 but if you don't want to --

23 MR. SAULS: I'm tired; I work nights.

24 CHAIRMAN MATHEWSON: Okay. If you work
25 nights, don't go to sleep on your way home. We might

1 arrest you and then you got another problem. Thank you,
2 sir.

3 HEARING OFFICER STARK: Commissioners, our
4 next case is Item D, Michael Mee, M-e-e. Mr. Mee made an
5 application to obtain a Level II occupational license. As
6 part of the application process, there's a series of
7 questions, one of which asks about your criminal history,
8 being arrested, detained, charged, convicted of any crimes.
9 Mr. Mee gave a response of, No.

10 Based on the information in the application,
11 the Commission did conduct an investigation to determine
12 Mr. Mee's suitability for employment in the gaming
13 industry. The Commission's investigation did reveal that
14 Mr. Mee failed to disclose in his application the fact that
15 he was arrested on August 14, 1980, for the felony sale of
16 controlled substance.

17 The Commission has a regulation which
18 permits it to refuse an occupational license to anyone who
19 fails to disclose information during the application
20 process. Mr. Mee did attend the hearing, stating,
21 basically, that he had forgotten about that arrest that had
22 occurred over 30 years ago. However, that would not be a
23 basis to prove his suitability for forgetting to disclose a
24 particular crime -- or arrest for a crime.

25 As such, the proposal of the Commission to

1 deny the license of Mr. Mee is reasonable and appropriate,
2 and that would be my recommendation, that the license be
3 denied.

4 CHAIRMAN MATHEWSON: Is Mr. Mee here?

5 (No response.)

6 CHAIRMAN MATHEWSON: Any discussions on
7 Mr. Mee or the recommendation of Mr. Mee?

8 (No response.)

9 CHAIRMAN MATHEWSON: The Chair would accept
10 a motion to adopt the position of the hearing officer.

11 COMMISSIONER HATCHES: I move we adopt
12 Resolution 11-031.

13 COMMISSIONER MERRITT: Second.

14 CHAIRMAN MATHEWSON: Any discussion?

15 (No response.)

16 CHAIRMAN MATHEWSON: Call roll, Angie,
17 please.

18 MS. FRANKS: Commissioner Merritt?

19 COMMISSIONER MERRITT: Approve.

20 MS. FRANKS: Commissioner Hatches?

21 COMMISSIONER HATCHES: Approve.

22 MS. FRANKS: Commissioner Bradley?

23 COMMISSIONER BRADLEY: Approve.

24 MS. FRANKS: Chairman Mathewson?

25 CHAIRMAN MATHEWSON: Approve.

1 MS. FRANKS: By your vote you've adopted
2 Resolution No. 11-031.

3 CHAIRMAN MATHEWSON: Next, sir.

4 HEARING OFFICER STARK: Next item is Letter
5 E, Shante Riddlespriger. Ms. Riddlespriger made
6 application for a Level II occupational license. The
7 application process requires disclosure in written form to
8 several series of questions, one being have you ever been
9 arrested, charged, convicted, pled guilty to any criminal
10 matters. And the applicant, Ms. Riddlespriger, answered no
11 to that question.

12 The Commission conducted its investigation,
13 found that Ms. Riddlespriger failed to disclose two
14 particular criminal events. She was arrested for financial
15 identity theft on October 6, 2004, and she was arrested for
16 a retail theft on September 1, 2005.

17 At the hearing Ms. Riddlespriger indicated
18 that she forgot about those arrests. The first arrest, for
19 identity theft, was actually dismissed, in that it was her
20 ex-boyfriend activity doing that. And the second arrest
21 was also dropped, therefore, she felt that those had no
22 bearing on her suitability for licensure.

23 However, the regulation does provide the
24 Commission with authority to deny a license for anyone who
25 fails to disclose fully information required in the

1 application process. The application process does provide
2 a clear instruction on several occasions of this duty to
3 disclose. Ms. Riddlespriger failed to do that, and as
4 such, the denial of her license is appropriate, and that
5 would be my recommendation.

6 CHAIRMAN MATHEWSON: Is Ms. Riddlespriger
7 here, please?

8 (No response.)

9 CHAIRMAN MATHEWSON: Did she hold her hand
10 up? Oh, I thought she -- it's like an auction. You better
11 not move. I knew you weren't a Riddlespriger. Any
12 questions on this? Chair would accept a motion for the
13 recommendation on 11-032, please.

14 COMMISSIONER BRADLEY: Motion to approve
15 Commission Resolution No. 11-032.

16 COMMISSIONER MERRITT: Second.

17 CHAIRMAN MATHEWSON: Any discussion?

18 (No response.)

19 CHAIRMAN MATHEWSON: Call roll, please.

20 MS. FRANKS: Commissioner Merritt?

21 COMMISSIONER MERRITT: Approve.

22 MS. FRANKS: Commissioner Hatches?

23 COMMISSIONER HATCHES: Approve.

24 MS. FRANKS: Commissioner Bradley?

25 COMMISSIONER BRADLEY: Approve.

1 MS. FRANKS: Chairman Mathewson?

2 CHAIRMAN MATHEWSON: Approve.

3 MS. FRANKS: By your vote you've adopted
4 Resolution No. 11-032.

5 Spark: Our next item, Letter F, Terri Ruby.
6 Ms. Ruby holds a Level II occupational license. On May 12,
7 2010, she was working as a card dealer, and the
8 surveillance observation showed that she was allowing a
9 patron to use one token to cover two sets of cards. In
10 effect, allowing the use of one payment for two bets at the
11 same time.

12 The Commission investigator conducted an
13 investigation, but found that Ms. Ruby had failed to
14 disclose an arrest that occurred on June 6, 2006, with
15 regard to possession of drugs. Also, the Commission's
16 investigation found that she pled guilty on February 21,
17 2008, to a felony, the possession of controlled substance,
18 a Class C felony, and the Court sentenced her to three
19 years probation. She failed to disclose the conviction, as
20 well, to the Commission.

21 At the hearing the Commission's attorney
22 only presented evidence relative to the guilty plea to the
23 felony, so I have no evidence with regard to her -- to the
24 allegation that she mishandled her duties as a card dealer.
25 But the end result is that Ms. Ruby did, indeed, plead

1 guilty to a felony crime. Her defense was that that lawyer
2 told her that if she survived the three-year probation,
3 there would be no record, no concerns.

4 However, in reading the court record, it's
5 clear that she knew she was pleading guilty to a felony.
6 The judge writes, Defendant enters plea of guilty to charge
7 as filed. The Court finds that the defendant's plea is
8 made voluntarily and intelligently, with full understanding
9 of the charge and consequences of the plea. The Court also
10 finds that there is a factual basis for the plea. The
11 Court accepts the plea of guilty of the charge of Class C
12 felony of possession of controlled substance.

13 So I find that Ms. Ruby's indication that
14 she didn't plead -- or she didn't think she was pleading
15 guilty to a felony not to be credible. And purely based
16 upon the fact that she did plead guilty to a felony would
17 be basis to disqualify her, and the revocation of her
18 license would be the appropriate course for the Commission
19 to take, and that would be my recommendation.

20 CHAIRMAN MATHEWSON: Any questions of the
21 hearing officer?

22 (No response.)

23 CHAIRMAN MATHEWSON: Is Ms. Ruby here?

24 (No response.)

25 CHAIRMAN MATHEWSON: Chair would accept a

1 motion for the recommendation of 11-033, please.

2 COMMISSIONER MERRITT: Make a motion that we
3 approve Resolution No. 11-033.

4 COMMISSIONER HATCHES: Second.

5 CHAIRMAN MATHEWSON: Any discussion?

6 (No response.)

7 CHAIRMAN MATHEWSON: Call roll, please.

8 MS. FRANKS: Commissioner Merritt?

9 COMMISSIONER MERRITT: Approve.

10 MS. FRANKS: Commissioner Hatches?

11 COMMISSIONER HATCHES: Approve.

12 MS. FRANKS: Commissioner Bradley?

13 COMMISSIONER BRADLEY: Approve.

14 MS. FRANKS: Chairman Mathewson?

15 CHAIRMAN MATHEWSON: Approve.

16 MS. FRANKS: By your vote you've adopted

17 Resolution No. 11-033.

18 HEARING OFFICER STARK: The next item is G,
19 Linda Rosten. Ms. Rosten made application for a Level II
20 occupational license. The application process, again,
21 requires a series of questions to be answered. Question
22 No. 14 dealt with past criminal history, Have you ever been
23 arrested, detained, charged, pled guilty to any crime?
24 Ms. Rosten did disclose that in 1999 she had a charge for
25 an insufficient check.

1 The investigation by the Commission did
2 reveal that she failed to disclose an arrest of
3 February 28, 1984, for the felony charge of passing a bad
4 check. That case was dismissed later on that year.
5 Failure to disclose information in an application is a
6 basis, based in regulation, for authority to deny a
7 person -- an applicant a license.

8 And Ms. Rosten indicated that she did go to
9 the courthouse to look over to see if she had any criminal
10 history, and the courthouse, apparently, in Platte County
11 was not able to disclose any information to her, and thus
12 she thought that she truthfully answered the questions.

13 However, the Highway Patrol record clearly
14 shows this 1984 arrest, and therefore, there is basis to
15 say that she did not disclose properly her criminal
16 history, and a proper denial of her license is appropriate,
17 and that would be my recommendation.

18 CHAIRMAN MATHEWSON: What was the
19 circumstances if later that year that was dismissed? I
20 mean, do you have any record on that?

21 HEARING OFFICER STARK: Well, the actual
22 issue is disclosing the arrest in the first place --

23 CHAIRMAN MATHEWSON: Yeah. I understand.

24 HEARING OFFICER STARK: -- regardless of its
25 outcome.

1 CHAIRMAN MATHEWSON: We don't know. Is
2 that it?

3 HEARING OFFICER STARK: Let's see. Well,
4 the passing a bad check was dismissed. Yeah. It was
5 dismissed, the one that she failed to reveal.

6 CHAIRMAN MATHEWSON: Okay. Just out of
7 curiosity, help me out here.

8 HEARING OFFICER STARK: Yes.

9 CHAIRMAN MATHEWSON: If you don't, maybe
10 Counsel can. If someone did go to a courthouse, whatever,
11 doesn't make any -- whatever county it is, Pettis County.
12 You go to the courthouse and say, Can you check -- I don't
13 know where you'd go, to tell you the truth. I guess I'm
14 that dumb.

15 I mean, do you go to the prosecutor's
16 office, judge's office, the circuit clerk's office? I
17 don't know. Circuit clerk, is that where you go and ask if
18 there was any record on me, as a person? I mean, is that
19 realistic that someone would do that, number one? And
20 number two, wouldn't they have a complete record?

21 HEARING OFFICER STARK: Well, I would agree
22 that they should have a complete record.

23 CHAIRMAN MATHEWSON: I'm not trying to put
24 you on the spot. I'm just trying to -- these cases just
25 kind of seem to get more complicated all the time.

1 HEARING OFFICER STARK: No. I believe
2 Ms. Rosten made a good-faith effort to figure out her past
3 criminal history by going to the courthouse. In fact, I
4 think she said she went to the sheriff's office as well and
5 they directed her to the courthouse, so she did try to do
6 her research before she applied. But the Highway Patrol
7 record clearly shows that she did have an arrest.

8 COMMISSIONER MERRITT: So with that said, if
9 she went and looked, she did recall that she had been
10 arrested.

11 HEARING OFFICER STARK: Well, she didn't say
12 that either.

13 COMMISSIONER BRADLEY: Is she here?

14 CHAIRMAN MATHEWSON: I don't know. I'm
15 going to find out. Is Ms. Rosten here?

16 (No response.)

17 CHAIRMAN MATHEWSON: Good point, to check.
18 Yeah.

19 HEARING OFFICER STARK: As a matter of fact,
20 she said -- and I found her credible in saying that she
21 just didn't remember what happened in 1984, but I don't
22 think that changes the record.

23 MR. GREWACH: If I can speak from here, I
24 don't know if you want me to go up to the microphone. But
25 my recollection of the record was that she actually went to

1 Liberty after being informed of the '84 arrest, and went to
2 try to check out what -- it's on Page 33 -- what it was,
3 and then had the same experience you describe, where she
4 hit a dead end and she couldn't find out what the basis of
5 the charges were, who they allege she wrote the check to.
6 She couldn't find out anything at all once she got there.

7 CHAIRMAN MATHEWSON: Okay. Any other
8 questions?

9 (No response.)

10 CHAIRMAN MATHEWSON: Chair would accept a
11 motion on 11-034.

12 COMMISSIONER HATCHES: Move for acceptance
13 of Resolution 11-034.

14 CHAIRMAN MATHEWSON: Is there a second?

15 COMMISSIONER BRADLEY: Second.

16 CHAIRMAN MATHEWSON: Any discussion?

17 (No response.)

18 CHAIRMAN MATHEWSON: Call roll, please.

19 MS. FRANKS: Commissioner Merritt?

20 COMMISSIONER MERRITT: Approve.

21 MS. FRANKS: Commissioner Hatches?

22 COMMISSIONER HATCHES: Approve.

23 MS. FRANKS: Commissioner Bradley?

24 COMMISSIONER BRADLEY: Approve.

25 MS. FRANKS: Chairman Mathewson?

1 CHAIRMAN MATHEWSON: Approve.

2 MS. FRANKS: By your vote you've adopted
3 Resolution No. 11-034.

4 HEARING OFFICER STARK: Our next item is
5 Letter H, John Kelly. Mr. Kelly made application for a
6 Level II occupational license. Part of the application
7 process, he completed a written application answering
8 questions, one of which related to past criminal history.
9 His only response to that with regard to, Have you ever
10 been arrested or convicted, he wrote, Traffic offenses.

11 A second question in the application had the
12 question, Have you ever been arrested or given a ticket for
13 driving while intoxicated? And his answer was, Yes,
14 driving while suspended and revoked, one DUI, driving while
15 revoked were felonies.

16 The Commission investigator conducted a
17 background check and found several offenses that were not
18 disclosed upon the application, including six felony
19 convictions, all related to driving while under the
20 influence.

21 Regardless of whether Mr. Kelly's
22 description as, Traffic offenses -- he didn't fully
23 disclose that they were six different felony convictions.
24 But regardless of the failure to disclose, being convicted
25 of a felony is the disqualifying event that would enable

1 the Commission to deny the application for licensure.

2 He did plead guilty to those felonies and
3 that is basically an automatic disqualifier, and that would
4 be my recommendation, that Mr. Kelly not be granted a
5 license.

6 CHAIRMAN MATHEWSON: And appropriately so,
7 I would surmise. Okay. Any questions?

8 (No response.)

