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1 BEFORE THE MISSOURI GAMING COMMISSION  
STATE OF MISSOURI

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Meeting  
6 April 30, 2014  
9:00 a.m.  
7 Central Office  
3417 Knipp Drive  
8 Jefferson City, Missouri

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

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- II. Consideration of Minutes
  - A. March 26, 2014 6:15
- III. Consideration of Hearing Officer Recommendations
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  - F. Angela Griffith
    - 1. Resolution No. 14-019 21:3
  - G. Lakia Kelly
    - 1. Resolution No. 14-020 22:22
- VI. Consideration of Disciplinary Actions
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  - I. Pinnacle Entertainment, Inc.
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BEFORE THE MISSOURI GAMING COMMISSION

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STATE OF MISSOURI

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Meeting

5

April 30, 2014

6

9:00 a.m.

7

Central Office

8

3417 Knipp Drive

9

Jefferson City, Missouri

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12 COMMISSIONERS PRESENT:

13

Dr. Barrett Hatches, Chairman

14

Suzanne Bocell Bradley

15

Darryl T. Jones

16

Diane C. Howard

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19 REPORTED BY:

20

Patricia A. Stewart

21

RMR, RPR, CCR 401

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3432 West Truman Boulevard, Suite 207

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Jefferson City, Missouri 65109

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573-636-7551

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P R O C E E D I N G S

CHAIRMAN HATCHES: Good morning.  
COMMISSIONER JONES: Good morning.  
CHAIRMAN HATCHES: It's just us.  
I'd like to call the meeting to order.  
Angie, would you call the roll, please.  
MS. FRANKS: Commissioner Howard.  
COMMISSIONER HOWARD: Present.  
MS. FRANKS: Commissioner Jones.  
COMMISSIONER JONES: Present.  
MS. FRANKS: Commissioner Bradley.  
COMMISSIONER BRADLEY: Present.  
MS. FRANKS: Chairman Hatches.  
CHAIRMAN HATCHES: Here.  
The first order of business is Consideration  
of Minutes.  
COMMISSIONER BRADLEY: Motion to approve.  
COMMISSIONER JONES: Second.  
CHAIRMAN HATCHES: Moved and seconded.  
Any discussion?  
Angie, would you call the roll, please.  
MS. FRANKS: Commissioner Howard.  
COMMISSIONER HOWARD: Approve.  
MS. FRANKS: Commissioner Jones.  
COMMISSIONER JONES: Approve.

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1 MS. FRANKS: Commissioner Bradley.

2 COMMISSIONER BRADLEY: Approve.

3 MS. FRANKS: Chairman Hatches.

4 CHAIRMAN HATCHES: Approve.

5 MS. FRANKS: By your vote you've adopted the  
6 minutes of the March 26, 2014 meeting.

7 CHAIRMAN HATCHES: Thank you.

8 Mr. Stottlemyre.

9 EXECUTIVE DIRECTOR STOTTLEMYRE:

10 Mr. Chairman, before we get started with the agenda  
11 items, I would like to first thank you for your service  
12 in the fact that this is your last meeting.

13 CHAIRMAN HATCHES: What? Nobody told me.

14 EXECUTIVE DIRECTOR STOTTLEMYRE: And nobody  
15 believe that. He told me that.

16 But I do want to thank you for your  
17 leadership. You came on the Board back in 2010, on  
18 April 30th, and your last day is today, and you became  
19 our Chairman in June of 2012, and we do thank you for  
20 your service on the Board and for your time as the  
21 Chairman.

22 And I do have a gavel that I would like to  
23 present to you because I know you'd really like to put  
24 this to use today before you're finished.

25 CHAIRMAN HATCHES: Absolutely.

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1 EXECUTIVE DIRECTOR STOTTLEMYRE: And you have  
2 been a great Board member and a great Chairman and we  
3 really appreciate your time on the Board and your  
4 efforts and your service to the state of Missouri.

5 Thank you very much.

6 CHAIRMAN HATCHES: I certainly enjoyed it.  
7 Thank you.

8 (Applause.)

9 CHAIRMAN HATCHES: Thank you.

10 EXECUTIVE DIRECTOR STOTTLEMYRE: We might  
11 have speeches from other Commissioners. I'm not sure.

12 CHAIRMAN HATCHES: No pressure. Right?

13 EXECUTIVE DIRECTOR STOTTLEMYRE: We can open  
14 it up to that.

15 CHAIRMAN HATCHES: Now you have to think  
16 about something to say.

17 COMMISSIONER HOWARD: Do we have an  
18 opportunity to tell tales?

19 EXECUTIVE DIRECTOR STOTTLEMYRE: Well, that's  
20 up to you-all.

21 CHAIRMAN HATCHES: No.

22 COMMISSIONER JONES: I thought there was some  
23 budget cutting over here.

24 CHAIRMAN HATCHES: Well, I certainly have  
25 enjoyed serving and this is a wonderful -- I've served

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1 with some wonderful people and I'll remember always  
2 that.

3 I'm in the process of moving to Chicago and  
4 that's the reason I'm no longer serving on the  
5 Commission.

6 But I've enjoyed it. This has been  
7 interesting. I've learned a lot along the way and met  
8 some really dedicated people.

9 I certainly want to say a special thank you  
10 to the entire Commission staff. They have always worked  
11 really, really hard. Never ever come to this meeting,  
12 one, not having the information that I needed to have to  
13 be prepared and, two, I've never had a question of this  
14 group that they were not able to answer, and that's  
15 really, really been important as we serve in this  
16 capacity to have all the information that we need.

17 So a tremendous thanks to the staff, all of  
18 the way down, everybody involved. And, again, I  
19 certainly enjoyed working with this Commission, as well  
20 as maybe two or three different Commissions since I've  
21 been here the last four years. So thanks so much.

22 I'm probably going to miss you all I guess.  
23 I'll have to see next month when I'm not here. I'm sure  
24 I will.

25 Okay. Thank you.

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1 Mr. Stottlemire.

2 EXECUTIVE DIRECTOR STOTTLEMYRE: The next  
3 item on the agenda is Consideration of Hearing Officer  
4 Recommendations, and Mr. Bryan Wolford --

5 CHAIRMAN HATCHES: I have a bird story.

6 COMMISSIONER JONES: Pass on it.

7 EXECUTIVE DIRECTOR STOTTLEMYRE: Go ahead.

8 CHAIRMAN HATCHES: No. Everybody got it who  
9 needed to get it. I just had to say that.

10 Okay.

11 EXECUTIVE DIRECTOR STOTTLEMYRE: Mr. Bryan  
12 Wolford will present.

13 CHAIRMAN HATCHES: All right, Bryan.

14 EXECUTIVE DIRECTOR STOTTLEMYRE: It's going  
15 to be hard to follow.

16 MR. WOLFORD: That is a tough act to follow.

17 Thank you.

18 Mr. Chairman, Commissioners, for your  
19 consideration the matter of Sara Booth, Resolution  
20 No. 14-015.

21 An intoxicated patron was removed from the  
22 gaming floor of the Ameristar Casino at approximately  
23 1:41 in the morning by security personnel and by the  
24 Commission's agent, the boat gaming officer there.

25 The boat gaming officer noted several signs

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1 of intoxication in this patron, including slurred  
2 speech, glassy and bloodshot eyes and the odor of  
3 intoxicants.

4 At 2:05 a.m. that same patron was able to  
5 re-enter the casino through a security check point  
6 through another security officer who checked his license  
7 and allowed him in.

8 At 2:09 the intoxicated patron encountered  
9 the licensee, Ms. Booth, in the poker room. The  
10 licensee was not aware that the patron had been  
11 previously asked to leave for being intoxicated, nor  
12 could she have known. It was not communicated.

13 The licensee did note that at that time she  
14 observed glassy eyes on the intoxicated patron but she  
15 saw no other visible signs of intoxication according to  
16 her training that was provided through the casino.

17 However, based on recognizing that one sign,  
18 she did continue to monitor the patron, and upon  
19 observing additional signs of the patron's visible  
20 intoxication in the poker room, she notified a  
21 supervisor, who then notified the Commission agent, and  
22 the patron was subsequently arrested for trespassing.

23 A preliminary order of discipline was brought  
24 against Ms. Booth for allowing an intoxicated patron to  
25 place wagers, but the regulations do prohibit the

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1 licensee from allowing a visibly intoxicated patron from  
2 placing a wager on a Missouri gaming facility.

3           The licensee at hearing testified that she  
4 initially only saw the one possible sign of  
5 intoxication, which could have been attributed to other  
6 factors as well, and that she did continue to monitor,  
7 and once she became aware of the further signs of  
8 intoxication, she did promptly report it to her  
9 supervisor and to the Commission.

10           Therefore, the hearing result, the Petitioner  
11 did meet her burden of proof by clear and convincing  
12 evidence that no violation occurred, and the hearing  
13 officer recommends that the preliminary order of  
14 discipline be vacated.

