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STATE OF MISSOURI  
MISSOURI GAMING COMMISSION

TRANSCRIPT OF PROCEEDINGS

Commission Meeting  
May 29, 2013

DR. BARRETT HATCHES, Chairman  
ROGER D. STOTTLEMYRE, Executive Director  
EDWARD J. GREWACH, General Counsel

COMMISSIONERS:  
Suzanne Bradley  
Darryl Jones  
Jack Merritt  
Diane Howard

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## 1 TRANSCRIPT OF PROCEEDINGS

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3 CHAIRMAN HATCHES: Let's go ahead and get  
4 started. I would like to call the meeting to order.  
5 First order of business is the Consideration of  
6 Minutes. We have two sets of minutes: April 12th and  
7 24th. Shall we call the roll?

8 MS. FRANKS: Commissioner Howard?

9 COMMISSIONER HOWARD: Present.

10 MS. FRANKS: Commissioner Merritt?

11 COMMISSIONER MERRITT: Present.

12 MS. FRANKS: Commissioner Jones?

13 COMMISSIONER JONES: Present.

14 MS. FRANKS: Commissioner Bradley?

15 COMMISSIONER BRADLEY: Present.

16 MS. FRANKS: Chairman Hatches?

17 CHAIRMAN HATCHES: Present.

18 MR. STOTTLEMYRE: Now Consideration of  
19 Minutes. Will you go both or one at a time?

20 COMMISSIONER BRADLEY: Motion to approve.

21 CHAIRMAN HATCHES: What are you approving?

22 Both of them?

23 COMMISSIONER BRADLEY: Yes.

24 COMMISSIONER MERRITT: Second.

25 CHAIRMAN HATCHES: Moved and seconded. Any

1 discussion?

2 (WHEREIN, there was no discussion.)

3 CHAIRMAN HATCHES: Angie?

4 MS. FRANKS: Commissioner Howard?

5 COMMISSIONER HOWARD: Approved.

6 MS. FRANKS: Commissioner Merritt?

7 COMMISSIONER MERRITT: Approved.

8 MS. FRANKS: Commissioner Jones?

9 COMMISSIONER JONES: Approved.

10 MS. FRANKS: Commissioner Bradley?

11 COMMISSIONER BRADLEY: Approved.

12 MS. FRANKS: Chairman Hatches?

13 CHAIRMAN HATCHES: Approved.

14 MS. FRANKS: By your vote you have adopted

15 the minutes of the April 12, 2013 meeting and the

16 April 24, 2013 meeting.

17 CHAIRMAN HATCHES: Thank you.

18 Mr. Stottlemyre?

19 MR. STOTTLEMYRE: The next item on the

20 agenda is the Consideration of Disciplinary Action.

21 Mr. Ed Grewach is presenting.

22 MR. GREWACH: Good morning. Item C is the

23 preliminary order of discipline directed at

24 International Game Technology. We have a rule that

25 requires that software be shipped separately from the

1 gaming devices.

2                   On August 13, 2012, IGT shipped four EGD's  
3 with the software included. The DRB met to consider  
4 this case and originally recommended a \$10,000 fine.  
5 As is our practice we sent a letter, what we call a  
6 14-day letter, to the company indicating our intent to  
7 assess that fine.

8                   They responded to that 14-day letter. In  
9 their response they acknowledged the violation but  
10 indicated that it was the cause of the violation was  
11 their attempt to satisfy a very complicated customer  
12 order that needed to be filled in a short time period.

13                   It involved machines in several different  
14 jurisdictions with different rules. And given the  
15 background, the company asked that we reconsider the  
16 amount of the fine, and they asked us to reduce the  
17 fine to \$5,000.

18                   The DRB reviewed their response and agreed  
19 to their recommendation. And it's, therefore, the  
20 DRB's recommendation the Commission add a \$5,000 fine  
21 assessment in this case.

22                   CHAIRMAN HATCHES: Any questions from the  
23 Commission?

24                   COMMISSIONER MERRITT: I make a motion to  
25 approve DC-13-325.

1 COMMISSIONER HOWARD: Second.

2 CHAIRMAN HATCHES: Moved and seconded. Any  
3 discussion?

4 (WHEREIN, there was no discussion.)