9 CHAIRMAN MATHEWSON: Chair would accept a
10 motion.

11 COMMISSIONER BRADLEY: Is Mr. Kelly here?

12 CHAIRMAN MATHEWSON: Is Mr. Kelly here?

13 (No response.)

14 CHAIRMAN MATHEWSON: Probably doesn't have
15 a driver's license after six --

16 COMMISSIONER MERRITT: He's probably in jail
17 someplace, with that kind of record.

18 CHAIRMAN MATHEWSON: Yeah, with that kind
19 of record.

20 COMMISSIONER MERRITT: I make a motion that
21 we accept Resolution No. 11-035.

22 COMMISSIONER BRADLEY: Second.

23 CHAIRMAN MATHEWSON: Motion and second.
24 Any discussion?

25 (No response.)

1 CHAIRMAN MATHEWSON: Call roll, Angie,
2 please.

3 MS. FRANKS: Commissioner Merritt?

4 COMMISSIONER MERRITT: Approve.

5 MS. FRANKS: Commissioner Hatches?

6 COMMISSIONER HATCHES: Approve.

7 MS. FRANKS: Commissioner Bradley?

8 COMMISSIONER BRADLEY: Approve.

9 MS. FRANKS: Chairman Mathewson?

10 CHAIRMAN MATHEWSON: Approve.

11 MS. FRANKS: By your vote you've adopted
12 Resolution No. 11-035.

13 HEARING OFFICER STARK: Next item, Item I,
14 Michael Gillis. Mr. Gillis made a request for a hearing.
15 He was duly notified of the hearing, place, time, and he
16 failed to appear at the hearing. However, I went forth
17 with the presentation of evidence by the Commission, in
18 that there is a regulation of the Commission that says,
19 Failure to appear at the scheduled hearing constitutes an
20 admission of the facts as alleged.

21 Mr. Gillis had made application for a Level
22 II occupational license. The application process requires
23 the disclosure of criminal history. Mr. Gillis did
24 disclose six different crimes, and he was asked if there
25 are any more, and he indicated, No, that these were the six

1 crimes involved in his past history.

2 The Commission conducted an investigation
3 and found out that Mr. Gillis failed to disclose
4 12 different arrests and failed to disclose two felony
5 convictions. The felony convictions related to burglary,
6 2nd degree, and felony forgery.

7 Based upon the felony convictions that were
8 made part of the record, that alone is a disqualifier for
9 gaining a license. It is appropriate that he be denied his
10 license, and that would be my recommendation.

11 CHAIRMAN MATHEWSON: Any questions?

12 (No response.)

13 CHAIRMAN MATHEWSON: Is Mr. Gillis here?

14 (No response.)

15 CHAIRMAN MATHEWSON: Chair would accept a
16 motion on 11-036.

17 COMMISSIONER BRADLEY: Motion to approve
18 Commission Resolution No. 11-036.

19 COMMISSIONER HATCHES: Second.

20 CHAIRMAN MATHEWSON: Any discussion?

21 (No response.)

22 CHAIRMAN MATHEWSON: Call the roll, Angie,
23 please.

24 MS. FRANKS: Commissioner Merritt?

25 COMMISSIONER MERRITT: Approve.

1 MS. FRANKS: Commissioner Hatches?

2 COMMISSIONER HATCHES: Approve.

3 MS. FRANKS: Commissioner Bradley?

4 COMMISSIONER BRADLEY: Approve.

5 MS. FRANKS: Chairman Mathewson?

6 CHAIRMAN MATHEWSON: Approve.

7 MS. FRANKS: By your vote you've adopted

8 Resolution No. 11-036.

9 CHAIRMAN MATHEWSON: Thanks, Steve.

10 HEARING OFFICER STARK: That concludes my

11 cases. Thank you.

12 CHAIRMAN MATHEWSON: Roger, before we start

13 on the presentations from the different communities, could

14 we just take about a five-minute break --

15 MR. STOTTLEMYRE: Yes, sir.

16 CHAIRMAN MATHEWSON: -- because I drank way

17 too much coffee this morning.

18 MR. STOTTLEMYRE: We'll start back at 10:05?

19 CHAIRMAN MATHEWSON: Yeah.

20 (Off the record.)

21 CHAIRMAN MATHEWSON: Thank you all. Let's

22 come back together. Okay. Counselor, do you want to start

23 out? What we discussed here, so everyone's on the same

24 page -- what we would like to do is we'll make a

25 presentation of each one of the license applications --

1 renewals, and we'll take that information, the
2 presentations on that, and then we'll vote on that one.
3 And then we'll take the next one. Okay? So that way we
4 keep them in order so we don't have to keep calling people
5 back and forth, or whatever. Is that okay with everybody?
6 Okay.

7 MR. CAMPBELL: And the only other
8 indulgence, Mr. Chairman, is we would like to take them
9 slightly out of order than you have in the agenda, if
10 that's all right.

11 CHAIRMAN MATHEWSON: Okay. So where do you
12 want to start and where do you want to end up?

13 MR. CAMPBELL: We'll start with
14 Caruthersville.

15 CHAIRMAN MATHEWSON: Caruthersville? Okay.

16 MR. CAMPBELL: Good morning, Mr. Chairman,
17 Commissioners, Director Stottlemire. My name is Tom
18 Campbell, an attorney with the law firm of Gallop, Johnson
19 & Nueman, which serves as regulatory counsel for the Isle
20 of Capri Casinos, Inc. and its operating subsidiaries in
21 the state of Missouri.

22 We are here today for the renewal of the
23 Class A license for the Isle of Capri Casino, Inc., the
24 Class B licenses for IOC-Kansas City, Inc., IOC-Boonville,
25 Inc., and IOC-Caruthersville, LLC. We, again, with your

1 indulgence, will begin with a presentation on
2 IOC-Caruthersville, the Class B licensee. Before I
3 introduce the GM for Caruthersville, I would like to
4 introduce Mr. Mike Fries, who is vice president for legal
5 affairs with the Isle of Capri Casino, Inc.

6 At this time I'd like to ask Lyle Randolph,
7 the general manager of IOC-Caruthersville, which does
8 business as Lady Luck, to make his presentation.

9 MR. RANDOLPH: Thank you, Tom. Good
10 morning, Chairman, Commissioners, and Staff. Thank you for
11 the opportunity to be here this morning, here in Jefferson
12 City. We had a five-hour drive up from Caruthersville
13 yesterday and it occurred to me that Caruthersville's about
14 as far away from Jefferson City as you can get in the state
15 of Missouri without crossing over into another state.

16 And we're from the bootheel, that little
17 notch down at the bottom, and we're very proud that we had
18 some forward-thinking ancestors quite some time ago that
19 fought to keep that little sliver of the state in Missouri
20 and not into Arkansas. And as a life-long resident of the
21 bootheel, I'm proud to be from that area, and I'm also
22 proud to be from Missouri.

23 And one of the things that I'm proud of is
24 that Isle of Capri Casino, Incorporated is headquartered
25 here in Missouri and it's something that I take a lot of

1 pride in. The Class A licensee, Isle of Capri Casinos, has
2 its corporate headquarters in St. Louis, and owns and
3 operates 15 different casinos throughout the United States.

4 Two future properties are currently under
5 development: One in Nemaquin, Pennsylvania, and also the
6 one here in Missouri in Cape Girardeau, the Isle Casino in
7 Cape Girardeau. With the projected opening of the Cape
8 Girardeau casino sometime in 2012, Isle of Capri Casinos
9 will have their headquarters in four properties in
10 Missouri, and that's a pretty significant investment in our
11 state.

12 I've been employed at one of those
13 properties, the casino in Caruthersville, since it opened
14 back in 1995, having started in the surveillance department
15 there. That first job, I worked the grave shift, and it
16 led to a career that's allowed me the opportunity to remain
17 in the bootheel and raise my family.

18 Joining me today are two members of our
19 operating team from Caruthersville, and I would like to
20 take a brief moment to introduce them. First, Lisa
21 McMahan; she's our director in marketing. She's a
22 life-long resident of Pemiscot County, and has been with
23 the casino also since 1995, since it opened. Started in
24 accounting and then in the IT Department. Next, our
25 director of operations, Denny Callen. He's the relatively

1 new guy. He's only been here since -- for 13 years, since
2 1998, having started as the security manager.

3 IOC-Caruthersville, doing business as Lady
4 Luck, the Class B licensee, participates in a home dock
5 city agreement with the City of Caruthersville. We began
6 that in 2007, and completed it in 2010. The agreement
7 provided \$25,000 in quarterly payments directly to the City
8 during that time period.

9 The property continues to be involved with
10 specific projects within the community. For the current
11 year, Lady Luck has committed \$100,000 to a tennis court
12 and recreation complex that was destroyed by the 2006
13 tornado. The school district and the community does not
14 have a tennis court. We have a tennis team, but no place
15 to play at the high school, and so we've partnered with the
16 City and the school district to get that rebuilt and
17 they've broken ground and are currently under construction.

18 Adjusted gross revenue for the two-year
19 licensure period, as you can see, things continue to go
20 well for the property there in Caruthersville as we have
21 slow, steady growth in AGR and have exceeded our
22 projections as well. During the licensure period, we had
23 over 67 million in AGR, represents a 4.4 percent increase
24 from the prior licensure period.

25 Admissions during the licensure period were

1 also -- have also continued to remain steady. We did just
2 over two million admissions during the licensure period,
3 and that's also a small increase over the prior period.

4 Isle of Capri purchased the property in
5 Caruthersville in June of 2007, with an acquisition price
6 of about 40 and a half million dollars. As most of you may
7 recall, the property had been in a supervisorship for six
8 months prior to that purchase.

9 In June of 2008, the property was officially
10 rebranded as Lady Luck Casino. Isle of Capri has continued
11 to improve the property, and has invested an additional \$13
12 million into the property since that acquisition.

13 The large majority of our employees are
14 Missouri residents, about 89 percent are from Missouri. We
15 have 8 percent that cross the bridge from over in Tennessee
16 that come to work for us, and 3 percent drive up from
17 Arkansas. The photograph that you see here was taken on
18 Veterans Day. One of the things we're proud of, it shows
19 many of our employees that were honored for their service
20 to our country that had served in the armed forces.

21 Lady Luck is an equal opportunity employer.
22 We're committed to the belief that a diverse work force is
23 essential to our success. Nearly 58 percent of our
24 employees are female and 31.6 percent of our employees are
25 minorities, and both of those exceed the corresponding

1 percentages in Pemiscot County.

2 Lady Luck paid wages of over \$6 million
3 during the fiscal year that ended in April. In addition to
4 those wages, Lady Luck provided additional benefits of
5 approximately \$2.8 million during that time period. Lady
6 Luck offers competitive wages for our area.

7 We're proud of our retention of long-term
8 employees; 44 percent of our employees have been there over
9 five years and 28 percent have been there over ten years.
10 The photograph that you see there are all of the day-one
11 employees that were here when the property opened back in
12 1995.

13 Lady Luck Caruthersville makes local and
14 diverse vendor selection a priority. We continue to
15 improve our minority and women business enterprise spend.
16 And although we're proud of those percentages, one of the
17 things that we feel is very important is about really the
18 impact on the local community.

19 The gentleman that you see there, Mr. Jimmy
20 Jackson, he is a graduate of Caruthersville. He went to
21 Mizzou and was a running back for the Tigers. He got his
22 degree, came back, and is coaching in Caruthersville, but
23 also chose to start his own -- his own business to
24 supplement his income.

25 He came to us and looked for an opportunity,

1 Is there something that we can do together, from the
2 standpoint of, Do you have opportunities for his new
3 business? We met with him. He was not certified as a MBE.
4 We worked with him to get certified, and we also worked
5 with him to -- particularly during the flood -- after the
6 flood. He did most of our cleanup, and so we were very
7 fortunate to have that relationship built.

8 In the past year, we've done \$7,000 worth of
9 business with Mr. Jackson, with the pressure washing
10 business and the cleanup, and for a start-up business, we
11 feel that, really, those are the important stories that --
12 and the things that we've done. In addition to that -- and
13 here you can actually see the percentages, so we continue
14 to improve and we focus on continued improvement.

15 Another success story we had, this is Mr.
16 Calvin Lange, with Calco & Sons, Incorporated. He also --
17 we reached out to Mr. Lange, and he was also not certified.
18 We worked with him, along with his banker, and they came to
19 meet with us, and we worked to get certification.

20 We now have a contract with Mr. Lange. He
21 does deep cleaning. He does our carpets and our ceilings,
22 and we have a 30-- a contract that last year was worth
23 about \$30,000 to Mr. Lange. And he currently has part-time
24 employees, but he's looking to expand and hopes to bring on
25 full-time employees. His MBE certification has assisted

1 him. He's gotten some other contracts with other entities.

2 And so really, to me, those are the success
3 stories that -- those are the things that we can do that
4 can really make a difference in the community that benefit
5 everybody: The town of Caruthersville and the state of
6 Missouri.

7 Lady Luck is dedicated to identifying and
8 assisting problem gamblers. We are an active member of the
9 Missouri Alliance to Curb Problem Gaming [sic], through the
10 Missouri Gaming Association. We conduct training annually
11 for all employees and include that training for all
12 employees during their orientation. We also participate in
13 the annual Responsible Gaming Week, and we're currently
14 preparing for our program that -- during that week that
15 comes up in August.

16 Lady Luck practices a strict identification
17 policy and provides training to its employees at
18 orientation to assist in the detection of underage
19 gamblers, something we take very seriously. And we utilize
20 electronic ID checkers, and we continue to have ongoing
21 training regarding fraudulent IDs to our staff. And I
22 think we've been successful in keeping underage gamblers
23 out of our facility.

24 I'm very proud of the volunteer efforts of
25 our employees at Lady Luck. Here is our Community Aces

1 team, which you'll hear a little bit more about with the
2 other presentations as well. It's something that Isle of
3 Capri has initiated to -- at all the properties. But here
4 is -- Cystic Fibrosis is one of the organizations that we
5 have focused on, and you'll see that the staff has taken it
6 upon themselves to raise money and take employee donations
7 and go out and fundraise for that organization.

8 The Caruthersville Humane Society is also an
9 organization that our employees support with significant
10 effort. In fact, Lisa is on the board of directors for the
11 local Humane Society. You know, not only do the team
12 members take part in fundraisers, but they're also involved
13 with the upkeep of the facility and animal rescues and
14 really involved in the organization.

15 In addition to those organizations, we are
16 obviously involved in many other civic, fraternal, and
17 charitable organizations. With many long-terms employees,
18 our folks live in the community they grew up in, and so we
19 have a vested interest in the community. As you can see,
20 we are involved in many different areas.