15           CHAIRMAN HATCHES: Okay. Is Ms. Booth here?

16           MS. BOOTH: Here.

17           CHAIRMAN HATCHES: Do you have something to  
18 say?

19           MS. BOOTH: I'm sorry. I'm a little nervous.

20           I feel that I followed all of the signs that  
21 I was directed by my supervisors to do when this had  
22 happened, and if I did -- if I didn't do something  
23 appropriate, the reason why I appealed it is I would  
24 like you guys to tell me something else that I could  
25 have done a different way to be able to spot an

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1 intoxicated patron better, if that makes sense.

2 That's all.

3 CHAIRMAN HATCHES: Okay. Thank you.

4 Any questions from the Commissioners?

5 COMMISSIONER JONES: Well, Ms. Booth, I think  
6 you did a good job. You know, instead of jumping to the  
7 conclusion that the person was intoxicated, you did have  
8 the foresight to think about other things that could  
9 have the patron react in different ways that may appear  
10 to be intoxicated, you know, medicine, physical  
11 impairment, things of that nature, where it would also  
12 give out the same signs or identical signs of someone  
13 being intoxicated. So I congratulate you on that.

14 MS. BOOTH: Thank you.

15 CHAIRMAN HATCHES: Any other questions?

16 Thank you, Ms. Booth.

17 Any further discussion?

18 Chair would entertain a motion.

19 COMMISSIONER HOWARD: I'll move for the  
20 approval of Resolution No. 14-015.

21 COMMISSIONER BRADLEY: Second.

22 CHAIRMAN HATCHES: Moved and seconded.

23 Any further discussion?

24 Angie, would you call the roll, please.

25 MS. FRANKS: Commissioner Howard.

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1 COMMISSIONER HOWARD: Approve.

2 MS. FRANKS: Commissioner Jones.

3 COMMISSIONER JONES: Approve.

4 MS. FRANKS: Commissioner Bradley.

5 COMMISSIONER BRADLEY: Approve.

6 MS. FRANKS: Chairman Hatches.

7 CHAIRMAN HATCHES: Approve.

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

9 Resolution No. 14-015.

10 COMMISSIONER BRADLEY: She needs to know what  
11 that means.

12 CHAIRMAN HATCHES: I thought she knew and  
13 that's why she came.

14 COMMISSIONER BRADLEY: I want to make sure  
15 Ms. Booth understands that what just happened was that  
16 the one-day suspension that initially was suggested was,  
17 in fact, vacated. So now you are not. You, in fact,  
18 were found that you did the right thing.

19 MS. BOOTH: Thank you very much.

20 COMMISSIONER BRADLEY: I could tell by the  
21 look on her face.

22 COMMISSIONER JONES: By the puzzled look on  
23 her face, right. You're okay.

24 COMMISSIONER BRADLEY: You are not getting a  
25 one-day suspension based on the findings of this hearing

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1 officer and we accepted that.

2 MS. BOOTH: Thank you very much.

3 CHAIRMAN HATCHES: Thank you.

4 MR. WOLFORD: Mr. Chairman, for your  
5 consideration the matter of Diane McClendon, Resolution  
6 No. 14-016.

7 Now, although properly notified of the time  
8 and date of the hearing, the licensee, Ms. McClendon,  
9 did not show.

10 This matter involved a 20-year-old underage  
11 patron entering the gaming floor by way of a false  
12 identification.

13 The security guard checked the license, ran  
14 it through Veridocs and then allowed this 20-year-old  
15 admittance onto the gaming floor.

16 Now, once she was on the gaming floor she  
17 played on some electronic gaming devices and she also  
18 sat down at a roulette table and placed wagers, and then  
19 about 30 minutes later went to cash in her winnings.

20 In this whole process she passed three other  
21 gaming licensees who did not check her identification or  
22 verify her age and then she finally passed Ms. McClendon  
23 as she was exiting the gaming floor and Ms. McClendon  
24 also did not check her ID and verify her age.

25 The regulations do state that only persons

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1 21 age or older are allowed to place wages at Missouri  
2 gaming facilities, and Ms. McClendon did fail to check  
3 the ID of this underage patron and failed to verify her  
4 age; therefore, the hearing officer recommends that the  
5 one-calendar-day suspension proposed in the preliminary  
6 order be upheld.

7 CHAIRMAN HATCHES: Thank you.

8 Is Ms. McClendon here?

9 Any questions from the Commissioners?

10 Chair would entertain a motion.

11 COMMISSIONER BRADLEY: Motion to approve  
12 Resolution No. 14-016.

13 COMMISSIONER JONES: Second

14 CHAIRMAN HATCHES: Moved and seconded.

15 Any further discussion?

16 Angie, would you call the roll, please.

17 MS. FRANKS: Commissioner Howard.

18 COMMISSIONER HOWARD: Approve.

19 MS. FRANKS: Commissioner Jones.

20 COMMISSIONER JONES: Approve.

21 MS. FRANK: Commissioner Bradley.

22 COMMISSIONER BRADLEY: Approve.

23 MS. FRANKS: Chairman Hatches.

24 CHAIRMAN HATCHES: Approve.

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

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1 Resolution No. 14-016.

2 CHAIRMAN HATCHES: Thank you.

3 MR. WOLFORD: Mr. Chairman, for your  
4 consideration the matter of Krista Rose, Resolution  
5 No. 14-017.

6 This matter involves a disassociated person  
7 claiming a jackpot at a casino. Maureen E. was placed  
8 on the State's voluntary exclusion list in 2003 and from  
9 that point on was considered a disassociated person,  
10 otherwise known as a DAP.

11 On November 14, 2012 she won a 1,600 jackpot  
12 while playing an electronic game on the casino floor and  
13 went to claim the jackpot. However, she didn't have  
14 proper identification on her at that time and, in fact,  
15 she gave the name of her daughter, Melissa Schaffer as  
16 her name, and listed her original date of birth as her  
17 date of birth.

18 The jackpot was placed into safekeeping by  
19 the licensee, Ms. Rose. At the time that Ms. Rose  
20 placed that jackpot into safekeeping she did not obtain  
21 a surveillance photo of Maureen E., nor did she contact  
22 the Commission boat agent.

23 The Minimum Internal Control Standards states  
24 that if a person does win a jackpot, they are allowed to  
25 put that into safekeeping if they don't have proper

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1 identification, but the procedure is, the person  
2 receiving that safekeeping must get a clear surveillance  
3 photo of the person and must also notify the Commission  
4 boat agent, and Ms. Rose did not do that in this case.

5           And what resulted was is that the real  
6 Melissa Schaffer came back a short time later and  
7 actually claimed the safekeeping while Ms. Rose was on  
8 break, and because there was no photo then, she was  
9 allowed to take that jackpot until Ms. Rose returned  
10 from break and figured out the mistake was made.

11           Therefore, the hearing officer does recommend  
12 that the two-calendar-day suspension as proposed in the  
13 preliminary order of discipline be upheld.

14           CHAIRMAN HATCHES: Thank you.

15           Is Ms. Rose here?

16           Questions from the Commissioners?

17           Chair would entertain a motion.

18           COMMISSIONER JONES: Move for the acceptance  
19 of Resolution No. 14-017.

20           COMMISSIONER HOWARD: Second.

21           CHAIRMAN HATCHES: Any further discussion?

22           Angie, would you call the roll, please.

23           MS. FRANKS: Commissioner Howard.

24           COMMISSIONER HOWARD: Approve.

25           MS. FRANKS: Commissioner Jones.

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1 COMMISSIONER JONES: Approve.

2 MS. FRANKS: Commissioner Bradley.

3 COMMISSIONER BRADLEY: Approve.

4 MS. FRANKS: Chairman Hatches.

5 CHAIRMAN HATCHES: Approve.

6 MS. FRANKS: By your vote you've adopted  
7 Resolution No. 14-017.

8 MR. WOLFORD: Mr. Chairman, for your  
9 consideration the matter of Kimberly Alexander. It's  
10 Resolution No. 14-018. And although duly notified of  
11 the time and place for the hearing, Ms. Alexander did  
12 not show.

13 On December 9th, 2012 at about 6:00 a.m. the  
14 licensee accessed a bill validator door on an electronic  
15 gaming device doing the daily drop out of there. She  
16 attempted to close it and had difficulty with it.

17 In fact, the surveillance video showed that  
18 she hit it several times in an attempt to get it secure,  
19 and after thinking that she had it secured she continued  
20 to the next gaming device to continue the bill drop.

21 At 12:28 in the afternoon that day the slot  
22 technician came by to change the paper, and he noticed  
23 that the bill validator door on that machine was not  
24 secured. In fact, it was unlocked.

25 The Minimum Internal Control Standards do

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1 state that all electronic gaming device bill validator  
2 accesses shall be alarmed and locked when not open for  
3 an authorized purpose.

4 And in this case the licensee did not  
5 properly secure that door; therefore, the hearing  
6 officer recommends that the one-calendar-day suspension  
7 proposed in the preliminary order be upheld.