5 CHAIRMAN HATCHES: Angie?

6 MS. FRANKS: Commissioner Howard?

7 COMMISSIONER HOWARD: Approved.

8 MS. FRANKS: Commissioner Merritt?

9 COMMISSIONER MERRITT: Approved.

10 MS. FRANKS: Commissioner Jones?

11 COMMISSIONER JONES: Approved.

12 MS. FRANKS: Commissioner Bradley?

13 COMMISSIONER BRADLEY: Approved.

14 MS. FRANKS: Chairman Hatches?

15 CHAIRMAN HATCHES: Approved.

16 MS. FRANKS: By your vote you've adopted  
17 DC-13-325.

18 MR. GREWACH: Item D is preliminary order  
19 of discipline directed at Bally Technologies,  
20 Incorporated. The company shipped revoked software  
21 into the state. The software had been revoked on July  
22 25, 2012. We discovered four games had been shipped  
23 with the revoked software to a Harrah's of Maryland  
24 Heights by Bally, on August 15, 2012. And we are  
25 recommending a fine of \$10,000.

1                   CHAIRMAN HATCHES: Questions? The Chair  
2 will entertain a motion.

3                   COMMISSIONER BRADLEY: Motion to approve  
4 DC-13-326.

5                   COMMISSIONER HOWARD: Second.

6                   CHAIRMAN HATCHES: Moved and seconded. Any  
7 further discussion?

8                   (WHEREIN, there was no discussion.)

9                   CHAIRMAN HATCHES: Angie, would you call  
10 the roll, please?

11                   MS. FRANKS: Commissioner Howard?

12                   COMMISSIONER HOWARD: Approved.

13                   MS. FRANKS: Commissioner Merritt?

14                   COMMISSIONER MERRITT: Approved.

15                   MS. FRANKS: Commissioner Jones?

16                   COMMISSIONER JONES: Approved.

17                   MS. FRANKS: Commissioner Bradley?

18                   COMMISSIONER BRADLEY: Approved.

19                   MS. FRANKS: Chairman Hatches?

20                   CHAIRMAN HATCHES: Approved.

21                   MS. FRANKS: By your vote you have adopted  
22 DC-13-326.

23                   MR. GREWACH: Mr. Chairman, with your  
24 permission I'd like to present both Item E and F  
25 together, because they arise out of the same event.

1 This was a promotion that was taking place at both  
2 Lumiere and River City Casino called the, "My Choice,  
3 My Millions" promotion.

4 This proceeding, this preliminary order of  
5 discipline started with a patron complaint. With the  
6 promotion there was going to be a drawing, and the  
7 rules of the promotion required a drawing to be given  
8 to each patron for every day that they gambled and an  
9 additional entry for every 25 points that they earned  
10 while playing.

11 This particular patron had played August  
12 27th, 31st, and September 1st of 2012, and gambled at  
13 both properties but had not received the entries that  
14 corresponded with the amount of points she should have  
15 earned for that gaming activity.

16 We investigated the matter and we found  
17 that there were ten other patrons who were similarly  
18 situated who were affected by this problem in their  
19 promotional program and who did not get the required  
20 number of entries into the drawing.

21 The recommendation is for a \$10,000 fine to  
22 each property, so a \$10,000 fine to Lumiere under Tab  
23 E and a \$10,000 fine to River City under Tab F.

24 CHAIRMAN HATCHES: Any questions from the  
25 commissioners? The chair will entertain a motion.

1 MR. STOTTLEMYRE: Can they be included as  
2 one?

3 MR. GREWACH: We probably should do them  
4 separately in case one would want to hear it and one  
5 would not.

6 COMMISSIONER MERRITT: Angie said we can do  
7 them both. She's in charge.

8 MR. GREWACH: She absolutely is. No  
9 argument with that. What's Roger say?

10 COMMISSIONER MERRITT: I make a motion that  
11 we approve DC-13-327.

12 COMMISSIONER JONES: Second.

13 CHAIRMAN HATCHES: Moved and seconded.  
14 Angie, call roll, please.

15 MS. FRANKS: Commissioner Howard?

16 COMMISSIONER HOWARD: Approved.

17 MS. FRANKS: Commissioner Merritt?

18 COMMISSIONER MERRITT: Approved.

19 MS. FRANKS: Commissioner Jones?

20 COMMISSIONER JONES: Approved.

21 MS. FRANKS: Commissioner Bradley?

22 COMMISSIONER BRADLEY: Approved.

23 MS. FRANKS: Chairman Hatches?

24 CHAIRMAN HATCHES: Approved.

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

1 DC-13-327.

2 MR. GREWACH: Tab G, we have a preliminary  
3 order --

4 CHAIRMAN HATCHES: Hold on. One more.

5 COMMISSIONER MERRITT: I make a motion we  
6 approve DC-13-328.

7 COMMISSIONER JONES: Second.

8 CHAIRMAN HATCHES: Moved and seconded. Any  
9 discussion?

10 (WHEREIN, there was no discussion.)

