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BEFORE THE MISSOURI GAMING COMMISSION  
STATE OF MISSOURI

Meeting  
March 26, 2014  
9:00 a.m.  
Central Office  
3417 Knipp Drive  
Jefferson City, Missouri

(Meeting start time: 9:00 a.m.)

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3	I. Call to Order	4:2
4	II. Motion for Closed Meeting under	
5	Sections 313.847, RSMo., Investigatory,	
6	Proprietary and Application Records and	
7	610.021 (14), RSMo., Records Protected	
8	from Disclosure by Law	4:16
9	III. Motion to Return to Open Session	5:13
10	IV. Consideration of Minutes	
11	A. February 26, 2014	5:25
12	V. Consideration of Licensure	
13	B. Tropicana Entertainment, Inc.	
14	* Presentation by Applicant	7:2
15	* Presentation by City of St. Louis	30:17
16	* Public Comment	34:5
17	* Investigative Summary	34:10
18	* Staff Recommendation	37:21
19	1. Resolution No. 14-011	38:1
20	VI. Consideration of Settlement Agreement	
21	C. Bally Gaming, Inc. d/b/a Bally	
22	Technologies	
23	1. Resolution No. 14-012	38:21
24	VII. Consideration of Licensure of Level I/ Key Applicants	
25	D. Resolution No. 14-013	41:6
26	IX. Motion for Closed Meeting under	
27	Sections 313.847, Investigatory,	
28	Proprietary and Application Records	
29	and 610.021(1), RSMo., Legal Actions,	
30	(3) Personnel and (13) Personnel and	
31	(14) Records Protected from Disclosure	
32	by Law	43:18

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BEFORE THE MISSOURI GAMING COMMISSION  
STATE OF MISSOURI

Meeting  
March 26, 2014  
9:00 a.m.  
Central Office  
3417 Knipp Drive  
Jefferson City, Missouri

COMMISSIONERS PRESENT:

Dr. Barrett Hatches, Chairman  
Darryl T. Jones  
Diane C. Howard

REPORTED BY:  
Patricia A. Stewart  
RMR, RPR, CCR 401  
3432 West Truman Boulevard, Suite 207  
Jefferson City, Missouri 65109  
573-636-7551

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

2 CHAIRMAN HATCHES: Good morning everybody.

3 COMMISSIONERS/AUDIENCE: Good morning.

4 CHAIRMAN HATCHES: Okay. Be like that then.

5 It will be a long day.

6 Angie, would you call the roll, please.

7 MS. FRANKS: Commissioner Howard.

8 COMMISSIONER HOWARD: Present.

9 MS. FRANKS: Commissioner Jones.

10 COMMISSIONER JONES: Present.

11 MS. FRANKS: Commissioner Bradley.

12 (No response.)

13 MS. FRANKS: Chairman Hatches.

14 CHAIRMAN HATCHES: Here.

15 Mr. Stottlemyre.

16 EXECUTIVE DIRECTOR STOTTLEMYRE: The first  
17 item on the agenda would be going into a closed session.

18 CHAIRMAN HATCHES: Okay. Do I have a motion?

19 COMMISSIONER HOWARD: I'll make a motion for  
20 a closed meeting under Section 313.847, the Revised  
21 Statutes of Missouri, for investigatory, proprietary and  
22 application of records, and under 610.021,  
23 Subsection 14, the Revised Statutes of Missouri, the  
24 records protected from disclosure by law.

25 COMMISSIONER JONES: Second.

1 CHAIRMAN HATCHES: Moved and seconded.  
2 Any discussion?  
3 Angie, call the roll, please.  
4 MS. FRANKS: Commissioner Howard.  
5 COMMISSIONER HOWARD: Approve.  
6 MS. FRANKS: Commissioner Jones.  
7 COMMISSIONER JONES: Approve.  
8 MS. FRANKS: Chairman Hatches.  
9 CHAIRMAN HATCHES: Approve.  
10 Well, we're done.  
11 (CLOSED SESSION.)  
12 (OPEN SESSION.)  
13 CHAIRMAN HATCHES: Well, thank you so much  
14 for your patience and staying with us. We're back now  
15 and we need to go back into open.  
16 Angie, call the roll, please.  
17 MS. FRANKS: Commissioner Howard.  
18 COMMISSIONER HOWARD: Present.  
19 MS. FRANKS: Commissioner Jones.  
20 COMMISSIONER JONES: Present.  
21 MS. FRANKS: Chairman Hatches.  
22 CHAIRMAN HATCHES: Present.  
23 Now we're back. We can go on the record.  
24 Mr. Stottlemyre.  
25 EXECUTIVE DIRECTOR STOTTLEMYRE: The next

1 item on the agenda is the Consideration of Minutes for  
2 February 26, 2014.

3 CHAIRMAN HATCHES: Chair will entertain a  
4 motion.

5 COMMISSIONER JONES: Move for the approval of  
6 the February 26, 2014 minutes.

7 COMMISSIONER HOWARD: I second that motion.

8 CHAIRMAN HATCHES: Moved and seconded.

9 Any discussion?

10 Angie, would you call the roll, please.

11 MS. FRANKS: Commissioner Howard.

12 COMMISSIONER HOWARD: Approve.

13 MS. FRANKS: Commissioner Jones.

14 COMMISSIONER JONES: Approve.

15 MS. FRANKS: Chairman Hatches.

16 CHAIRMAN HATCHES: Approve.

17 MS. FRANKS: By your vote you've adopted the  
18 minutes of the February 26, 2014 meeting.

19 CHAIRMAN HATCHES: Mr. Stottlemyre.

20 EXECUTIVE DIRECTOR STOTTLEMYRE:

21 Mr. Chairman, the next item on the agenda is the  
22 Consideration of Licensure of -- we have Tropicana  
23 Entertainment, Incorporated.

24 I believe Mr. Rob Cantwell is here, and I  
25 will let him do the introductions of the folks making

1 the presentation.

2 MR. CANTWELL: Chairman Hatches, Commissioner  
3 Howard, Commissioner Jones, Executive Director  
4 Stottlemire and staff, good morning.