8 CHAIRMAN HATCHES: Thank you.

9 Is Ms. Alexander here?

10 Any questions from the Commissioners?

11 Chair would entertain a motion.

12 COMMISSIONER BRADLEY: Move to accept  
13 Resolution No. 14-018.

14 COMMISSIONER JONES: Second.

15 CHAIRMAN HATCHES: Any further discussion?

16 Angie, would you call the roll, please.

17 MS. FRANKS: Commissioner Howard.

18 COMMISSIONER HOWARD: Approve.

19 MS. FRANKS: Commissioner Jones.

20 COMMISSIONER JONES: Approve.

21 MS. FRANKS: Commissioner Bradley.

22 COMMISSIONER BRADLEY: Approve.

23 MS. FRANKS: Chairman Hatches.

24 CHAIRMAN HATCHES: Approve.

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

1 Resolution No. 14-018.

2 CHAIRMAN HATCHES: Thank you.

3 MR. WOLFORD: Mr. Chairman, for your  
4 consideration the matter of Angela Griffith, Resolution  
5 No. 14-019. Ms. Griffith was also duly notified of the  
6 time and place of the hearing and did not show up.

7 She was working in the cage at the casino and  
8 received a \$100 check from a patron who wanted to  
9 exchange the check for currency, and the licensee gave  
10 the patron five \$20 bills. One of the \$20 bills was a  
11 counterfeit.

12 It was lacking the inscribed security thread,  
13 it was lacking the proper water mark and it was lacking  
14 the color shifting ink on there.

15 Whenever the patron got the money, went on  
16 the gaming floor, presented it into a device, the device  
17 spit it back out, and that's when she contacted a floor  
18 supervisor and determined that it was counterfeit.

19 The licensee, Ms. Griffith, failed to ensure  
20 that the bills that she was handing the patron was legal  
21 United States tender.

22 The regulations do state that licensees must  
23 take reasonable actions to safeguard funds from loss at  
24 the casinos, and that did not happen in this case, and  
25 the hearing officer does recommend that the

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1 one-calendar-day suspension proposed in the preliminary  
2 order of discipline be upheld.

3 CHAIRMAN HATCHES: Is Ms. Griffith here?

4 Any questions from the Commissioners?

5 Chair will entertain a motion.

6 COMMISSIONER JONES: Move for the acceptance  
7 of Resolution No. 14-019.

8 COMMISSIONER BRADLEY: Second.

9 CHAIRMAN HATCHES: Move and seconded.

10 Any discussion?

11 Angie, would you call the roll, please.

12 MS. FRANKS: Commissioner Howard.

13 COMMISSIONER HOWARD: Approve.

14 MS. FRANKS: Commissioner Jones.

15 COMMISSIONER JONES: Approve.

16 MS. FRANKS: Commissioner Bradley.

17 COMMISSIONER BRADLEY: Approve.

18 MS. FRANKS: Chairman Hatches.

19 CHAIRMAN HATCHES: Approve.

20 MS. FRANKS: By your vote you've adopted  
21 Resolution No. 14-019.

22 MR. WOLFORD: And finally, Mr. Chairman, for  
23 your consideration the matter of Lokia Kelly, Resolution  
24 No. 14-020.

25 Ms. Kelly worked as the cashier in the main

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1 bank of the casino. A patron handed her a \$100 check  
2 and asked for currency in exchange. Instead of giving  
3 her \$100 Ms. Kelly gave her a thousand dollars in  
4 currency in fact, representing a \$900 overpayment.

5 And she did admit at the hearing that she did  
6 not confirm the amount of the check, thought it was a  
7 thousand when it was really 100.

8 The regulations, as in the previous matter,  
9 state that the licensees must take all reasonable  
10 efforts to safeguard the casino's funds. And also,  
11 there are Minimum Internal Control Standards regarding  
12 checks being received by the cashiers at the main bank.

13 They have to hand the check to the patron,  
14 verify the amount on there before they pay out the  
15 currency, and Ms. Kelly did admit that it did not occur  
16 in this case; therefore, the hearing officer recommends  
17 that the one-calendar-day suspension proposed in the  
18 preliminary order be upheld.

19 CHAIRMAN HATCHES: Thank you.

20 Is Ms. Kelly here?

21 Any questions from the Commissioners?

22 Chair would entertain a motion.

23 COMMISSIONER HOWARD: Move for approval of  
24 Resolution No. 14-020.

25 COMMISSIONER BRADLEY: Second.

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1 CHAIRMAN HATCHES: Moved and seconded.  
2 Any further discussion?  
3 Angie, would you 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: Commissioner Bradley.  
9 COMMISSIONER BRADLEY: Approve.  
10 MS. FRANKS: Chairman Hatches.  
11 CHAIRMAN HATCHES: Approve.  
12 MS. FRANKS: By your vote you've adopted  
13 Resolution No. 14-020.  
14 CHAIRMAN HATCHES: Thank you.  
15 MR. WOLFORD: Thank you, Mr. Chairman. Thank  
16 you, Commissioners.  
17 CHAIRMAN HATCHES: Thank you.  
18 EXECUTIVE DIRECTOR STOTTLEMYRE:  
19 Mr. Chairman, the next item on the agenda is the  
20 Consideration of Disciplinary Actions.  
21 Mr. Ed Grewach will present.  
22 CHAIRMAN HATCHES: Okay.  
23 MR. GREWACH: Good morning.  
24 CHAIRMAN/COMMISSIONERS: Good morning.  
25 MR. GREWACH: Item H is a preliminary order

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1 of discipline directed to Lightning Slot Machines, LLC.  
2 On June 13, 2013 the company shipped EGDs to  
3 Hollywood St. Louis Casino with nonapproved bill  
4 validator and printer software.

5 They did have a prior violation of the same  
6 type of offense in May of 2011 for which they received a  
7 letter, and the recommended fine in this case is \$5,000.

8 CHAIRMAN HATCHES: Thank you.

9 Any questions from the Commissioners?

10 Chair would entertain a motion.

11 COMMISSIONER BRADLEY: Motion to approve

12 DC-14-141.

13 COMMISSIONER JONES: Second.

14 CHAIRMAN HATCHES: Moved and seconded.

15 Any further discussion?

16 Angie, call the roll, please.

17 MS. FRANKS: Commissioner Howard.

18 COMMISSIONER HOWARD: Approve.

19 MS. FRANKS: Commissioner Jones.

20 COMMISSIONER JONES: Approve.

21 MS. FRANKS: Commissioner Bradley.

22 COMMISSIONER BRADLEY: Approve.

23 MS. FRANKS: Chairman Hatches.

24 CHAIRMAN HATCHES: Approve.

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

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1 DC-14-141.

2 CHAIRMAN HATCHES: Thank you.

3 MR. GREWACH: Item I is a preliminary order  
4 of discipline directed to Pinnacle Entertainment,  
5 Incorporated.

6 In June of 2013 Pinnacle was operating both  
7 Lumiere and River City Casinos. They had a promotion  
8 that was available at both casinos simultaneously, a  
9 person's mycash promotion, where you could play at  
10 either property.

11 A problem developed with the interface  
12 between the two properties and players that were using a  
13 Lumiere card at the River City facility and playing for  
14 less than one hour were not receiving the correct amount  
15 of points, ratings or drawings in the sweepstakes.

16 This occurred between June 4th and June 6th  
17 of 2013.

18 The DRB recommended a \$25,000 fine. Pinnacle  
19 responded to the 14-day letter indicating that they  
20 believed they had limited involvement in the -- in the  
21 promotional activity.

22 They further asserted that River City had  
23 accepted responsibility and resolved the patrons'  
24 complaint by giving out additional drawings and even  
25 having a giveaway of a car to compensate those who did

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1 not receive the proper amount of points, and the last  
2 point they had was they believed the \$25,000 fine was  
3 too high.

4 DRB's review of that was that the -- was to  
5 keep the fine at \$25,000, and the rationale was that  
6 Pinnacle really was responsible to ensure the interface  
7 between the two properties was in place and was  
8 operating properly. That wouldn't be within the ability  
9 of either of the two properties to ensure.

10 And there had been prior promotional issues  
11 and problems with Pinnacle properties and their  
12 promotions, and we feel -- and we felt those priors  
13 supported that amount of the \$25,000 fine.

14 CHAIRMAN HATCHES: Thank you.

15 Questions from the Commissioners?

16 COMMISSIONER BRADLEY: How many players did  
17 this involve, how many customers?

18 MR. GREWACH: Blaine Preston does not know  
19 that information, and I don't believe that was actually  
20 in the investigation itself.

21 We did know that it was all of the players  
22 who -- just that group of players that had a Pinnacle  
23 card playing at River City for less than one hour, and  
24 the anomaly in the computer interface between the two  
25 properties caused those players not to get the proper

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1 amount of points, sweepstakes entries and promotional  
2 items.

3 CHAIRMAN HATCHES: Other questions?

4 Are you okay?

5 COMMISSIONER BRADLEY: It's fine.

6 I understand what Ed is saying, that it's the  
7 company that had the control over how the game is being  
8 played, that the card didn't work between both  
9 properties. Right?

10 MR. GREWACH: Correct. The interface was  
11 really something that was both produced by and the  
12 responsibility of the Class A, the corporate entity.