11 CHAIRMAN HATCHES: Angie, call the roll.

12 MS. FRANKS: Commissioner Howard?

13 COMMISSIONER HOWARD: Approved.

14 MS. FRANKS: Commissioner Merritt?

15 COMMISSIONER MERRITT: Approved.

16 MS. FRANKS: Commissioner Jones?

17 COMMISSIONER JONES: Approved.

18 MS. FRANKS: Commissioner Bradley?

19 COMMISSIONER BRADLEY: Approved.

20 MS. FRANKS: Chairman Hatches?

21 CHAIRMAN HATCHES: Approved.

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

23 DC-13-328.

24 MR. GREWACH: Tab G is a preliminary order  
25 of discipline directed to the Ameristar of Kansas

1 City. On September 7, 2012 a 20-year-old patron  
2 entered the property with a fake ID. The most glaring  
3 difference between the patron and the ID was the  
4 patron was 6'4" tall and the ID indicated he was 5'4"  
5 tall.

6 It's probably not a good sign when the  
7 Commission laughs at the facts for the licensee. But  
8 there were three employees who checked the ID and  
9 didn't notice the discrepancy, and then there were six  
10 different employees that did not check the ID at all.

11 The minor was on the boat for three hours.  
12 Gambled and lost \$400. Consumed alcohol. He had  
13 three drinks during this time period. And the  
14 recommend fine is \$10,000.

15 CHAIRMAN HATCHES: Any questions? The  
16 Chair will entertain a motion.

17 COMMISSIONER JONES: Move for the  
18 acceptance of DC-13-342.

19 COMMISSIONER MERRITT: Second.

20 CHAIRMAN HATCHES: Moved and seconded. Any  
21 further discussion?

22 (WHEREIN, there was no discussion.)

23 CHAIRMAN HATCHES: Angie, would you call  
24 the roll, please?

25 MS. FRANKS: Commissioner Howard?

1 COMMISSIONER HOWARD: Approved.

2 MS. FRANKS: Commissioner Merritt?

3 COMMISSIONER MERRITT: Approved.

4 MS. FRANKS: Commissioner Jones?

5 COMMISSIONER JONES: Approved.

6 MS. FRANKS: Commissioner Bradley?

7 COMMISSIONER BRADLEY: Approved.

8 MS. FRANKS: Chairman Hatches?

9 CHAIRMAN HATCHES: Approved.

10 MS. FRANKS: By your vote you've adopted  
11 DC-13-342.

12 MR. STOTTLEMYRE: Mr. Chairman, the next  
13 item on the agenda is Consideration of Rules and  
14 Regulations.

15 MR. GREWACH: This is a Final Order of  
16 Rulemaking, and it's directed to the method in which  
17 discipline against Level I Occupational Licensees are  
18 initiated.

19 Prior to the change there was a different  
20 method for discipline against Level 2 Occupational  
21 Licensees and Level I Occupational Licensees. Level  
22 II Occupational Licensees began with a preliminary  
23 order of discipline signed by the Executive Director.  
24 A Level I Occupational Licensee began with a  
25 resolution passed by the Commission.

1                   It created two problems for us. One was  
2 often discipline against both levels of Occupational  
3 Licensees arise out of the same event. Let's say  
4 there's a failure to change cards out within the  
5 required time period. There may be a Level I who has  
6 some responsibility for that, and Level II's who also  
7 did.

8                   Level II's then get their preliminary order  
9 of discipline and can request a hearing, so their  
10 hearing starts at an earlier time track, then, because  
11 then the Level I has to wait until we get it, draft  
12 it, put on a Commission agenda and then they ask for a  
13 hearing.

14                   What would occur, then, is we would have  
15 two hearings with the same witnesses and the same  
16 evidence happening at different times, because they  
17 just started at different timeframes.

18                   The other thing that we saw is we're  
19 handling items that would take up a spot on the  
20 Commission agenda, where it was a preliminary order of  
21 discipline for a one-day suspension or a two-day  
22 suspension, which easily if the person wanted to ask  
23 for a hearing, they could.

