BEFORE THE MISSOURI GAMING COMMISSION
STATE OF MISSOURI

Meeting
June 25, 2014
10:00 a.m.
Central Office
3417 Knipp Drive
Jefferson City, Missouri

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

I. Call to Order

II. Motion for Closed Meeting under Sections 313.847, RSMo., Investigatory, Proprietary and Application Records and 610.021(1) RSMo., Legal Actions, (3) & (13) Personnel and (14) Records Protected from Disclosure by Law

III. Motion to Open Meeting

IV. Consideration of Minutes
   A. April 29, 2014
   B. April 30, 2014
   C. May 28, 2014

V. Consideration of Hearing Officer Bryan Wolford's Recommendations
   D. Marshall Beard
      1. Resolution No. 14-027
   E. David Merritt
      1. Resolution No. 14-028
   F. Shannon Hoffman
      1. Resolution No. 14-029
   G. Mark Goldsworthy
      1. Resolution No. 14-030
   H. Adrienne Kirkland
      1. Resolution No. 14-031
   I. Richard Mott, Jr.
      1. Resolution No. 14-032
   J. Raymond Merida
      1. Resolution No. 14-033

VI. Consideration of Hearing Officer Charles Steib's recommendations
   K. Tonya Macon
      1. Resolution No. 14-034
   L. Cynthia D. Storz
      1. Resolution No. 14-035
   M. Todd R. Cruts
      1. Resolution No. 14-036
   N. Brandon Nichols
      1. Resolution No. 14-037
   O. Brittnay Bridgett
      1. Resolution No. 14-038
   P. DeAndre Davis
      1. Resolution No. 14-039

24  1. Resolution No. 14-039
25
AGENDA (CONT'D)

VII. Consideration of Relicensure of Class A & B Licensees
1. Caesars Entertainment Corporation (Class A)
   Presentation by Applicant
2. Harrah's North Kansas City, LLC (Class B)
   Presentation by City of North Kansas City
   * Public Comment
   * Investigative Summary
   * MBE/WBE Compliance Review

VIII. Motion for Closed Meeting under Sections 313.847, RSMo., Investigatory, Proprietary and Application Records and 610.021(1) RSMo., Legal Actions, (3) & (13) Personnel and (14) Records Protected from Disclosure by Law

IX. Motion to Open Meeting

VI. Consideration of Relicensure of Class A & B Licensees (Cont'd)
1. Caesars Entertainment Corporation (Class A)
   * Staff Recommendation
   Q. Resolution No. 14-040
   R. Resolution No. 14-041

VII. Consideration of Disciplinary Actions
1. S. Bally Technologies, Inc.
   1. DC-14-25292
2. T. Casino One Corporation (Audit for period ending April 30, 2013)
   1. DC-14-25393
   1. DC-14-25494
4. V. St. Louis Gaming Ventures, LLC
   1. DC-14-25595
5. W. PNK (River City), LLC
   1. DC-14-25698
6. X. PNK (River City), LLC
   1. DC-14-257100
AGENDA (CONT'D)

VIII. Consideration of Waiver of Licensure For Institutional Investors
Y. T. Rowe Price Associates, Inc.
1. Resolution No. 14-042 101:17
Z. Nomura Asset Management Co. Ltd.
1. Resolution No. 14-043 101:17

IX. Delegation of Authority for Chairman and Vice Chairman
AA. Resolution No. 14-044 103:4

X. Adjournment 104:16
BEFORE THE MISSOURI GAMING COMMISSION

STATE OF MISSOURI

Meeting
June 25, 2014
10:00 a.m.
Central Office
3417 Knipp Drive
Jefferson City, Missouri

COMMISSIONERS PRESENT:

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
VICE CHAIRMAN JONES: Good morning, everyone.

COMMISSIONER HOWARD: Good morning.

COMMISSIONER BRADLEY: Good morning.

VICE CHAIRMAN JONES: A little housekeeping.

Could you all turn off your cell phones. It interferes with the transmission, so if we could do that.

And, Angie, call the meeting to order, please.

MS. FRANKS: Commissioner Howard.

COMMISSIONER HOWARD: Present.

MS. FRANKS: Commissioner Bradley.

COMMISSIONER BRADLEY: Present.

MS. FRANKS: Vice Chairman Jones.

VICE CHAIRMAN JONES: Present.

Item II on the agenda, can we get a motion to go into closed session, please.

COMMISSIONER HOWARD: Well, I guess I can do that.

Motion for going into closed session under Section 313.847 of the Revised Statutes of Missouri for investigatory, proprietary and application records, and Section 610.021, Subsection 1, of the Revised Statutes of Missouri for legal actions, Subsections 3 and 13 for personnel, and Subsection 14 for records protected from
disclosure by law.

COMMISSIONER BRADLEY: Second.

VICE CHAIRMAN JONES: All right.

Angie, could you call the roll.

MS. FRANKS: Commissioner Howard.

COMMISSIONER HOWARD: Approve.

MS. FRANKS: Commissioner Bradley.

COMMISSIONER BRADLEY: Approve.

MS. FRANKS: Vice Chairman Jones.

VICE CHAIRMAN JONES: Approve.

(Closed session.)

VICE CHAIRMAN JONES: Can we get a motion to go back in the open, please.

COMMISSIONER HOWARD: So moved.

COMMISSIONER BRADLEY: Second.

MS. FRANKS: Commissioner Howard.

COMMISSIONER HOWARD: Approve.

MS. FRANKS: Commissioner Bradley.

COMMISSIONER BRADLEY: Approve.

MS. FRANKS: Vice Chairman Jones.

VICE CHAIRMAN JONES: Approve.

All right. Thank you.

Item III on the agenda, Consideration of Minutes.

COMMISSIONER BRADLEY: Motion to approve
minutes from April 29th, 2014, from April 30th, 2014 and from May 28th, 2014.

COMMISSIONER HOWARD: Second.

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

MS. FRANKS: Commissioner Howard.

COMMISSIONER HOWARD: Approve.

MS. FRANKS: Commissioner Bradley.

COMMISSIONER BRADLEY: Approve.

MS. FRANKS: Vice Chairman Jones.

VICE CHAIRMAN JONES: Approve.

MS. FRANKS: By your vote you've adopted the minutes of the April 29th, 2014, April 30th, 2014 and May 28, 2014 meetings.

VICE CHAIRMAN JONES: Okay. Thank you.

Now we have Consideration of Hearing Officer Bryan Wolford's Recommendations.

MR. WOLFORD: Thank you, Mr. Vice Chairman, and Commissioners Bradley and Howard.

First on the agenda for your consideration is the matter of Marshall Beard, Resolution No. 14-027.

A casino employee dropped a $20 bill on the back hallway of the facility, and Mr. Beard was walking by and he picked it up. He looked around and he put it in his pocket. Then he proceeded to the rest room and
afterwards onto the gaming floor where he took his
position as a dealer.

Now, along the way he passed two security
officers and he did not turn over the bill to them, nor
did he try to find the bill's rightful owner.

Mr. Beard was confronted by Commission agents
who witnessed the event on surveillance, and he told
them he was going to turn the $20 bill over to security
after his shift.

At the hearing -- sorry. He was subsequently
charged with theft and terminated from the casino.

At the hearing Mr. Beard admitted to picking
up the bill and not promptly turning it over, and he did
say that he regretted making that decision in picking up
the bill.

State law does prohibit the theft or stealing
of property under $500, which is a misdemeanor, and the
hearing officer recommends revocation as proper and
appropriate discipline.

VICE CHAIRMAN JONES: All right.

Is Mr. Beard or anyone representing Mr. Beard
here?

Any questions from the Commission?

COMMISSIONER HOWARD: I have none.

COMMISSIONER BRADLEY: I have none.
VICE CHAIRMAN JONES: All right. Can we get a motion, please?

COMMISSIONER BRADLEY: Motion to approve Commission Resolution No. 14-027.

COMMISSIONER HOWARD: Second.

VICE CHAIRMAN JONES: Angie, call the roll, please.

MS. FRANKS: Commissioner Howard.

COMMISSIONER HOWARD: Approve.

MS. FRANKS: Commissioner Bradley.

COMMISSIONER BRADLEY: Approve.