13 COMMISSIONER BRADLEY: Okay.

14 CHAIRMAN HATCHES: Other questions?

15 Chair would entertain a motion.

16 COMMISSIONER JONES: Move for the acceptance  
17 of DC-14-142.

18 COMMISSIONER HOWARD: Second.

19 CHAIRMAN HATCHES: Any further discussion?

20 Angie, would you call the roll, please.

21 MS. FRANKS: Commissioner Howard.

22 COMMISSIONER HOWARD: Approve.

23 MS. FRANKS: Commissioner Jones.

24 COMMISSIONER JONES: Approve.

25 MS. FRANKS: Commissioner Bradley.

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1 COMMISSIONER BRADLEY: Approve.

2 MS. FRANKS: Chairman Hatches.

3 CHAIRMAN HATCHES: Approve.

4 MS. FRANKS: By your vote you've adopted  
5 DC-14-142.

6 MR. GREWACH: Item J is a preliminary order  
7 of discipline directed to Casino One Corporation. This  
8 is for an event that occurred on June 9, 2013 at a point  
9 in time when Pinnacle Corporation still owned Casino  
10 One, prior to its sale to Tropicana.

11 There was a drop box that was not removed  
12 during a scheduled morning drop. This became a casino  
13 fine because the particular employee whose name was  
14 Estes had two prior compliance directives and twelve  
15 prior notices of investigation for problems including  
16 several -- very similar problems as occurred here.

17 Those 14 violations occurred in a time period  
18 from August 2009 until this most recent offense.

19 The DRB looked at it as a lack of proper  
20 training and supervision of this particular employee and  
21 recommended a \$5,000 fine.

22 Casino One responded to the 14-day letter by  
23 saying that they did, in fact, terminate the employee in  
24 June of 2010. The union that represented the employee  
25 then filed a complaint to contest his termination. In

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1 the course of the litigation of that complaint an  
2 agreement was reached in which Casino One Corporation  
3 reinstated the employee on August 13th, 2010 and agreed  
4 to remove all prior discipline records from his file.

5 The further response in the 14-day letter was  
6 they followed their progressive discipline policy from  
7 that point forward.

8 However, when the DRB looked at that  
9 response, it found that 9 of these 14 incidents occurred  
10 after that August 13, 2010 reinstatement, and did review  
11 their progressive discipline policy and it was our  
12 feeling that they did have enough leeway, enough  
13 discretion within that framework of their policy to have  
14 terminated him given the nine events that happened from  
15 the initial reinstatement in August 2010.

16 However, given the circumstances the DRB did  
17 agree to lower the recommended fine to \$2,500.

18 CHAIRMAN HATCHES: Any questions from the  
19 Commissioners?

20 Chair would entertain a motion.

21 COMMISSIONER HOWARD: Move for approval of  
22 DC-14-143.

23 COMMISSIONER JONES: Second.

24 CHAIRMAN HATCHES: Moved and seconded.

25 Any further discussion?

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1 Angie, would you call the roll, please.

2 MS. FRANKS: Commissioner Howard.

3 COMMISSIONER HOWARD: Approve.

4 MS. FRANKS: Commissioner Jones.

5 COMMISSIONER JONES: Approve.

6 MS. FRANKS: Commissioner Bradley.

7 COMMISSIONER BRADLEY: Approve.

8 MS. FRANKS: Chairman Hatches.

9 CHAIRMAN HATCHES: Approve.

10 MS. FRANKS: By your vote you've adopted  
11 DC-14-143.

12 MR. GREWACH: Item K is a preliminary order  
13 of discipline directed to WMS Gaming, Incorporated.

14 On August 2nd, 2013 the company shipped  
15 revoked software to the Isle of Capri Boonville Casino.  
16 The software had been revoked on July 26, 2013.

17 This is their second offense. Their prior in  
18 May of 2013 resulted in a \$2,500 fine. In light of that  
19 the DRB recommended a \$5,000 fine.

20 The company did respond to the 14-day letter,  
21 indicating that it was an error in their system, that  
22 they were taking remedial steps to prevent that from  
23 happening again, but also indicated in their letter that  
24 they would not contest this fine, and in light of that  
25 the DRB continues with its recommendation of a \$5,000

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1 fine.

2 CHAIRMAN HATCHES: Any questions from the  
3 Commissioners?

4 Chair would entertain a motion.

5 COMMISSIONER BRADLEY: Motion to approve  
6 DC-14-144.

7 COMMISSIONER JONES: Second.

8 CHAIRMAN HATCHES: Moved and seconded.

9 Any further 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: Commissioner Bradley.

16 COMMISSIONER BRADLEY: Approve.

17 MS. FRANKS: Chairman Hatches.

18 CHAIRMAN HATCHES: Approve.

19 MS. FRANKS: By your voted you've adopted  
20 DC-14-144.

21 CHAIRMAN HATCHES: Thank you.

22 MR. GREWACH: Item L is a preliminary order  
23 of discipline directed to Isle of Capri-Cape Girardeau.

24 On August the 1st, 2013 an employee of their  
25 ice vending machine company named Foster entered the

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1 property at ten o'clock in the morning. He was given a  
2 vendor's badge and initially had an escort.

3 At 2:30 in the afternoon Foster played an EGD  
4 and won \$450. He showed the ticket to an Isle of Capri  
5 employee, after which Foster left the turnstiles, gave  
6 back his vendor badge, came back in through the  
7 turnstiles, went to the window and cashed out his \$450  
8 ticket.

9 DRB recommended a fine of \$2,500. The  
10 company did respond to the 14-day letter. In it they  
11 said that he was escorted up until lunch and then during  
12 the lunch hour his escort and he were separated.

13 And the DRB's response was it's the company's  
14 responsibility to make sure a vendor under those  
15 circumstances is escorted while they're on the property,  
16 and DRB's vote was to continue with the recommended fine  
17 of \$2,500.

18 CHAIRMAN HATCHES: Any questions from the  
19 Commissioners?

20 COMMISSIONER JONES: Yes, Mr. Chairman.

21 This is a public record. Can we correct the  
22 time on this in Item No. 9?

23 It says the entrance was at 3:19 a.m.  
24 Shouldn't that be p.m.? Because he entered the boat at  
25 ten o'clock.

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1 MR. GREWACH: Correct. That should be p.m.

2 CHAIRMAN HATCHES: Just when you think you  
3 can get something past us.

4 MR. GREWACH: Well, you were here late last  
5 night. I thought maybe you would.

6 CHAIRMAN HATCHES: You're out of order.

7 Thanks, Commissioner Jones.

8 Any other questions?

9 COMMISSIONER HOWARD: Well, if we're getting  
10 picky on the record here in the resolution, your  
11 paragraph is eight, nine and then it begins with your  
12 findings and then your conclusions with paragraphing on  
13 seven, eight. So while we're retyping.

14 MR. GREWACH: I see that. We'll get that  
15 corrected.

16 COMMISSIONER HOWARD: Your correcting in your  
17 paragraph.

18 MR. GREWACH: Yes.

19 CHAIRMAN HATCHES: Did you find something?

20 COMMISSIONER BRADLEY: I'm looking. I'm  
21 looking.

22 MR. GREWACH: Don't feel obligated to.

23 COMMISSIONER HOWARD: I wasn't going to  
24 suggest retyping just for reparagraphing. Since you're  
25 retyping ---

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1                   CHAIRMAN HATCHES: You might just want to  
2 relook at this.

3                   MR. GREWACH: 13 is an unlucky number, so I  
4 didn't want to use it.

5                   COMMISSIONER HOWARD: You have to keep us up  
6 really late to get beyond this group.

7                   CHAIRMAN HATCHES: Any other questions?  
8 Chair would entertain a motion.

9                   COMMISSIONER BRADLEY: Motion to approve  
10 DC-14-145 as amended with the clerical amendments.

11                   COMMISSIONER JONES: There we go. Second.

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

14                   MS. FRANKS: Commissioner Howard.

15                   COMMISSIONER HOWARD: Approve.

16                   MS. FRANKS: Commissioner Jones.

17                   COMMISSIONER JONES: Approve.

18                   MS. FRANKS: Commissioner Bradley.

19                   COMMISSIONER BRADLEY: Approve.

20                   MS. FRANKS: Chairman Hatches.

21                   CHAIRMAN HATCHES: Approve.

22                   MS. FRANKS: By your vote you've adopted  
23 DC-14-145 as amended.

24                   MR. GREWACH: Item No. M is a preliminary  
25 order of discipline directed to Affinity Gaming, LLC.

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1 They're a Class A Licensee who owns St. Jo Frontier and  
2 the Mark Twain Casinos.

3 It was discovered in July of 2013 that their  
4 website allowed patrons to view and print balances  
5 online of their points from their promotional program.

6 The website was not encrypted as required  
7 under the Minimum Internal Control Standards found in  
8 Chapter S, and the recommended fine is \$2,500.