5 CHAIRMAN/COMMISSIONERS: Good morning.

6 MR. CANTWELL: My name is Robert Cantwell. I  
7 am with Lathrop and Gage in St. Louis, and I'm here  
8 today on behalf of Tropicana Entertainment, Inc. to  
9 present some materials in support of its proposed  
10 acquisition of Lumiere Place Casino and related assets.

11 There are a number of folks here today with  
12 us, some from Tropicana Entertainment, Inc., as well as  
13 some from the existing Lumiere Place Casino property,  
14 and also from the City of St. Louis as well, in support  
15 of the proposed transition of the property.

16 We're all before you here today to request  
17 respectfully your resolution on our proposed acquisition  
18 and your grant -- or allowance for a grant of the  
19 requisite licenses.

20 These licenses include a new Class A license  
21 for Tropicana Entertainment, Inc., a new Class B license  
22 for Casino One Corporation, which is d/b/a Lumiere Place  
23 under the new Tropicana umbrella, as well as five  
24 business entity key person licenses, one for Tropicana  
25 St. Louis, LLC, which is a holding company, one for

1 Icahn Enterprises, GP, Inc., one for Icahn Enterprises,  
2 LP, one for Icahn Enterprises Holding, LP, and one for  
3 Beckton Corporation.

4 All of those entities are above Tropicana  
5 Entertainment, Inc. and part of its holding structure.  
6 In addition, there are 15 keyperson licenses that would  
7 also need to be issued for the transaction to be  
8 consummated.

9 It's worth noting that, you know, this is  
10 22 applications that were made, and suitability  
11 investigations were conducted by your staff in absolute  
12 record time.

13 In order to proceed with our presentation, I  
14 would just like to introduce a couple folks that are  
15 here with us, because not everyone -- mainly the people  
16 that will participate in the presentation.

17 Bill Murtha, General Counsel and Senior  
18 Vice-President of Tropicana Entertainment, Inc.,  
19 Corporate.

20 Lance Millage, Chief Financial Officer of  
21 Tropicana Entertainment, Inc.

22 Don Perkins is the Corporate Compliance  
23 Officer of Tropicana Entertainment, Inc.

24 Jeff Babinski is here from Lumiere Place,  
25 existing Lumiere Place, and Jeff will also be the

1 General Manager of the facility once the transition is  
2 consummated with your approval.

3 In addition, Ryan Miller, the Compliance  
4 Officer for Lumiere Place, is here as well.

5 And Otis Williams from the City of St. Louis  
6 is present and will speak on behalf of the City.

7 In order to proceed, Darrell, if you'd like  
8 to come up, Bill Murtha will walk us through the details  
9 of the transition, and then obviously we're all here to  
10 answer any questions that you may have.

11 Thanks again for your consideration of the  
12 matter.

13 MR. MURTHA: Mr. Chairman, members of the  
14 Commission, good morning.

15 CHAIRMAN/COMMISSIONERS: Good morning.

16 MR. MURTHA: Thank you for inviting us here  
17 today to make this presentation on behalf of Tropicana,  
18 and Tony Rodio, our President and CEO, we're pleased to  
19 be here.

20 Tony asked me to express his regrets and  
21 apologies that he wasn't personally able to come here  
22 today. He had wanted to make this presentation and to  
23 meet you and to talk about our plans for Lumiere.  
24 Hopefully he'll have a chance to do that sometime in the  
25 near future.

1                   I'd also like to -- Rob mentioned this --  
2     thank the Commission staff for its investigation in  
3     record time to meet the FTC and other deadlines.

4                   Throughout the whole investigation I can tell  
5     you that I heard nothing but compliments about the  
6     professionalism of the staff, and again wanted to thank  
7     the staff for its efforts and for its patience with us  
8     sometimes in supplying information not quite as timely  
9     as the staff would have wanted to.

10                  Subject to your approval here today, and  
11     ultimately Mr. Stottlemeyre's authorization to proceed,  
12     Tropicana is ready to close the transaction next week  
13     with Pinnacle.

14                  Our staff, the Pinnacle team and the  
15     Tropicana team and the Lumiere team have been working  
16     for several months now on an operational transition  
17     plan.

18                  We think we have all of the pieces together.  
19     We know we have all of the pieces together for that plan  
20     in order to close next week, and we're prepared to do  
21     that.

22                  Jack Godfrey is here from Pinnacle. I just  
23     want to say Pinnacle has been very cooperative in the  
24     process, and so has the Lumiere staff and the FTC  
25     monitor, Mike Regan, who is also here today.

1                   So we think everything has gone very well in  
2 the last few months and we're ready to proceed.

3                   What I'd like to do is to just take you  
4 through a brief overview of Tropicana, and then what  
5 I'll do is turn over the podium to Lance Millage, our  
6 CFO, who will talk about some operational matters and  
7 handle the marketing which Tony would have handled  
8 himself.

9                   And then Jeff Babinski will talk about the  
10 current MBE plans and the goals and objectives for the  
11 property, bring you through where we are with the fourth  
12 quarter, and then I'll come up and talk about the  
13 redevelopment agreement and introduce Mr. Otis Williams  
14 who is here today and he'll say a few words.

15                   Tropicana was formed in 2010, essentially to  
16 acquire and did acquire assets of Columbia Sussex, which  
17 were in bankruptcy at the time.

18                   Going from east to west, one of our flagship  
19 properties is Tropicana Atlantic City. It's on the  
20 Boardwalk in Atlantic City. It's our largest property,  
21 over 2,000 rooms, about 2,600 slot machines, over  
22 probably close to 30 dining and retail venues in a large  
23 retail mall outlet.

24                   And Tropicana has done very well, anchors our  
25 East Coast. Many of our executives are originally

1 Atlantic City Casino executives.

2           Going to the Midwest of the country, Lumiere  
3 will be the flagship property for Tropicana in the  
4 Midwest. We have a very strong Midwest presence, and  
5 have had it before Lumiere, but with Lumiere we think  
6 we'll have really a great presence in the Midwest.

7           In addition to Lumiere, we kind of view  
8 Evansville, Tropicana Evansville, as a sister property  
9 because of the cross-marketing synergies we think we  
10 could achieve with that property.

11           Evansville has been our consistent performer.  
12 It's in somewhat of a protected market and has done  
13 very, very well. Just last year and the year before we  
14 renovated all of the hotel rooms at that property, and  
15 it's done very well for us.