MS. FRANKS: Vice Chairman Jones.

VICE CHAIRMAN JONES: Approve.

MS. FRANKS: By your vote you've adopted Resolution No. 14-027.

MR. WOLFORD: Mr. Vice Chairman, for your consideration, the matter of David Merritt, Resolution No. 14-028.

Mr. Merritt holds a Level II occupational gaming license and he's employed by the Argosy Casino. He was at the Ameristar in Kansas City as a patron after attending a wedding.

At approximately 11:19 p.m. on that evening Mr. Merritt was approached by a lead supervisor who was inquiring about his level of intoxication, and
Mr. Merritt did hand over his drink at that point. Then at 11:26 he was approached by the security supervisor who determined or deemed him to have been intoxicated and asked him to leave. Now, they did have some exchanging of words. Mr. Merritt never refused to leave. They got into some heated conversation and some profanity was uttered by Mr. Merritt towards the security officer, but Mr. Merritt finally exited at 11:31.

Shortly after Mr. Merritt contacted his ex-wife, who was also an employee of Ameristar, and accused or suspected her of playing a role in getting him kicked out of the casino.

However, she was not working that night. In fact, she was at home and in bed. And he subsequently sent her a couple text messages that night that did contain some profanity.

Mr. Merritt did fail to self-report this violation of him being intoxicated on the gaming floor. He did testify at the hearing that he was familiar with the gaming rules and regulations, and he knew that intoxicated patrons could not gamble or place wagers. He also did admit to calling and texting his ex-wife and admitted that, you know, after the dust settled that that was a mistake. He did not admit to
being intoxicated but he did testify that the staff at
the Ameristar did deem him to be intoxicated.

Now, the Minimum Internal Control Standards
do state that intoxicated patrons should not be
permitted to access to or allowed to remain on the
casino floor. And then the CSR, 11 CSR 45-1.031,
requires licensees to promptly report to the Commission
any facts which they have reasonable grounds to believe
indicates a violation of law, regulations, Minimum
Internal Control Standards or the company's internal
control system.

At the hearing there was no evidence
presented to rebut the Disciplinary Review Board's
decision that revocation is proper in this case and,
therefore, the hearing officer recommends revocation is
proper and appropriate discipline.

VICE CHAIRMAN JONES: Is Mr. Merritt in the
audience or anyone representing Mr. Merritt?

MR. BEDNAR: I represent Mr. Merritt,
Vice Chairman, Joe Bednar, attorney from --

VICE CHAIRMAN JONES: Speak in the mike,
please.

MR. BEDNAR: Sure.

VICE CHAIRMAN JONES: This is just for the
court reporter.
MR. BEDNAR: Pardon?

VICE CHAIRMAN JONES: So the court reporter can get your name.

MR. BEDNAR: Joe Bednar, Spencer, Fane, Britt and Browne, attorney representing Mr. David Merritt in these proceedings.

VICE CHAIRMAN JONES: Okay. You can come up to the podium. Thank you.

MR. BEDNAR: Mr. Vice Chairman and Madam Commissioners Bradley and Howard, I have the privilege of representing Mr. Merritt in this case. And I made the record on my procedural position on issues related to the proceedings; however, I want to focus this morning on what factually occurred that evening and what I believe is a disproportionate punishment for the actions and conduct of Mr. Merritt that evening.

As the hearing officer said, Mr. Merritt was not on duty, was not an employee of Ameristar, was there as a patron of the casino.

And I think it's important to look at the actions of everybody involved to determine whether or not a revocation of his license, basically the end of his career in gaming, is justified for this particular circumstance given the fact that none of the security officers involved, none of the other licensees involved
felt it was a serious enough offense at the casino property, that is, the issues of intoxication, whether he was intoxicated or not, the level of his behavior, no one deemed it serious enough to write up a report that night or to call local law enforcement or to even call the Commission agents to the floor for further reporting.

So again, I take that in the context of how serious were the events that night and how serious security took it. In fact, security never wrote a report. They -- Mr. Sagez never went back -- never went back to his office, never reported to the agents.

How this came to the attention of the Commission was Ms. McCurdy thought -- as the hearing officer stated, there was a divorce, and Ms. McCurdy thought that she might get reported for trying to set up Mr. Merritt, her ex-husband.

They have a very positive relationship. They have a young son in which they share custody and is with Mr. Merritt six days a week. There has never been any evidence of domestic violence, any assaults, any threats. There is nothing since this date anywhere.

So this was an unfortunate occurrence which Mr. Merritt deeply regrets.

But, in fact, even that evening, after his
call, she called him back to try to verify what the circumstances were. But she went to her supervisor merely to say, hey, I'm not trying to set David up, and I want to make sure that I don't get a complaint against me.

So she just wanted the record to be clear that she hadn't taken any actions against Mr. Merritt. She wasn't concerned about him showing up at Ameristar or had any issue there. And that evolved into the supervisor reporting it to HR, who reported it to the Commission's agent.

Apparently there was a very unfortunate incident of an employee in a domestic violence situation being assaulted, and so I think clearly the corporation was trying to make sure that they covered their bases. But it was not the intent of the wife -- the ex-wife of Mr. Merritt for this to ever get anywhere near a complaint, and she advised the trooper who was doing the investigation of the same.

As I stated in my brief, the trooper then advised her that if she didn't cooperate with him and make the report, he would file the report with the Commission and she could be subject to action. So you get into the situation of a threatened license, and it's without a doubt, every licensee in the
state of Missouri is aware of the authority of this
Commission, and definitely my client wants to cooperate
and conduct themselves appropriately. No one wants a
complaint. It's a career ender in some cases.

But at any rate, this is a situation where
everyone may have had good intentions but it escalated
to the point where it's now in front of you and
Mr. Merritt's license is at risk for revocation. That
revocation meaning he could never work in the industry
again.

Mr. Merritt has expressed his regrets as the
hearing officer stated. In fact, we have communicated
to staff that Mr. Merritt would be willing to accept a
suspension for 10 to 30 days, that we think that would
be more appropriate given the circumstances here.

In fact, Ms. McCurdy, his ex-wife, is with
him today. They're available for any questions that the
Commissioners would have.

But, again, we feel that the record and the
fact that no action was taken by any security for
Ameristar, by the Commission's own agents that night, as
is evidenced in the previous case, they view the video
and they took action immediately on that individual.
Here no action was taken. He went home and it wasn't
until five days later that the security was asked to
make a report for the benefit of the Commission agent on
the property at that time.

And Mr. Merritt is still gainfully employed
by Argosy, has a good reputation at that property, has
the support of the property and I think has a very
positive relationship with the agent on this property.
So he's never had any issues before. There
is not a track record of any type of domestic violence.
This was unfortunately a post divorce, an unfortunate
incident that he deeply regrets, but would beg for the
mercy of the Commission to allow him to remain -- keep
his license and hope that a more proportionate sanction
of a 10- to 30-day suspension would be the view of the
Commission.

VICE CHAIRMAN JONES: Thank you.
Anything from the Commission?
COMMISSIONER BRADLEY: So Mr. Merritt is here
and Mr. Merritt's ex-wife is here?
MR. BEDNAR: Yes. They're in the third row
there.
If you want to stand up, Mr. Merritt, and
Ms. McCurdy.

COMMISSIONER BRADLEY: You said they were
here and I wanted to make sure they're here.
VICE CHAIRMAN JONES: What is the procedure
for a patron as it relates to security, if a regular patron is on the -- I guess I'm addressing the staff.

If a patron is on there intoxicated, what is the procedures as far as reporting? Just a regular -- if I went on there and I was intoxicated and I wasn't affiliated with the industry at all, and so what is the procedure? Would they file a report -- would security file a report with Gaming that comes to the Commission that we had to escort someone off the boat?

MR. GREWACH: I can't answer that, Vice Chairman. I know there are security incident reports that are filed under some circumstances.

I believe that Cheryl Alonzo here may have the answer to that question with your permission.

VICE CHAIRMAN JONES: Okay.

MS. ALONZO: Normally the casino will have procedures for approaching the guest if they think someone has become intoxicated and they'll ask them to leave and occasionally they have trouble with that, but anyway, they'll escort them off.