21 Lady Luck Caruthersville provided over
22 140,000 of cash and in-kind donations during the licensure
23 period. We're proud that a majority of that, 75,000, went
24 to organizations within Pemiscot County. The photo shown
25 here of the cash donation that we made to the Civil Air

1 Patrols. Reach Across America is an organization, we were
2 proud to help them with their goal to place a wreath on
3 every graveside at our local veterans cemetery down in
4 Bloomfield, and we were successful in helping them do that.

5 Lady Luck has made various donations to
6 local charitable organizations and supported various
7 different efforts during the licensure period, as shown on
8 the slide.

9 When talking about community involvement, I
10 think it's important to understand how the company responds
11 in the face of real challenges. In April the Mississippi
12 River exceeded the record flood level -- exceeded 1937
13 levels. You can see me standing on our upper walkway to
14 the casino.

15 And I'm proud to say that Lady Luck was
16 closed -- not proud to say Lady Luck was closed for
17 12 days, but proud to say that during that time, as general
18 manager, I was able to go to our employees and say that you
19 will continue to be paid during this time of closure.

20 And the flood waters were within feet of
21 coming over the flood wall. Obviously, our employees were
22 concerned about their homes and their families. And being
23 able to take that worry about loss of income away from them
24 and let them go and focus on the things they needed to do
25 to protect their livelihoods, to protect their home and

1 family was very important.

2 It was also important for us to help the
3 local authorities and do everything we could to assist.
4 Here you can see the National Guard was set up on our
5 parking lot. The Levee District used our truck parking for
6 maintaining loads of sand and sandbags.

7 The National Guard, we assisted with
8 creating a sandbag wall. Our staff came in and volunteered
9 to assist with that. So we were very proud of how our team
10 members responded and how the company responded in those
11 efforts.

12 The other thing I would like to say is
13 that -- I would like to thank Director Stottlemire and the
14 MGC Staff for their efforts in helping us through an
15 orderly closure and reopening process that made it as
16 simple as possible for our employees and for our customers.
17 And on behalf of all of our employees, we'd like to thank
18 you for that effort.

19 And also, too, the local boat sergeant,
20 Carissa Gowans (ph.), and their team down there. They did
21 a great job. And even when they were not required to be
22 there, they would show up to check on us to make sure
23 everything was okay. They were out doing the emergency
24 road duty at the time, but continued to check up on the
25 property and we want to thank them for that.

1 I would be happy to take any questions, if
2 anyone has anything.

3 CHAIRMAN MATHEWSON: What's the flood level
4 now?

5 MR. RANDOLPH: The flood level now is -- we
6 are below flood stage. We're around 30 feet, so flood
7 stage is 32 feet. So the -- we're hoping that we don't
8 have a repeat of this. Typically, most of our water comes
9 from the Ohio River and not from the Mississippi and
10 Missouri.

11 CHAIRMAN MATHEWSON: Really?

12 MR. RANDOLPH: Yeah. We're south of Cairo,
13 so we're south of where the Ohio comes in.

14 CHAIRMAN MATHEWSON: Oh, okay. I hadn't
15 thought about that.

16 MR. RANDOLPH: And we're hoping that we
17 don't have a second instance of this. If there's no other
18 questions, at this time I'm pleased --

19 CHAIRMAN MATHEWSON: Any questions?

20 (No response.)

21 CHAIRMAN MATHEWSON: Go ahead.

22 MR. RANDOLPH: I'm pleased to introduce
23 Mr. John Ferguson, the economic developer for the city of
24 Caruthersville.

25 MR. FERGUSON: Mr. Chairman, members of the

1 Commission, good morning.

2 COMMISSIONER MERRITT: Good morning.

3 MR. FERGUSON: Well, as is evident by Lyle's
4 passion for not only Missouri, but southeast Missouri, I
5 think we can see that he's proud of what the region has
6 offered him through the Lady Luck Casino.

7 And I'm sure you will agree, for those of
8 you who have met mayor Diane Sayre, she's equally as
9 passionate about the area, specifically the city of
10 Caruthersville and her region. Unfortunately, due to
11 health issues, the mayor was unable to attend this meeting,
12 but requested that I bring along a letter to read to the
13 Commission, if I have permission to do so.

14 CHAIRMAN MATHEWSON: Okay.

15 MR. FERGUSON: Dear Mr. Stottlemire and
16 Commissioners, I would like to express the support of the
17 city of Caruthersville for the Class B relicensing of the
18 Lady Luck Casino, Caruthersville, Missouri. Lady Luck has
19 fulfilled its obligation with the City under the terms of
20 the development agreement between the parties.

21 During the past two years, Lady Luck has
22 continued its history of community support by providing
23 monetary donations and hours of community service to local
24 organizations. The casino also plays an important role in
25 the economy by providing well-paying jobs to over 300

1 people, and generating tax revenues that the City utilizes
2 to pay for infrastructure and certain maintenance needs.

3 During the recent historic flood of 2001,
4 Lady Luck, once again, opened their facilities to the
5 responding agencies to use as staging areas. The Missouri
6 National Guard was able to use their parking lot to stage
7 vehicles, equipment, and material as they worked to build a
8 retaining wall adjacent to our flood wall to protect our
9 city.

10 Gaming operations have had no adverse effect
11 on crime in our community. The working relationship
12 between the City and the casino has been and continues to
13 be strong.

14 Based upon the foregoing, we view Lady Luck
15 as a valued member of our community and it is my pleasure
16 to write in support of them. Thank you for your
17 consideration.

18 Just one other thing I'd like to add is that
19 the folks at Lady Luck, not only do they operate a well-run
20 business, but they're also our friends. We attend church
21 together. Our kids go to school together. We're
22 neighbors, for the most part. I believe they have a vested
23 interest in not only the state of Missouri, but the
24 southeast Missouri, bootheel region, and I'd like to thank
25 you for consideration of their licensing.

1 CHAIRMAN MATHEWSON: Any questions?

2 (No response.)

3 CHAIRMAN MATHEWSON: Thank you, sir, for

4 being here. Got anybody else?

5 MR. RANDOLPH: No. That's all.

6 CHAIRMAN MATHEWSON: Let me ask you one

7 other quick question.

8 MR. RANDOLPH: Sure.

9 CHAIRMAN MATHEWSON: How much -- maybe it

10 was up there and I just didn't recognize it. How much did

11 Caruthersville -- how much was your payment to

12 Caruthersville last year or the year before or the

13 combination of the two?

14 MR. RANDOLPH: The total tax revenue to the

15 City of Caruthersville?

16 CHAIRMAN MATHEWSON: Yeah. Right. Do you

17 know what that is, offhand?

18 MR. RANDOLPH: Don't have it offhand. We

19 can --

20 CHAIRMAN MATHEWSON: Okay. That's fine.

21 We have some more to get through here, but at some point

22 I'd -- yes, sir.

23 MR. FERGUSON: It's approximately

24 \$1.3 million.

25 CHAIRMAN MATHEWSON: A year?

1 MR. FERGUSON: A year.

2 CHAIRMAN MATHEWSON: A year. Okay.

3 COMMISSIONER MERRITT: He keeps track of it,
4 doesn't he?

5 CHAIRMAN MATHEWSON: Yeah. I noticed that.
6 I should've asked him in the first place. Thank you.
7 Okay. Any other comments on the Caruthersville
8 application? Anyone that would like to speak for or
9 against it?

10 (No response.)

11 CHAIRMAN MATHEWSON: Okay. Then that
12 concludes the Caruthersville presentation?

13 MR. CAMPBELL: Yes.

14 CHAIRMAN MATHEWSON: Okay. Questions from
15 members of the Commission, as it relates to the
16 Caruthersville application?

17 (No response.)

18 MR. STOTTLEMYRE: Mr. Chairman, before we
19 vote on the resolution for Caruthersville, we do need to
20 have the investigative summary by Corporal Mike Arand, and
21 we'll need a report on the MBE/WBE compliance review from
22 John Nathan.

23 CHAIRMAN MATHEWSON: Okay. Let's do it.

24 MR. STOTTLEMYRE: So I guess first up will
25 be Corporal Mike Arand.

1 CHAIRMAN MATHEWSON: Good morning, sir.

2 MR. STOTTLEMYRE: Might need to turn on the
3 light there, if you would.

4 CHAIRMAN MATHEWSON: There's a lawyer who
5 knows where a light switch is.

6 MR. CAMPBELL: And it didn't take two of us.

7 CHAIRMAN MATHEWSON: Oh, I'm sorry. Excuse
8 me. I forgot you were back.

9 COMMISSIONER BRADLEY: Yeah, I know.

10 CHAIRMAN MATHEWSON: I'm sorry. Excuse me.
11 Proceed, sir, please.

12 CORPORAL ARAND: Good morning, Mr. Chairman
13 and Commissioners. On April 1, 2011, the Missouri Gaming
14 Commission received an application for the renewal of the
15 Class A riverboat license for Isle of Capri Casinos,
16 Incorporated, and renewal of the Class B riverboat license
17 of IOC-Caruthersville, LLC, doing business as Lady Luck
18 Caruthersville.

19 Isle of Capri was incorporated in the state
20 of Delaware in February of 1990, under the name of Kana
21 Corporation. After some restructuring and name changes,
22 the company changed to its current name in September of
23 1998. In August 2006, Isle of Capri moved their corporate
24 headquarters from Biloxi, Mississippi to Creve Coeur,
25 Missouri.

1 In June of 2007, Isle of Capri purchased the
2 former Casino Aztar in Caruthersville and was issued a
3 license by the Commission for that facility. In June 2008
4 the name was changed to Lady Luck Casino Caruthersville.

5 Background investigators from the Missouri
6 State Highway Patrol's Gaming Division, in concert with the
7 Missouri Gaming Commission financial investigators,
8 conducted an investigation concerning the suitability of
9 Isle of Capri Casinos, Incorporated and its Missouri
10 subsidiary IOC-Caruthersville, LLC, doing business as Lady
11 Luck Caruthersville, to continue operation of the Class A
12 and Class B licensees, respectively.

13 The investigation included, but was not
14 limited to, criminal, financial, and general character
15 inquiries of associated key and level one personnel, to
16 include where they lived, worked, and frequented. City,
17 county, state, and federal agencies having regulatory
18 authority over Isle of Capri and its Missouri subsidiaries
19 were also contacted.

20 A detailed summary report of the
21 investigation was previously provided for the Gaming
22 Commission Staff and each of you should have a copy of that
23 before you. Investigating officers are present and would
24 be happy to entertain any questions at this time, if you
25 have any.

1 CHAIRMAN MATHEWSON: Any questions from
2 members of the Commission?

3 (No response.)

4 CHAIRMAN MATHEWSON: Thank you, sir. John
5 Nathan, please, sir.

6 MR. STOTTLEMYRE: Mr. John Nathan will
7 present.

8 CHAIRMAN MATHEWSON: Nice to see you, John.
9 How are you feeling?

10 MR. NATHAN: Really good.

11 CHAIRMAN MATHEWSON: I noticed your step
12 was a little faster than it was back a few months ago.

13 MR. NATHAN: And it will be even faster next
14 month.

15 CHAIRMAN MATHEWSON: Good for you.

16 MR. NATHAN: Good morning, Commissioners and
17 Staff. I'd like to give the MBE/WBE report for
18 IOC-Caruthersville. For the employee demographics,
19 Caruthersville, ending with the first quarter of 2011, they
20 had 302 employees, of which 93 of them were minorities, or
21 30.79 percent of their employees were minorities.

22 You look at the vendor spend, they were at
23 12.48 percent of all of their spend was for minorities --
24 minority spend. This increase, if it's any indication --
25 the first quarter of 2011, they increased their spend by

1 12.48 percent, which was the number one of all the
2 12 casinos in the state of Missouri.

3 So they increased their spending rate to
4 12.48, 1.6 for MBE and 10.92 percent for WBE. So their
5 increase in their spending amount for minority vendors had
6 increased tremendously. So if it's any indication of the
7 trend that they are going, they have done a tremendous job
8 with those increases. If there are any questions, I'll be
9 glad to answer them.

10 CHAIRMAN MATHEWSON: Any questions of
11 Mr. Nathan, please?

12 (No response.)

13 CHAIRMAN MATHEWSON: Thank you, John.
14 Okay. Roger?

15 MR. STOTTLEMYRE: You could, at this time,
16 take recommendations on Resolution 11-037 for the Class A
17 and also for Resolution 11-040 for the Caruthersville.

18 CHAIRMAN MATHEWSON: And we vote those in
19 one vote?

20 MR. STOTTLEMYRE: You can vote for both of
21 those, yes, sir.

22 CHAIRMAN MATHEWSON: One vote or two?
23 Maybe we ought to separate them. Okay. Again, I asked
24 before, but I want to make sure. Is there any public
25 comment on this license?

1 (No response.)

2 CHAIRMAN MATHEWSON: Okay. Chair would
3 then -- any questions from members of the Commission to
4 anyone that made the presentation?

5 (No response.)

6 CHAIRMAN MATHEWSON: Seeing none, Chair
7 would accept a motion to adopt Resolution 11-037.

8 COMMISSIONER HATCHES: I move to adopt
9 Resolution No. 11-037.

10 COMMISSIONER BRADLEY: Second.

11 CHAIRMAN MATHEWSON: Any discussion?

12 (No response.)

13 CHAIRMAN MATHEWSON: Call the roll, Angie,
14 please.

15 MS. FRANKS: Commissioner Merritt?

16 COMMISSIONER MERRITT: Approve.

17 MS. FRANKS: Commissioner Hatches?

18 COMMISSIONER HATCHES: Approve.

19 MS. FRANKS: Commissioner Bradley?

20 COMMISSIONER BRADLEY: Approve.

21 MS. FRANKS: Chairman Mathewson?

22 CHAIRMAN MATHEWSON: Approve.

23 MS. FRANKS: By your vote you've adopted
24 Resolution No. 11-037.

25 CHAIRMAN MATHEWSON: Now Chair would accept

1 a motion on 11-040, please.

2 COMMISSIONER MERRITT: I would move to
3 approve Resolution No. 11-040.

4 COMMISSIONER HATCHES: Second.

5 CHAIRMAN MATHEWSON: Any discussion?

6 (No response.)

7 CHAIRMAN MATHEWSON: Call the roll, Angie,
8 please.

9 MS. FRANKS: Commissioner Merritt?

10 COMMISSIONER MERRITT: Approve.

11 MS. FRANKS: Commissioner Hatches?

12 COMMISSIONER HATCHES: Approve.

13 MS. FRANKS: Commissioner Bradley?

14 COMMISSIONER BRADLEY: Approve.

15 MS. FRANKS: Chairman Mathewson?

16 CHAIRMAN MATHEWSON: Approve.

17 MS. FRANKS: By your vote you've adopted
18 Resolution No. 11-040.

19 CHAIRMAN MATHEWSON: Okay. Before we start
20 the next one, where you going to go next?

21 MR. CAMPBELL: Boonville.

22 CHAIRMAN MATHEWSON: Boonville. You folks
23 from Cape, if you need to go -- because I've made that
24 drive, and I don't want to do it anymore, just so you know
25 --

1 MR. RANDOLPH: We'll sit and support the
2 others.

3 CHAIRMAN MATHEWSON: Okay. Okay. That's
4 fine. I just wanted to give you the opportunity to go if
5 you needed to. Again, thanks for everything you guys do
6 down there. Okay.