24                   Now, the important thing to remember about  
25 this rule change is they still have their right. This

1 is not taking any substantive rights away from  
2 anybody. Level I's still have the right to request a  
3 hearing the same as they did before. It's just how we  
4 initiate it so we can keep all these occupational  
5 licensees together.

6 Now, we did get a response as you can see  
7 from the industry related to this rule change. We  
8 have in the comments stated with some -- just some  
9 formatting changes.

10 Basically word-for-word the comments that  
11 we received from the industry on this from the  
12 Missouri Gaming Association's attorney, that the  
13 thing, I think, if you read through it all, the one  
14 thing that they seem to argue is that by making this  
15 change, they don't have the opportunity to come to the  
16 Commission at the preliminary order of discipline  
17 stage and argue there shouldn't even be a preliminary  
18 order of discipline issue.

19 But our practice at this point in time is  
20 not to permit that. And I think that's a sound  
21 practice in that otherwise there's two problems with  
22 that, also. We end up trying the case twice. I mean  
23 they want to come up and argue the case of how they  
24 didn't do what they're accused of doing, and we kind  
25 of kick it around before the evidence has all been

1 developed.

2                   And the second is just that. I mean  
3 somebody comes in and makes an assertion, well, there  
4 was some other emergency on the floor I had to respond  
5 to. Well, we haven't had a chance to really  
6 investigate that; that's the first time we've heard  
7 that.

8                   So going through the hearing process, this  
9 starting the preliminary order of discipline is very  
10 similar to what a criminal charge or a petition in a  
11 civil case would be. It's just an allegation. It's  
12 what their accused of doing.

13                   And then they get their chance to ask for a  
14 hearing and bring their witnesses, and we do as well.  
15 And so we would recommend that this Final Order of  
16 Rulemaking be adopted and I think it will really  
17 streamline our process.

18                   CHAIRMAN HATCHES: Any questions from the  
19 Commission? The chairman will entertain a motion.

20                   MR. JONES: Move for the acceptance of 11  
21 CSR 45-4.260.

22                   COMMISSIONER HOWARD: I second the motion.

23                   CHAIRMAN HATCHES: Moved and seconded.

24 Angie, would you call the roll, please?

25                   MS. FRANKS: Commissioner Howard?

1 COMMISSIONER HOWARD: Approved.

2 MS. FRANKS: Commissioner Merritt?

3 COMMISSIONER MERRITT: Approved.

4 MS. FRANKS: Commissioner Jones?

5 COMMISSIONER JONES: Approved.

6 MS. FRANKS: Commissioner Bradley?

7 COMMISSIONER BRADLEY: Approved.

8 MS. FRANKS: Chairman Hatches?

9 CHAIRMAN HATCHES: Approved.

10 MS. FRANKS: By your vote you have adopted  
11 the Final Order of Rulemaking 11 CSR 45-4.260.

12 MR. STOTTLEMYRE: Mr. Chairman, the next  
13 item on the agenda is Consideration of the Issuance of  
14 a Temporary Supplier License. Mr. Grewach will  
15 present it.

16 MR. GREWACH: Item I involves Paltronics,  
17 Incorporated who is a licensed supplier. Their  
18 current term expires on June the 1st of this year.  
19 They have filed an application for renewal of that  
20 term.

21 During our investigation of that financial  
22 questions arose that could not be answered by the date  
23 of this meeting. So we were faced with a situation of  
24 what do we do to try to get those financial questions  
25 answered while still attempting to accommodate the

1 supplier.

2                   And it affects the casinos who use the  
3 supplier services as well to try to get these  
4 financial questions answered. So the solution the  
5 staff came up with was what's before you today which  
6 is to defer their application for a renewal of their  
7 term until the August meeting.

8                   We'll give them a temporary supplier's license  
9 between now and then, and put the conditions that  
10 you'll see on the exhibit attached to the resolution  
11 on them during this two-month time period. Which  
12 basically sets forth the expectations we have of them  
13 to get accomplished in that timeframe.

14                   Now, we're obviously hopeful we can work  
15 that out and get that resolved. As a matter of fact  
16 we have a meeting tomorrow with some of the compliance  
17 folks from Paltronics to come down to the Jeff City  
18 office to sit down and meet with us and go over some  
19 of our concerns and some possible solutions.

20                   So one way or the other, if they work out  
21 our requests, then what you'll see on the August  
22 agenda would just be the typical resolution to renew  
23 their term. If not, then obviously we have to look  
24 into a recommendation of denial. But we're trying a  
25 two-month time period to work out the details and

1 resolve the problem.

