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BEFORE THE MISSOURI GAMING COMMISSION
STATE OF MISSOURI

Meeting
May 28, 2014
10:00 a.m.
Central Office
3417 Knipp Drive
Jefferson City, Missouri

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

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5	III. Consideration of Licensure of Level I/ Key Applicants	
6	A. Resolution No. 14-025	5:22
7	IV. Consideration of Rules and Regulations	
8	B. Final Orders of Rulemaking	7:22
9	1. 11 CSR 45-1.090 - Definitions	
10	2. 11 CSR 45-4.230 - Supplier's License Criteria	
11	3. 11 CSR 45-5.190 - Minimum Standards for Electronic Gaming Devices	
12	4. 11 CSR 45-5.225 - Request for Gaming Devices and Associated Equipment Approval	
13	V. Consideration of Waiver of Licensure For Institutional Investor	
14	C. Black Rock, Inc.	
15	1. Resolution No. 12-056	12:7
16	VI. Adjournment	13:24
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BEFORE THE MISSOURI GAMING COMMISSION
STATE OF MISSOURI

Meeting
May 28, 2014
10:00 a.m.
Central Office
3417 Knipp Drive
Jefferson City, Missouri

COMMISSIONERS PRESENT (TELEPHONICALLY):

Darryl T. Jones, Vice-Chairman
Suzanne Bocell Bradley
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 COMMISSIONER JONES: Good morning everyone.

3 COMMISSIONER HOWARD: Good morning.

4 COMMISSIONER BRADLEY: Good morning.

5 COMMISSIONER JONES: Angie, would you call
6 the roll.

7 MS. FRANKS: Commissioner Howard.

8 COMMISSIONER HOWARD: Present.

9 MS. FRANKS: Commissioner Bradley.

10 COMMISSIONER BRADLEY: Present.

11 MS. FRANKS: Commissioner Jones.

12 COMMISSIONER JONES: Present.

13 Next order of business. Could we get a
14 motion to nominate and elect a Vice-Chairman for the
15 Commission?16 COMMISSIONER BRADLEY: I would like to move
17 to nominate Darryl Jones as Vice-Chairman of the
18 Missouri Gaming Commission.19 COMMISSIONER HOWARD: I will wholeheartedly
20 second that motion, selfishly I might add.21 COMMISSIONER JONES: Do we have any
22 opposition to that?23 COMMISSIONER HOWARD: The silence is
24 deafening.

25 COMMISSIONER JONES: Well, saying that,

1 Angie, could we get a roll call.

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: By your vote you've elected
9 Darryl Jones as Vice-Chairman of the Gaming Commission.

10 VICE-CHAIRMAN JONES: Well, all right. Thank
11 you. Thank you for your confidence in me, Suzanne and
12 Diane. Thank you.

13 COMMISSIONER HOWARD: You're quite welcome,
14 Vice-Chair.

15 COMMISSIONER BRADLEY: We appreciate your
16 serving.

17 VICE-CHAIRMAN JONES: Well, thank you again.

18 All right. Item III on the agenda,
19 Consideration of Level 1/Key Applicants.

20 EXECUTIVE DIRECTOR STOTTLEMYRE: Lieutenant
21 Mark Bielawski will present.

22 LIEUTENANT BIELAWSKI: Good morning,
23 Vice-Chairman and Commissioners.

24 VICE-CHAIRMAN/COMMISSIONERS: Good morning.

25 LIEUTENANT BIELAWSKI: Missouri State Highway

1 Patrol investigators, along with Gaming Commission
2 financial investigators, conducted comprehensive
3 background investigations on multiple Key and Level I
4 applicants.

5 The investigations included, but were not
6 limited to, criminal, financial and general character
7 inquiries which were made in the jurisdictions where the
8 applicants lived, worked and frequented.

9 The following individuals are being presented
10 for your consideration: Thomas J. O'Brian, Chief
11 Executive Officer, Interblock USA; Peggy Jean Antoinette
12 Pepper, Chief Information Officer, Pinnacle
13 Entertainment, Incorporated; Amanda Josephine Schmitt,
14 Internal Auditor, St. Jo Frontier Casino; Robert Frank
15 Del Rossi, Director of Sales and Marketing, Tech Art
16 Manufacturing, Incorporated.