And typically I would say security would do a security incident report on that. I'd have to look exactly to see what the -- there's a whole list of reasons why they have to do security incident reports, and I think escorting someone off the property is one of
them, or intoxication.

Each of them have procedures in their internal controls, so it could vary a little bit from boat to boat.

But the Gaming Commission, if that security incident report is done each week -- or each day a summary of the incident reports are forwarded to the Gaming Commission agents.

So the Commission agents, unless they see that security incident report in summary -- they don't get every report. They get a summary of the reports. And if they see something that they're, like, I wonder what that is about, they can get a copy of the report from the boat at that time. They get a summary whether it was a medical emergency, you know.

VICE CHAIRMAN JONES: But in this case he's reviewed as a patron because he's not at work, so he's reviewed as a patron but he has a higher level of responsibility because he knows the rules, but we didn't file a report?

MR. WOLFORD: That's correct, Mr. Vice Chairman.

As a Level II license holder he did have the obligation to at least self-report his being intoxicated on the floor at that time.
MR. BEDNAR: The principal of self-report, though, I think was cited in the hearing officer's order was a duty to report of all licensees for reasonable suspicion of a violation, which again would be the security officer if he believed, and that's why intoxication -- the issue of intoxication, because it is the condition precedent to a revocation should be more clearly determined and actually determined rather than just a suspicion or even a reasonable belief.

The fact is, Mr. Sagez, the security officer, testified at the hearing that he didn't really recall the incident and he didn't write the report until five days later, so all we can rely on is the behavior that there was not a report made or recorded.

And the trooper at the facility stated that sometimes they don't record a report that is made to them of a potential violation.

So we don't really have a clear record of being able to compare this incident to other incidents, of how many people get reported for suspicion of intoxication, how many people get left.

But your point, Vice Chairman, he should be viewed as a patron and not necessarily as a licensee for his conduct at the time, but, again, the lower level of sanction to a 10- or 30-day suspension would be more
appropriate if he has a heightened duty that isn't clear here as to his behavior on the boat at the time. He's willing to accept something less than a revocation.

COMMISSIONER HOWARD: Mr. Bednar, I recall that you did state that the security officer made a comment that -- the security officer stated in his testimony that he didn't recall the incident and you cited a page and line in the transcript in which he stated that.

But I'm actually going to the portion of the transcript, and as is typically the case, I believe when you cite pages and lines, I don't -- I take that out of context and I don't believe that's accurate because there are several pages of detailed testimony about the incident afterwards; whereas is often the case, he says -- he's asked -- and I'm going to page 81.

We have the benefit but those in the audience don't have the benefit of the transcript.

Page 81, starting with line 21, and I won't go through it in detail, when asked about the incident and you're okay, but do you recall your observations that you made? And I'm going to page 82, starting with line 1. Not on that night, no. And people are talking over each other like they do. The court reporter was shaking her head like they do all of the time. That's
why we have dot, dot, dot.

Okay. And then he says it's been a year and a half. Do you remember what happened that night? And then he goes on to say I do remember what happened that night in a general aspect of what happened.

And I think that's what you quote in saying I remember what happened in a general aspect to indicate he didn't recall, and then he says okay and then he says nothing specific and then you stop there, so he doesn't recall.

And then the next followup question is what do you remember happening? And then he says -- and then his answer is, would you like me to run through it? And it says, yes, please. And then he begins running through it with substantial specificity after he says nothing specific, which witnesses do that all of the time.

Oh, no, I recall nothing, and then he says, would you like me to run through it, and he says okay. So at what time was I dispatched? And then he goes on to go through it. So I was dispatched to the -- to the craps pit to observe an intoxicated guest, and he goes through and during the course, blah, blah, blah, and goes through a page and a half of specific testimony.
So by taking out that line that says I recall -- not those two words, nothing specific, it would seem that he doesn't have specific recollection if you ignore the next two pages of specific recollections. So anyway. Those are my observations.

MR. BEDNAR: And I appreciate that, Commissioner, and I think the issue there, as was brought up in reading the entire record, is there is ques--

COMMISSIONER HOWARD: Which is always important to do.

MR. BEDNAR: Exactly. And during this hearing, in fact, the security officer was reading from his report that was written five days after the incident, and we made that a point of the record that whether -- again, the context, are you refreshing your recollection or are you reading from a report? Because with the videotape hearings that are occurring now we're not in the same room as the witness, and so there are issues there of what documents are they referring to when they're right in front of them, the extent of what they're reading from the reports that have previously been written, because a witness is supposed to testify from memory and not from a report unless he's had the opportunity to refresh his
recollection and then set that report aside and then testify.

So at any rate, Commissioner, what again then I would go back to, despite his specificity of that hearing, he did not think -- and he's a Licensed II licensee just like Mr. Merritt. He didn't report to anybody an incident of intoxication, if he truly reasonably believed it.

So under the theory of prosecution of Mr. Merritt, the security officer should also have an action brought against him for failing to report.

MR. WOLFORD: If I may, at that point the security officer did not realize that Mr. Merritt was a Level II license holder, so I don't -- as the hearing officer, I don't believe that the security officer would have had a duty to report. He just viewed him as a patron, did not know, was not aware that he was a Level II license holder.

VICE CHAIRMAN JONES: When did he acknowledge that he was a Level II license holder? Because I thought I read something.

MR. WOLFORD: This would have been approximately five days after --

MR. BEDNAR: No. As he was leaving. When he was exiting out he said he was a licensee.
MR. WOLFORD: I do recall from the testimony that Mr. Merritt testified that he stated to Officer -- or Security Officer Sagez that he works for the Commission and he knows how this is supposed -- or that he works for the casino and he knows how this is supposed to work, but that -- again, that's as he was exiting the premises at about 11:31.

VICE CHAIRMAN JONES: But it's the same date?

MR. BEDNAR: Within a five-minute period.

COMMISSIONER BRADLEY: And then did Mr. Merritt even five days later -- when did Mr. Merritt find out about the report? I mean, five days later it's in process. He didn't self-report then?

MR. BEDNAR: No, he did not self-report. He wasn't aware there was going to be a report, again, because he was released.

I mean, typically if you're going to -- if there is an incident that he was going to be charged with a violation of Commission rules, maybe he thought he would have been stopped at that time and given a report or citation of some sort, but there was no -- the issue of whether he was intoxicated or not, whether he had violated any rules apparently wasn't an issue at that time.

Subsequently to the investigation, yeah, he
got notified. He provided a statement at that time, which is part of the record, to the Commission.

And again, even at this point he's not trying to escape any sanctions. He's just asking for something more proportionate to what occurred as opposed to a revocation and end of his career, support for his family.

COMMISSIONER BRADLEY: Do we have a power to do that? What are our options?

MR. GREWACH: Mr. Vice Chairman, I think Carolyn Kerr has a response also.

MS. KERR: I have a response also, if I may. Vice Chair Jones and Commissioners Bradley and Howard.

David Merritt has spent over 15 years in the industry and was an employee at Argosy Casino when he went to Ameristar Casino to gamble on September 15th. He knew the gaming regulations that forbid patrons from being intoxicated on the gaming floor.

In fact, as a pit manager for Argosy he testified that in his years of service he had to have had probably 3 or 400 people escorted off the floor because they were intoxicated or impaired. This is part of his job.

Nevertheless, he was intoxicated while at
Ameristar Casino on September 18 and gambled.

I'm sorry. September 15th.

Nick Sagez, the security officer, who we've been -- you've heard about, asked Mr. Merritt to leave and escorted him out. He decided that Mr. Merritt was, in fact, intoxicated.

When he asked Mr. Merritt to leave, Mr. Merritt initially refused and became verbally abusive, according to Mr. Sagez's testimony at the hearing.

Mr. Merritt eventually left the casino but on his way out he cursed Mr. Sagez. According to his statement, which is made part of the gaming report and report, Mr. Sagez also testified that due to Mr. Merritt's, quote, demeanor and abusive language, he did not want to get into a confined space with Mr. Merritt as Mr. Merritt was quite a bit larger than he was.

After Mr. Merritt left, he text his ex-wife, who was, as the hearing officer explained, a licensee and employee at Ameristar but not on duty at that night, cursed at her, called her a liar, accused her of somehow being involved behind getting him kicked out of the casino.