2 COMMISSIONER MERRITT: Question, Chairman?

3 CHAIRMAN HATCHES: Yes, sir.

4 COMMISSIONER MERRITT: Is this the  
5 situation that the investigation has not been able to  
6 get completed or they are not meeting their  
7 requirements?

8 MR. GREWACH: No. They are not meeting  
9 their requirements. We had asked, for example, for an  
10 independent audit of the financial statements, and  
11 they have not provided that. And that's probably the  
12 primary issue that we're dealing with here with them.

13 And you can see when you look at this list,  
14 a lot of the things we did were things they're already  
15 obligated to do. But since it's a temporary, we want  
16 to make sure that they were required to report any  
17 other violations, and file their taxes on a timely  
18 basis and things like that.

19 But the delivery to us of an audited  
20 financial statement is probably the big issue we have  
21 to resolve. We haven't received it. You can see in  
22 the exhibit that we were giving them a timetable in  
23 which to produce that document, and so that they have  
24 basically what we're waiting for at this point in  
25 time.

1                   Now, there may be something in that audited  
2 financial statement that causes us additional  
3 concerns, but right now it's just the fact that we  
4 don't have it.

5                   COMMISSIONER MERRITT: So if they can make  
6 corrections, then they get their license renewed. But  
7 what's to say that they will not keep their ducks in a  
8 row, that they're going to fall right back into what  
9 where they are?

10                  MR. GREWACH: Well, I would anticipate that  
11 if we do renew them at the August meeting, we would  
12 probably recommend going ahead and putting them on a  
13 specific condition of audited financial statements on  
14 a certain timetable.

15                  As a matter of fact, that's one of the  
16 things they want to talk to us about tomorrow, because  
17 you've also seen the exhibit that we say on an annual  
18 basis here's when we want to receive them. They want  
19 to push that back, because they say their audits will  
20 be a little bit less expensive if they can get them  
21 done after the busy season, you know, busy tax season  
22 and push them back a little bit. So there'll be some  
23 negotiation there.

24                  But we don't have a CSR that specifically  
25 requires a supplier to give us an audited financial

1 statement. This is something we look at this company  
2 and we say, you know, we need this from you given what  
3 we know about your financial condition or don't know  
4 about your financial condition.

5 Pennsylvania, for example, has in their  
6 CSRs they say as a condition of your license you have  
7 to file an audited financial statement every year by  
8 such and such a date. So we don't have anything that  
9 hard and fast.

10 So if we're faced with a situation like  
11 this and we would have questions about their future  
12 ability to perform, we'd probably make it a specific  
13 condition of their license. So if they fail we'd have  
14 a solid ground to go with.

15 COMMISSIONER HOWARD: So it looks like  
16 there may be a delay in getting their financial  
17 statement because there's some things going on that  
18 they want to have cleared up, some recent things that  
19 have happened that may not, if they provide financial  
20 statements today, may not show on the financial  
21 statement. So the delay may be just because they want  
22 the financial statements a little cleaner.

23 MR. GREWACH: It could; we just don't know.  
24 I mean we are in a position where we're saying we're  
25 requiring them, and as I said in response to

1 Commissioner Merritt's question, when we get them I  
2 don't know what they will or won't be.

3 COMMISSIONER HOWARD: Right. We don't know  
4 because of some recent activity the financial  
5 statements only lack.

6 MR. JONES: We if we don't have a CSR that  
7 outlines that they are requested to provide us with  
8 the audited financial statements, how are they out of  
9 compliance? Is there a CSR that says if we request  
10 any type of information, you are obligated to provide  
11 it within certain days?

12 MR. GREWACH: There is that. And there's  
13 also a CSR that places a burden of proof on the  
14 applicant to prove their financial stability. So with  
15 that broad -- with that the commission would just say  
16 this is what we need for this particular --

17 COMMISSIONER JONES: Couldn't you get an  
18 unaudited financial statement? I mean that's not  
19 proof. You don't say they have to be audited.

20 MR. GREWACH: Well, there's not a CSR that  
21 specifically says that, but we do have the right to  
22 say in our discretion what we would require to make us  
23 comfortable with your financial condition.

24 And in this particular case given the  
25 background of it, this is a case where we are

1 requiring that. Now, if I could go into a little more  
2 background and explain this, this is a company that  
3 Illinois ran into the same problem. And Illinois in  
4 their last renewal renewed this company and put in  
5 specific conditions.