7 MR. CAMPBELL: Mr. Chairman, at this time
8 I'd like to introduce Barron Fuller, who is the general
9 manager of the Isle of Capri Casino in Boonville.

10 CHAIRMAN MATHEWSON: Good morning, sir.

11 MR. FULLER: Good morning, Mr. Chair,
12 Commissioners, Staff, Roger. Barron Fuller, general
13 manager, Isle of Capri Casino in Boonville.

14 Unlike Lyle, I'm not a life-long resident of
15 Missouri, but I've spent a joyous two and a half years down
16 here and I've been enjoying myself. I am a bonafide
17 cheesehead, and the world's biggest Green Bay Packer fan,
18 so don't hold that against me. And I'm slowly becoming a
19 Mizzou fan, so --

20 CHAIRMAN MATHEWSON: Good for you.

21 MR. FULLER: Before we get going here today,
22 I'd like to -- I have some staff down with me. We kind of
23 brought a small army since we're so close. Tom Halford's
24 here, our director of property management; Aaron McClintic,
25 our risk and compliance manager; Deb Mayne, our security

1 manager; Todd Ostempowski; Todd Connelly -- Todd Connelly,
2 my senior director of operations; Laura Pfeiffer, our human
3 resources director; Heather Rapp, senior director of
4 marketing; and Ken Ostempowski, our senior director of
5 finance, the guy who put the presentation together. He's
6 running the show.

7 Development agreement with the City of
8 Boonville, we're in full compliance with the development
9 agreement dating back to 1995, when Davis Gaming
10 Corporation first started looking at the site. We continue
11 to provide ongoing support with the City of Boonville.

12 You know, as stated earlier, with the
13 official for the city of Caruthersville, we're residents in
14 the city. We join a lot of the civic organizations. We
15 sit on a lot of the councils, rotary groups, things like
16 that. Our kids go to schools there. We coach a lot of the
17 baseball, softball teams and things like that.

18 The picture up there is actually kind of a
19 success story. It's the \$3.5 million Lions Aquatic Park
20 that opened up this May in Boonville and kind of put
21 Boonville on the map with truly having a nice destination
22 in the area.

23 Looking at our AGR, again, kind of as Lyle
24 stressed, we've shown some nice growth in our AGR from
25 fiscal year '10 to fiscal year '11, and then showing growth

1 again in our fiscal year '12. And for clarification, our
2 fiscal year is from April to April. Admissions, just over
3 two million people in fiscal year '11 -- or fiscal year
4 '10, same with '11. Projected at 1,859- in fiscal year
5 '12.

6 Capital investment, initial investment
7 dating back to 2001, \$69 million for the initial
8 investment, 2006 we built a hotel and convention center for
9 \$17.5 million, and then over the last ten years we've spent
10 another \$25 million putting some maintenance capital back
11 into the facility. And then in the current fiscal year
12 we're in, we're looking at spending right around \$3.2
13 million on the property.

14 Employment practices, we're committed to the
15 belief that diversity in our work force is essential to our
16 current and future success. Some of our hiring practices,
17 working with an organization called Unlimited Opportunities
18 in Boonville, the Columbia Values Diversity group, Mary
19 Ratliff out of Columbia, and the Division of Work Force.

20 Kind of a success story on the Unlimited
21 Opportunities side, it's an organization within Boonville
22 that works with some special-needs individuals, and
23 presently, right now, we have four of those individuals
24 working within our organization. There's a guy called Gary
25 Atterberry. In April Gary actually bought his own home,

1 moved out and he's self-sufficient on that. Still works at
2 the casino, and kind of a cool story.

3 Job fairs at State Fair Community College,
4 Central Methodist University, University of Missouri,
5 Lincoln University, and the Marshall Career Fair.

6 Demographic information: 7.4 percent of our
7 work force is minority; some statistics for Cooper County
8 and Howard County, across the river; 54 percent of our work
9 force is female.

10 Payroll and benefits, again, kind of a
11 success story based on some economic conditions going on.
12 We've been able to hold our own with kind of our team
13 member base and our team member count from a payroll and
14 benefits standpoint, holding it all through the years right
15 around 500 team members. We like to consider ourselves the
16 employer of choice.

17 We have some outstanding benefit programs
18 going on. We have our own on-site health clinic, so if
19 team members develop a cold or something like that, they
20 could run right over to that clinic and get it taken care
21 of, hopefully.

22 We have a quarterly bonus program for our
23 front line team members, called a See. Say. Smile.
24 Program, that's, in essence, just taking care of that
25 customer. Saying Hi, smiling, and the departing greeting,

1 and, hopefully, it puts the money in their pockets on a
2 quarterly basis.

3 Vendor diversity, huge commitment to our
4 vendor diversity. And thanks to Ken. Ken put together a
5 nice program, kind of a strategic spend plan that he's
6 worked with John through.

7 And kind of four key elements come out of
8 that plan. Number one, we use the listing that John puts
9 out. Kind of religiously we take a look at that and try to
10 select vendors out of that list. We review the National
11 Minority Supplier Council website, looking for vendors in
12 the area that we can set up relationships with.

13 We diligently attend our vendor fairs.
14 Whether it's on the west side or the east side of the
15 state, our purchasing manager goes over there. He actually
16 got caught in a snow storm last year, wrecked one of our
17 internal cars, got back on the road, and still made it to
18 the vendor fair in time. So dedicated to that program.
19 And then any other business references we might have with
20 minority- or women-owned businesses in the area.

21 Kind of a success story for us: Kansas City
22 uses Davis Safety Supply, as do we, and we nominated them
23 in 2010, through the AGA's diverse vendor of the year
24 program. And they were one of six organizations to win
25 that award, so kind of a cool thing.

1 Diversity spend, kind of track it through
2 the years from '09 through '11. We've increased our
3 minority spend and we've increased our women-based
4 organization spend.

5 Problem gaming or responsible gaming
6 program, as we like to call it, active member with the
7 Missouri Alliance to Curb problem Gaming [sic], with Mike
8 Winter. We conduct responsible gaming training throughout
9 the year and, again, in August with the responsible gaming
10 education week through the American Gaming Association.
11 Actively post the Bets Off telephone number through a lot
12 of our marketing material.

13 Promote the DAP program. We do an
14 outstanding job of that DAP program. And another one of
15 our success stories is our bounty hunter program. We
16 rewarded our team members if they identify a DAP either
17 trying to gain entrance to the casino floor or while on the
18 casino floor. And we have different processes in place,
19 from our cage operation to our club, looking at information
20 like that.

21 But I guess one of the benefits to living in
22 a small community, having team members that live in small
23 communities, a lot of times we catch DAPs on the floor,
24 it's not through our systems, it's through facial
25 recognition of a table games dealer said, Hey, I know that

1 guy and I think he DAPed.

2 Underage gaming, again, huge responsibility
3 on our part, a huge commitment from our company. We
4 actually track access -- or any minors gaining access to
5 our gaming floors corporate-wide and we hold all of
6 ourselves responsible to that. Those numbers come out
7 monthly, so we never want to be that property that ever
8 allowed an individual on our floor.

9 Again, strict identification. We have a
10 policy in place that if you appear to be under the age of
11 35, we will ID you. We have the electronic card swipes in
12 place right there. It gives us a good database to be able
13 to keep up-to-date with the current IDs and it gives the
14 secondary reinforcement for our security officers at the
15 time.

16 We provide underage gaming training,
17 fraudulent identification training with our on-site
18 troopers; we do that on a quarterly basis. And our bounty
19 hunter program, again, applies to this program. If we have
20 a team member who, number one, finds a fraudulent ID when
21 they're working the turnstile, we will reward them with
22 \$100. Last year we awarded over \$6,000 for our team
23 members.

24 Kind of -- a picture here, just to kind of
25 gather some attempts we've made to help us. When we

1 removed the loss limit, we kind of opened up things and
2 wanted to feel more like a Las Vegas style casino, larger
3 entrances coming in.

4 We kind of got away from that process in
5 that last 12 to 18 months, put two turnstiles in. We have
6 our card swipes at both turnstiles, and we've made a
7 commitment that we always have two security officers at
8 those turnstiles, just for reinforcement, to back each
9 other up.

10 Lyle kind of touched on the Community Ace
11 program earlier. Corporate-wide we've created a program
12 called Community Aces, and it's in recognition to our
13 company founder, Bernie Goldstein. For those of you who
14 know Bernie, Bernie had a huge heart. He understood the
15 responsibility of when we went into our communities, we had
16 to be a good corporate citizen.

17 We used to do a lot of good. Sometimes, you
18 know, we -- we felt sometimes we didn't get the recognition
19 for it, so we said, Hey, let's create Community Aces. It's
20 a branded effort. We have our own t-shirts, you know, it's
21 always that thing that's in front of the community at the
22 same time.

23 Charitable contributions, since the last
24 licensure, \$136,720. Some of the charitable contribution
25 recipients, Marshall/Saline branch of the NAACP; Marshall

1 Cultural Council, they had a nice concert up there last
2 month; Show-Me STATE GAMES.

3 And we kind of want to touch on the Friends of
4 Historic Boonville. Last week the city of Boonville held
5 an historic 150-year anniversary for the Battle of
6 Boonville, which occurred on June 17th, and initial
7 estimates showed that there was over 10,000 people that
8 attended the event, and kind of promoted the culture of
9 Boonville.

10 Volunteering, again, looking at the
11 Community Aces, you know, what are we doing in the
12 community? How do we get out in front of the community and
13 things like that? As a company and as a property, we've
14 always taken a pride in our efforts towards the United Way.

15 One of those ways we do that is through a
16 United Way Day of Caring. We had 32 team members last year
17 that went out. We volunteered our time the entire day. We
18 went to the YMCA, which is housed in Kemper Military
19 Academy. We built a loft for some of their supplies.

20 We took our surveillance team out there.
21 They had some vandalism, so they bought some equipment, we
22 took our surveillance team out there and installed the
23 equipment and helped them on that side. Got attacked by
24 bats that one time, so it was kind of an exciting
25 afternoon.

1 Some of us went to Unlimited Opportunities
2 and, again, within that organization, they have an entity
3 called Savvy Seconds, where they drop off secondhand
4 clothes and things like that, so a lot of us spent all day
5 just folding clothes.

6 In our commitment to United Way, last year
7 we raised over \$58,000, which was the largest contributor
8 in Cooper County, and one of the largest contributors in
9 Boone County too, so that put us up against the big boys in
10 Boone County with the University and the organizations over
11 there.

12 Other areas of volunteering: Food banks,
13 Moberly Community Christmas, Boonville Heritage Days. If
14 you guys aren't doing anything this weekend, it's our
15 Boonville Heritage Days and we have a band called
16 Dr. Zhivegas, which it's not a doctor, but a band out of
17 St. Louis, and I guess they have a pretty good St. Louis
18 following.

19 There's our team with our Community Aces
20 t-shirts on, getting ready to go out and do some work in
21 the community. Relay For Life, another big volunteer
22 effort that we do to raise a lot of money for the Cooper
23 County Relay For Life. That's one of our walkers, Leeta
24 (ph.) on the left, and Anisita (ph.) on the right.

25 And as our mission, we're committed to being

1 the best gaming and entertainment company in our market for
2 our employees, communities, our guests, and our investors.
3 I'd be happy to answer any questions.

4 CHAIRMAN MATHEWSON: What's your hours of
5 operation now?

6 MR. FULLER: We did go 24 hours on the
7 weekends, so we open 8:00 a.m. until 5:00 a.m, and then
8 we'll go 24 hours starting Friday morning through Monday
9 morning. So we close at 5:00 a.m. Monday morning.

10 CHAIRMAN MATHEWSON: Okay. So during the
11 week, you're 8:00 a.m. to 5:00 --

12 MR. FULLER: To 5:00 a.m. Correct.

13 CHAIRMAN MATHEWSON: Okay. And then on,
14 you say, Friday night --

15 MR. FULLER: Yeah. So Friday morning we'll
16 open --

17 CHAIRMAN MATHEWSON: -- you go straight
18 through to Monday?

19 MR. FULLER: Friday morning we'll open up at
20 8:00 a.m. and we go straight through to Monday morning at
21 5:00 a.m.

22 CHAIRMAN MATHEWSON: Okay.

23 MR. FULLER: And on holidays, we'll request
24 a variance to that on holidays.

25 CHAIRMAN MATHEWSON: Any other questions?

1 (No response.)

2 CHAIRMAN MATHEWSON: Okay. Do you have
3 someone else that you want to introduce to say something?

4 MR. FULLER: We do. We have some officials
5 from the city of Boonville here.

6 CHAIRMAN MATHEWSON: Yes, you certainly do.
7 I recognize them.

8 MR. FULLER: Irl Tessendorf, City
9 Administrator; Chief Gholson; and the Honorable Mayor
10 Thacher is here.

11 CHAIRMAN MATHEWSON: Hi, Irl.

12 MR. TESSENDORF: Mr. Chairman, how are you
13 today?

14 CHAIRMAN MATHEWSON: Good, sir.

15 MR. TESSENDORF: Just a few comments from
16 the home city for the casino. I'll try to respond to the
17 director's memo, and we submitted a written response that I
18 presume you all have, but he wanted oral presentations on
19 three or four items.

20 The first item is the corporate citizen
21 category. Obviously, Barron has illustrated a lot of their
22 activities that they participate in and contribute to. He
23 highlighted a number of their contribution recipients. I
24 also wanted to focus on their -- I guess their manpower
25 contributions or their human-capital contributions there.

1 They're quite active in the service organizations and in
2 some nonprofit organizations.

3 And also, they've been moving into some city
4 organizations and boards and commissions that have
5 benefitted from their insight that you don't always get
6 from some regular citizenry, a couple of those being the
7 local Industrial Development Authority, which functions as
8 our economic development arm, to some degree. They're on
9 our tourism commission, as you would expect, also, on some
10 ad hoc groups that have come along.

11 One I think that I noted the other day that
12 Barron didn't mention is they had some activity in a
13 foundation that the school system and some of their
14 supporters are trying to develop there, to supplement the
15 pinch on public financing for education, and I think that's
16 gotten off on a good foot with their help.

17 Just another tidbit: They've always
18 maintained a park that's on one end of our downtown, called
19 Veterans Park, that they were instrumental in developing at
20 the beginning. And they also do a first-rate job of
21 maintaining it. It's a nice asset for our community and a
22 tribute to the veterans that it represents.