16           And again, we think that -- Lance will talk  
17 about this in a little more detail, but we think that  
18 St. Louis could be a great feeder market for customers  
19 in Evansville who want to come up to St. Louis and see  
20 the city up here.

21           Going down river we have Tropicana  
22 Greenville. Tropicana Greenville when we initially  
23 bought it had two riverboats, the JMVS, or Jubilee  
24 Riverboat, and Lighthouse Point Riverboat.

25           In a 2011 flood they were damaged. The

1 pavilion was damaged at Lighthouse Point. We rebuilt  
2 that into a land-side casino, and we've been so  
3 successful with that -- at the time we built it into a  
4 land-side casino, we closed down the Jubilee boat, and  
5 that was so successful that we've now expanded and we're  
6 going to more than double the size of that facility.

7           We have a construction project going on there  
8 now that we hope to have finished by the end of this  
9 year, and again, it will bring all of the gaming and  
10 amenities in a land-side facility.

11           So Greenville has been a very good market for  
12 us.

13           And then going down river further we have the  
14 Belle of Baton Rouge in Downtown Baton Rouge. It's  
15 another riverboat property with a riverboat on the  
16 river.

17           What is unique about that property is that  
18 there's a block-long street that had been vacated and an  
19 atrium built over the top of it.

20           So the property consists of a very large  
21 atrium area, with a hotel and food and beverage  
22 amenities within the atrium, which is quite unique in  
23 Downtown Baton Rouge.

24           The property has had some difficulty with the  
25 opening of L'Auberge, but I think the market has

1 stabilized and the property is doing very well in  
2 relation to its downtown competitor.

3           In the west we have three properties,  
4 Montbleu in Lake Tahoe, and we have two properties  
5 currently in Laughlin, Tropicana Laughlin, which is our  
6 flagship property in that city, and River Palms, which  
7 we are currently -- it's currently trying to sell that.  
8 It's been on the market for about a year right now.  
9 It's a smaller property on the Colorado River, and  
10 again, it's not a core asset for us.

11           Other than the United States, we have one  
12 property in Aruba, which is a 361-room timeshare/hotel,  
13 with a very small casino. Most of the timeshare units  
14 are not sold, so we generally run that as a hotel.

15           It's been good for cross-marketing in terms  
16 of having our players come from the United States down  
17 to Aruba for a bit of a vacation.

18           That's an overview of the company.

19           We have one of the strongest balance sheets  
20 in the industry. We currently have in excess of \$400  
21 million in cash. We've refinanced our debt last  
22 November, have a very strong balance sheet, with only  
23 300 million in long-term debt and access to a  
24 \$15 million revolver.

25           We'll utilize obviously 260 million of that

1 cash to acquire Lumiere.

2           Going to the next slide, this is our  
3 corporate management team, consisting of Tony Rodio as  
4 President and CEO.

5           The years that are below each name are not  
6 the ages of the people, unfortunately. We'd like that  
7 to be the case. But they're actually the years of  
8 casino gaming experience for each of our key executives.

9           And quite frankly, most of our executives  
10 have spent their entire career or most of their entire  
11 career in the gaming industry.

12           Many of us, most of us, have multi-  
13 jurisdiction gaming experience. Both Lance and Tony  
14 have actually worked in the Midwest, and, again, many of  
15 our executives have been throughout the country working.

16           We have Eric Fiocco, who is in Atlantic City,  
17 is our VP of Marketing. Joe Long, who is our Chief  
18 Information Officer, is in Las Vegas, along with Lance  
19 Millage, our CFO. Chuck Barry is our VP of Security and  
20 Surveillance. He's former FBI. And Tina Tartaglio is  
21 our Corporate VP of Human Resources, and Tina is in  
22 Atlantic City as well.

23           So just like being disbursed across the  
24 country, our corporate team is disbursed too between  
25 Nevada and New Jersey, and generally our philosophy in

1 terms of corporate management is not to -- is a de-  
2 centralized approach.

3           We like to have the general managers operate  
4 and manage the properties. We obviously work as a team,  
5 but we allow a lot of latitude, particularly on the  
6 marketing side and on some of the other operational  
7 sides, with the properties themselves.

8           The general managers on the second line,  
9 again, just to indicate their many years of experience,  
10 and most of them have been general managers at multiple  
11 properties throughout the country.

12           The last one, of course, is Jeff Babinski.  
13 We're very happy to Jeff is going to be joining  
14 Tropicana. We don't expect many, if any, changes at the  
15 property. Hopefully Jeff's team will stay onboard and  
16 we'll have a consistency with respect to the property  
17 operations.

18           I'd now like to turn it over to Lance for a  
19 few words.

20           MR. MILLAGE: Thank you, Bill.

21           Executive Chairman, fellow Commissioners, Rob  
22 told me to keep this to five minutes, but Bill just took  
23 my five minutes, so I'll try and move through this  
24 relatively quickly.

25           Thank you very much for letting us be here.

1 Bill touched on it when he went through the  
2 geographic distribution of the company, and he talked  
3 about Lumiere, and we already put Lumiere on the map,  
4 maybe a little presumptive on our part, but it's just to  
5 illustrate the breadth of our company.

6 I want to point out that this is the first  
7 acquisition that we as Tropicana Entertainment, the new  
8 company, has actually executed. So we're very excited  
9 about it, very, very thrilled with the opportunity, the  
10 privilege to potentially operate in the state of  
11 Missouri and operate within the City of St. Louis.

12 So thank you very much for all your efforts  
13 and all your expedited responses to the gaming license  
14 application. We really appreciate it.

15 Bill touched on this briefly. I'm going to  
16 run through some operational management changes, as well  
17 as then kind of touch on about three or four slides for  
18 marketing.

19 I am a finance guy, so Tony would have given  
20 it a lot more flare probably, but I'll do my best to  
21 kind of bring you through it real quickly.

22 From an operational perspective -- Bill  
23 touched on this already. When we signed the purchase  
24 agreement last August, shortly thereafter we were  
25 afforded the opportunity to meet Jeff and meet his

1 executive team, really started to understand what their  
2 philosophies were as far as operating the property and  
3 how they were positioning it and positioning it to  
4 compete against now their competitor, River City, and  
5 some of the other properties.