6                   We lawyers like to plagiarize, so we really  
7 used a lot of the template of what Illinois put as  
8 their conditions on what we put on our temporary here.  
9 In Illinois they say they have to meet these or else  
10 they're not going to renew you.

11                   Illinois just has a one-year term and we  
12 have two. So, you know, when it came up to the end of  
13 that one-year term in Illinois and they had not  
14 satisfied those conditions in Illinois placed on them,  
15 Illinois refused -- denied their application to renew  
16 their license.

17                   Illinois, like us, doesn't have a specific  
18 CSR that says you have to have an audited financial  
19 statement, but they required it in this particular  
20 case. And that's within our ability to do and it's  
21 really the staff's thought that it's really the  
22 prudent way to proceed in this particular case.

23                   CHAIRMAN HATCHES: So we're giving them two  
24 months to comply?

25                   MR. GREWACH: We're giving them two months

1 to comply.

2 CHAIRMAN HATCHES: Any other questions.

3 The Chair will entertain a motion.

4 COMMISSIONER HOWARD: I make a motion to  
5 approve Resolution 13-050.

6 COMMISSIONER BRADLEY: Second.

7 CHAIRMAN HATCHES: Moved and seconded. Any  
8 further discussion?

9 (WHEREIN, there was no discussion.)

10 CHAIRMAN HATCHES: Angie, call the roll,  
11 please.

12 MS. FRANKS: Commissioner Howard?

13 COMMISSIONER HOWARD: Approved.

14 MS. FRANKS: Commissioner Merritt?

15 COMMISSIONER MERRITT: Approved.

16 MS. FRANKS: Commissioner Jones?

17 COMMISSIONER JONES: Approved.

18 MS. FRANKS: Commissioner Bradley?

19 COMMISSIONER BRADLEY: Approved.

20 MS. FRANKS: Chairman Hatches?

21 CHAIRMAN HATCHES: Approved.

22 MS. FRANKS: By your vote you've adopted  
23 Resolution 13-050.

24 MR. GREWACH: Thank you.

25 MR. STOTTLEMYRE: Mr. Chairman, the next

1 item on the agenda is a Consideration of Relicensure  
2 of Certain Suppliers. Sergeant Phil Morrison will  
3 present.

4 SERGEANT MORRISON: Good morning Mr.  
5 Chairman and Commissioners. The Missouri State  
6 Highway Patrol investigators conducted a re-licensing  
7 investigation of two supplier companies currently  
8 licensed in our state.

9 These investigations consisted of  
10 jurisdictional inquiries, feedback from affected  
11 gaming company clients, a review of disciplinary  
12 actions, litigation and business credit profiles as  
13 well as a review of the key persons associated with  
14 each company.

15 The results of these investigations were  
16 provided to the MGC staff for their review and you  
17 possess a comprehensive summary report before you  
18 which outline our investigative finding for each  
19 company.

20 The following supplier companies are being  
21 presented to you for your consideration. The first  
22 one is International Game Technology - Las Vegas,  
23 Nevada.

24 MR. STOTTLEMYRE: The staff recommends  
25 approval of Resolution Number 13-051.

1                   CHAIRMAN HATCHES: Any questions from the  
2 commissioners? The Chair will entertain a motion.

3                   COMMISSIONER BRADLEY: A motion to approve  
4 Resolution Number 13-051.

5                   COMMISSIONER JONES: Second.

6                   CHAIRMAN HATCHES: The motion was moved and  
7 seconded. Any further discussion?

8                   (WHEREIN, there was no discussion.)

9                   CHAIRMAN HATCHES: Angie, would you call  
10 the roll, please?

11                   MS. FRANKS: Commissioner Howard?

12                   COMMISSIONER HOWARD: Approved.

13                   MS. FRANKS: Commissioner Merritt?

14                   COMMISSIONER MERRITT: Approved.

15                   MS. FRANKS: Commissioner Jones?

16                   COMMISSIONER JONES: Approved.

17                   MS. FRANKS: Commissioner Bradley?

18                   COMMISSIONER BRADLEY: Approved.

19                   MS. FRANKS: Chairman Hatches?

20                   CHAIRMAN HATCHES: Approved.

21                   MS. FRANKS: By your vote you've adopted  
22 Resolution 13-051.

23                   SERGEANT MORRISON: Commissioners, the  
24 second company is JCM American Corporation, Las Vegas,  
25 Nevada.