The content of those texts are in the record.
And Mr. Merritt acknowledges that he sent those texts, and it's also included in his statement that he gave to the MGC on September 21st.

It really makes no difference that an official report was not made or that a breathalyzer was not administered during the incident. What matters is that the incident was reported to MGC as required when an intoxicated patron, who in this case also happened to be a licensee, is escorted off the casino floor after being belligerent with the security personnel and making harassing communications to another licensee.

Pursuant to 11 CSR 45-13.060 and Section 313.805, Subsection 6, Revised Statutes of Missouri, Mr. Merritt bears the burden to show that he did not violate gaming laws and regulations and that his license should not be disciplined. He has failed to do so.

Mr. Merritt was intoxicated on the casino floor, failed to initially cooperate with casino personnel, sent angry, crude and harassing texts to his ex-wife and failed to self-report.

He does not deny being intoxicated and gambling at the Ameristar Casino on that night. In fact, in his written statement he wrote, I believe I had too much to drink at the wedding and wanted to stay out
with my friends. Mr. Merritt testified on his own behalf at the hearing under oath but did not testify that he was not intoxicated.

As such Mr. Merritt's Level II license is subject to discipline. We concur with the hearing officer's recommendation and believe the revocation is appropriate given his position as a pit manager and his knowledge of the laws and regulations forbidding intoxicated patrons from being on the gaming floor and placing wagers.

Thank you.

VICE CHAIRMAN JONES: Thank you, Counsel.

Commissioner Bradley, do you have a question?

COMMISSIONER BRADLEY: I have no question.

COMMISSIONER HOWARD: No, I don't have any other questions.

COMMISSIONER BRADLEY: My question was earlier from the obvious disciplinary action required in the facts that I hear this morning, but I'm wondering if -- the revocation has been recommended, but what other options do we have if we want to entertain them?

I'd just --

VICE CHAIRMAN JONES: We don't have to approve the resolution, and I think you can make a motion to make -- to amend that resolution to whatever
you want.

MR. GREWACH: Mr. Vice Chairman, the actual language from the CSR would be to modify it, because the three options would be to accept, modify or reject.

COMMISSIONER BRADLEY: Three options, to amend --

VICE CHAIRMAN JONES: Modify. You can't amend. You have to modify.

MR. GREWACH: So if you wanted to do something other than revocation, the motion would be a motion to modify the hearing officer's recommendation to, and then whatever your penalty would be -- to assess and then whatever your penalty would be.

Then we would have to draw a new resolution for the Vice Chairman's signature to reflect that motion.

VICE CHAIRMAN JONES: Are there anymore questions?

COMMISSIONER BRADLEY: Then let me move to modify the Gaming Commission Resolution No. 14-028 to be a 30-day suspension, a 30-day-calendar suspension.

COMMISSIONER HOWARD: I'll second that.

VICE CHAIRMAN JONES: Questions?

Angie.

MS. FRANKS: Commissioner Howard.
COMMISSIONER HOWARD: Approve.

MS. FRANKS: Commissioner Bradley.

COMMISSIONER BRADLEY: Approve.

MS. FRANKS: Vice Chairman Jones.

VICE CHAIRMAN JONES: Approve.

MS. FRANKS: By your vote you have modified the Commission resolution to assess a 30-day suspension of Commissioner Merritt's occupational license.

COMMISSIONER HOWARD: Not Commissioner.

VICE CHAIRMAN JONES: Not Commissioner.

You got elevated.

COMMISSIONER BRADLEY: That's quite a promotion.

MR. GREWACH: We are short too.

MS. FRANKS: Do we have to then vote on the resolution as modified?

MR. GREWACH: No. I think that motion would stand. We will draft then a resolution with that change and have it prepared for the Vice Chairman's signature.

VICE CHAIRMAN JONES: All right. Thank you.

All right. Thank you, Counsel.

MR. BEDNAR: Thank you.

MR. WOLFORD: Mr. Vice Chairman, for your consideration the matter of Shannon Hoffman, Resolution No. 14-029.
Ms. Hoffman is a regional gaming analyst manager for Pinnacle, and Pinnacle has two Missouri properties, the Lumiere Place Casino and River City Casino.

Pinnacle ran a promotion called mychoice/mymillion from April to December of 2012 at its Missouri properties.

The rules of this promotion stated that patrons would receive one promotional entry for each 25 points of play that they had accrued, and this was for slot and table games.

The Pinnacle ran the same promotion at its Belterra property in Indiana, where a problem arose where they discovered through the formula that people were receiving more than one entry for every 25 points of play and that formula subsequently needed an adjustment at Belterra.

Ms. Hoffman was aware of the issue at Belterra and became aware that the same issue had presented at a Pinnacle property in Lake Charles, Louisiana. Ms. Hoffman did call Lake Charles and confirmed that they were experiencing the same problem.

Based on this information she -- in an effort to avoid any problems at the Missouri properties, she altered the formula at both of Pinnacle's Missouri
properties, which did cause table game players to
basically have to earn double the amount of points to
get a promotional entry.

Instead of one per 25 they would only get one
entry per 50, because, in fact, there was not a formula
problem at the Missouri properties.

This change caused the Missouri casinos to
have to notify about 5,000 patrons via postcard that
they were eligible for additional entries in the
promotion.

Ms. Hoffman did not check or confirm that the
Missouri properties were having any issues with the
formula prior to making the adjustments that resulted in
the error and the fewer amount of promotional entries
per table game players than slot players.

Now, there are three regulations that are at
issue here that involve the promotional system that
casinos use.

The first one, 11 CSR 45-5.053(3)(A), states
that the holder of a license is prohibited from failing
to exercise discretion and good judgment to prevent
incidents which might reflect on the repute of the State
of Missouri.

And Section (3)(C) states that a licensee is
prohibited from failing to conduct advertising and
public relations activities in accordance with honest
and fair representation.

And finally 11 CSR 45-5.181(2)(A) states that
licensees may have these promotional activities, give-
aways, coupons, promotional games or rewards, provided
that the activity is not structured or conducted in a
manner that reflects negatively on the licensee, the
Commission or the integrity of the Gaming Commission in
Missouri.

And in this case because Ms. Hoffman made
these changes without confirming that changes needed to
be made at these Missouri properties, the hearing
officer does believe she is subject to discipline and
recommends a three-calendar-day suspension as proper and
appropriate discipline.

VICE CHAIRMAN JONES: Is Ms. Hoffman or
anyone representing Ms. Hoffman here?

MR. BEDNAR: Yes, Joe Bednar, Spencer, Fane,
Britt and Browne for Ms. Hoffman.

May it please the Commission.

VICE CHAIRMAN JONES: Yes.

MR. BEDNAR: Mr. Bednar again representing
Ms. Hoffman.

The issue in this case is an interesting one,
and I think it has significant collateral consequences
from a policy standpoint for the Commissioners as they decide this issue in understanding what Ms. Hoffman's role was in taking the action she took.

This is not a case where she just kind of on her own decides to change up the system and try to make a fix. She actually followed all of the internal control standards for the company.

She actually went to the designer of the software, the expert, Mr. Young, who at Bally designed the software, sought out his advice, sought out input from multiple casino properties.

And so the issue is then from a policy perspective. Is someone in Ms. Hoffman's position supposed to wait until there is a mistake in the system that penalizes the patrons of the casino, be subject to discipline for that or try to take preventative action so that they're not harmed and be wrong but not on their own but because of all of the experts that advised her what to do. She gets penalized for that.

The issue of how to run the promotion is really not at the level of Ms. Hoffman. Ms. Hoffman is being disciplined in her limited role as the IT specialist for Pinnacle and in her role in trying to make sure that their internal control standards are met and that patrons in any jurisdiction are not harmed.
So her good intentions of making sure Missouri patrons would not be penalized and not suffer from a software program that may be wrong is being penalized. Now she's going to lose three days of work in pay when she followed all of the procedures that I think any supervisor or manager would say, yeah, that's the process. She did everything she was supposed to do except wait for disaster to happen.

And I don't think that's good public policy to force people to wait until something bad happens to take action because the consequences of that to the casino -- multiple casinos could have a real severe impact.