9 CHAIRMAN HATCHES: Any questions from the  
10 Commissioners?

11 Chair would entertain a motion.

12 COMMISSIONER HOWARD: Move to approve  
13 DC-14-146.

14 COMMISSIONER JONES: Second.

15 CHAIRMAN HATCHES: Moved and seconded.

16 Any further discussion?

17 Angie, would you call the roll.

18 MS. FRANKS: Commissioner Howard.

19 COMMISSIONER HOWARD: Approve.

20 MS. FRANKS: Commissioner Jones.

21 COMMISSIONER JONES: Approve.

22 MS. FRANKS: Commissioner Bradley.

23 COMMISSIONER BRADLEY: Approve.

24 MS. FRANKS: Chairman Hatches.

25 CHAIRMAN HATCHES: Approve.

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1 MS. FRANKS: By your vote you've adopted  
2 DC-14-146.

3 CHAIRMAN HATCHES: Thank you.

4 EXECUTIVE DIRECTOR STOTTLEMYRE:  
5 Mr. Chairman, the next item on the agenda is the  
6 Consideration of Rules and Regulations, and Mr. Grewach  
7 will present.

8 MR. GREWACH: There are 18 items under  
9 Item N, and these are final orders of rulemaking, and as  
10 we customarily do, we've been in discussions with  
11 industry throughout the rule writing process. There was  
12 also a formal comment period and a public hearing held  
13 on these on March the 12th, 2014.

14 Several of the items on here relate to  
15 specific projects, and I'll take those up together.

16 And first I'm going take up Items 1 through 8  
17 under N.

18 We had in the existing regulations a term  
19 keyperson business entity and, of course, we have key  
20 business entities and we have key persons, and a matter  
21 of fact, a key business entity can have key persons, but  
22 we had in the existing rules one term that was meant to  
23 encompass both sets of circumstances, which  
24 understandably led to a lot of confusion.

25 So what we've done here in those Items 1

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1 through 8 is we've gone through, and everywhere that  
2 term showed up in the regulations, we gave them two  
3 separate terms. There are key persons and there are key  
4 business entities, just to clarify those two types of  
5 license.

6 And whenever we make a change like that you  
7 have to search through and find, and that's why you have  
8 those eight items, just finding every regulation where  
9 that term existed before.

10 CHAIRMAN HATCHES: So are we voting on these  
11 eight?

12 MR. GREWACH: Well, do you want me to go  
13 through all of them first and then --

14 CHAIRMAN HATCHES: And vote on all of them at  
15 once?

16 MR. GREWACH: Whatever the Chair's pleasure  
17 was.

18 CHAIRMAN HATCHES: Whatever Angie tells us.

19 MS. FRANKS: You can do them all at the same  
20 time.

21 MR. GREWACH: So with your permission I'll  
22 just proceed through.

23 Item 9 deals with Level I licensees. It does  
24 a couple things.

25 We already had a definition of persons --

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1 certain positions at each boat that would require a  
2 Level I license, but we went on, in addition to that,  
3 and said each boat has to have as Class B employees the  
4 certain positions staffed by Class B employees that are  
5 Level Is.

6                 So we listed a minimum of what you need, and  
7 then in addition, if you have anybody on this list of  
8 positions, they need a Level I license but you also have  
9 that minimum too that you have to staff each boat with.

10                So that's basically what Item 9 covered.

11                Items 10 through 14 are in connection with  
12 some changes we made to the rules pertaining to  
13 occupational licensees.

14                Now, our existing rule, 4.260, stated that  
15 you had to be an employee of a Class A, Class B or  
16 supplier to have an occupational license, and in spite  
17 of that this category grew here internally of self pay.

18                People that weren't working at any particular  
19 boat or license came up for renewal and they were being  
20 renewed under that self-pay category which was not  
21 provided for under the rules.

22                There also developed here the categories of  
23 dual and regional badges which are not also covered  
24 under the rule.

25                And the third problem that we wanted to

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1 address as we were looking at this is that we have a  
2 large number of people who asked for hearings on their  
3 Level II occupational licenses who don't show up at the  
4 hearings.

5           For example, I mean, on today's agenda you  
6 had three of the six who didn't appear. It's very  
7 common, because what would happen is you might get a  
8 one- or two-day suspension for something that happened.  
9 We send you that suspension. You ask for a hearing and  
10 then the company terminates you.

11           Well, you no longer have any interest in  
12 contesting it. You're no longer working there. And  
13 even from our standpoint how do you suspend somebody for  
14 a day who is not working? I mean, it creates just a lot  
15 of practical problems.

16           So we went in to address those three  
17 problems.

18           We originally had looked at a system, which  
19 we borrowed from some other states, where if you lose  
20 your employment with a casino and you don't find a new  
21 job within a time period, and we picked 60 days, that  
22 your license terminated at the end of that 60 days,  
23 because, again, you're not qualified under 4.260 because  
24 you're not an employee of an A, B or supplier. You're  
25 no longer a person eligible for licensure.

0041

1                   We had comment from the industry who had  
2 concerns with that change, and in reviewing those and in  
3 talking through those with them we decided to abandon  
4 that approach, and instead what we've done is we've used  
5 the category we're already using here internally, which  
6 is the casino restricted access.

7                   So any occupational licensee who is  
8 terminated from their employment in our internal system  
9 is then placed on this casino restricted access.

10                   So they still had their license, you know,  
11 but they're in that category.

12                   Then what would happen in that case is if  
13 they got to their renewal date and they're on casino  
14 restricted access, they could not renew because they're,  
15 again, not an employee of the A, B or the licensee.

16                   If they find another job, there is a process,  
17 you know, we -- we go through. It's not the full  
18 initial licensing but it's the same process we go  
19 through if you move employment from one boat to another  
20 boat. There's -- there is a review, an investigation  
21 and application process that goes in there.

22                   If they're on this casino restricted access  
23 status and they find a new job, they don't have to pay a  
24 new application fee. They don't have to go through the  
25 full process as before.

0042

1                   And that was addressing some of the comments  
2 and concerns that the industry had about the 60-day --  
3 the original 60-day concept.

4                   It also addressed their poker tournaments  
5 that the properties had, many of the properties have,  
6 and they bring in dealers from not only other facilities  
7 in the state but from other states that come in to work  
8 these large poker tournaments.

9                   And those people have to be licensed, but  
10 obviously they're only employees of the casino for the  
11 week or two when the poker tournament is going on.

12                   So this accommodates them too, so they could  
13 come in, get their occupational license, work those two  
14 or three weeks. The casino would terminate their  
15 employment at the end of the tournament. They'd be on  
16 casino restricted access, but if they came back next  
17 year to play the tournament, they wouldn't have to go  
18 through the whole application process over again.

19                   And there really is some benefit to us and  
20 them by that on both ends, because it's something we  
21 know happens on an annual basis.

22                   The last change dealt with the -- well, the  
23 second-to-last change -- dealt with the disciplines to  
24 address that issue.

25                   CHAIRMAN HATCHES: I'm sorry.

0043

1                   When you say last change, what number are you  
2 on?

3                   MR. GREWACH: Well, now we're on -- we'd be  
4 on No. 14, 13.030, requests for hearings.

5                   CHAIRMAN HATCHES: Thank you.

6                   MR. GREWACH: So what we did here is we said  
7 if you have a discipline imposed against you, a  
8 suspension, one, two-day suspension, five days, whatever  
9 it is, and before you go to a hearing on it you lose  
10 your job and you're placed on this casino restricted  
11 access, then at that point in time that preliminary  
12 order of discipline is dismissed, your request for a  
13 hearing is denied, and we just wiped the whole thing  
14 out, because, again, trying to get around the fact  
15 that -- you see the half today they didn't show up, and  
16 that's probably -- I don't have the statistics -- but  
17 pretty close to what happens.

18                   You know, having hearings and you have a  
19 hearing where the applicant is really no longer  
20 interested in doing it and we have a court reporter and  
21 we pay the hearing officer and we take up an item on the  
22 Commission's agenda and the hearing officer comes here  
23 to present three cases to you today where the person  
24 didn't even show up.

25                   And we often even have trouble finding them

0044

1 because they lose their job at the casino and they move  
2 and the casino doesn't have a record of their address  
3 and we don't have a record of their address and, you  
4 know, it's quite a chore sometimes even to find these  
5 people to give them notice of the hearing when that  
6 rolls around.

7           So that change is designed to cut out those  
8 circumstances where people lose their employment after a  
9 suspension has been entered and before the hearing.

10           And getting back to what I said earlier, I  
11 mean the practical problem we wrestle with all of the  
12 time is they get terminated from this job and they have  
13 a one-day suspension and six months goes by and they get  
14 another job. What do we do with that one-day  
15 suspension? Do we consider they served it in the time  
16 they were off? I mean, do we tell them the first day of  
17 work you don't get paid?

18           I mean, you know, it just creates a lot of  
19 practical problems that we have to deal with there and  
20 that solves those.

21           Now, you'll see we did carve out from that  
22 change revocations, because it's our position that if  
23 there's an event serious enough for the DRB to recommend  
24 revocation, both from our standpoint and the licensee's,  
25 we should go ahead and litigate that issue then when the

0045

1 witnesses are fresh and the evidence is there instead of  
2 waiting for some future date to raise that.

3           And for the occupational licensee, if he  
4 wants to contest, he, again, has the opportunity to do  
5 so while it's fresh.