1 item on the agenda is Consideration of Licensure of  
2 Level I Key Applicants. Sergeant Morrison will  
3 present.

4 SERGEANT MORRISON: The Missouri State  
5 Highway Patrol investigators along with the Gaming  
6 Commission financial investigators conducted  
7 comprehensive background investigations on two Key and  
8 Level I applicants.

9 The investigations included but were not  
10 limited to criminal, financial and general character  
11 inquiries which were made in the jurisdiction where  
12 the applicants lived, worked or frequented.

13 The following individuals are being  
14 presented for your consideration: Paul C. Gracey,  
15 Jr., General Counsel, Corporate Secretary and Director  
16 of IGT; and Barry G. Tate, Security Manager of Lady  
17 Luck Casino.

18 The results of these investigations were  
19 provided to the Gaming Commission staff for their  
20 review, and you have all the related summary reports  
21 before you.

22 MR. STOTTLEMYRE: The staff recommends  
23 approval of Resolution Number 13-053.

24 CHAIRMAN HATCHES: Any questions from the  
25 Commission? The Chairman will entertain a motion.

1 COMMISSIONER BRADLEY: I move for the  
2 approval of Resolution 13-053.

3 COMMISSIONER HOWARD: Second.

4 CHAIRMAN HATCHES: Moved and seconded. Any  
5 further discussion?

6 (WHEREIN, there was no discussion.)

7 CHAIRMAN HATCHES: Angie, would you call  
8 the roll, please?

9 MS. FRANKS: Commissioner Howard?

10 COMMISSIONER HOWARD: Approved.

11 MS. FRANKS: Commissioner Merritt?

12 COMMISSIONER MERRITT: Approved.

13 MS. FRANKS: Commissioner Jones?

14 COMMISSIONER JONES: Approved.

15 MS. FRANKS: Commissioner Bradley?

16 COMMISSIONER BRADLEY: Approved.

17 MS. FRANKS: Chairman Hatches?

18 CHAIRMAN HATCHES: Approved.

19 MS. FRANK: By your vote you've adopted  
20 Resolution Number 13-053.

21 MR. STOTTLEMYRE: Mr. Chairman, the next  
22 item on the agenda is Consideration of Licensure of  
23 Institutional Investors. Ms. Martha LeMond will  
24 present.

25 MS. LEMON: Good morning, Commissioners.

1 Behind Tab M is a resolution regarding waiver of  
2 licensure for an institutional investor holding and/or  
3 requesting to hold publicly-traded interests of up to  
4 20 percent in gaming licensees.

5 This investor has submitted a request for a  
6 waiver to hold interests in multiple gaming licensees  
7 in compliance with 11CSR 45-4.020. The submitted  
8 waiver certifies all holdings are for institutional  
9 investment purposes only with no intent to be involved  
10 in the management or operation of the licensees.

11 Because the holdings made exceed the ten  
12 percent threshold for which the executive director may  
13 grant a waiver, this resolution is before the  
14 Commission today.

15 Resolution Number 13-054 is for HG Vora  
16 Capital Management, LLC. I'd be happy to answer any  
17 questions.

18 CHAIRMAN HATCHES: Any questions from the  
19 Commission? The chairman will entertain a motion.

20 COMMISSION MERRITT: I motion to approve  
21 Resolution Number 13-054.

22 COMMISSIONER HOWARD: I second that motion.

23 CHAIRMAN HATCHES: The motion is moved and  
24 seconded. Any further discussion?

25 (WHEREIN, there was no discussion.)

1 CHAIRMAN HATCHES: Angie, would you call  
2 the roll?

3 MS. FRANKS: Commissioner Howard?

4 COMMISSIONER HOWARD: Approved.

5 MS. FRANKS: Commissioner Merritt?

6 COMMISSIONER MERRITT: Approved.

7 MS. FRANKS: Commissioner Jones?

8 COMMISSIONER JONES: Approved.

9 MS. FRANKS: Commissioner Bradley?

10 COMMISSIONER BRADLEY: Approved.

11 MS. FRANKS: Chairman Hatches?

12 CHAIRMAN HATCHES: Approved.

13 MS. FRANKS: By your vote you've adopted  
14 Resolution Number 13-054.

15 CHAIRMAN HATCHES: Before we take a motion  
16 to close, two things. Yesterday the Commissioners and  
17 staff had an opportunity to tour the backbones of  
18 Ameristar, and I see some Ameristar people here. I  
19 want to say thank you for that very enlightening  
20 wonderful opportunity to sort of witness the behind  
21 the scenes action of what occurs at one of the  
22 properties. So we are very appreciative of that.