6           We were not surprised but thrilled with  
7 their expertise and their knowledge about Lumiere Place  
8 and how it has to work within the local community,  
9 within Downtown St. Louis, and we are just so focused on  
10 having a successful transition that we determined it's  
11 not in our best interest to make any changes at all.

12           In fact, we're going to benefit greatly by  
13 having Jeff and his team down there, and we look to  
14 learn from him and understand the St. Louis community  
15 and work in the environment very well.

16           So again, we feel very privileged and lucky  
17 to have Jeff as part of our team, so we look forward to  
18 working with him.

19           Going on to any manager or any operational  
20 changes. Again, our focus has been on a very smooth and  
21 successful transition. We haven't really got our hands  
22 on the operation and worked with Jeff and his team to  
23 understand where we could deploy capital from -- the  
24 capital from a strategic standpoint to increase revenues  
25 and drive business.

1                   So what we're looking at for the next three  
2 to six months and what we'll follow is the plans that  
3 Jeff and his team have already put in place. They're  
4 going to go through a casino floor layout renovation,  
5 going to be brand new carpet come in, a new customer  
6 experience, better flow for the overall customer.  
7 That's going to start in the quarter of Q3 and end  
8 probably in Q4.

9                   In addition, the property has opened up  
10 recently a new dining outlet. It's called The Diner.  
11 It used to be where the Burger Bar was. That's been  
12 very successful for them, so we're very supportive of  
13 that as well too.

14                   Lastly there are four outlets that we're  
15 going to have to re-brand, the Stadium Bar -- I think  
16 the Stadium Sports Bar, ETC, Blush and Global. Those  
17 are proprietary names for Pinnacle, so we'll have to re-  
18 brand those within six months. That's going to be a  
19 media focus as well too.

20                   For more of the near mid-term-type strategy  
21 we acquired a couple additional parcels that are  
22 adjacent to the property. We've been told and we kind  
23 of see on peak weekends that the property may be parking  
24 constrained. So we're going to take an aggressive look  
25 at that and see if there is not something we can do with

1 those lots maybe to expand the parking and create a  
2 little better, you know, awareness and approach to the  
3 property, a little bit safer feel to the property with  
4 some additional parking.

5 So that's it right now. There will be future  
6 things coming from a capital standpoint. It's just too  
7 preliminary in the process for us to really commit and  
8 say clearly here is what we're going to do with the  
9 property.

10 Lastly and without question, I mean, we'll  
11 continue to operate the property in a first-class  
12 manner. We have a great asset with Four Seasons. We're  
13 thrilled to have that as part of the portfolio and part  
14 of the brand.

15 Bill touched on it. We're going to use Four  
16 Seasons as an asset to lure our customers from our other  
17 properties, specifically Evansville, and hopefully all  
18 of the Cardinal fans will come up for the weekend and  
19 help us drive some incremental revenue to that property.

20 Okay. The marketing piece.

21 Let me start off with that I'm not going to  
22 read through all of the details in the slide. You guys  
23 have that in front of you, but I'll start by saying  
24 we're going to be very aggressively marketing the  
25 property.

1                   I think historically, if we look at the last  
2 six months of this year, the St. Louis market itself has  
3 trended down about 9 percent. Lumiere has actually out-  
4 paced that decline. I think they're down 11,  
5 12 percent. We're going to immediately work to rectify  
6 that and turn that around.

7                   I think if you go back a year and a half ago,  
8 Lumiere Place held about a 15 percent share of the  
9 market, and they're now down around a 14 percent share.  
10 Again, we're going to get it back to 15 percent, and  
11 we're going to do everything we've got within our  
12 wherewithal and the property's wherewithal to drive that  
13 from an aggressive marketing strategy standpoint.

14                   So we'll start with positioning, how we are  
15 going to position the property. We're going to -- we're  
16 always going to keep in mind and understand that a huge  
17 component of our business is the local business, so  
18 we're going to focus on that. We're going to market to  
19 that. You'll start seeing billboards that come up that  
20 are specific in addressing those customers.

21                   But in addition, when we first looked at this  
22 asset, we looked around and said there is 7,500 hotel  
23 rooms within a mile and a half of this property.

24                   There's -- you know, you have the Edward  
25 Jones Dome basically across the street, Cardinals,

1 Blues, Laclede's Landing, all of the development that is  
2 going on in the property. There's a lot of opportunity  
3 within the property to use those additional hotel rooms,  
4 to work with the City of St. Louis, to really offer up  
5 Lumiere as an additional amenity to conventions and  
6 businesses that are coming down.

7           So that's one of our key positioning and key  
8 focuses is to make it an anchor of Downtown and work  
9 with the City of St. Louis, all the while never  
10 forgetting about that core segment of the local customer  
11 and developing them as well too.

12           Moving on to the Players Card and Loyalty  
13 Program. The current program in place, the mychoice  
14 program, this really ultimately becomes a communication  
15 and technology issue.

16           We will be ready during the closure -- and  
17 Jeff will touch on that time period and what is going to  
18 occur on that. But once we open the doors hopefully on  
19 April 2nd at 8:00 a.m. we'll be ready to launch Trop  
20 Advantage.

21           I'll show you a couple other slides, and  
22 there is some communication material on that, what those  
23 billboards and that communication looks like, but our  
24 Trop Advantage program will offer slightly different  
25 rewards than other programs within the market. We fully

1 believe -- and we'll use all of the -- kind of the  
2 liabilities on the balance sheet from the Player Reward  
3 standpoint to reincent the customers and bring them back  
4 in and re-reward those customers.

5           And the Trop Advantage program I think will  
6 be a fresh program within the market, and we will  
7 communicate that pretty heavily and pretty strongly.

8           But again, April 2nd, we've got everything on  
9 the property to re-launch that day one and issue cards  
10 immediately, so we'll be up to speed.

11           Here is a quick billboard. It kind of shows  
12 you what our method will look like, Welcome to Lumiere  
13 Place, new club, more rewards.

14           The transition to the Tropicana messaging,  
15 again, all advertising, all website, all signage,  
16 immediately the beginning of April is going to switch  
17 out.

18           You know, we are not going to change the name  
19 Lumiere, obviously, because we think there is a lot of  
20 brand recognition to that, but you'll start to see an  
21 overlay and an overlap with the Trop Advantage and the  
22 Tropicana name in there as well too.