23 The second category that we were asked to
24 address is the economic impact. I always divide that into,
25 I guess, two pieces. One, the part that affects me most

1 directly is the impact on the city and its operations. I
2 provided a fairly detailed list of what our expenditures
3 are over the last fiscal year. It's predominantly
4 infrastructure related, both just trying to catch up on
5 infrastructure in what's a relatively older community and
6 also trying to keep up with the increasing regulatory
7 burdens in the area of water and waste water.

8 In addition, we also take a smaller piece of
9 that money and add it to our operating budget that enabled
10 us to provide better and more services on a routine basis
11 to our citizens.

12 The other part of that benefit is a little
13 more indirect to the city, but it's the private sector
14 thing that Barron gave you numbers on their payrolls and
15 salaries and vendor sales.

16 I think one thing I wanted to highlight on
17 his presentation is the benefit package that they offer.
18 I've had, personally, several sort of anecdotal comments
19 from folks like dentists and those sort of things that are
20 really highly complimentary of their package, and that
21 those contributions that they yield for their workforce and
22 for our community in general, I think. But a lot of those
23 players are, as I said, highly complimentary of that piece
24 of their package.

25 You asked for comments on law enforcement.

1 There's a separate letter in your package. Chief Gholson
2 will be happy to address any questions you might have on
3 that area.

4 And I think lastly was the comment on
5 revenue-sharing activities. Some of those from our last
6 fiscal year are on your list. We entertain those on an
7 annual basis in a formal application process, and then the
8 Council ultimately acts on them and they're part of the
9 budget deliberations. And then we also will give
10 consideration on sort of an ad hoc basis as those events
11 might dictate and require.

12 One item I'll just highlight in there is our
13 contributions to Mustang. Some folks might not recognize
14 what that is, but it's a multi-county, central Missouri
15 drug task force organization. And we contribute a goodly
16 amount to that, and they access some other funding, using
17 our monies as a match. So that's about all I have.

18 CHAIRMAN MATHEWSON: How much was their
19 payment last year on gaming revenue that came into the city
20 of Boonville?

21 MR. TESSENDORF: Our annual received from
22 them is approximately four million.

23 CHAIRMAN MATHEWSON: Is the Chief going to
24 speak or are you going to speak about that? I just have a
25 quick question. You want me to ask you or ask him? I just

1 wonder is -- you know, the economy being what it is, and I
2 know in the past, since I've been here, we haven't had a
3 big increase in crime that was related to folks gambling,
4 or whatever there. My question to you, sir, is just has it
5 increased? Is it about the same as it's been for the last
6 three or four years?

7 MR. TESSENDORF: I think it hasn't had any
8 noticeable increase. It's stayed steady. In terms of
9 impact on the community or anything like that, it's
10 inconsequential.

11 CHAIRMAN MATHEWSON: Okay. Any other
12 questions for Mr. Tessendorf? For you-all's benefit, let
13 me just say this: Irl was -- that Cooper County, I had the
14 honor of that being in my Senate district for many years,
15 and Irl was the City Administrator in Boonville. Then,
16 later, the city of Sedalia, which also was in my district,
17 hired him and he was there for, what, 12 years or something
18 like that?

19 MR. TESSENDORF: About 18, actually.

20 CHAIRMAN MATHEWSON: Was it 18? And then,
21 when the city of Boonville started making all this money,
22 he went back over to Boonville. The point of me telling
23 that story is to get that last line in. City of Sedalia
24 doesn't have any casinos.

25 MR. TESSENDORF: It's a blessing, but it's

1 also a challenge. One needs to give that a lot of thought,
2 when you have the opportunities and how you can maximize
3 the long-term benefit of --

4 CHAIRMAN MATHEWSON: Yeah. Well, you've
5 done a good job, from everything I can see, when you were
6 there before and when you're there now. Appreciate your
7 friendship, buddy, over the years. Thank you. Any
8 questions?

9 COMMISSIONER MERRITT: So he's been
10 successful in spite of that relationship.

11 CHAIRMAN MATHEWSON: Yeah. But I didn't
12 notice he ever went around and bragged about it. But then,
13 I can't run anymore, so it doesn't matter. Thanks, Irl.
14 Good to see you. Is the mayor going to say something?

15 MR. TESSENDORF: She didn't have anything
16 prepared.

17 CHAIRMAN MATHEWSON: Okay. That's fine. I
18 just wanted to make sure. Didn't want to ignore anybody.
19 Anyone else from the beautiful city on the river?

20 (No response.)

21 CHAIRMAN MATHEWSON: No? Okay. Do you
22 want to go to our investigative part of --

23 MR. STOTTLEMYRE: Yes, sir. Corporal Arand
24 will present.

25 CHAIRMAN MATHEWSON: Okay.

1 CORPORAL ARAND: Mr. Chairman, relative to
2 your question about the crime, our research and
3 investigation that we have -- we have not noticed any
4 substantial increase in the crimes in the city of Boonville
5 or in the two counties that are directly related.

6 On April 1, 2011, the Missouri Gaming
7 Commission received an application for the renewal of the
8 Class A riverboat license for Isle of Capri Casinos,
9 Incorporated, and the application of the renewal of the
10 Class B riverboat gaming license for IOC-Boonville,
11 Incorporated. The Commission granted Isle of Capri their
12 second Missouri Class A riverboat gaming license in
13 December of 2001, for IOC-Boonville, Incorporated.

14 Background investigators from the Missouri
15 State Highway Patrol's Gaming Division, in concert with the
16 Missouri Gaming Commission financial investigators,
17 conducted an investigation concerning the suitability of
18 the Isle of Capri Boonville, Incorporated.

19 The investigation included, but was not
20 limited to, criminal, financial, and general character
21 inquiries of the associated key and level one personnel, to
22 include where they lived, worked, and frequented. City,
23 county, state, and federal agencies having regulatory
24 authority over the Isle of Capri and its Missouri
25 subsidiaries were also contacted.

1 A detailed summary report of this
2 investigation has been previously provided to the Gaming
3 Commission Staff and you should have a copy of that before
4 you. Investigating officers are present, if you have any
5 other questions.

6 CHAIRMAN MATHEWSON: Any questions?

7 (No response.)

8 CHAIRMAN MATHEWSON: Thank you, sir. John?

9 MR. STOTTLEMYRE: Mr. John Nathan will
10 present.

11 MR. NATHAN: Again, Commissioners, Chairman.
12 In giving the employee demographics for Isle of Capri
13 Boonville, of their 498 employees, they have 47 minorities,
14 or 9.44 percent of their employees are minorities.

15 In the vendor spending for Isle of Capri
16 Boonville, 15.91 percent of their total spend was on
17 MBE/WBE: For MBEs, 2.53 percent, for WBEs, 13.38 percent.
18 Total, 15.91 percent of all their vendor spend was on
19 minorities. If it's any indication of the first quarter of
20 eleven -- they had a 7 percent increase, which represents
21 the second largest amount of all 12 of the casinos. So if
22 it's any indication, they are going in the right direction.
23 If there are any questions, I'll be glad to answer them.

24 CHAIRMAN MATHEWSON: Any questions of
25 Mr. Nathan?

1 (No response.)

2 CHAIRMAN MATHEWSON: Thank you, John.

3 Anyone here that would like to comment about the Boonville
4 application? Any comment at all?

5 (No response.)

6 CHAIRMAN MATHEWSON: Okay. With that,
7 then, the Chair would accept a motion on renewal of the
8 application for the Boonville Isle of Capri operation,
9 which is --

10 MR. STOTTLEMYRE: Sir, that's 11-039.

11 CHAIRMAN MATHEWSON: 39. I thought so.

12 Okay.

13 COMMISSIONER BRADLEY: Motion to approve
14 Commission Resolution No. 11-309.

15 CHAIRMAN MATHEWSON: 039.

16 COMMISSIONER BRADLEY: 039. Oh. I'm just
17 testing you.

18 CHAIRMAN MATHEWSON: You're just a little
19 dyslexic there. But it wasn't bad, and it's good to have
20 you back so I can correct you.

21 COMMISSIONER MERRITT: I'll second whichever
22 one she said.

23 COMMISSIONER HATCHES: You do one and I'll
24 do the other one.

25 COMMISSIONER BRADLEY: We will repeat, 039.

1 CHAIRMAN MATHEWSON: Any further
2 discussion?

3 (No response.)

4 CHAIRMAN MATHEWSON: Call the roll, Angie,
5 please.

6 MS. FRANKS: Commissioner Merritt?

7 COMMISSIONER MERRITT: Approve.

8 MS. FRANKS: Commissioner Hatches?

9 COMMISSIONER HATCHES: Approve.

10 MS. FRANKS: Commissioner Bradley?

11 COMMISSIONER BRADLEY: Approve.

12 MS. FRANKS: Chairman Mathewson?

13 CHAIRMAN MATHEWSON: Approve.

14 MS. FRANKS: By your vote you've adopted
15 Resolution No. 11-039.

16 CHAIRMAN MATHEWSON: Let me just make a
17 quick comment about Boonville. You know, I'm very close to
18 it. Okay? I can't go there, but I'm very close to it.
19 And prior to this, I was there.

20 I had a heck of a fight on the senate floor
21 to get it in Boonville, as I remember, back many, many
22 years ago. There was a senator wanted it over on Howard
23 County side rather than on the Cooper County side. He had
24 Howard; I had Cooper. We took it to the floor of the
25 Senate and I had more votes, so it ended up over on the

1 Boonville side after the people voted it in.

2 I really believe that for that area, you-all
3 have really done a good job over there. I mean, I don't
4 ever hear any complaints about you, seriously. Oh, other
5 than the fact they don't pay enough, or whatever, you know,
6 which everybody always believes that if they go over there.
7 But overall, you guys do a good job. You run a good clean
8 operation, and I appreciate that as a member of that --
9 very close to that community.

10 MR. FULLER: Thank you. Much appreciated.

11 CHAIRMAN MATHEWSON: Thank you, sir. Got
12 Kansas City, boss?

13 MR. CAMPBELL: Continuing to move east to
14 west, our final presentation will be by Chet Koch, who is
15 general manager of Isle of Capri Kansas City.

16 CHAIRMAN MATHEWSON: Sir.

17 MR. KOCH: Good morning, Chairman. Good
18 morning, Chairman, Commissioners, Commission Staff. Roger,
19 good to see you again.

20 Isle of Capri Kansas City has complied with
21 the terms of the agreement of Port Authority Kansas City.
22 Our AGR over the course of the last three years has
23 continued to increase, as you can see. We're looking
24 forward to a very strong 2012 fiscal year. The property
25 has been doing very good things on improvements and it's

1 showing in the AGR.

2 Our admission counts, as well, continue to
3 increase. And as I'm sure you've tracked the market share,
4 isle of Capri Kansas City has maintained a very strong
5 market share and we've actually been able to up the trend a
6 little bit over the last few months.

7 Capital investment, the initial development
8 and the rebranding of the property from when it was the
9 Flamingo was a \$40 million purchase and rebrand. The
10 property, within a couple years after that, was remodeled a
11 bit. The casino floor was advanced and expanded for
12 12.5 million, and then other capital maintenance spending
13 over the course of the years has been 35.5 million,
14 bringing us up to a total investment to date of \$88 million
15 for the property. This year we're looking at -- as with
16 the Boonville property, we're looking to spend about \$3.2
17 million in capital investment as well.

18 Employment, we're projected to stay right
19 about where we are right now, 442 team members. We're
20 right in that same range. One of the neat parts I wanted
21 to point out was we talk about, coming up here, you know,
22 what our commitment is to hiring and diversity of our
23 employees. But over 10 percent -- or about 10 percent of
24 our team members right now are 15-year team members with
25 the property. So out of 42, right now we're getting ready

1 to celebrate that.

2 Our hiring practices, again, we have
3 instituted a policy entitled work-force diversity. Isle is
4 an equal employment opportunity employer. We're committed
5 to the belief that diversity in our work force is essential
6 to our current and our future success.

7 Within the last month and a half, we held a
8 job fair at the property. We had over 400 people apply for
9 positions on a Saturday from 10:00 in the morning to 2:00
10 in the afternoon. Of that, we were able to identify over
11 40 candidates that we were able to hire on the spot, or
12 bring into a dealer school that we're planning on starting
13 in the beginning of July.

14 So very positive growth for the property.
15 We're really looking at bringing on those best people, to
16 put them in the right places, and continue to service our
17 guests.

18 Our employment demographics, minorities of
19 Kansas City, you can see, 39.9 percent. Isle of Capri
20 Kansas City is at 48.2 percent. Female population of 51.7;
21 and we currently employ 44.5 percent of our team members
22 are female.

23 Unemployment rate in Kansas City is a good
24 story. You look at 2009 rate of 8.8 percent. We had that
25 dip there in 2009 where the unemployment rate started to

1 rise, March of last year, 9.7 percent. We're back down in
2 March of 2011 at 8.9. We see that the city is turning
3 around and we've got good unemployment standards coming
4 back to the town. You're going to see that coming up again
5 in some other numbers I'm going to present.

6 Vendor diversity, very committed to our
7 diversity with our MBE/WBE vendors, over 7 percent of our
8 total for the 2010 year. We currently do business with
9 50 minority- and women-owned businesses in the city and in
10 the state of Missouri.

11 Our crime rate in Kansas City is -- this is
12 what I was going to refer to when we talked about you see
13 the unemployment rate coming down. You actually see the
14 crime rate in Jackson County, where we're located, coming
15 down significantly as well. So another positive story for
16 the area.

17 Problem gaming, as with my sister
18 properties, the Isle of Capri Kansas City is very much
19 dedicated to making sure that we're taking care of our
20 customers. We're helping them to get the help that they
21 need when they decide that they have a problem, with our
22 DAP program. Bringing people up and referring them up to
23 the boat sergeant and his staff to be able to get them into
24 help and treatment. We have our Bets Off in all our
25 advertising. We have it out at the cages, at our Isle of

1 Capri players booth as well.

2 As with the Boonville property, we use the
3 bounty hunter program, and it's where we reward our team
4 members for identifying DAPs on the floor. As Barron
5 mentioned, we are a small community as well, even though
6 we're in Kansas City, and a lot of our team members will
7 recognize previous DAPs and identify them to our security
8 force, which then brings them up to the boat sergeant and
9 his team to be able to identify and remove from the boat.

10 We have a strict policy. We keep the list
11 of DAPs, as required. We do ID cross tracking at the cage,
12 at the players tracking booth, and everytime we interact
13 with a guest where we have to use ID, whether it's for
14 ratings in the pit or whatever, we're looking to make sure
15 that they're not on our DAP list.