23 The other thing we want to do is this is a  
24 sad day in our history. One of our Commissioners -- I  
25 don't want to say he's retiring; he's just decided he

1 doesn't want to play with us anymore. And so it's  
2 been certainly an honor to serve on this Commission  
3 with Jack Merritt.

4                   For those of you that have ever been to a  
5 Commission meeting that Jack has been on know exactly  
6 what I mean when I say he's really going to be missed.  
7 And you say this about a lot of people, but we really  
8 mean it about Jack.

9                   Jack will be missed. We decided last night  
10 that we're going to ask him to give us some of his  
11 best sayings and that we're going to record them,  
12 because he should write them down. People would have  
13 a level of appreciation for them. So we'd ask you,  
14 Jack, to give us a tape recording of all your words of  
15 wisdom.

16                   But with that I want to say on behalf of  
17 the entire Commission and staff how much we appreciate  
18 working with you. We do hope you come back or at  
19 least call us sometime and say hello. But I would  
20 like to present you with a plaque from the Commission,  
21 "In special recognition for your distinguished service  
22 from 2010 to 2013."

23                   COMMISSIONER MERRITT: Thank you very much.  
24 I appreciate it. It's been an honor and a privilege.  
25 I know I was in way over my head and you all kind of

1 got me through these meetings. And the staff is just  
2 tremendous to work with and work for, basically, and I  
3 think that the Gaming Commission with the  
4 Commissioners that they have now and the staff that's  
5 in place has a very bright future in Missouri.

6                   And I commend the leadership and pride it  
7 provides for this industry, because I think it's  
8 something that will keep it in a very respectful state  
9 and continue to be successful in the state. Because  
10 you do see when you go through the financials of all  
11 this, you see the tremendous asset.

12                   And the politicians in Jeff City would go  
13 crazy if they had to go back to coming up with funds  
14 on their own and not have the gaming industry to  
15 support them in so many different ways. So thank you  
16 all very much for this opportunity, and I will miss  
17 you all.

18                   CHAIRMAN HATCHES: Thank you, Jack.

19                   (Clapping.)

20                   CHAIRMAN HATCHES: Now it's appropriate to  
21 go ahead and close the meeting. I will entertain a  
22 motion to close.

23                   COMMISSION MERRITT: So moved.

24                   CHAIRMAN HATCHES: Close the meeting.

25                   MS. FRANKS: I'll make a motion for a

1 closed meeting under Section 313.847, Investigatory,  
2 Proprietary and Application Records and 610.021(1)  
3 Legal Actions and (14) Records Protected from  
4 Disclosure by Law.

5 CHAIRMAN HATCHES: Jack already seconded  
6 that. Any discussion?

7 (WHEREIN, there was no discussion.)

8 CHAIRMAN HATCHES: Call the roll, Angie.

9 MS. FRANKS: Commissioner Howard?

10 COMMISSIONER HOWARD: Approved.

11 MS. FRANKS: Commissioner Merritt?

12 COMMISSIONER MERRITT: Approved.

13 MS. FRANKS: Commissioner Jones?

14 COMMISSIONER JONES: Approved.

15 MS. FRANKS: Commissioner Bradley?

16 COMMISSIONER BRADLEY: Approved.

17 MS. FRANKS: Chairman Hatches?

18 CHAIRMAN HATCHES: Approved. Thank you all  
19 for being here. We're going to a closed session now.

20 (WHEREIN, the meeting was concluded at 9:00  
21 AM.)

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## 1 CERTIFICATE OF REPORTER

2 STATE OF MISSOURI )  
 ) ss.  
3 CITY OF KANSAS CITY)

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

15

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Penny J. Mullen, CCR #808

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**MISSOURI GAMING COMMISSION**  
**Second Open Session Minutes**  
**May 29, 2013**

The Missouri Gaming Commission (the “Commission”) went into open session at approximately 9:54 a.m. on May 29, 2013, at Riverside City Hall, 2950 NW Vivion Road, Riverside, Missouri.

**Commissioner Merritt moved to adjourn the meeting. Commissioner Howard seconded the motion. After a roll call vote was taken, Howard – yes, Merritt – yes, Jones – yes, Bradley – yes and Hatches – yes, the motion passed unanimously.**

The open session ended at 9:55 a.m.