6           Because if it's that serious, and even if  
7 they get terminated from their employment, we may still  
8 want to revoke their license, so in case they try to  
9 come back at some future date we can say, no. Your  
10 license was revoked back here in 2014. And they come  
11 back to reapply in 2017, and we can say, no, we're not  
12 going to allow you to get that license.

13           And I apologize, Mr. Chairman. My notes  
14 didn't follow the order on here. But the last item goes  
15 back up to Item No. 13, which is the identification  
16 badge requirements.

17           What we say here is -- a casino access badge  
18 is a badge you have that allows you to get into the  
19 casino as an employee.

20           Every badge gives you certain levels of  
21 security, authorization to go back into secured areas,  
22 let's say the count room or surveillance or wherever it  
23 is your job would require you to go.

24           So what we're saying here is that you can  
25 only give a casino access badge to an employee of that

0046

1 Class B, of that casino, to get access to these areas.

2           At the industry's request we did also make an  
3 exception to say if there is any corporate employees  
4 whose jobs requires frequent access to all of their  
5 casinos or more than one of their casinos, then in that  
6 event you can also give a casino access badge to that  
7 corporate employee.

8           On to Item 15. We're eliminating this  
9 category of affiliate supplier's license. It's one we  
10 don't use. We don't have any. I mean, everybody we  
11 deal with is just a supplier. So we're just eliminating  
12 that designation as being unnecessary.

13           16 deals with the rule pertaining to vendors  
14 needing an escort while on the boat, and what we've  
15 changed it to is that a vendor does not need an escort  
16 if he's in on the gaming floor or anywhere that is  
17 accessible to the public or anywhere on the boat that is  
18 accessible to all of the casino employees.

19           In other words, if a vendor was going to go  
20 back into a secured area, in the back of the house, you  
21 know, in surveillance to work on something, in the count  
22 room, anywhere like that, they would need an escort.  
23 Just while they're on the playing floor or in the  
24 cafeteria or anywhere like that they would not need a  
25 security escort.

0047

1                   There are a lot of questions that had popped  
2 up about that and that rule change is intended to  
3 clarify that.

4                   CHAIRMAN HATCHES: Does this impact the case  
5 we just heard?

6                   COMMISSIONER JONES: I was just going to ask  
7 that.

8                   MR. GREWACH: No, because that case happened  
9 under the whole rule. The old rule was in effect when  
10 that occurred. Now, had that same fact scenario  
11 happened after this new rule became effective, then they  
12 wouldn't have been violating the rule because of the  
13 change, but the rule in place at the time of the  
14 violation required an escort, and this is going to  
15 remove that requirement.

16                   We've given a general variance for vendors  
17 who were on the property for less than two hours saying  
18 they didn't need an escort. Well, that was problematic  
19 in a number of ways.

20                   I mean, it wasn't in a rule and how do you  
21 track that? I mean, how do you know someone is there  
22 for two hours, I mean, you know?

23                   I mean, when they come in, they may  
24 anticipate not being there more than two hours but, you  
25 know, how would you ever police that, keep track of

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1 that?

2 But you're correct, if that prior discipline,  
3 which was Item L, would occur -- and this rule will  
4 become effective in June I believe. If it happened  
5 after that, that fact scenario happened after that, it  
6 would not have been a violation.

7 COMMISSIONER HOWARD: And was the intention  
8 of that rule to keep the vendors who are on the gaming  
9 floor from engaging in gaming activities or was it to  
10 provide general security?

11 MR. GREWACH: Well, the original rule didn't  
12 make any distinction between secured areas and  
13 nonsecured areas, so it was just -- if you're a vendor  
14 on the floor, you need to have an escort with you.

15 Now, the reason behind the rule I wasn't --  
16 I'm not sure I could speak to, but obviously there is  
17 some things that the vendors should not be doing, and  
18 gambling is one of them.

19 So even after this rule -- I guess I got  
20 to -- I probably should modify my remarks about that  
21 violation.

22 The violation in L wouldn't have been a  
23 violation for not having an escort but still it would  
24 have been a violation for someone gambling, for a vendor  
25 gambling. I mean, there is really two aspects of

0049

1 Item L.

2                   So they'd still be -- if we caught a vendor  
3 gambling, then at that point in time the casino would be  
4 responsible for a violation for that.

5                   CHAIRMAN HATCHES: Right. Okay.

6                   MR. GREWACH: Item 17 is changes to  
7 Chapter M, surveillance.

8                   There were a few items there. One, there's  
9 been a lot of discussion about who can view surveillance  
10 tapes, and it's a very frequent request we get from the  
11 properties.

12                   There may be some incident. It could be  
13 related to a patron claim or a patron injury and maybe  
14 the risk managers at the property want to look at it or  
15 the property's insurance company adjustors want to look  
16 at the surveillance tape.

17                   The old rule said no person -- only persons  
18 above a frontline supervisor could view a surveillance  
19 tape. It led to a lot of practical problems.

20                   And, you know, it was our feeling as a staff  
21 that we didn't really have any regulatory interest that  
22 were being harmed by allowing other persons such as  
23 those risk managers, adjusters to look at those  
24 surveillance tapes. So we did change that as to who  
25 could view those.

0050

1                   But what we did is we took out that  
2 restriction saying no person above a -- only persons  
3 above a frontline supervisor could view that, we took  
4 that out.

5                   The reporting -- one technical change, the  
6 reporting status of the surveillance department. They  
7 do report only to corporate but they still are part of  
8 the Class B's organizational chart, and that was just a  
9 technical change in the language we had there.

10                   And also we adopted at the industry's request  
11 an ingress and egress log for the surveillance room.

12                   Under Item 18, Chapter R, forms, is typically  
13 the case, whenever you make some changes, usually there  
14 is something in the forms that need to be changed, one  
15 of which was this ingress and egress log that now is a  
16 requirement of Chapter M, and the other was to allow  
17 certain records to be submitted in electronic -- or kept  
18 in electronic format. And those were the two major  
19 changes in Chapter R.

20                   CHAIRMAN HATCHES: Okay.

21                   MR. GREWACH: And that's No. 18.

22                   CHAIRMAN HATCHES: Any questions from the  
23 Commissioners?

24                   COMMISSIONER HOWARD: I want to make sure  
25 that I understand about the individuals who are employed

0051

1 seasonally.

2                   Then their licenses would stay -- they  
3 would -- even though they are not employed they would be  
4 able to be -- remain licensed and be able to be  
5 reemployed as long as their license was still active,  
6 but they would have to go through their renewal of their  
7 license obviously when their license expires?

8                   MR. GREWACH: Correct, because -- let's just  
9 say there's a poker tournament in August of 2014 and the  
10 poker dealer comes in from another state and applies --  
11 wants to work there, applies for a Level II occupational  
12 license. We would by statute then give him a two-year  
13 license, so it would be good until July of 2016.

14                   So when he worked this August tournament  
15 here, he could come back in August of 2015 and not have  
16 to reapply for a license. He'd already have one. And  
17 he'd just get moved from casino restricted access to  
18 active and work his tournament.

19                   Now, different when his two years expires.  
20 Then he will reapply.

21                   COMMISSIONER HOWARD: I'm fast-forwarding to  
22 when his two years expires and he's not -- he or she are  
23 not working at a casino at that time. Then what's the  
24 situation in 2016?

25                   MR. GREWACH: They would have to reapply for

0052

1 a license when the next event rolled around, just like  
2 they did for this initial one in July of this year, or  
3 they could come in and ask for a waiver of the  
4 application of this rule and say, look, I'm a -- you  
5 know, on an individual basis come in and say I'm a  
6 traveling poker dealer and I'm going to be doing this  
7 for the next 12 years and I'm going to be here every  
8 year and you should waive this requirement and allow me  
9 to renew this time.

10 We didn't -- and that had been -- that had  
11 been addressed with us, but we didn't want to try to  
12 write all that into the rule because it was difficult to  
13 really pin it down to where we would fit all those  
14 varied fact scenarios we might be presented with when  
15 some poker dealer -- traveling poker dealer wanted to do  
16 it.

17 And that's a decision we're going to have to  
18 make at some point in time. Do we grant any variances  
19 at all or do we just make them reapply every two years?

20 The application fee, when they reapply, I  
21 believe is \$50. I should know that. \$50 to reapply.

22 So that's the question you have is the \$50  
23 application fee.

24 COMMISSIONER HOWARD: Because you indicated  
25 someone had to be employed at the time of renewal and if

0053

1 at the time of renewal they're not employed --

2 MR. GREWACH: Correct. So their license  
3 would terminate by its term on that date.

4 So let's just take that example. Let's say  
5 you're a poker dealer and you work every August in the  
6 ABC poker tournament at this casino.

7 So you come in July of this year. You apply.  
8 You get a two-year license. You work in the August '14  
9 and the August '15 tournament and then your license  
10 expires then in July of '17. Right? Yeah.

11 So then when you want to work in the next  
12 poker tournament, you'd have to reapply and start all  
13 over again. So then you get another two-year license  
14 and you get the two years. But every two years you'd  
15 have to reapply for a license and spend that \$50 to keep  
16 your license.