So if there is something where -- they point out she didn't follow the standards. The investigator didn't even go talk to Bally, didn't go talk to Mr. Young.

He doesn't dispute the fact that what she said was truthful, that she did talk to Mr. Young, that Mr. Young did tell her to make the change, instructed her to make the change, that she did talk to the other properties. He didn't pursue any further investigation taking what she said as truthful.

So I just think this is one where I don't think any sanctions at all are in order for Ms. Hoffman
because there has been no showing that she had in any way violated the internal control standards of the company or didn't follow any procedures that -- in contradiction of the designer of the software.

So I think this is a troubling case from that pol-- what the Commission's policy is going to be on addressing software issues going down the road.

VICE CHAIRMAN JONES: Commissioners.

COMMISSIONER HOWARD: Well, if I understand from the record what happened, again, if I understand from the record, is she called someone at Lake Charles and they didn't return her call and then she called someone at New Orleans and they talked about the issue that they had with New Orleans when the software had problems at New Orleans.

And then she was at a training conference and during a break caught Mr. Young at a training conference and talked with Mr. Young during the break about the problem that they'd had at this sister casino, and he talked with her about the fix that was available for the problem they had with the sister -- at the sister casino and got information about the fix.

But I don't -- I don't think there's any issue with the fact that she talked to this Mr. Young about the cure for the fix.
I think the problem is that there wasn't a
determination first that there was a need for the cure.

MR. BEDNAR: That's why she went to the
expert, Mr. Young.

COMMISSIONER HOWARD: But someone at the
sister casino said they had a problem without
ascertaining first that she had a problem.

MR. BEDNAR: Well, she works for Pinnacle,
not the specific properties. So she's responsible for
multiple properties.

And so she had heard from the Belterra
property --

COMMISSIONER HOWARD: That they had a
problem.

MR. BEDNAR: -- that Indiana had problems.

Then she went to Louisiana and was at a conference and
inquired to them and they also had a problem.

Then she called Mr. Young, and he said he
would investigate, went back, took a look at the
program, got in contact with her again, instructed her,
yes, there's an issue, here is how you fix it, and then
she went and went to the properties, got sign-off
internally from -- not all properties have internal IT
folks and so you go to another officer of the property,
but there is an internal control standard that other
people within the property sign off. Everybody signed
off on this fix and then she just executed it.
And so she really doesn't -- by her own
testimony doesn't take the position she had the ability
to make any decision by herself. She had to get sign-
off both above and collateral to her at the properties,
and she followed all those standards.
VICE CHAIRMAN JONES: Commissioner Bradley.
MS. KERR: Vice Chair, if I may.
Thank you.
Thank you, Vice Chair Jones, and
Commissioners Bradley and Howard.
The problem here was that Ms. Hoffman did not
check to see if Missouri casinos had that problem.
Shannon Hoffman made the assumption that the same
problem affecting the nonMissouri casinos, Indiana and
Louisiana, also affected River City and Lumiere in
Missouri, and she made a configuration change to both of
those systems without verifying that the problem
experienced in those states actually affected Missouri
casinos.
The change that she made to Lumiere and River
City's system actually made it so that the table games
players had to earn twice as many points to gain access
to the sweepstakes. Had she verified the casino systems
before she initiated the system changes based on a
general assumption made by others, she would have
realized that Missouri casino systems were configured
correctly and required no change.

It was her responsibility as regional gaming
analyst manager to take care of the gaming system at
each of the Pinnacle properties and to make sure that
the sweepstakes run properly in each casino.

Ms. Hoffman never denied making the change to
the two casino systems or failing to verify whether they
did, in fact, experience the problem reported at the
other Pinnacle properties before she made the change.

In fact, Ms. Hoffman admitted that she failed
to double-check with the two casinos to make sure that
they were, in fact, experiencing the same problem.

Players in Missouri could not rely on the
rules governing the promotion being accurate once
Ms. Hoffman made the across-the-board change to the
system.

Her acts without making sure her changes
affected each individual casino led to a disconnect
between what the rules of the promotion were supposed to
be and what actually happened with the promotion in
Missouri.

Ms. Hoffman wants to pass blame to Bally or
some other IT individual within Bally or Pinnacle, but those individuals could only rely on the facts that Ms. Hoffman told them. Had she done her job and checked with the Missouri properties, then called Bally to tell them the two Pinnacle properties in Missouri were not experiencing the same problem, Bally may have given her a different answer. They might have said, well, don't make changes to that system. Just make changes to Indiana and Louisiana. Ms. Hoffman's actions discredit the casino and gaming industry because patrons should be able to expect and rely on promotions to be set up and run as advertised. The promotion claimed all players earned points at the same rate. Ms. Hoffman was responsible for making sure the players got what they expected. Her action prevented that. As a result, as the hearing officer stated, Pinnacle had to send out 5,000 postcards to its Missouri patrons explaining what happened and getting them the benefits that they should have received in the first place. As such Ms. Hoffman's Level II license is subject to discipline, and we concur with the hearing
officer's recommendation of the three-calendar-day suspension.

Thank you.

VICE CHAIRMAN JONES: My concern is that she checked with the experts, the designer, and with checking with the designer who I guess was responsible for installing the software, his assumption, is the same software all over, and I think with her assumption is that it's going to happen here in St. Louis.

So being preventative, protecting the assets of Pinnacle and River City, she made a move to reconfigure based on the expert telling her this is how you reconfigure.

But she got by from everyone that said, well, it's the same software and being installed in the same system, the Pinnacle system on all of these boats, and it should happen here.

You know, I don't want this to be a situation where you have, you know, someone that -- where you have an accident to happen and all of a sudden no one takes care of knowing that this is an issue -- knowing that this is an issue, no one stands up and takes care of the problem to prevent it from escalating.

MS. KERR: Right. And I understand that. We understand that.
But she checked with the two other casinos and this was happening in Missouri. She didn't check what was happening in Missouri. I don't think it would have taken, you know, but a phone call to make sure, okay, this is what we're seeing in two out of however many properties that they had. Is it also occurring in Missouri? She didn't do that.

Like I said, if she had told Bally it doesn't look like this is happening in Missouri, you know, should I still go ahead and make the changes, they probably wouldn't have told her to go ahead and do the across-the-board change.

So I think as the manager of that -- the system, making sure that Pinnacle has the right systems in place in all of the casinos, she had an obligation to make sure that each casino was -- had the right system and the right changes, if any.

VICE CHAIRMAN JONES: Thank you.

COMMISSIONER BRADLEY: Did each casino accept -- where you said the internal controls. So two casinos here accepted the change?

MR. BEDNAR: Yes, they did.

George Young at Bally's. She's not trying to blame anybody. This is -- you know, software is software. We see it every day that there is issues that
happen.

Everybody signed off, as Vice Chairman said.

George Young was the expert. He said, we designed it.

You need to make these changes to prevent it from
happening in Missouri.

And so they then went internally at those
properties, got sign-off there by the people in charge
there and then made the changes only after she'd gotten
through all of the internal control processes.

So, I mean, those are the facts. As I said,
the investigator -- and the supposition of -- the
investigator never went and talked to Mr. Young at
Bally's.

So we've got that -- Ms. Hoffman testified
that she talked to Young. We submitted those e-mails
that occurred between Mr. Young and Ms. Hoffman in which
he lays out what is to be done.

COMMISSIONER BRADLEY: So basically it was
just miscommunication? She didn't communicate directly
before she did it?

MR. BEDNAR: No. I think the issue is did
she wait for something bad to occur in Missouri? It
really focuses on prevention. Do you want to do it
before there is a problem or after there's a problem?

She went to the experts, said should we make
these changes? Is there a problem with the software and
do we need to make changes? And Young's response was
there is a problem. You need to make these changes.
And so she went and made those changes companywide to
make sure that there wasn't a problem.

COMMISSIONER HOWARD: It appears to me from
looking at the e-mail that there must have been two
versions of the software.

The e-mail from Mr. Young from April 19, 2012
indicates that there was an old version of the
sweepstakes software and a new version of sweepstakes
software, and apparently their casino was using the old
version of the software instead of the new version.

And, you know, again, this is an interesting
job that requires us to become experts in all kinds of
things that we weren't experts in last week, but for the
next ten seconds I'm an expert in IT.