16 Underage gaming, again, we're very strict
17 with making sure that we don't allow minors onto the gaming
18 floor. We're lucky in the way the boat is constructed
19 because we have a welcome deck, that we call it, and then
20 you have to take escalators down onto the gaming floor. So
21 we have a very narrow choke point to get onto the gaming
22 floor. One -- virtually, one entrance onto the gaming
23 floor, which allows us to take a little bit more time with
24 ID checks.

25 Again, with that bounty hunter program, we

1 utilize it with the team, and we've paid out, between the
2 DAPs and identifying underage gamers or people trying to
3 fraudulently get on the boat underage, we've spent over
4 \$22,000 in rewards with our team members this past year.

5 Charitable donations, we've spent close to
6 \$100,000, between Kansas City and the state of Missouri, a
7 little bit out there in Kansas and, again, with our United
8 Way campaign, which is a corporate campaign, \$26,000.

9 Volunteering, as with our sister properties,
10 we're very involved with the community, lots of different
11 charity events. The neat part -- and I'll just direct your
12 attention to the bottom of the chart there -- team members
13 put in 1,178 hours. It equates to about 29 and a half
14 weeks of actual work time that was donated back to the
15 community with our team members donating their hours. You
16 know, it's one thing to donate the money. It's another
17 thing to actually give it back to the community in time.

18 And this was -- as you saw with the Great
19 Strides, we have the green t-shirts for our Community Aces.
20 You can see us from a mile away. We raised just over
21 \$4,000 for the cystic fibrosis walk that was just this past
22 couple months, and it was a chilly day, as you can see.

23 Isle of Capri Kansas City, we're committed
24 to being the best gaming entertainment company in our
25 market, for both our employees, the communities, our

1 guests, our investors.

2 Mr. Chairman, with your indulgence, I'd like
3 to point out some of the folks I brought with me today from
4 our exec team. I've got our senior director of marketing,
5 Debra Jenkins. Debra is, by the way, one of our 15-year
6 team members, and she is number two ranked in seniority at
7 the property.

8 MS. JENKINS: I'm old.

9 MR. KOCH: Let the record show --

10 CHAIRMAN MATHEWSON: I can relate.

11 MR. KOCH: Jean Hanson, our senior director
12 of finances, is here as well; Mr. Jim Langin, our director
13 of HR; Chris Stevenson, who is our director of operations;
14 Cheyann Whitaker is our compliance officer.

15 And I'm very proud -- and I think some of
16 you already may know -- I was very proud to bring along
17 Lisa Atkins today, and I wrote down her title because I
18 wanted to make sure I got it correct. She is our director
19 of -- or excuse me -- our business development compliance
20 officer.

21 And Lisa has been doing a great job working
22 with John and the team. I know she was part of the group
23 that was putting together the selection process for John's
24 replacement as well. So we're very privileged to be part
25 of that. And so thank you very much. Okay. Make sure

1 I --

2 MR. STOTTLEMYRE: I would also like to thank
3 you for her help. She was very helpful during that
4 process.

5 MR. KOCH: She's a great person, and I'm
6 very proud to have her on our staff.

7 Also, in today, I wanted to recognize that
8 we've brought -- or invited Mr. Michael Collins, as the
9 president and CEO of the Kansas City Port Authority is with
10 us. And the new general counsel and director of
11 intergovernmental affairs, Mark Coulter, from the Port
12 Authority is with us as well today. Any questions that you
13 may have?

14 CHAIRMAN MATHEWSON: Is your access to the
15 highway finally complete?

16 MR. KOCH: Yes. Thank goodness.

17 CHAIRMAN MATHEWSON: When did it finally
18 open back up so you had full access?

19 MR. KOCH: Pretty much that it was clean was
20 at the beginning of April. We had -- within the first few
21 weeks of April, we had a pretty clean access with the off
22 ramps and on ramps. They're still working on it right now,
23 but it's a very nice easy flow into and out of the
24 property. We're still working with kcICON and the Port
25 Authority at cleaning up the front entrance, but it's a

1 great new front entrance and our customers have adapted to
2 it very well. It's definitely helped.

3 CHAIRMAN MATHEWSON: Have you had the
4 opportunity -- if that just happened in April, have you had
5 the opportunity to recognize any increase in business from
6 it yet?

7 MR. KOCH: I would hope that we are. In
8 fact, Debra and her team actually put out some postcards to
9 customers that we had not seen for a year or so, to make
10 sure that they knew with new maps on how to get to the
11 property. An easy -- well, you know, it's one of those
12 things. If you haven't been here for a while, let's see if
13 we can get you to come on back.

14 CHAIRMAN MATHEWSON: Yeah. That's right.
15 I mean, you had to have a map the way it was about a year
16 ago just to get there.

17 MR. KOCH: It's not the easiest property to
18 go to.

19 CHAIRMAN MATHEWSON: No. It certainly
20 wasn't there, and that's terrible.

21 MR. KOCH: But, yeah, it's a very nice easy
22 on, easy off. We're working with MoDOT right now to get
23 the tourist-type signs back out on the roadway to give
24 better direction for the exits, since the exits did change
25 with the Kit Bond bridge going up.

1 CHAIRMAN MATHEWSON: I felt when we were up
2 there -- and I don't remember how many months ago that was.
3 Last fall, wasn't it? You were great about working with
4 MoDOT, even with all the problems and I think they were
5 good about the way they tried to work with you. I mean, it
6 just created a hell of a mess for everybody, you know. But
7 you-all had a good relationship, I think, didn't you, and
8 trying to work through it?

9 MR. KOCH: And we maintain -- yes, sir.

10 CHAIRMAN MATHEWSON: You know, work through
11 the problems, so I compliment you on that.

12 MR. KOCH: Well, thank you very much.

13 CHAIRMAN MATHEWSON: Did you have anyone
14 else that you brought along that you wanted to speak?

15 MR. KOCH: Yeah. I have Mr. Michael Collins
16 come up from the Port Authority.

17 CHAIRMAN MATHEWSON: Okay.

18 MR. COLLINS: Chairman Mathewson, members
19 of the Commission, on behalf of the Port Authority of
20 Kansas City, I'd like to thank you for this opportunity to
21 discuss our partnership with the Isle of Capri, and take
22 some questions that you may have about the new bridge and
23 the access to Isle of Capri.

24 They've complied with the terms of agreement
25 between us, as well as the City. Isle of Capri is an equal

1 opportunity employer, committed to the belief that
2 diversity in its work force is essential to its current and
3 future success, as you saw with the numbers there above
4 you. They have an equally strong policy and commitment to
5 minority- and women-owned business development, through the
6 use of minority- and women-owned vendors, suppliers,
7 services, trade, and construction contracts.

8 My memo is brief because I too have been at
9 the Port Authority for a very short time, but I am willing
10 to take any questions you have, again, regarding the access
11 to the Isle of Capri. I will say that throughout the time
12 of the bridge building, it was -- for them to maintain
13 market share, as well as gamers coming to their casino, is
14 obviously to be commended, as well as going with their
15 minority hiring. So I appreciate your time.

16 CHAIRMAN MATHEWSON: Welcome, sir. Nice
17 meeting you. What happened to your predecessor?

18 MR. COLLINS: He's gone on to other
19 ventures.

20 CHAIRMAN MATHEWSON: In other words, you
21 don't want me to go there, is that --

22 MR. COLLINS: You know, I really -- I
23 never -- I don't usually look back --

24 CHAIRMAN MATHEWSON: That doesn't have
25 anything to do with you, did it?

1 MR. COLLINS: Don't have anything to do with
2 me.

3 CHAIRMAN MATHEWSON: Okay. All right. Any
4 questions?

5 COMMISSIONER BRADLEY: Can I just ask a
6 quick question?

7 CHAIRMAN MATHEWSON: Sure.

8 COMMISSIONER BRADLEY: This just proves I
9 read the material here. It talked about in the information
10 we were given when you were interviewed -- and I didn't
11 know anything about this -- about a lease and this and
12 that. So there are no issues? I mean, you've worked with
13 the Isle, with the casino?

14 MR. COLLINS: Yes. There's no --

15 COMMISSIONER BRADLEY: Port Authority. You
16 give the leasing. I know you say you're new, but, you
17 know, all that's all done. Correct? I mean, because it
18 said there might be a short-term lease or something.

19 MR. COLLINS: Well, no. We were just asked
20 for a specific extension. That's all. There's no issue
21 with it, not at all. Doesn't change the scope of the lease
22 agreement.

23 COMMISSIONER BRADLEY: Thank you.

24 CHAIRMAN MATHEWSON: Any other questions?

25 COMMISSIONER HATCHES: I have a quick

1 question.

2 CHAIRMAN MATHEWSON: Sure.

3 COMMISSIONER HATCHES: I don't know whether
4 you remember this, Chairman, when we were doing the
5 hearings for relicense, and someone from the Port Authority
6 came before us and you asked a question about the
7 relationship between the Port Authority and the casino. I
8 don't know if we ever got around to addressing that. And
9 if you could, Mike, just speak to that relationship, the
10 relationship of the Port Authority with IOC.

11 MR. COLLINS: As of what I know right now,
12 the relationship with the Port Authority and Isle of Capri
13 is strong. It does need to get stronger, as any other
14 business relationship. Of course, I'm still learning a lot
15 of their staff, both at headquarters as well as Isle of
16 Capri Kansas City. As far as I know, and I don't think
17 there would be any other argument there, we do have a
18 strong working relationship.

19 Obviously, for us, we had to mend our own
20 fences and relationships with the -- because of what you've
21 heard in the past. But, therefore, I really do still think
22 that this is a great relationship, and I haven't had any
23 problems. And if they have any problems on our side, I
24 hope that they address them. I'm not shy; I'll address the
25 ones that we have.

1 CHAIRMAN MATHEWSON: What did you learn out
2 of that answer? You're good.

3 COMMISSIONER HATCHES: Try, try, and try
4 again.

5 CHAIRMAN MATHEWSON: Have you ever held
6 public office, sir? I just wonder.

7 MR. COLLINS: I used to work for Senator Kit
8 Bond for nine years, that's it.

9 CHAIRMAN MATHEWSON: Yeah. Well, there you
10 are. Kit's good at training. Okay. Moving right along.
11 Thank you, sir. Thank you for being here. What else do we
12 have? Anything else?

13 MR. STOTTLEMYRE: It would be time for
14 Corporal Mike Arand to present.

15 CHAIRMAN MATHEWSON: Okay.

16 CORPORAL ARAND: Mr. Chairman and
17 Commissioners, on April 1st of this year, the Missouri
18 Gaming Commission received an application for the renewal
19 of the Class A riverboat license for Isle of Capri Casinos,
20 Incorporated, and its subsidiary, the application of the
21 Class B riverboat license of IOC-Kansas City, Incorporated.

22 Isle of Capri first entered the Missouri
23 market in June of 2000, when they were granted a Class A
24 riverboat license from the Commission for IOC-Kansas City,
25 Incorporated, after completing the purchase of the former

1 Hilton Casino Kansas City.

2 Background investigators of the Missouri
3 State Highway Patrol's Gaming Division, in concert with the
4 Missouri Gaming Commission financial investigators,
5 conducted an investigation concerning the suitability of
6 the Isle of Capri Casinos, Incorporated, and its Missouri
7 subsidiary IOC-Kansas City, Inc.

8 The investigation included, but was not
9 limited to, criminal, financial, and general character
10 inquiries of the associated key and level one personnel, to
11 include where they lived, worked, and frequented. City,
12 county, state, and federal agencies having regulatory
13 authority over the Isle of Capri Kansas City were also
14 contacted.

15 A detailed summary report of this
16 investigation has previously been provided to the Gaming
17 Commission Staff and each of you, I believe, have a copy of
18 that. Investigating officers are present and would be
19 happy to entertain any questions, if you have any at this
20 time.

21 CHAIRMAN MATHEWSON: Let me ask you just
22 one quick one because it's just kind of bugging me.

23 CORPORAL ARAND: I knew you were going to
24 ask on this one, just because the guy who led this
25 investigation's not here, but go ahead.

1 CHAIRMAN MATHEWSON: You can answer it, or
2 if you can't, well, just tell me. During your most recent
3 investigation which you're reporting on, okay, was the Port
4 Authority situation that occurred involved in your
5 investigation at all?

6 CORPORAL ARAND: Yes.

7 CHAIRMAN MATHEWSON: Okay. Now, so I don't
8 have to dig through 40 pieces of documents here, is that
9 part of your report in here somewhere?

10 CORPORAL ARAND: The issues with the Port
11 Authority really didn't have any direct impact with Isle of
12 Capri, and so there's not really anything directly
13 involving the Port Authority, other than the fact Isle of
14 Capri's obligation to the lease agreements that they had
15 with the Port Authority, if that's what you're asking. So
16 the investigation was on Isle of Capri, not on the Port
17 Authority, so --

18 CHAIRMAN MATHEWSON: I understand that, and
19 well it should be. I'm not asking you -- I just -- I
20 apologize to you, sir. I'm not trying to attack anyone
21 here.

22 But this started back three months ago or
23 something when we started asking some questions because I
24 had -- you know, I had a lack of knowledge of where the
25 Port Authority had their -- number one, who gave them that

1 authority to have to deal with the folks that have a casino
2 on the river, you know? Where did that come from? How did
3 it come, you know? Who paid for it, you know? Who paid
4 for your salary? That was the sort of thing that I was
5 trying to get someone to give me an answer to. And as
6 Commissioner Hatches just mentioned, I don't think we ever
7 did get an answer.

8 Now, I didn't ask Roger or Staff to track
9 this whole situation, but since that started here, then
10 there's been a lot of things happen, or at least so the
11 Kansas City Star says, you know.

12 And so please understand, I'm not trying to
13 catch anybody or do anything here, but I'm still not clear
14 on what happened up there that ended up in a lot of
15 activity, you know, as it related to the Port Authority.
16 And now your response to me is that when you looked -- that
17 you did look at that, but you were in -- what you were
18 looking at was should Isle of Capri Kansas City be
19 relicensed, and that was your focus, not on whether the
20 Port Authority was involved or not involved. Is that
21 your -- did I summarize you?

22 CORPORAL ARAND: Yeah. That's accurate.
23 Yes.

24 CHAIRMAN MATHEWSON: Okay. Okay. I
25 just -- and if you think I'm confused, look at the guy

1 standing right behind you that runs that operation up
2 there, and I bet he was walking around like, What the
3 hell's happened, you know. I mean, you know, that was,
4 evidently, a fairly serious matter, you know. I just don't
5 want to -- I'm still looking for an answer, you know, on
6 who did what, to who, when, you know?

7 CORPORAL ARAND: Well, our focus was, as you
8 touched on, is making sure that they were paying what they
9 need to pay and what have you. What the Port Authority did
10 beyond that, I can't answer that.