23           On property all signage will flip. All  
24 signage will move. So again, a lot of hard work over  
25 the last three or four months with Jeff and his team.

1 When we open the doors, it will be re-branded with those  
2 items as Tropicana.

3 The last slide is simply just a general  
4 brochure, again, kind of gives you a feel for the  
5 collateral and the messaging that is going to go out to  
6 the customers.

7 With that I'll turn it over to Jeff. Thank  
8 you very much.

9 CHAIRMAN HATCHES: Thank you.

10 MR. BABINSKI: Good morning.

11 CHAIRMAN/COMMISSIONERS: Good morning.

12 MR. BABINSKI: And I too want to thank you,  
13 Mr. Chairman, Commissioners and staff, for a quick and  
14 expeditious process in bringing us here today to this  
15 day.

16 I will say I'm very excited, and the 1,200  
17 plus team members that we have at Lumiere are very  
18 excited to have a new owner, and we can't wait for you  
19 guys to hopefully give us approval today.

20 Just to give you an update since we went over  
21 this this past October. A lot of this you've seen  
22 before, but I really want to touch on the top bullet  
23 points where we've had discussions.

24 And, Commissioner Jones, it was one of your  
25 questions in the last -- in our Class B relicensing. I

1 feel strongly and I still feel strongly today. We've  
2 had great conversations with Tropicana. And they give  
3 us 110 percent support on continuing our mission with  
4 the MBE/WBE process.

5           And I'll actually show you the fourth quarter  
6 numbers which we've, as you know, have been operating  
7 independently since August, and those numbers, again  
8 unaudited, have improved.

9           So two other things I want to point out on  
10 this slide which is beneficial to us at Lumiere. We'll  
11 be able to use and tap into some of the suppliers and  
12 vendors that Tropicana has for potential MBE/WBE  
13 vendors.

14           And then ultimately, Nick Pettibone, who is  
15 our Shared Services, who was there with Josh McCloud, is  
16 now the Purchasing Manager with us at the Lumiere  
17 facility.

18           So we're glad to have Nick onboard. He will  
19 help us continue our focus, and since he already knows  
20 the vendors, that continuity will remain in place. So  
21 I'm excited to have him onboard as our Purchasing  
22 Manager.

23           So I just wanted to kind of go over our  
24 fourth quarter numbers real quick. As you can see, we  
25 went from 17-- went from 11.7 percent in Q3 for minority

1 spend to 17.4 percent, and we went from 28.6 percent in  
2 WBE spend to 30.3, for a total of 47 percent in the  
3 fourth quarter, which we're very proud of and very  
4 excited to have.

5           And then finally our vendor utilization, it  
6 remains in place. I am going to continue on as a  
7 board -- as a director on the Board for the St. Louis  
8 Minority Business Council. I think it's very important  
9 for us.

10           And as you can see, we'll continue our best  
11 efforts in going out there and growing and trying to  
12 develop minority and women-owned businesses.

13           Finally, this is not on your agenda but I  
14 just wanted to touch on it briefly. The plan for  
15 closure begins on April 1st at 1:00 a.m. There will be  
16 a series of items that we'll go through. We'll complete  
17 the entire drop of the floor and then we'll begin to  
18 decouple the systems from River City, because we've been  
19 on a shared system, where players can earn points at  
20 Lumiere and they still see those points at River City.  
21 So we'll take that process.

22           And then April 2nd at 8:00 a.m. we'll resume  
23 normal business hours, and we'll be, potentially with  
24 your approval, a Tropicana owned property.

25           And now I will bring Bill Murtha back up.

1                   CHAIRMAN HATCHES: I just have one question  
2 for you.

3                   You're staying at the property. Right?

4                   MR. BABINSKI: Yes, I am staying at the  
5 property.

6                   CHAIRMAN HATCHES: What about Josh?

7                   MR. BABINSKI: Josh is staying with Pinnacle  
8 at River City. That's why I thought it was very  
9 important to mention that Nick Pettibone, who has been  
10 working with Josh, underneath Josh, has been promoted to  
11 the Purchasing Manager, and we'll have that continuity  
12 because he's been there since day one in the Shared  
13 Services position.

14                   CHAIRMAN HATCHES: Thank you.

15                   MR. MURTHA: Before I begin the next slide I  
16 just wanted to say to the Commission that Tropicana  
17 fully supports the MBE/WBE program.

18                   Jeff and the crew at the property have done a  
19 great job with it, setting high hurdles. We understand  
20 its importance to the City and to the business community  
21 and to the State government, and we'll be behind Jeff  
22 100 percent to make sure that we not only achieve the  
23 great results that he's achieved and the team has  
24 achieved in the past but to exceed those results.

25                   With respect to the Redevelopment Agreement

1 and the Four Seasons Agreement, right after we signed  
2 the Equity Purchase Agreement with Pinnacle we actually  
3 met with the mayor and the leaders of the Redevelopment  
4 Authority in St. Louis the following week.

5           We've maintained contact with that agency and  
6 have recently executed an assignment and assumption  
7 agreement between the redevelopment agency, Pinnacle,  
8 and Tropicana, whereby on the closing date Tropicana  
9 will assume and Pinnacle will assign all of the rights  
10 and obligations with respect to the Redevelopment  
11 Agreement.

12           As part of that assignment and assumption  
13 agreement the parties have acknowledged to each other  
14 that the agreement has been in full compliance and  
15 Pinnacle has done what they promised to do under that  
16 Redevelopment Agreement.

17           We just got news yesterday that Pinnacle has  
18 made the final payments to the City for the City/Arch  
19 project and has also made the final \$300,000 payment to  
20 the Hot Spots, the Metropolitan Police Department  
21 payments.

22           In addition, right after, I think, or right  
23 before we signed the Equity Purchase Agreement, the  
24 Cherrick property was conveyed by Pinnacle to the Great  
25 Rivers Greenway District, and we'll support the

1 district's bike trail and that park project down there  
2 on the river.

3 Pinnacle has also made the final payment to  
4 the National Blues Museum. Jeff is on the board of that  
5 museum, and the sponsorship rights will stay with  
6 Lumiere. So that was important to us, the fact that the  
7 Blues Museum was just a few blocks from the property,  
8 and we thought that there was a real synergy between the  
9 property and downtown, and that having the Blues Museum  
10 as part of Lumiere and part of Tropicana in terms of  
11 that relationship going forward was very important, and  
12 Pinnacle agreed to that.