And if I'm to understand this e-mail from
April 19 of 2012, this casino was using a different
version.

And so when Ms. Hoffman is talking with
Mr. Young and saying we want to be prophylactic as far
as not having these problems that some of the other
casinos were having, so we want to do these changes.

What she didn't say is, by the way, we're using
Version 9.2. Well, the problem was with Version 10.5.

So she goes ahead and keys in these changes that Mr. Young suggests that she makes, but they're not using the latest version. They've not using 10.5.

They're Version 9.2. So she makes the changes and she's making the changes to the wrong version.

MR. BEDNAR: Well, that wasn't in the record that she was making changes to the wrong version. There is no testimony from --

COMMISSIONER HOWARD: Well, I'm looking at what you provided us. I'm not smart enough to make this stuff up. I'm pretty smart but not smart enough to make this stuff up.

MR. BEDNAR: My point is, she felt she was following the directions of the expert in making the changes and testified to that at the hearing.

COMMISSIONER BRADLEY: Do I recall that we had disciplinary action against the licensee and the casino for this?

MR. BEDNAR: I believe there was. I'm not sure.

COMMISSIONER BRADLEY: Am I recalling that, that the casino itself was fined --

VICE CHAIRMAN JONES: Yes.

COMMISSIONER BRADLEY: -- because of this?
COMMISSIONER HOWARD: And these situations, we all acknowledge this is what happens when you have a job where you hold a license and your job impacts an industry that is licensed, that when you make mistakes, which, by the way, most of us make six of them before we get in the shower every morning, can impact the industry -- you know, this is my opinion and I guess I get to express it when I get behind this microphone -- can sometimes impact the industry where you work when it's just a mistake.

MR. BEDNAR: And my point was that the mistake whether it's an intentional mistake or failure to follow internal controls. I appreciate it.

MS. KERR: Two things.

First of all, the two Missouri casino systems apparently are independent systems and they need to be treated independently. So each system needs to be checked before an across-the-board change was made, and Ms. Hoffman failed to do that.

Also, the promotion was already running when this happened -- when this change was made. And so, you know, if it wasn't working right, then people would have been shorted those entries. That should have been reported too and that wasn't because the written rules weren't followed.
But the fact that most software is the same across the board doesn't take away the fact that Ms. Hoffman didn't double-check and make sure that the casinos in Missouri or Illinois or any of the other states, that their promotions were running correctly based on how the system was set up.

And she needed to make sure that these independent systems were checked independently and she didn't. You know, if she had checked and then told -- like I said, told Bally, this seems to be working all right, you know, do I still need to change it, this probably wouldn't have never happened.

So, you know, I think that she did have that obligation and she didn't meet that.

VICE CHAIRMAN JONES: Commissioner Howard, anymore questions?

COMMISSIONER HOWARD: No.

VICE CHAIRMAN JONES: Commissioner Bradley?

COMMISSIONER BRADLEY: No, I don't have anymore.

VICE CHAIRMAN JONES: Okay. Can we get a motion?

COMMISSIONER HOWARD: And I do appreciate all this information that we're provided. It's very helpful to the Commission because these are important decisions
that we make.

COMMISSIONER BRADLEY: Absolutely.

VICE CHAIRMAN JONES: Do I get a motion?

COMMISSIONER HOWARD: I move for the approval of Resolution No. 14-029.

COMMISSIONER BRADLEY: Second.

VICE CHAIRMAN JONES: Angie, call the roll, please.

MS. FRANKS: Commissioner Howard.

COMMISSIONER HOWARD: Approve.

MS. FRANKS: Commissioner Bradley.

COMMISSIONER BRADLEY: Approve.

MS. FRANKS: Vice Chairman Jones.

VICE CHAIRMAN JONES: Approve.

MS. FRANKS: By your vote you've adopted Resolution No. 14-029.

MR. WOLFORD: Mr. Vice Chairman, for your consideration, the matter of Mark Goldsworthy. It's Resolution No. 14-030.

Mr. Goldsworthy applied for a Missouri occupational gaming license on 4 September of 2012. In his application he disclosed a pending charge in the state of Colorado, a misdemeanor for accepting a tip from a patron at a gaming establishment.

Goldsworthy kept the Commission informed by
the Colorado court proceedings during his application process. A Commission agent did tell him that if he pled guilty to that charge, he would not be able to obtain a Missouri gaming license.

Goldsworthy did subsequently enter a guilty plea to the charge and was denied his Missouri license.

The State regulations state that an applicant is unsuitable to hold a license if they have pled guilty to any gambling-related offense within the past five years.

At the hearing Mr. Goldsworthy testified that the charge was a gaming offense and not a gambling-related offense. However, none of the statutes or regulations governing gaming in the state of Missouri make any distinction between gambling related or gaming related; therefore, the hearing officer recommends that the license denial is proper in this case.

VICE CHAIRMAN JONES: Is Mr. Goldsworthy here today? Anyone representing Mr. Goldsworthy?

Commissioner Bradley, Commissioner Howard, anything?

COMMISSIONER HOWARD: No.

VICE CHAIRMAN JONES: Can we get a motion, please?

COMMISSIONER HOWARD: Move for approval of
Resolution No. 14-030.

COMMISSIONER BRADLEY: Second.

VICE CHAIRMAN JONES: Angie, call the roll, please.

MS. FRANKS: Commissioner Howard.

COMMISSIONER HOWARD: Approve.

MS. FRANKS: Commissioner Bradley.

COMMISSIONER BRADLEY: Approve.

MS. FRANKS: Vice Chairman Jones.

VICE CHAIRMAN JONES: Approve.

MS. FRANKS: By your vote you've adopted Resolution No. 14-030.

MR. WOLFORD: Mr. Vice Chairman, for your consideration, the matter of Adrienne Kirkland, Resolution No. 14-031.

On 12 April of 2013 Ms. Kirkland applied for a Level II occupational gaming license. In her application she failed to disclose an arrest on December 8, 1988 for failure to appear out of Ferguson, Missouri.

She testified that she forgot and had no memory of the arrest due to the passage of time, and later during her testimony it was brought out that she recalled it being just an infraction and it was taken care of.
As you know, the Commission may refuse a license to someone who fails to disclose information in the application process; therefore, the hearing officer believes that license denial is proper in this situation.

VICE CHAIRMAN JONES: Is Ms. Kirkland present or anyone representing Ms. Kirkland?

Any comments from the Commission?

Can we get a motion, please?

COMMISSIONER BRADLEY: I'll move to approve Resolution No. 14-031.

COMMISSIONER HOWARD: Second.

VICE CHAIRMAN JONES: Angie, call the roll.

MS. FRANKS: Commissioner Howard.

COMMISSIONER HOWARD: Approve.

MS. FRANKS: Commissioner Bradley.

COMMISSIONER BRADLEY: Approve.

MS. FRANKS: Vice Chairman Jones.

VICE CHAIRMAN JONES: Approve.

MS. FRANKS: By your vote you've adopted Resolution No. 14-031.

MR. WOLFORD: Mr. Vice Chairman, for your consideration, the matter of Richard Mott, Jr. It's Resolution No. 14-032.

Now, although duly and properly notified of
the time and date of the hearing, Mr. Mott did not appear.

Mr. Mott made an application for a Level II occupational gaming license on 31 October 2013. In his application he failed to disclose a February 2007 arrest for making a false report in St. Louis, Missouri; therefore, the hearing officer believes that license denial is proper in this case.

VICE CHAIRMAN JONES: Is Mr. Mott present?

Commissioner Bradley, Commissioner Howard.

COMMISSIONER HOWARD: I'll move for approval of Resolution No. 14-032.

COMMISSIONER BRADLEY: Second.

VICE CHAIRMAN JONES: Angie, call the roll.

MS. FRANKS: Commissioner Howard.

COMMISSIONER HOWARD: Approve.

MS. FRANKS: Commissioner Bradley.

COMMISSIONER BRADLEY: Approve.

MS. FRANKS: Vice Chairman Jones.

VICE CHAIRMAN JONES: Approve.

MS. FRANKS: By your vote you've adopted Resolution No. 14-032.