11 CHAIRMAN MATHEWSON: Okay. Okay. That's
12 fine. Thank you.

13 MR. STOTTLEMYRE: Mr. John Nathan will
14 present.

15 CHAIRMAN MATHEWSON: Is he going to
16 introduce us to our new lady?

17 MR. STOTTLEMYRE: Looks like it.

18 CHAIRMAN MATHEWSON: He has a lady coming
19 with him at least, doesn't he? Mr. Nathan, sir.

20 MR. NATHAN: Again, good morning to
21 Commission and the Chairman. And I would like to introduce
22 Cheryl Bonner, who's my assistant and my successor that
23 will be coming, and I just wanted her to come up for this
24 particular presentation, and I'll give it in a moment.

25 Lisa Atkins, why don't you stand up just a

1 moment. They already told of your involvement, that she
2 volunteered to be a panel member in interviewing all of our
3 applicants. And I'd like to extend thanks to you,
4 compliance officer for IOC Kansas City. Stay here with me
5 for a moment.

6 For the employee demographics for IOC Kansas
7 City, of the 467 employees they have, 219 of them are
8 minorities, or 46.90 percent are minorities.

9 On the vendor spend for IOC Kansas City,
10 their total minority spend was 12.25 percent, or 5.16
11 percent for MBEs and 7.9 percent for WBE. The increase for
12 the first quarter of 2011 was 5.07 percent and, again, if
13 they're going in that direction, it seemed to be that they
14 are putting emphasis on the increase and the spending
15 amount on MWBE, and the 5.7 percent increase would indicate
16 that they're in the right mode. That represents the third
17 highest percent of all 12 of the casinos in their vendor
18 spend. If there are any questions, I'll be glad to answer
19 them.

20 CHAIRMAN MATHEWSON: John, how long you
21 been on board with the Commission?

22 MR. NATHAN: September the 15th will be five
23 years.

24 CHAIRMAN MATHEWSON: Okay. I know we've
25 really tried to focus on this whole thing. And thanks to

1 your help and now we're going to -- this nice lady is going
2 to continue that.

3 MR. NATHAN: And I think that with our team,
4 that any questions that the Commission would dare ask us,
5 you'll be satisfied with our response, because we have --
6 with Bill Seibert and --

7 CHAIRMAN MATHEWSON: Well, he's your boss.

8 MR. NATHAN: -- and Rick Wilhoit, my boss --

9 CHAIRMAN MATHEWSON: John, let me just ask
10 you, what's your comfort level on how we're handling this
11 percentage-wise in all 12 casinos, not specifically on the
12 Kansas City casino, but overall. We're seeing gains, from
13 what I hear your report being.

14 MR. NATHAN: I think those figures indicate
15 that the issue and support that we've gotten to make sure
16 that we address and drive the point home with all of the
17 casinos, that we are serious about MWBE participation. And
18 I think we're going in the right direction. I think the
19 team that we have here has given the support, as well as
20 all the Commissioners, and I think that we're going in the
21 right directions. And looking at the percentages is but an
22 indicator that I think we're moving in the right direction.

23 CHAIRMAN MATHEWSON: Okay. Any questions
24 of John?

25 COMMISSIONER HATCHES: Just another comment.

1 I think I tracked his presentation right, and of the 12
2 casinos, the three locations that we have discussed today
3 are one, two, and three in their percentage participation;
4 is that right? Increase -- their increase?

5 MR. NATHAN: Increase, right. Right.

6 COMMISSIONER HATCHES: And so I applaud --
7 absolutely applaud them for that and, again, applaud the
8 Staff for the work that you've done in trying to show the
9 levels that -- where we are, with where we expect to be,
10 even though today we don't know what those expectations
11 are.

12 And just a comment would be, while all these
13 numbers have increased, look good, percentages look good,
14 certainly as we move forward, we want to dig down into
15 those numbers and understand them more. So it's one thing
16 to know that you -- to report that you're doing a good job.
17 It's even a better thing to understand why you're doing
18 that good job. And if we can dig in that, maybe we can
19 find some things in it that allow them to do even a better
20 job and allow us, as a Commission, to do an overall better
21 job of these things. So I'm happy about what I see, and I
22 just think we have more work to do in all these areas.

23 MR. NATHAN: As Commissioner, I hope you'll
24 continue to give your support to the MWBE and that gives so
25 much credence and gives us more vigor to go in there and

1 make sure that we look at everything and move it forward.

2 COMMISSIONER HATCHES: Absolutely. Thank
3 you.

4 CHAIRMAN MATHEWSON: Nice meeting you.

5 MS. BONNER: Nice to meet you.

6 CHAIRMAN MATHEWSON: Welcome aboard.

7 MS. BONNER: Thank you.

8 CHAIRMAN MATHEWSON: Okay. Any comments
9 from the public? Any comments about the Kansas City Isle
10 of Capri operation?

11 (No response.)

12 CHAIRMAN MATHEWSON: Okay. If there are
13 none, then the Chair would accept a motion on Resolution
14 11-038.

15 COMMISSIONER HATCHES: Move for acceptance
16 of Resolution No. 11-038.

17 COMMISSIONER BRADLEY: Second.

18 CHAIRMAN MATHEWSON: Any discussion?

19 (No response.)

20 CHAIRMAN MATHEWSON: Call the roll, Angie,
21 please.

22 MS. FRANKS: Commissioner Merritt?

23 COMMISSIONER MERRITT: Approve.

24 MS. FRANKS: Commissioner Hatches?

25 COMMISSIONER HATCHES: Approve.

1 MS. FRANKS: Commissioner Bradley?

2 COMMISSIONER BRADLEY: Approve.

3 MS. FRANKS: Chairman Mathewson?

4 CHAIRMAN MATHEWSON: Approve.

5 MS. FRANKS: By your vote you've adopted
6 Resolution No. 11-038.

7 CHAIRMAN MATHEWSON: Thank you. Thanks
8 guys. Thank you all Isle of Capri for being here and your
9 presentations. We appreciate you. Be safe.

10 MR. STOTTLEMYRE: Mr. Chairman, Item V on
11 the agenda is Consideration of Relicensure of Certain
12 Suppliers. Lieutenant Rex Scism will present, if he can
13 find his way through the crowd.

14 CHAIRMAN MATHEWSON: Here he comes.

15 LIEUTENANT SCISM: Good morning. Swimming
16 upstream.

17 CHAIRMAN MATHEWSON: Okay.

18 LIEUTENANT SCISM: You guys announced me and
19 everybody got up and left.

20 CHAIRMAN MATHEWSON: Go, boss.

21 LIEUTENANT SCISM: Missouri State Highway
22 Patrol investigators conducted the relicensing
23 investigation of two supplier companies currently licensed
24 in Missouri. These investigations consisted of
25 jurisdictional inquiries, feedback from affected gaming

1 company clients, a review of disciplinary actions,
2 litigation, and business credit profiles, as well as a
3 review of the key persons associated with each company.

4 The results of these investigations were
5 provided to the MGC Staff for their review and you possess
6 summary reports before you which outline our investigative
7 findings. The following supplier companies are being
8 presented for your consideration. We have two, the first
9 of which is Gaming Partners International, USA, Las Vegas,
10 Nevada.

11 CHAIRMAN MATHEWSON: Any questions?

12 (No response.)

13 CHAIRMAN MATHEWSON: Chair would accept a
14 motion to adopt Resolution 11-041, please.

15 COMMISSIONER MERRITT: I move to approve
16 Resolution No. 11-041.

17 COMMISSIONER HATCHES: Second.

18 CHAIRMAN MATHEWSON: You recommended
19 approval on it, didn't you, Rex?

20 LIEUTENANT SCISM: Defer to Mr. Stottlemyre.

21 MR. STOTTLEMYRE: Staff recommends approval.

22 CHAIRMAN MATHEWSON: Well, it's about time.
23 Thank you.

24 MR. STOTTLEMYRE: Just didn't want to
25 interrupt you.

1 CHAIRMAN MATHEWSON: Thank you. I was
2 trying to multi-task and I was failing, just so you know.
3 Chair would accept a motion on 11-041, please.

4 COMMISSIONER MERRITT: We already had it.

5 CHAIRMAN MATHEWSON: I do. Do I have a
6 second? Do I? I mean, I'm pretty well ready to vote?
7 Angie, would you call the roll, please?

8 MS. FRANKS: Commissioner Merritt?

9 COMMISSIONER MERRITT: Approve.

10 MS. FRANKS: Commissioner Hatches?

11 COMMISSIONER HATCHES: Approve.

12 MS. FRANKS: Commissioner Bradley?

13 COMMISSIONER BRADLEY: Approve.

14 MS. FRANKS: Chairman Mathewson?

15 CHAIRMAN MATHEWSON: Approve.

16 MS. FRANKS: By your vote you've adopted
17 Resolution No. 11-041.

18 LIEUTENANT SCISM: Our second company is
19 Tech Art Manufacturing, Incorporated, also of Las Vegas,
20 Nevada.

21 CHAIRMAN MATHEWSON: Are you going to say
22 anything more?

23 MR. STOTTLEMYRE: Staff recommends approval
24 of Resolution 10-042 -- or 11-042.

25 CHAIRMAN MATHEWSON: Okay. Chair would

1 accept a motion to adopt the Resolution 11-042, please.

2 COMMISSIONER HATCHES: I move for approval
3 for Resolution No. 11-042.

4 COMMISSIONER BRADLEY: Second.

5 CHAIRMAN MATHEWSON: Any discussion?

6 (No response.)

7 CHAIRMAN MATHEWSON: Call roll, please.

8 MS. FRANKS: Commissioner Merritt?

9 COMMISSIONER MERRITT: Approve.

10 MS. FRANKS: Commissioner Hatches?

11 COMMISSIONER HATCHES: Approve.

12 MS. FRANKS: Commissioner Bradley?

13 COMMISSIONER BRADLEY: Approve.

14 MS. FRANKS: Chairman Mathewson?

15 CHAIRMAN MATHEWSON: Approve.

16 MS. FRANKS: By your vote you've adopted
17 Resolution No. 11-042.

18 MR. STOTTLEMYRE: Item VI on the agenda is
19 Consideration of Licensure of Level I/Key Applicants, and
20 Lieutenant Scism will present.

21 LIEUTENANT SCHISM: Mr. Chairman,
22 Commissioners. Missouri State Highway Patrol
23 investigators, along with Gaming Commission financial
24 investigators, conducted comprehensive background
25 investigations on multiple key and Level I applicants. The

1 investigations included, but were not limited to, criminal,
2 financial, and general character inquiries, which were made
3 in the jurisdictions where the applicants lived, worked,
4 and frequented.

5 The following individuals are being
6 presented for your consideration this morning: Ricky N.
7 Bartlett, Table Games Manager for Argosy Riverside Casino;
8 Mark Wong, Director of Slots for Argosy Riverside Casino;
9 Wendy E. Anderson, Vice President of Operations, Americas
10 for BMM North America; James T. Janchar, Vice President of
11 Finance for Harrah's North Kansas City Casino; and,
12 finally, Chad M. Holtzman, Director of Casino Operations
13 for Isle of Capri Kansas City.

14 The results of these investigations were
15 provided to the Gaming Commission Staff for their review
16 and you have all related summary reports before you.

17 MR. STOTTLEMYRE: The Staff recommends
18 approval of Resolution No. 11-043.

19 CHAIRMAN MATHEWSON: Chair would accept a
20 motion for the adoption of 11-043.

21 COMMISSIONER BRADLEY: Motion to approve
22 Commission Resolution No. 11-043.

23 COMMISSIONER MERRITT: Second.

24 CHAIRMAN MATHEWSON: Any discussion?

25 (No response.)

1 CHAIRMAN MATHEWSON: Call roll, please.

2 MS. FRANKS: Commissioner Merritt?

3 COMMISSIONER MERRITT: Approve.

4 MS. FRANKS: Commissioner Hatches?

5 COMMISSIONER HATCHES: Approve.

6 MS. FRANKS: Commissioner Bradley?

7 COMMISSIONER BRADLEY: Approve.

8 MS. FRANKS: Chairman Mathewson?

9 CHAIRMAN MATHEWSON: Approve.

10 MS. FRANKS: By your vote you've adopted
11 Resolution No. 11-043.

12 MR. STOTTLEMYRE: Item VII on the agenda is
13 Consideration of Rulemaking and Terri Hutchison will
14 present.

15 MS. HUTCHISON: Good morning, Commissioners.

16 CHAIRMAN MATHEWSON: Good morning.

17 MS. HUTCHISON: Behind Tab Q are two final
18 orders of rulemaking to Title 11, Division 45, Chapters 4
19 and 10 of the Code of State Regulations. A public hearing
20 was held on May 18, 2011, at which individuals and groups
21 were provided the opportunity to express their agreement
22 with or concerns about the proposed rules as written. No
23 one commented at the public hearing and no written comments
24 were received. These rules will become effective
25 October 30, 2011.

1 MR. STOTTLEMYRE: Staff recommends approval
2 of the Final Orders of Rulemaking on 11 CSR 45-4.030 and
3 45-10.020.

4 CHAIRMAN MATHEWSON: I'm trying to see what
5 we did here.

6 MS. HUTCHISON: The rules were presented in
7 a February Commission meeting, and they were -- they
8 clarified the applicant's responsibility to keep its
9 applicant current. And they also clarified an applicant's
10 and licensee's duty to disclose changes in their
11 information.

12 CHAIRMAN MATHEWSON: Okay. So both of
13 them -- in both of those cases, it's a clarification
14 amendment to the existing.

15 MS. HUTCHISON: Correct.

16 CHAIRMAN MATHEWSON: Okay. Any other
17 questions?

18 (No response.)

19 CHAIRMAN MATHEWSON: Chair would accept a
20 motion, please.

21 COMMISSIONER BRADLEY: Do you want to do
22 them independently?

23 CHAIRMAN MATHEWSON: Yes, let's do. Well,
24 actually, I'm not sure we need to do them -- we can do them
25 in one, can't we?

1 MR. GREWACH: Yes. You can do them both
2 together.

3 CHAIRMAN MATHEWSON: Yeah.

4 COMMISSIONER BRADLEY: Okay. Motion to
5 approve Final Order of Rulemaking, 11 CSR 45-4.030 and 11
6 CSR 45-10.020.

7 COMMISSIONER HATCHES: Second.

8 CHAIRMAN MATHEWSON: Any discussion?

9 (No response.)

10 CHAIRMAN MATHEWSON: Call roll, please.

11 MS. FRANKS: Commissioner Merritt?

12 COMMISSIONER MERRITT: Approve.

13 MS. FRANKS: Commissioner Hatches?

14 COMMISSIONER HATCHES: Approve.

15 MS. FRANKS: Commissioner Bradley?

16 COMMISSIONER BRADLEY: Approve.

17 MS. FRANKS: Chairman Mathewson?

18 CHAIRMAN MATHEWSON: Approve.

19 MS. FRANKS: By your vote you've adopted the
20 Final Orders of Rulemaking, 11 CSR 45-4.030 and 11 CSR
21 45-10.020.

22 MR. STOTTLEMYRE: Mr. Chairman, Item VIII on
23 the agenda is Consideration of Settlement Agreement.
24 Mr. Grewach will present.