17 But the alternative for us was to try to  
18 draft an exception to the rule that would fit all that,  
19 which we just found very difficult and fraught with some  
20 risk of inadvertently writing something in there that  
21 wasn't conducive to the problems we were trying to cure.

22 So my advice would be in that case if a  
23 particular poker dealer came in and had that problem, we  
24 look at and consider whether or not we want to grant a  
25 waiver of the application of this rule and allow him to

0054

1 renew even though they're not an employee at that point  
2 in time.

3           Again, we may take the position no, pay your  
4 \$50 next time you come to town and we're going to leave  
5 it that way or we might grant it, but that to me is  
6 better than trying to craft a whole exception to this  
7 and put it into the rulemaking process.

8           CHAIRMAN HATCHES: I think I have a question,  
9 a followup here.

10           I like the idea of a person maintaining their  
11 license, you know, for some period of time if they lose  
12 their employment.

13           My thought -- my concern is, if I lose my job  
14 here, you know, and it's a year before I go back to a  
15 casino to work and somewhere during that time, you know,  
16 I have an infraction with the law, I don't have a  
17 requirement to notify you of that. If I was working, I  
18 do. If I'm not working, I don't. And then I get a job  
19 a year later at another casino and I can go back to  
20 work.

21           MR. GREWACH: No. Your obligation to report  
22 is going to continue because you're still going to be a  
23 licensee, so that same obligation to update your  
24 application to report offenses. And there is also --  
25 when you go back to work, a form is filled out that also

0055

1 asks you that question, you know, have you had any  
2 additional criminal charges.

3           So there is a process that you go through  
4 that is not the full application process when you change  
5 from one boat to another or go from unemployed to  
6 another boat.

7           CHAIRMAN HATCHES: I'd want to make sure  
8 people understood that process because I can see us --  
9 not us, but you-all hearing a case where a person came  
10 back to work and didn't know they had a responsibility  
11 of advising you that I had a problem with the law during  
12 my period away from this employment.

13           MR. GREWACH: Sure.

14           CHAIRMAN HATCHES: Other questions?

15           COMMISSIONER JONES: Yes. I'm still not  
16 clear on this vendor situation.

17           Do we have a rule that prohibits a vendor  
18 from being on the gaming floor participating or engaging  
19 in the games while they are working?

20           MR. GREWACH: Yes, because they don't go  
21 through the turnstile, and because they don't go through  
22 the turnstile, the rule they're actually violating is  
23 the one for, you know, allowing a gambler onto the floor  
24 without going through the turnstile.

25           COMMISSIONER JONES: Okay.

0056

1                   MR. GREWACH: So that's the rule that would  
2 bootstrap into that violation.

3                   COMMISSIONER JONES: Okay.

4                   MR. GREWACH: Now, if the vendor went through  
5 the turnstile, you know, then that would be a whole  
6 nother issue. I know it's only \$2, but we'd be getting  
7 our \$2 admission fee there from them.

8                   COMMISSIONER HOWARD: What that prior  
9 discipline specifically referenced -- the violation of  
10 the provision allowing a vendor to gamble violated  
11 Chapter J, Section 1.05. So there is a specific  
12 violation of allowing a vendor to gamble was also -- is  
13 also a specific violation, actions of failing to pay  
14 admission tax, failing to escort a vendor and allowing a  
15 vendor to gamble. Those all were listed as violations  
16 in that prior discipline.

17                   So that, you know, was also subject to  
18 discipline for allowing a vendor to gamble.

19                   COMMISSIONER BRADLEY: So if now with the new  
20 rule they don't have an escort, then the burden would be  
21 upon the entity to provide -- who is going to provide  
22 the security to watch to make sure that the vendor  
23 doesn't gamble?

24                   COMMISSIONER JONES: Right.

25                   COMMISSIONER BRADLEY: So where is that

0057

1 burden?

2 MR. GREWACH: The burden is on the property.

3 COMMISSIONER BRADLEY: They won't have an  
4 escort, so they won't have -- there is no requirement to  
5 have anyone watching.

6 MR. GREWACH: So the difference -- let's take  
7 that fact scenario that supported Item L on our agenda.

8 Even if the vendor didn't gamble, if he  
9 didn't have an escort and we caught him unescorted, that  
10 could be his own separate violation. Now you have a  
11 situation where that no longer would be the case, but  
12 when he gambles, then he's in violation because he  
13 didn't come through the turnstile. So at that point in  
14 time you could -- you know, it's going to be a casino  
15 issue then.

16 So the casino could say, well, we understand  
17 the rule says this but we don't trust this particular  
18 vendor and vendors in general and we're going to have  
19 them escorted regardless. That's up to them to make  
20 sure they comply -- their vendors comply with the law.

21 CHAIRMAN HATCHES: What was the original  
22 reason for the escort?

23 COMMISSIONER HOWARD: That was my question is  
24 was it for security purposes or, you know -- you know,  
25 I'm asking you that question, and I know what the answer

0058

1 is in my mind. You know how that goes. And here is my  
2 lawyer mind working, is I suspect it was a dual purpose,  
3 for two purposes.

4 One reason is for security purposes and  
5 another reason is for the other regulation is to keep  
6 vendors from using the opportunity to be in the casino  
7 for gambling purposes.

8 MR. GREWACH: And I don't mean to slice up  
9 the question on saying I wasn't here when the reasoning  
10 went on. Cheryl Alonzo may have the answer.

11 CHAIRMAN HATCHES: Cheryl is another one that  
12 was here way back then.

13 MS. ALONZO: Hi, Cheryl Alonzo, Missouri  
14 Gaming Commission.

15 Years ago when you gambled in the casino you  
16 had to have either a paper pass that they used to mark  
17 out as you -- when you had the buy in, the loss limit,  
18 and then we had swipe cards. After we got rid of the  
19 paper, they went to where you swiped at the turnstile.

20 So there was no -- a vendor was on the floor.  
21 They couldn't gamble if they had not gone through  
22 turnstile and had an active player's card, because you  
23 could not buy in without that player's card.

24 So for years that wasn't an issue, so this  
25 rule wasn't in effect. And then maybe -- I think it was

0059

1 '07 or '08 -- '08 this was added in as secured areas.

2                   And so now the casinos -- and it was added in  
3 when there was a rewrite of licensing rules. Even  
4 though it has to do with floor access it was put in  
5 there.

6                   So the casinos were then put in a position to  
7 escort everybody, and so this was heavily burdensome  
8 having every vendor. Because they do construction  
9 continually. They're, you know, making updates to the  
10 floor, and they have to have someone there with them  
11 every day standing there.

12                   And so when we were rewriting this rule, we  
13 looked at that and the cost associated with it, with how  
14 many times in all these years have we had a vendor  
15 gamble. And I think this is the second case that's come  
16 across where we had a vendor that was on the floor that  
17 had not paid an admission to be there that gambled.

18                   So it doesn't seem like it's frequent for the  
19 cost, and so when we rewrote this rule and we visited  
20 with industry, and they said we'll take that  
21 responsibility -- you know, if they do gamble, we'll  
22 take that responsibility, but we would really like  
23 relief from having to have every person on that floor  
24 escorted all day long when they're working. So this is  
25 kind of where we ended up and after a lot of discussion.

0060

1                   CHAIRMAN HATCHES: Thank you.

2                   Cheryl may not have been the only one.

3 Mr. Jones has been around a while. Maybe he remembers.

4 Maybe he remembers.

5                   COMMISSIONER JONES: You're out of order.

6                   MR. GREWACH: I've only been here three  
7 years. I used to use the excuse that I'm new here but  
8 it doesn't work anymore. It doesn't get me off.

9                   CHAIRMAN HATCHES: Any other questions?

10                   Okay.

11                   COMMISSIONER HOWARD: Well, I think,  
12 concluding that, that the vendors are probably much like  
13 other individuals in the facility that aren't supposed  
14 to be there or aren't supposed to gamble. There are  
15 underage people who aren't supposed to be there and  
16 there are intoxicated people who aren't supposed to be  
17 there.

18                   So I guess we shouldn't be getting too hung  
19 up on to vendors who in the history of this Commission  
20 have been gambling when they weren't supposed to be  
21 gambling. It's up to the management of the facility to  
22 monitor people who aren't supposed to be gambling.

23                   I guess we shouldn't be getting that hung up  
24 on making sure that there are escorts with those people.  
25 They're used to doing that, monitoring people on the

0061

1 floor who aren't supposed to be doing what they're not  
2 supposed to be doing.

3 CHAIRMAN HATCHES: Other questions from the  
4 Commissioners?

5 So how do we want to do this?

6 EXECUTIVE DIRECTOR STOTTLEMYRE: I think the  
7 best way would be to have a motion to approve and go  
8 through 11 CSR 45-4 and then .010, .020 and down through  
9 the list will be appropriate. We can do them all at the  
10 same time.