MR. WOLFORD: Mr. Vice Chairman, for your consideration, the matter of Raymond Merida, Resolution No. 14-033.
Mr. Merida applied for a Level II occupational gaming license on 17 October of 2013. In his application he failed to disclose an arrest on December 15, 2002 for an assault out of Canton, Missouri.

At hearing Mr. Merida initially testified that he simply forgot about it; however, he was well aware of many of the details surrounding the assault, which led the hearing officer to believe that he, in fact, did recall it and should have disclosed it; therefore, the hearing officer believes that license denial is proper in this case.

VICE CHAIRMAN JONES: Is Mr. Merida here?

COMMISSIONER HOWARD: Was this not the one that he indicated that he thought it had been expunged?

MR. WOLFORD: Correct. He thought because he was a juvenile at the time that it was off his record, and he did say that he didn't recall many of the details, but he did have --

COMMISSIONER HOWARD: He acknowledged that it occurred but thought it had been expunged?

MR. WOLFORD: Correct.

COMMISSIONER HOWARD: And, therefore, didn't need to disclose it?

MR. WOLFORD: That was his theory, correct.
COMMISSIONER BRADLEY: Is he here?

VICE CHAIRMAN JONES: No, he's not here.

Can we get a motion?

COMMISSIONER BRADLEY: I'll move to approve Commission Resolution No. 14-033.

COMMISSIONER HOWARD: I'll second.

VICE CHAIRMAN JONES: Angie.

MS. FRANKS: Commissioner Howard.

COMMISSIONER HOWARD: Approve.

MS. FRANKS: Commissioner Bradley.

COMMISSIONER BRADLEY: Approve.

MS. FRANKS: Vice Chairman Jones.

VICE CHAIRMAN JONES: Approve.

MS. FRANKS: By your vote you've adopted Resolution No. 14-033.

MR. WOLFORD: Thank you, Vice Chairman Jones, and Commissioners Bradley and Howard.

VICE CHAIRMAN JONES: All right. Thank you.

Item V on the agenda, Hearing Officer Mr. Steib.

MR. STEIB: May it please the Commission, the first item under Item V is that of Tonya Macon, Resolution 14-034.

Ms. Macon was a bartender with a Level II occupational license. She was employed as a bartender
on February 23rd, 2013.

She was observed under a surveillance camera of serving alcohol to an intoxicated person. There were further observances at different times. The patron left the floor, came back, was still observed being intoxicated.

Ms. Macon asked for a hearing before the hearing officer. She was properly notified of the hearing; however, she appeared not.

So based on the evidence adduced by the investigator and the staff, it does not appear that she met her burden of proof to show that she should not be disciplined, and hence the hearing officer recommended that the discipline be approved, that being a three-day suspension of Ms. Macon's license.


COMMISSIONER HOWARD: I'll move for approval of Resolution No. 14-034.

COMMISSIONER BRADLEY: Second.

VICE CHAIRMAN JONES: Angie.

MS. FRANKS: Commissioner Howard.

COMMISSIONER HOWARD: Approve.

MS. FRANKS: Commissioner Bradley.

COMMISSIONER BRADLEY: Approve.
MS. FRANKS: Vice Chairman Jones.

VICE CHAIRMAN JONES: Approve.

MS. FRANKS: By your vote you've adopted Resolution No. 14-034.

MR. STEIB: Mr. Vice Chairman, the next item on the agenda is that of Cynthia D. Storz, Resolution No. 14-035.

I'd like to point out to the Commissioners that the introductory language under the findings of fact has the language petitioner appeared not.

At the hearing on April 9th there were a number of hearings scheduled, a number of nonappearing petitioners.

This is not accurate as to Ms. Storz. In fact, if you refer to Item No. 5 under the findings of fact, at the hearing of April 9th Ms. Storz did, in fact, appear, did deliver sworn testimony. Her testimony I believe was sincere, honest; however, mistaken.

In this particular situation on March 16th, 2013 Ms. Storz learned of a violation involving an unsecured bank transfer. That is a money cart was taken from the main cage without being locked.

Ms. Storz did not report that as was her duty under the mistaken belief that it already had been
reported. And so as the findings of fact based on the
evidence adduced reflects that even though Ms. Storz
believed that it had already been reported, the
violation, that does not absolve her of her
responsibility to report that, which she did not do.

Based on the evidence adduced and the
testimony taken, including that of Ms. Storz, the
hearing officer believes that a one-day suspension is
appropriate in this matter.

VICE CHAIRMAN JONES: Is Ms. Storz present?

MS. STORZ: Yes. Yes.

VICE CHAIRMAN JONES: State your name.

MS. STORZ: Cynthia Storz, S-t-o-r-z.

VICE CHAIRMAN JONES: Go right ahead.

MS. STORZ: I did not report it to Missouri
Gaming because I was under the assumption that it had
already been reported three hours prior to the start of
my shift.

The incident occurred around -- from what I
remember, around 3:15 in the afternoon. I was scheduled
at seven o'clock that night. And when I arrived prior
to my start of my shift, I was told that per the
supervisor who was on duty at the time, that she
notified our department manager. She does not know how
MGC or Sky One found out but they were made aware of it.
At that point I assumed that everyone had already known about it.

VICE CHAIRMAN JONES: Counsel.

MS. KERR: Thank you.

Thank you, Vice Chair Jones, Commissioners Howard and Bradley.

The cart was left unsecured three hours before she found -- before Ms. Storz found out about it. There was about $109,000 in that unsecured cart.

Mr. Spearman reported it to the Gaming Commission. Ms. Storz did not. She admits that she never told the Commission or a Commission agent.

But it was her responsibility as a supervisor and as a licensee to report the fact that there was an unsecured money -- unsecured cart on the floor. Even if it was duplicative, you shouldn't make assumptions that somebody else reported it.

She made that assumption and it was obviously not valid, but she had -- she had the duty to report it. Because she failed to do so she violated 11 CSR 45-10.030 which requires licensees to take action to protect assets of the casino, and we concur with the recommendation of the hearing officer for a one-day suspension.

Thank you.
VICE CHAIRMAN JONES: Commissioners.

COMMISSIONER HOWARD: I don't have any questions.

COMMISSIONER BRADLEY: So I just want to clarify. The procedure is that there would have been a security advisor on the shift before Ms. Storz's shift who did report it but then when she came on she needed to report it again? Is that the proper procedure? I'm trying to understand.

MS. STORZ: According to the reports that I have read, actually it wasn't reported until 9:30 or 9:20.

COMMISSIONER BRADLEY: That's why I'm confused.

MS. STORZ: Believe me, I'm confused too, because it happened at 3:15 in the afternoon. And Meeka Reed, the supervisor who was on duty at the time, told me -- I did not ask her had she reported it, but she told me she didn't know how Missouri Gaming or Sky One found out but they were aware of that situation.

At that point I assumed the responsibility had been met to what we were required to report to Missouri Gaming and Sky One, so Sky One could watch the coverage of the money being transferred.

At about 9:15, 9:30 that night, from what I
recall, Pierre Crawford, their shift manager, had came to me and asked me how much was in the cart. I actually had to pull what we called dead paperwork, which had the amount of the transfer at the bottom, and show them that's how much it was, $109,000.

COMMISIONER BRADLEY: So was the other security manager disciplined?

MS. STORZ: Their shift started at three o'clock that afternoon.

COMMISIONER BRADLEY: Were they disciplined on the prior shift?

MS. KERR: I'm not sure. I'd have to check the report, because there were other people involved.

Ms. Alonzo might be able to.

COMMISIONER BRADLEY: Sure.

MS. ALONZO: Cheryl Alonzo, Missouri Gaming Commission.

There were several other licensees that received discipline, a security officer, a main cashier, a shift manager and a shift supervisor.

Now, I'm not sure. You said whose name?

MS. STORZ: Spearman, Eddie Spearman, was the one who -- he was the shift supervisor that was on duty at the time.

MS. ALONZO: That person was not disciplined
in this case, or not recommended discipline.

COMMISSIONER BRADLEY: I'm just a little confused. If the supervisor who was on duty, the security advisor who was on duty, wasn't disciplined but the person who was came in the next shift three hours later is disciplined.

MS. KERR: Well, Mr. Spearman did notify MGC.