13 We've also -- upon the assumption of the  
14 agreement, of course, Tropicana will step into the shoes  
15 of Pinnacle and assume the \$1 million obligation under  
16 the City services fee, as well as the outstanding  
17 obligations related to the Community Improvement  
18 District on an annual basis in terms of special  
19 assessments, as well as the security services that are  
20 performed in that redevelopment area by Lumiere for the  
21 city.

22 In addition, Tropicana and Pinnacle have  
23 agreed obviously to reimburse the City and Redevelopment  
24 Authority for its legal fees and costs related to this  
25 transition and will be doing that at or prior to

1 closing.

2                   With respect to the Four Seasons, we've met  
3 with the general manager and I've spoken with the  
4 general counsel of Four Seasons, so we have a  
5 relationship going there.

6                   As part of our agreement and Pinnacle's  
7 obligation, Four Seasons has agreed, looking to  
8 Tropicana, that we're, in fact, a qualified person and,  
9 therefore, this change of control can take place from  
10 Pinnacle to Tropicana.

11                   So just in summary we're very happy to be  
12 part of the City. We've taken steps to meet the City  
13 officials and looking forward to working with the City  
14 and the Redevelopment Authority.

15                   I think Otis Williams is next to say a few  
16 words.

17                   MR. WILLIAMS: Good morning --

18                   CHAIRMAN/COMMISSIONERS: Good morning.

19                   MR. WILLIAMS: -- to Chair and Commissioners  
20 and staff. I'm very happy to be here.

21                   Again, I'm Otis Williams. I'm the Executive  
22 Director for the St. Louis Development Corporation,  
23 which is the City's economic development arm, and I'm  
24 here on behalf of Mayor Slay and his team.

25                   I think previously you received a letter from

1 Mayor Slay and myself both supporting the sale from --  
2 actually the movement of the property from Pinnacle to  
3 Tropicana.

4 I'm here today to reiterate that we fully  
5 support Pinnacle Entertainment's sale of Lumiere Place  
6 Casino and Hotel to Tropicana Entertainment.

7 Lumiere Place is a major asset for the City  
8 and for the state, and Pinnacle has made a considerable  
9 investment in Lumiere and surrounding properties on  
10 Laclede's Landing and has been a valued partner in the  
11 City's economic development efforts.

12 Pinnacle invested twice the amount,  
13 \$583 million, that it initially committed to investing  
14 in the city, and it's been a valued corporate citizen,  
15 supporting numerous organizations, programs and  
16 initiatives throughout the city.

17 Pinnacle is current, as Mr. Murtha indicated,  
18 on its development obligations under the City agreement  
19 and has made all of the payments that Mr. Murtha  
20 outlined, so we're pleased with that and have no issue.

21 Tropicana has met with us and the mayor and  
22 his key staff and they have indicated that they are  
23 ready to accept and continue Pinnacle's obligations per  
24 the Redevelopment Agreement, and the City is looking  
25 forward to working with them.

1                   So again, we're here to just say that we are  
2     supportive of the transaction hopefully that you will  
3     approve.

4                   CHAIRMAN HATCHES: Thank you, sir. One  
5     question for you.

6                   MR. WILLIAMS: Sure.

7                   CHAIRMAN HATCHES: Are there any additional  
8     agreements that the City has signed on with the new  
9     owner?

10                  MR. WILLIAMS: We have not. During our  
11     discussions we have indicated that we will continue to  
12     talk and have discussions but there are no other signed  
13     agreements that we have in place.

14                  CHAIRMAN HATCHES: Thank you.

15                  MR. MURTHA: Commissioners, that concludes  
16     our presentation today. We'd be happy to take any  
17     questions that you might have.

18                  Rob made sure that I would say that we  
19     obviously respectfully request that you approve this  
20     transaction and grant the license approvals that  
21     Tropicana has applied for.

22                  So thank you very much, and again, if you  
23     have any questions, please let us know.

24                  CHAIRMAN HATCHES: Thank you.

25                  I don't have a question at this time, but I

1 would like to reiterate something that you have already  
2 acknowledged, and that is the work of this staff in  
3 pulling this together in such a short time.

4 I can remember when the discussion first came  
5 up and, you know, this has not been the only thing going  
6 on at the Commission over the last year.

7 And so for this team to do the kind of job  
8 that they have in the time that they've done it, they're  
9 really to be commended, and from the Commission's  
10 standpoint, I certainly want to say to all of you how  
11 much we appreciate your work on it in making this  
12 possible, quite honestly. So thank you very much.

13 Other questions or comments from the  
14 Commission?

15 COMMISSIONER HOWARD: I have to echo. The  
16 amount of information that the Commission received in  
17 association with this transaction and the  
18 professionalism that it showed on the part of the  
19 Commission's staff was -- well, it was not surprising.

20 I think that's the most important thing to  
21 say in my experience on this Commission. In fact, it is  
22 what I expect from this group. So I'm pleased and proud  
23 to be able to say that.

24 CHAIRMAN HATCHES: It seems like the more we  
25 put on them the better they perform. We've got to find

1 their breaking point. Right? Open up a casino, closing  
2 one down, investigating a new owner and they still just  
3 shine, so we got to keep pushing on.

4 Mr. Stottlemyre.

5 EXECUTIVE DIRECTOR STOTTLEMYRE: The next  
6 item would be any public comment that we might have.

7 And if not, we would have the investigative  
8 summary which will be presented by Sergeant Sammy  
9 Seaton.

10 SERGEANT SEATON: Mr. Chairman,  
11 Commissioners, good morning.

12 CHAIRMAN/COMMISSIONERS: Good morning.

13 SERGEANT SEATON: As you're aware, on  
14 August 16, 2013 Tropicana Entertainment, Incorporated  
15 announced a \$260 million Equity Purchase Agreement with  
16 Pinnacle Entertainment, Incorporated, pursuant to which  
17 Tropicana agreed to acquire the ongoing operations of  
18 Casino One Corporation doing business as Lumiere Place  
19 Casino and Hotel, Lumiere.