11 CHAIRMAN HATCHES: Okay. Chair would  
12 entertain a motion.

13 COMMISSIONER HOWARD: To approve all of  
14 these?

15 EXECUTIVE DIRECTOR STOTTLEMYRE: Angie will  
16 repeat the numbers.

17 COMMISSIONER HOWARD: Well, I'll go ahead  
18 and -- yeah, if I get exhausted halfway through, I'll  
19 pass the baton over to Suzanne.

20 Move for the approval of the Final Orders of  
21 Rulemaking to 11 CSR 45-4.010, 4.030, 4.055, 4.190,  
22 4.200, 4.380, 4.420, 10.020, 4.020, 4.260, 4.390, 4.400,  
23 4.410, 13.030, 4.205, 7.170, 9.113 and 9.118.

24 Don't someone tell me that my microphone was  
25 off.

0062

1 CHAIRMAN HATCHES: Did you say something?

2 COMMISSIONER BRADLEY: Second.

3 CHAIRMAN HATCHES: Moved and seconded.

4 Any further discussion?

5 Angie, would you call the roll, please.

6 MS. FRANKS: Commissioner Howard.

7 COMMISSIONER HOWARD: Approve.

8 MS. FRANKS: Commissioner Jones.

9 COMMISSIONER JONES: Approve.

10 MS. FRANKS: Commissioner Bradley.

11 COMMISSIONER BRADLEY: Approve.

12 MS. FRANKS: Chairman Hatches.

13 CHAIRMAN HATCHES: Approve.

14 MS. FRANKS: By your vote you've adopted the  
15 final orders of Rulemaking, 11 CSR 45-4.010, 4.030,  
16 4.055, 4.190, 4.200, 4.380, 4.420, 10.020, 4.020, 4.260,  
17 4.390, 4.400, 4.410, 13.030, 4.205, 7.170, 9.113 and  
18 9.118.

19 CHAIRMAN HATCHES: Good. Thank you.

20 MR. GREWACH: Thank you.

21 CHAIRMAN HATCHES: Mr. Stottlemire.

22 EXECUTIVE DIRECTOR STOTTLEMYRE:

23 Mr. Chairman, the next item on the agenda is

24 Consideration of Waiver of Institutional Investors.

25 Ms. Martha LeMond will present.

0063

1 CHAIRMAN/COMMISSIONERS: Good morning.

2 MS. LEMON: Good morning.

3 Behind Tabs O and P are resolutions regarding  
4 waiver of licensure for an institutional investor  
5 holding and/or requesting to hold publicly traded  
6 interests of up to 20 percent in gaming licensees.

7 These investors have submitted a request for  
8 waiver to hold interest in Missouri licensees in  
9 compliance with 11 CSR 45-4. The submitted waiver  
10 requests certify all holdings are for institutional  
11 investment purposes only, with no intent to be involved  
12 in the management or operation of the licensees.

13 Because the holdings may exceed the  
14 10 percent threshold for which the Executive Director  
15 may grant a waiver these resolutions are before the  
16 Commission today.

17 Resolution No. 14-022 is for Ariel  
18 Investments, LLC and Resolution No. 14-023 is for  
19 Vanguard Group, Inc. All requests are for the purchase  
20 of interest in licensees up to 20 percent.

21 I'd be happy to answer any questions.

22 CHAIRMAN HATCHES: Any questions from the  
23 Commissioners?

24 Thank you.

25 Chair would entertain a motion.

0064

1                   COMMISSIONER BRADLEY: Motion to approve  
2 Resolution 14-022.

3                   COMMISSIONER HOWARD: Second.

4                   CHAIRMAN HATCHES: Moved and seconded.

5                   Any further 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: Commissioner Bradley.

12                  COMMISSIONER BRADLEY: Approve.

13                  MS. FRANKS: Chairman Hatches.

14                  CHAIRMAN HATCHES: Approve.

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

16 Resolution No. 14-022.

17                  CHAIRMAN HATCHES: Mr. Stottlemyre.

18                  COMMISSIONER JONES: Move for the acceptance  
19 of Resolution No. 14-023.

20                  COMMISSIONER BRADLEY: Second.

21                  CHAIRMAN HATCHES: Moved and seconded.

22                  Further discussion?

23                  Angie, call the roll, please.

24                  MS. FRANKS: Commissioner Howard.

25                  COMMISSIONER HOWARD: Approve.

0065

1 MS. FRANKS: Commissioner Jones.

2 COMMISSIONER JONES: Approve.

3 MS. FRANKS: Commissioner Bradley.

4 COMMISSIONER BRADLEY: Approve.

5 MS. FRANKS: Chairman Hatches.

6 CHAIRMAN HATCHES: Approve.

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

8 Resolution No. 14-023.

9 CHAIRMAN HATCHES: Mr. Stottlemire.

10 EXECUTIVE DIRECTOR STOTTLEMYRE:

11 Mr. Chairman, the next item on the agenda is the

12 Consideration of Licensure of Level I and Key

13 Applicants, and Lieutenant Mark Bielawski will present.

14 LIEUTENANT BIELAWSKI: Good morning, Chairman  
15 and Commissioners.

16 CHAIRMAN/COMMISSIONERS: Good morning.

17 LIEUTENANT BIELAWSKI: Missouri State Highway  
18 Patrol investigators, along with Gaming Commission  
19 financial investigators, conducted comprehensive  
20 background investigations on multiple key and Level I  
21 applicants.

22 The investigations included, but were not  
23 limited to, criminal, financial and general character  
24 inquiries which were made in the jurisdictions where the  
25 applicants lived, worked and frequented.

0066

1                   The following individuals are being presented  
2 for your consideration: Nathan Gu, Group Manager,  
3 Testing Services, BMM North America, Incorporated;  
4 June M. Light, Director of Mathematics; BMM North  
5 America, Incorporated; Ian Hughes, Senior Director of  
6 Global Engineering and Client Services, Gaming  
7 Laboratories International, LLC; and Carl M. Sondermann,  
8 Director of Internal Audit, Pinnacle Entertainment,  
9 Incorporated.

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

13                   Thank you.

14                   CHAIRMAN HATCHES: Thank you.

15                   Any questions from the Commissioners?

16                   Chair would entertain a motion.

17                   COMMISSIONER JONES: Move for the acceptance  
18 of Resolution No. 14-024.

19                   COMMISSIONER BRADLEY: Second.

20                   CHAIRMAN HATCHES: Moved and seconded.

21                   Any further discussion?

22                   Angie, would you call the roll, please.

23                   MS. FRANKS: Commissioner Howard.

24                   COMMISSIONER HOWARD: Approve.

25                   MS. FRANKS: Commissioner Jones.

0067

1 COMMISSIONER JONES: Approve.

2 MS. FRANKS: Commissioner Bradley.

3 COMMISSIONER BRADLEY: Approve.

4 MS. FRANKS: Chairman Hatches.

5 CHAIRMAN HATCHES: Approve.

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

7 Resolution No. 14-024.

8 CHAIRMAN HATCHES: Thank you.

9 EXECUTIVE DIRECTOR STOTTLEMYRE:

10 Mr. Chairman, the next item would be a motion to go into  
11 closed.

12 CHAIRMAN HATCHES: Chair would entertain a  
13 motion.

14 COMMISSIONER BRADLEY: Make a motion to move  
15 into a closed meeting under Sections 313.847, Revised  
16 Statutes of Missouri, concerning investigatory,  
17 proprietary and application records, and Section  
18 610.021, Subsection 1, Revised Statutes of Missouri,  
19 concerning legal actions, Subsection 3 and  
20 Subsection 13, personnel, and Subsection 14, records  
21 protected from disclosure by law.

22 COMMISSIONER JONES: Second.

23 CHAIRMAN HATCHES: Moved and seconded.

24 Angie, would you call the roll, please.

MS. FRANKS: Commissioner Howard.

0068

1 COMMISSIONER HOWARD: Approve.  
2 MS. FRANKS: Commissioner Jones.  
3 COMMISSIONER JONES: Approve.  
4 MS. FRANKS: Commissioner Bradley.  
5 COMMISSIONER BRADLEY: Approve.  
6 MS. FRANKS: Chairman Hatches.  
7 CHAIRMAN HATCHES: Approve.  
8 We are adjourned.  
9 WHEREIN, the open meeting concluded at

10 10:21 a.m.

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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  
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that I am neither counsel for, related to, nor employed  
by any of the parties to the action in which this  
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in the outcome of the action.

---

Patricia A. Stewart  
CCR No. 401

**MISSOURI GAMING COMMISSION**  
**Second Open Session Minutes**  
**April 30, 2014**

The Missouri Gaming Commission (the “Commission”) went into the second open session meeting at approximately 10:33 a.m. on April 30, 2014, at the Commission’s Jefferson City office.

The Executive Director reported that:

- The casino credit bill passed in the legislature and will go to the Governor’s desk for approval.
- MGC held an MBE/WBE meeting last week including representatives from the casinos. MBE/WBE auditor Cheryl Bonner continues to do 100% audits as opposed to random samplings.
- The May Commission meeting will be held on May 28<sup>th</sup> in Jefferson City instead of St. Joseph, Missouri. There will likely be no meeting in July.

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

The meeting ended at approximately 11:20 a.m.