25 MR. GREWACH: On April 10, 2009, two of our

1 Highway Patrol enforcement agents, on our behalf, went to
2 inspect the American Legion Hall in Festus. The building
3 contained two floors: A bottom floor where the bingo was
4 played and the second floor that he had a game room, bar,
5 and a ballroom in it. The agents were allowed access to
6 the basement area.

7 But then our regulations specifically say
8 that for a licensee, the premises is defined as the entire
9 permanently affixed structure, so the licensed premises
10 also included the upstairs. The agents went to the
11 upstairs and requested permission to inspect that area as
12 well. They waited a while in the doorway, and were finally
13 told, No, they would not be allowed further access to that
14 area.

15 Went to a hearing at the Administrative
16 Hearing level, in which the Administrative Hearing officer
17 found against us and found that -- in his finding that the
18 fact that they were actually inside the doorway did
19 constitute access, and therefore, there was no regulatory
20 violation there. We had the same reaction, so we appealed
21 that to the circuit court, and while the circuit court case
22 was pending, the parties have reached this agreement and
23 proposed settlement, subject to your approval.

24 And the proposed settlement would be that
25 the licensee's license would be suspended for a period of

1 one month, beginning July 1, 2011, and that they would be
2 on probation for a period of two years, with specific
3 conditions. The general condition is that they comply with
4 all our regulations, but specifically that they allow
5 unrestricted access to the entire building at any time any
6 of our agents appear there during that probationary period.

7 CHAIRMAN MATHEWSON: Are they presently
8 playing bingo?

9 MR. GREWACH: They are because the
10 suspension -- the disciplinary action wouldn't take effect
11 until you approve this Settlement, and it is specifically,
12 by request of the parties, even if you approve it today,
13 not set to begin until July 1. And as a matter of fact, I
14 think they have some event scheduled between now and July 1
15 because they contacted me concerning that.

16 And so if you approve the Settlement today,
17 the suspension would start on July 1, their 30 days. If
18 you didn't approve the Settlement, then we'd go back to
19 court, you know, and they'd still keep their license until
20 the court ruled one way or the other.

21 CHAIRMAN MATHEWSON: We think the people of
22 Festus -- I think the people of Festus ought to be allowed
23 to play bingo. I mean, I don't want to deny those people
24 the right to say, Bingo, or whatever they do at those
25 deals. I have never been there. Okay.

1 MR. GREWACH: And certainly, the Staff's
2 recommendation, obviously, to approve the Settlement. I
3 think we've just worked with the Attorney General's Office
4 and have --

5 CHAIRMAN MATHEWSON: That's fine. You've
6 gone through a long process to get it here. I don't have
7 any desire to stop it. You want to make a recommendation
8 on that, Roger?

9 MR. STOTTLEMYRE: Staff recommends approval
10 of Resolution No. 11-003-B.

11 COMMISSIONER MERRITT: I have a question.

12 CHAIRMAN MATHEWSON: Okay.

13 COMMISSIONER MERRITT: Did anybody ever go
14 up on that second floor and see what they didn't want seen?

15 MR. GREWACH: Yes, they did. We went back
16 as part of this process and inspected it at a subsequent
17 date because that was really, from Staff's perspective, a
18 condition of us even entertaining this Settlement
19 negotiation. I believe that inspection was performed
20 Thursday, April the 7th.

21 COMMISSIONER MERRITT: What did they find?

22 MR. GREWACH: They found no problems during
23 the inspection. Again, if I had to probably try to explain
24 it further, I think the commander of the American Legion
25 Post wasn't there at the time the initial inspection took

1 place. There was somebody working behind the bar. They
2 kind of mulled it around a little bit, didn't really feel
3 like he had authority to allow inspection of that area, so
4 he just said no.

5 But then, once we got to that point, while
6 the case was going on, you know, we certainly contacted
7 them and then on that date in April an inspection was done;
8 no problems found during that.

9 COMMISSIONER MERRITT: I think another
10 inspection ought to be conducted prior to the suspension,
11 just to see if there was any adjustments made or any --
12 there'd be some concern that they didn't want somebody up
13 there.

14 MR. GREWACH: And that was my input in the
15 settlement agreement. I said, We really need to put
16 something in there where we can have unlimited right to
17 inspect, and that's a condition of their probation that if
18 we go back, they have to let us inspect the entire building
19 so we don't run into that problem again. And we can
20 certainly send someone there, you know, at whatever
21 intervals the Commission would desire.

22 COMMISSIONER MERRITT: By the statutory
23 authority, don't we have that?

24 MR. GREWACH: We already do. I thought it
25 was a little bit redundant to put it in there, but I

1 thought, Well, since we're putting conditions of probation,
2 let's, you know, not get into this issue of -- you know, I
3 think part of that initial employee's thinking was, Well,
4 the bingo's down in the basement. But we wanted to make it
5 clear that, you know, we have the right to inspect the
6 entire premise -- the entire building.

7 But you're absolutely correct. I mean,
8 almost all their conditions of probation are, basically,
9 comply with the law. I mean, it's legal rights we already
10 have, you know, there, but we just try to clarify that as
11 best as possible though.

12 COMMISSIONER MERRITT: That made me want to
13 look upstairs more than in the basement when they wouldn't
14 let you up there.

15 MR. GREWACH: Yes.

16 CHAIRMAN MATHEWSON: When do you want that
17 inspected, Commissioner?

18 COMMISSIONER MERRITT: I think it should be
19 inspected prior to July 1. In fact, I'd say real quick.

20 CHAIRMAN MATHEWSON: Well, before July 1 it
21 will be real quick. What's today, the 23rd or 4th?

22 COMMISSIONER MERRITT: Yeah. I know. But
23 I'm just talking about before the end of the week.

24 MS. FARR: We were actually there April
25 the 7th of this year, so it was just a couple of months

1 ago, and there were no issues. We can certainly go back
2 and we have the right to go back at any time.

3 COMMISSIONER MERRITT: That would be my
4 suggestion because there was a time frame in there that if
5 something was going on there, they could've moved it, and
6 then they could've moved it back. I'd suggest being at
7 their front door first light in the morning.

8 MR. STOTTLEMYRE: We'll talk to our officer
9 and see --

10 COMMISSIONER MERRITT: If that's practical.

11 MR. STOTTLEMYRE: Sure.

12 COMMISSIONER MERRITT: Let them know that
13 the tail don't wag the dog too.

14 COMMISSIONER BRADLEY: And so that means
15 that it's then 30 days, beginning July 1st, they close for
16 30 days -- shut down for 30 days; is that correct?

17 MR. GREWACH: Correct. Because they really
18 have two different licenses. They have a license to
19 operate a bingo game and they have a license to operate a
20 bingo hall. So during that 30 days, nobody else could play
21 bingo there and they can't play bingo anywhere during that
22 time.

23 Because there was a little question that
24 came up too that, there's an auxiliary, you know,
25 organization, and could they play there during the

1 suspension? And we said, No, 30 days, no bingo at that
2 location or by that American Legion.

3 COMMISSIONER HATCHES: And if they're found
4 to be playing bingo in that 30 days, what happens?

5 MR. GREWACH: Well, then they'd be subject
6 to subsequent discipline, revocation of their license,
7 violation of the probationary terms.

8 COMMISSIONER HATCHES: Okay. Thank you.

9 CHAIRMAN MATHEWSON: Okay. So do you want
10 to make a recommendation subsequent to --

11 MR. STOTTLEMYRE: Yes, I did. I recommend
12 approval of Resolution No. 11-003-B.

13 CHAIRMAN MATHEWSON: Okay. I've accepted
14 that, with the clarification that Mr. Merritt offered that
15 it be inspected prior to July 1. Okay?

16 MR. STOTTLEMYRE: That will be done.

17 MR. GREWACH: It will be.

18 CHAIRMAN MATHEWSON: Okay. It's in the
19 record. Do I have a second on that motion that included
20 Jack's --

21 COMMISSIONER MERRITT: Do we have it -- I
22 will make that motion.

23 CHAIRMAN MATHEWSON: Make it, please.

24 COMMISSIONER MERRITT: Okay. I make a
25 motion we approve 11-003-B with the stated stipulation.

1 COMMISSIONER HATCHES: Second.

2 CHAIRMAN MATHEWSON: Any further

3 discussion?

4 (No response.)

5 CHAIRMAN MATHEWSON: Call the roll, please.

6 MS. FRANKS: Commissioner Merritt?

7 COMMISSIONER MERRITT: Approve.

8 MS. FRANKS: Commissioner Hatches?

9 COMMISSIONER HATCHES: Approve.

10 MS. FRANKS: Commissioner Bradley?

11 COMMISSIONER BRADLEY: Approve.

12 MS. FRANKS: Chairman Mathewson?

13 CHAIRMAN MATHEWSON: Approve.

14 MS. FRANKS: By your vote you've adopted

15 Resolution No. 003-B.

16 CHAIRMAN MATHEWSON: Roger, do you have new

17 business?

18 MR. STOTTLEMYRE: Mr. Chairman, the only new

19 business I would have right now would be the fact that we

20 are continuing to monitor the flooding situation in

21 northwest Missouri, which is our most eminent location for

22 danger, I guess, for our casino operations.

23 It doesn't look like we're, you know, facing

24 closure for some time and, hopefully, if it doesn't get a

25 lot worse, they will stay open. But I think it's subject

1 to how much rain we get in between and how much water's
2 released up north and all the issues that go along with
3 that. So we don't have a firm understanding what it's
4 going to be yet. They're doing a lot of guessing, but we
5 know we are going to continue to have flood problems
6 throughout the state of Missouri on the Missouri River.

7 CHAIRMAN MATHEWSON: Okay. Roger, this
8 situation up in Kansas City -- and maybe it's not just in
9 Kansas City, but it's the only one that's ever been brought
10 to our attention. That Port Authority, it may not directly
11 have an impact on what we do here as a Gaming Commission,
12 but it's so foggy in my mind that, What the heck goes on
13 there?

14 I mean, I don't remember -- I think there
15 were some folks in Kansas City area that were even indicted
16 over something that was going on at the Port Authority. I
17 don't think it has anything directly to do with the Isle's
18 license. I mean, that's why we went ahead and approved
19 their license. But I'm interested, only because I don't
20 understand it.

21 You know, I -- could we -- maybe not spend a
22 lot of time on it, but could we have someone review what's
23 happened at the Port Authority in the last year, let's say,
24 in Kansas City, and pull a review on that and then make
25 certain that there's no connection with whatever happened

1 up there, and where it's going from here. Because, you
2 know, I asked this back, I don't know -- it's been three or
3 four months ago or something about what was -- you know,
4 I've never understood that Port Authority. I don't know
5 where their money comes from. I don't understand who hires
6 them. I just -- it's a total void in my mind.

7 COMMISSIONER HATCHES: If I might, I'd just
8 like to add to that request for information. Besides
9 understanding what's occurring up there now, I'd like to
10 have a better understanding of how the Port Authority, its
11 existence -- how it -- it's relationship to the casino. We
12 don't have that anyplace else in this state, so the front
13 part of that would just be just a broad understanding of
14 the Port Authority and its relationship with that casino
15 and then, beyond that, what has occurred there at the Port
16 Authority.

17 MR. STOTTLEMYRE: We'll put together a
18 package for you of information on the establishment of and
19 what their role is with gaming and get that to you. And we
20 do deal with Port Authorities throughout the state where
21 our casinos are on rivers.

22 CHAIRMAN MATHEWSON: But isn't there -- and
23 I don't want to spend much time on it. I apologize. But
24 it seems there's a difference between the Port Authority in
25 Kansas City and the Port Authority in St. Louis or Cape

1 Girardeau or wherever -- I mean, Boonville.

2 MR. STOTTLEMYRE: I think you're right. I
3 think there is a difference and I think they were given
4 more authority in Kansas City.

5 CHAIRMAN MATHEWSON: Who gave it to them?

6 MR. STOTTLEMYRE: I cannot -- that, I can't
7 say.

8 CHAIRMAN MATHEWSON: See -- I mean, that's
9 where I'm foggy, Roger. I --

10 MR. STOTTLEMYRE: I can speak to it, but I'm
11 not sure I'd be right.

12 CHAIRMAN MATHEWSON: Yeah. Well, I mean, I
13 understand that there's been a problem up there, but damned
14 if I know what the problem was, you know.

15 MR. STOTTLEMYRE: We'll put together --
16 we'll find out information and --

17 CHAIRMAN MATHEWSON: I just want to make
18 darn sure that there wasn't something happened here that we
19 could've been involved with, and make sure it doesn't
20 happen in the future, you know. Okay?

21 MR. STOTTLEMYRE: Yes, sir.

22 CHAIRMAN MATHEWSON: Get us some history on
23 it, please.

24 MR. STOTTLEMYRE: We will.

25 CHAIRMAN MATHEWSON: Okay. Thank you.

1 take a little break and then we're going into closed.

2 COMMISSIONER MERRITT: You need to call the
3 roll.

4 CHAIRMAN MATHEWSON: Call it, please.

5 MS. FRANKS: Commissioner Merritt?

6 COMMISSIONER MERRITT: Approve.

7 MS. FRANKS: Commissioner Hatches?

8 COMMISSIONER HATCHES: Approve.

9 MS. FRANKS: Commissioner Bradley?

10 COMMISSIONER BRADLEY: Approve.

11 MS. FRANKS: Chairman Mathewson?

12 CHAIRMAN MATHEWSON: Approve.

13 (Off the record.)

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3 CERTIFICATE OF REPORTER

4 I, Kristy B. Bradshaw, CCR within the State
5 of Missouri, do hereby certify that the foregoing meeting
6 was taken by me; that the testimony of said meeting was
7 taken by me to the best of my ability and thereafter
8 reduced to typewriting under my direction; that I am
9 neither counsel for, related to, nor employed by any of
10 the parties to the action in which this meeting was taken,
11 and further, that I am not a relative or employee of any
12 attorney or counsel employed by the parties thereto, nor
13 financially or otherwise interested in the outcome of the
14 action.

15
16 _____
17 Kristy B. Bradshaw, CCR
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MISSOURI GAMING COMMISSION
Second Open Session Minutes
June 22, 2011

The Missouri Gaming Commission (the “Commission”) went into open session at approximately 3:15 p.m. on June 22, 2011, at the Missouri Gaming Commission’s Jefferson City Office.

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

The open session ended at 3:16 p.m.