20 Following the announcement of this agreement,  
21 MGC staff conducted a preliminary review of Tropicana's  
22 corporate and ownership structure resulting in the  
23 identification of seven interrelated companies and  
24 fifteen associated key persons which would require  
25 suitability investigations.

1           Beginning on September 12, 2013 the MGC began  
2 receiving applications from the entities directly  
3 related to the operation of Lumiere.

4           Specifically, a Class A license application  
5 was received from Tropicana, a key business entity  
6 application was received from Tropicana St. Louis, LLC,  
7 which is a wholly owned subsidiary of Tropicana, and  
8 finally a Class B application was received from Lumiere,  
9 which upon closure of the transaction will become a  
10 wholly owned subsidiary of Tropicana St. Louis, LLC.

11           During this same timeframe the four  
12 interrelated key business entities identified in  
13 Tropicana's ownership structure also submitted their  
14 respective KBE applications.

15           Those companies are Beckton Corp, a  
16 corporation wholly owned by Carl C. Icahn; Icahn  
17 Enterprises GP, Incorporated, a general partnership  
18 corporation wholly owned by Beckton; Icahn Enterprises,  
19 LP, a master limited partnership; and Icahn Enterprises  
20 Holdings, LP, a limited partnership and holder of a  
21 controlling interest in Tropicana.

22           The 15 related keyperson applications were  
23 received at various times throughout the remainder of  
24 2013 and into late January 2014.

25           Upon receipt of those applications Missouri

1 Highway Patrol investigators began conducting  
2 comprehensive civil and criminal background checks on  
3 the aforementioned companies, as well as the associated  
4 key personnel. MGC financial investigators also  
5 conducted a financial analysis of each company and  
6 individual.

7 The results of our investigations were  
8 provided to the Gaming Commission staff for their review  
9 and specific details related to those findings are  
10 contained within the comprehensive summary in your  
11 possession.

12 Thank you.

13 CHAIRMAN HATCHES: Thank you.

14 EXECUTIVE DIRECTOR STOTTLEMYRE: Any  
15 questions of Sergeant Seaton?

16 Thank you.

17 EXECUTIVE DIRECTOR STOTTLEMYRE: The next  
18 thing I would like would be for Mr. Grewach to explain  
19 the resolution for us, if you would, please.

20 MR. GREWACH: Thank you.

21 The resolution includes findings of the  
22 suitability for the applicants for licensure in this  
23 case.

24 As we have done in other transitions, MGC  
25 staff will continue to be involved and to monitor the

1 transition to make sure that all of the applicable  
2 regulation and internal controls have been complied  
3 with.

4           You'll see in the resolution that once staff  
5 is comfortable with the fact that all of the proper  
6 steps have been taken and the rules and internal  
7 controls have been complied with, then at that point in  
8 time we will physically deliver the license to the  
9 applicants.

10           And the license won't be effective until the  
11 date we do physically deliver the license, and they  
12 won't be able to open or start business until that act  
13 has taken place.

14           CHAIRMAN HATCHES: Okay.

15           EXECUTIVE DIRECTOR STOTTLEMYRE: Any  
16 questions from the Commission on this?

17           MR. GREWACH: Thank you.

18           CHAIRMAN HATCHES: Is that it for you?

19           MR. GREWACH: Yes.

20           CHAIRMAN HATCHES: Thank you.

21           EXECUTIVE DIRECTOR STOTTLEMYRE: The next  
22 thing would be to say the staff recommends approval of  
23 Resolution No. 14-011.

24           CHAIRMAN HATCHES: Chair will entertain a  
25 motion.

1                   COMMISSIONER HOWARD: I'll move for approval  
2 of Resolution No. 14-011.

3                   COMMISSIONER JONES: Second.

4                   CHAIRMAN HATCHES: Moved and seconded.

5                   Any discussion?

6                   Angie, would you call the roll, please.

7                   MS. FRANKS: Commissioner Howard.

8                   COMMISSIONER HOWARD: Approve.

9                   MS. FRANKS: Commissioner Jones.

10                  COMMISSIONER JONES: Approve.

11                  MS. FRANKS: Chairman Hatches.

12                  CHAIRMAN HATCHES: Approve.

13                  MS. FRANKS: By your vote you've adopted  
14 Resolution No. 14-011.

15                  CHAIRMAN HATCHES: Congratulations.

16                  MEMBERS IN AUDIENCE: Thank you.

17                  EXECUTIVE DIRECTOR STOTTLEMYRE:

18 Mr. Chairman, the next item would be Consideration of  
19 Settlement Agreement.

20                  Mr. Grewach will present.

21                  MR. GREWACH: This item is a resolution to  
22 approve a settlement between the Commission and Bally  
23 Gaming, Incorporated.

24                  This investigation involved events in the  
25 state of Alabama. In 2004 Bally, along with other

1 companies, started to supply electronic bingo terminals  
2 to different counties in Alabama.

3 In 2009 the Governor appointed an -- Alabama  
4 Governor appointed a task force to investigate the  
5 legality of these electronic bingo terminals.

6 The governor's task force sent three letters  
7 to Bally during late 2009 and 2010. One of the counts  
8 is that Bally failed to disclose those letters that were  
9 required by the rule to be disclosed in the timeframe  
10 that they were required to be.

11 The task force also subsequently executed a  
12 search warrant at one of the locations and seized some  
13 of the Bally machines.

14 Bally later intervened in this case as a  
15 party and again did not notify -- send written notice to  
16 the Commission of that event.

17 Additionally, Colorado's Gaming Commission  
18 sent a warning letter to Bally of possible disciplinary  
19 action directed to Bally by Colorado for not disclosing  
20 certain items to Colorado, and Bally did not disclose  
21 that correspondence to us.

22 The last count is that our Commission sent a  
23 request for documents to Bally that they were required  
24 to comply within seven days. They failed to do so,  
25 failed to completely reply, and there were some e-mails

1 that were applicable to the request that were not sent  
2 in that timeframe.

3 The recommended fine and the fine reached in  
4 this settlement agreement is \$375,000.

5 The Commission may recall that IGT, another  
6 supplier, was involved also in the Alabama transaction  
7 and the \$375,000 amount is the same amount that the  
8 Commission settled with IGT for on their case.