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

20 Thank you.

21 EXECUTIVE DIRECTOR STOTTLEMYRE:

22 Mr. Vice-Chairman, Staff recommends approval of
23 Resolution No. 14-025.

24 VICE-CHAIRMAN JONES: Any comments from the
25 Commission?

1 COMMISSIONER HOWARD: I have none.

2 VICE-CHAIRMAN JONES: Can we get a motion for
3 approval?

4 COMMISSIONER HOWARD: I'll move for approval
5 of Resolution No. 14-025.

6 COMMISSIONER BRADLEY: Second.

7 VICE-CHAIRMAN JONES: It's been moved and
8 seconded.

9 Angie, call the roll.

10 MS. FRANKS: Commissioner Howard.

11 COMMISSIONER HOWARD: Approve.

12 MS. FRANKS: Commissioner Jones.

13 VICE-CHAIRMAN JONES: Approve.

14 MS. FRANKS: Commissioner Bradley.

15 COMMISSIONER BRADLEY: Approve.

16 MS. FRANKS: By your vote you've adopted
17 Resolution No. 14-025.

18 VICE-CHAIRMAN JONES: Item IV on the agenda,
19 Consideration of Rules and Regulations.

20 EXECUTIVE DIRECTOR STOTTLEMYRE: Mr. Ed
21 Grewach will present.

22 MR. GREWACH: Thank you.

23 These four items on the agenda are final
24 orders of rulemaking. They all relate to a project to
25 change the manner in which the approval of software and

1 games was made by independent testing laboratories.

2 Prior to this change the manufacturer
3 submitted the software to the ITLs and the laboratory
4 would then issue the approval.

5 After the change the manufacturer will still
6 submit the software to the ITL but the ITL will then
7 send a report to the Missouri Gaming Commission and the
8 MGC will review and approve this software.

9 Section 5.190 also clarifies a prior
10 provision in the rule which stated that pursuant to the
11 statute all gaming devices had to pay back 80 percent
12 during the lifetime of the game.

13 That term, lifetime of the game, led to some
14 disagreement and confusion, and the change now
15 quantifies the lifetime of the game as 10 million handle
16 pulls.

17 These proposed amendments and proposed rules
18 were first on the January 2014 Commission agenda. There
19 was a public hearing on April 9th, 2014. We received
20 comments there, as well as written comments, from Bally
21 Technology. You'll see those comments set forth in the
22 final order of rulemaking.

23 Some of the changes we did make -- some of
24 the responses we did make changes in response to.
25 Others we did not. And they're in the final order.

1 You'll see our reason for not making any changes
2 pursuant to the comments made by Bally Technology.

3 If the Commission approves these, they will
4 take effect on September 30th, 2014.

5 VICE-CHAIRMAN JONES: Okay. Any comments
6 from the Commission?

7 COMMISSIONER HOWARD: I have none.

8 COMMISSIONER BRADLEY: I have none.

9 VICE-CHAIRMAN JONES: Ed, I have one.

10 What are our standards? What are our
11 processes or procedures for approving or disapproving,
12 you know, lifetime technology with some of these
13 licenses?

14 MR. GREWACH: Mr. Chairman, with your
15 permission I'd like to turn that question over to Todd
16 Nelson.

17 MR. NELSON: Good morning. Good morning,
18 Vice-Chair.

19 VICE-CHAIRMAN JONES: Good morning, Todd.

20 MR. NELSON: How are you doing?

21 So currently what happens today is the
22 manufacturer will take a product to an independent test
23 lab that we have and they will get it certified.

24 Previous to about a year ago the ITLs,
25 independent test labs, would submit -- would issue a

1 letter on behalf of the Commission and approve it and
2 then we were at a reactive type of position.

3 Since then we've instituted procedures to
4 where we have to review all those letters prior to them
5 being approved. With this new system we've created, now
6 the manufacturer will bring those certification letters
7 and supporting documentation like PAR sheets. That's
8 the math on the game. And we will review those to make
9 sure that we agree with what has been done.

10 VICE-CHAIRMAN JONES: So do we have the
11 standard where it had to -- the game of chance has to
12 pay back X amount, so after we go through all of the
13 testing or after the ITL does the testing they'll say,
14 okay, it's 92.78 and our standard may be 92.8? Is it
15 something like that? Do we set a criteria?

16 MR. NELSON: Yes. Yes, we do.

17 VICE-CHAIRMAN JONES: And it has to meet this
18 criteria as a minimum?

19 MR. NELSON: Yes, we do have a criteria. We
20 have a criteria that is listed within our Code of State
21 Regulations. We have criteria listed in our Minimum
22 Internal Controls, our statutes, and then we also have
23 test standards through one of the ITLs.

24 They created a standard to which a lot of the
25 other jurisdictions conform to, and we also conform to

1 that as well.