9 CHAIRMAN HATCHES: Any questions?

10 EXECUTIVE DIRECTOR STOTTLEMYRE: The staff  
11 recommends approval of Resolution No. 14-012.

12 CHAIRMAN HATCHES: Chair will entertain a  
13 motion.

14 COMMISSIONER JONES: Move for the approval of  
15 Resolution No. 14-012.

16 COMMISSIONER HOWARD: Second.

17 CHAIRMAN HATCHES: Any further discussion?  
18 Angie, would you call the roll, please.

19 MS. FRANKS: Commissioner Howard.

20 COMMISSIONER HOWARD: Approve.

21 MS. FRANKS: Commissioner Jones.

22 COMMISSIONER JONES: Approve.

23 MS. FRANKS: Chairman Hatches.

24 CHAIRMAN HATCHES: Approve.

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

1 Resolution No. 14-012.

2 EXECUTIVE DIRECTOR STOTTLEMYRE:

3 Mr. Chairman, the next item on the agenda is the  
4 Consideration of Licensure of Level I and key  
5 applicants, and Lieutenant Mark Bielawski will present.

6 LIEUTENANT BIELAWSKI: Mr. Chairman and  
7 Commissioners, good morning.

8 CHAIRMAN/COMMISSIONERS: Good morning.

9 LIEUTENANT BIELAWSKI: Missouri State Highway  
10 Patrol investigators, along with Gaming Commission  
11 financial investigators, conducted comprehensive  
12 background investigations on multiple key and Level I  
13 applicants.

14 The investigations included but were not  
15 limited to criminal, financial and general character  
16 inquiries which were made in the jurisdictions where the  
17 applicants lived, worked and frequented.

18 The following individuals from Tropicana  
19 Entertainment, Incorporated are being presented for your  
20 consideration: Daniel A. Cassella, Independent  
21 Director; SungHwan Cho, CFO and Director; Keith R.  
22 Cozza, Director; Hunter C. Gary, Director; Carl C.  
23 Icahn, Chairman of the Board; William A. Leidesdorf,  
24 Director; Joseph M. Long, Jr., Vice-President and Chief  
25 Information Officer; Lance J. Millage, Executive VP, CFO

1 and Treasurer; William C. Murtha, Senior Vice-  
2 President, General Counsel and Secretary; James L.  
3 Nelson, Independent Director; Daniel A. Ninivaggi,  
4 Director; Anthony P. Rodio, President and CEO; Daniel H.  
5 Scott, Director; and Jack G. Wasserman, Director.

6 The results of these investigations were  
7 provided to the Gaming Commission staff for their review  
8 and you have all related summary reports before you.

9 Thank you.

10 CHAIRMAN HATCHES: Thank you. Good job with  
11 all those names.

12 LIEUTENANT BIELAWSKI: A lot of practice.

13 EXECUTIVE DIRECTOR STOTTLEMYRE:

14 Mr. Chairman, staff recommends approval of Resolution  
15 No. 14-013.

16 CHAIRMAN HATCHES: Chair will entertain a  
17 motion.

18 COMMISSIONER JONES: Just a question.

19 Because of the transfer, I'm making the  
20 assumption that Jeff and the rest of the staff, they  
21 don't have to be relicensed on any of this even though  
22 they're transferring in name only.

23 EXECUTIVE DIRECTOR STOTTLEMYRE: They do not.

24 COMMISSIONER JONES: Okay.

25 CHAIRMAN HATCHES: Look at the big smile on

1 Jeff's face.

2 Any other questions?

3 Chair would entertain a motion.

4 COMMISSIONER HOWARD: Move for approval of  
5 Resolution No. 14-013.

6 COMMISSIONER JONES: Second.

7 CHAIRMAN HATCHES: Moved and seconded.

8 Any further discussion?

9 Angie, would you call the roll, please.

10 MS. FRANKS: Commissioner Howard.

11 COMMISSIONER HOWARD: Approve.

12 MS. FRANKS: Commissioner Jones.

13 COMMISSIONER JONES: Approve.

14 MS. FRANKS: Chairman Hatches.

15 CHAIRMAN HATCHES: Approve.

16 MS. FRANKS: By your vote you've adopted  
17 Resolution No. 14-013.

18 EXECUTIVE DIRECTOR STOTTLEMYRE: The next  
19 item is the motion for a closed meeting again.

20 Record pace.

21 CHAIRMAN HATCHES: Yes.

22 Chair would entertain a motion.

23 COMMISSIONER HOWARD: I move that we go into  
24 closed session under Sections 313.847, the Revised  
25 Statutes of Missouri, for investigatory, proprietary and

1 application records, and Section 610.021. Subsection 1,  
2 Revised Statutes of Missouri, for legal actions, and  
3 Subsection 3 and Subsection 13 for personnel matters,  
4 and Subsection 14, records that are protected from  
5 disclosure by law.

6 COMMISSIONER JONES: Second.

7 CHAIRMAN HATCHES: Moved and seconded.

8 Angie, would you call the roll, please.

9 MS. FRANKS: Commissioner Howard.

10 COMMISSIONER HOWARD: Approve.

11 MS. FRANKS: Commissioner Jones.

12 COMMISSIONER JONES: Approve.

13 MS. FRANKS: Chairman Hatches.

14 CHAIRMAN HATCHES: Approve.

15 We're done. That's it. Thank you so much  
16 for coming.

17 COMMISSIONER JONES: Congratulations.

18 CHAIRMAN HATCHES: Congratulations again.

19 WHEREIN, the meeting concluded.

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CERTIFICATE OF REPORTER

I, Patricia A. Stewart, RMR, RPR, CCR, a  
Certified Court Reporter in the State of Missouri, do  
hereby certify that the testimony that appears in the  
foregoing transcript was taken by me to the best of my  
ability and thereafter reduced to typewriting by me;  
that I am neither counsel for, related to, nor employed  
by any of the parties to the action in which this  
hearing was taken, and further that I am not a relative  
or employee of any attorney or counsel employed by the  
parties thereto, nor financially or otherwise interested  
in the outcome of the action.

---

Patricia A. Stewart

CCR No. 401

**MISSOURI GAMING COMMISSION**  
**Third Open Session Minutes**  
**March 26, 2014**

The Missouri Gaming Commission (the “Commission”) went into open session at approximately 11:35 a.m. on March 26, 2014, at the Commission’s Jefferson City office.

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

The meeting ended at 11:36 a.m.