2 VICE-CHAIRMAN JONES: Okay.

3 Well, that's it. That's all I had.

4 Anyone else?

5 Can we get a motion to approve?

6 COMMISSIONER BRADLEY: Can these be done all
7 at once?

8 EXECUTIVE DIRECTOR STOTTLEMYRE: They can be
9 done all at once, yes.

10 COMMISSIONER BRADLEY: I'll make a motion to
11 approve the Final Orders of Rulemaking, 11 CSR 45-1.090,
12 45-4.230, 45-5.190 and 45-5.225.

13 COMMISSIONER HOWARD: And I'll second that
14 motion.

15 VICE-CHAIRMAN JONES: Okay. Moved and
16 seconded.

17 Angie, will you call the roll.

18 MS. FRANKS: Commissioner Howard.

19 COMMISSIONER HOWARD: Approve.

20 MS. FRANKS: Commissioner Jones.

21 VICE-CHAIRMAN JONES: Approve.

22 MS. FRANKS: Commissioner Bradley.

23 COMMISSIONER BRADLEY: Approve.

24 MS. FRANKS: By your vote you've adopted the
25 Final Orders of Rulemaking, 11 CSR 45-1.090, 4.230,

1 5.190 and 5.225.

2 VICE-CHAIRMAN JONES: All right.

3 Item V on the agenda.

4 EXECUTIVE DIRECTOR STOTTLEMYRE: The
5 Consideration of Waiver of Institutional Investors, and
6 Ms. Martha LeMond will present.

7 MS. LEMOND: Good morning, Mr. Vice-Chair and
8 Commissioners.

9 VICE-CHAIRMAN/COMMISSIONERS: Good morning.

10 MS. LEMOND: Behind Tab C is the resolution
11 regarding a waiver of licensure for institutional
12 investors holding and/or requesting to hold publicly
13 traded interests of up to 20 percent in gaming
14 licensees.

15 The investor has submitted a request for a
16 waiver to hold interest in multiple licensees in
17 compliance with 11 CSR 45-4.

18 The submitted waiver request certifies the
19 holding is for institutional investment purposes only,
20 with no intent to be involved in the management or
21 operation of the licensee.

22 Because the holdings may exceed the
23 10 percent threshold for which the Executive Director
24 may grant a waiver, this resolution is before the
25 Commission today. Resolution No. 14-026 is for Black

1 Rock, Inc.

2 If you have any questions, I'd be happy to
3 try to answer them.

4 VICE-CHAIRMAN JONES: Any questions from the
5 Commission?

6 COMMISSIONER BRADLEY: No.

7 VICE-CHAIRMAN JONES: Okay. Can we get a
8 motion to approve?

9 COMMISSIONER HOWARD: I'll make a motion to
10 approve Resolution No. 14-026.

11 COMMISSIONER BRADLEY: Second.

12 VICE-CHAIRMAN JONES: Angie, would you call
13 the roll.

14 MS. FRANKS: Commissioner Howard.

15 COMMISSIONER HOWARD: Approve.

16 MS. FRANKS: Commissioner Jones.

17 VICE-CHAIRMAN JONES: Approve.

18 MS. FRANKS: Commissioner Bradley.

19 COMMISSIONER BRADLEY: Approve.

20 MS. FRANKS: By your vote you've adopted
21 Resolution No. 14-026.

22 VICE-CHAIRMAN JONES: All right. Thank you.
23 Roger, anything else?

24 EXECUTIVE DIRECTOR STOTTLEMYRE: The next
25 item we have on the agenda would be the adjournment.

1 VICE-CHAIRMAN JONES: First meeting, seven
2 minutes. It's a record.

3 COMMISSIONER HOWARD: I think we made an
4 excellent choice.

5 COMMISSIONER BRADLEY: I make the motion to
6 adjourn so we'll keep right on record.

7 COMMISSIONER BRADLEY: And I'll second that.

8 VICE-CHAIRMAN JONES: All right. Angie, call
9 the roll.

10 MS. FRANKS: Commissioner Howard.

11 COMMISSIONER HOWARD: Approve.

12 MS. FRANKS: Commissioner Jones.

13 VICE-CHAIRMAN JONES: Approve.

14 MS. FRANKS: Commissioner Bradley.

15 COMMISSIONER BRADLEY: Approve.

16 MS. FRANKS: All right. Meeting is
17 adjourned.

18 WHEREIN, the meeting concluded at 10:08 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
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
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Patricia A. Stewart

CCR No. 401