COMMISSIONER BRADLEY: Then that's my question. Then is there a duty for the next person coming in? I mean, if he notified --

MS. KERR: Well, I'm not sure that Ms. Storz knew that anybody had notified MGC, and just to verify and make sure that there's this cart, this unsecured cart, out there, does everybody know that, you know --

COMMISSIONER BRADLEY: And it was still out there? Is that what the issue is? It was still out there when you came on your shift?

MS. STORZ: No.

From what I understand, when the cart came over to the cage at 3:20ish in the afternoon, once the cart is inside the cage, it's considered in a secure location and the funds were accepted in by the cashier that it actually belonged to.

So where it was unsecured from was from when it was transferred from off the casino floor through the
casino floor to a secure location.

COMMISSIONER BRADLEY: But that was not on your shift. Correct?

MS. STORZ: It was not, no.

VICE CHAIRMAN JONES: When did your shift start?

MS. STORZ: I was scheduled at 1900 that night, which is 7:00 p.m., and I arrived at about 6:45.

COMMISSIONER BRADLEY: I'm trying to figure out the duty.

VICE CHAIRMAN JONES: Yeah.

COMMISSIONER BRADLEY: I understand there's a duty to report, but if it's already been reported --

MS. STORZ: And I understand that too, it is my duty, and I have a really good rapport with our Missouri Gaming agents on staff.

And when I spoke to the officer on duty, Rhonda Shanika, I told her that I understand that you have an investigation to do. I will help you in any way and get you whatever information you need.

I just don't understand why myself, you know, three and a half, four hours after the incident occurred, I was told -- I didn't specifically ask was MGC notified but the supervisor on duty said I don't know how they found out but they know, to me that was
meeting the responsibility. As long as you guys are aware of the situation, then the proper people were notified.

VICE CHAIRMAN JONES: I'm confused. I'm also confused on that.

At 3:20 it goes to a secure place. So it's not even on the floor when you come on?

MS. STORZ: That is correct. The funds were actually already being used.

VICE CHAIRMAN JONES: They were already secured?

MS. STORZ: Secured and probably handed out to guests at that point.

I don't remember the exact day of the week, but I believe it was a Friday or Saturday. It's a busy weekend, and those banks can go through, you know, 4 or $500,000.

CHAIRMAN JONES: It's secured. It's not there. You just hear there's an investigation going on?

MR. STORZ: That is correct.

VICE CHAIRMAN JONES: But we're saying it was your responsibility to report that this cart was there prior to your shift at three o'clock in the afternoon?

MR. STORZ: Yes, sir.

COMMISSIONER HOWARD: I guess I don't
understand. The transcript talks about the -- and
that's where we need the information about the cart not
being locked and that's where -- I guess I was under the
impression where they were talking about -- in the
transcript earlier about an unlocked cart and -- a bank
cart valued at $109,000 left the main cage and went to
the cage on the casino floor without being locked, and
the cart not being locked, and that occurred -- and
you're saying that occurred at three o'clock in the
afternoon.

MS. STORZ: Around 3:15 from what I
understand.

COMMISSIONER HOWARD: Well, we're not
securing it while transporting it from one secure
location to another secure location, and then who is
responsible for doing that?

MS. STORZ: The responsibility was the main
banker, Brenda, who left -- who sent the cart from the
main bank. Security Officer Mustafa Al-Hiti should have
made sure that the lock was locked on it. Usually they
pull on the lock. It's like a padlock. You have to have a
key in it to unlock it. You have to have a key in it to
lock it.

Once that cart comes out of the main bank,
they usually pull on the lock. Assuming he never
checked the lock. I have no idea. They walk across the
floor. That lock was never on that cart.

So at any time anybody could have taken the
lid literally and lifted it up and then there's the
money inside the cart.

COMMISSIONER HOWARD: And I guess this is
where -- when looking at the transcript, it said that
there was a recognition that that was not done properly,
and then the question was asked, well, who was
responsible for informing the Gaming Commission
personnel that that had occurred, and I believe you
testified that you were the one that was notified that
this -- the transporting of that cart had occurred
improperly.

MS. STORZ: I was probably about the fourth
or fifth person notified of it.

Meeka Reed was the supervisor who -- the
employee told her that it was unlocked. She then called
our department leader at the time and said that the cart
was unlocked. And then when I came in at seven o'clock
that night -- if you read Meeka's statement, it says in
there that she had talked to Pierre Crawford shortly
after this had happened in what's called the JPH area,
so that they could speak about the situation, and then I
was notified later that night.
COMMISSIONER HOWARD: And told that something had happened earlier that day that had not been done properly?

MS. STORZ: Correct.

COMMISSIONER HOWARD: On somebody else's shift?

MS. STORZ: Correct.

MS. KERR: I'm sorry. If I may. As a supervisor -- when she found out that this had happened, as a supervisor Ms. Storz had the duty to make sure that, well, did anybody get notice, and in her statement she states that at no time did I ask if MGC or Sky One had been notified. She didn't take that extra step just to make sure.

I think she told the trooper, well, I was trying to figure out what was going on. I wanted to get the facts straight before coming to you with it.

But the fact is she needed -- when she was told that this was happening, as a supervisor she should have taken that step to notify MGC immediately that this was going on or who was taking care of it, make sure that MGC was notified.

COMMISSIONER HOWARD: I don't think there's -- I have to take a distinction between was happening and had happened.
There wasn't anything continuing to happen. There was something that had happened --

MS. KERR: Right.

COMMISSIONER HOWARD: -- four hours ago.

MS. KERR: And had MGC been --

COMMISSIONER HOWARD: There's a significant distinction between --

VICE CHAIRMAN JONES: And had been reported.

MS. KERR: And she did not check.

COMMISSIONER HOWARD: So I guess our responsibility is to decide what the obligation is of subsequent supervisors to find out any misconduct that had occurred prior to their shift by employees and then are they responsible for making sure we know.

MS. KERR: Well, I don't think we're asking for the supervisor on the next shift to say did anybody do anything wrong last shift? When she found out that this had occurred and nobody had notified MGC immediately.

COMMISSIONER HOWARD: We're not being asked to do that? We're not being asked to do that?

Let's say that one more time. We're not being asked to make a determination as to whether Ms. Storz should be responsible for failing to report something that had happened on a prior shift?
MS. KERR: Well, once she found out there was a violation, yes.

COMMISSIONER BRADLEY: As far as from what I have read and what I've heard, she had an understanding that the incident had been reported and it had been.

VICE CHAIRMAN JONES: Anymore questions?

COMMISSIONER BRADLEY: No.

COMMISSIONER HOWARD: I have no more questions.

VICE CHAIRMAN JONES: Commissioner Howard.

COMMISSIONER HOWARD: I don't have anymore questions.

VICE CHAIRMAN JONES: Do we get a motion?

COMMISSIONER BRADLEY: I'm going to move to reject Commission Resolution No. 14-035.

COMMISSIONER HOWARD: Is reject the right word?

MR. GREWACH: Reject is the right word.

COMMISSIONER HOWARD: We have magic words we have to use.

I'll second that.

VICE CHAIRMAN JONES: Angie, call the roll.

MS. FRANKS: Commissioner Howard.

COMMISSIONER HOWARD: I approve we reject.

MS. FRANKS: Commissioner Bradley.
COMMISSIONER BRADLEY: I approve we reject.

MS. FRANKS: Vice Chairman Jones.

VICE CHAIRMAN JONES: I approve the rejection.

MS. FRANKS: By your vote you've rejected Commission Resolution No. 14-035.

VICE CHAIRMAN JONES: Thank you.

MS. STORZ: Thank you.

MR. STEIB: May it please the Commission, the next item on the agenda is Mr. Todd R. Cruts, Resolution No. 14-036.

Mr. Cruts did appear via videotape at a hearing on April 9th.

On April 11th, 2013 Mr. Cruts was employed as a security supervisor for the Cape Girardeau casino. In that capacity he instructed security officers under his supervision to fix errors on their card inspection logs. The licensee had the security officer fill out new logs without voiding the originals.

At the hearing Mr. Cruts testified extensively regarding what he thought the appropriate protocol should be, which differed from what the actual protocol is, if you've read the transcript.

He is no longer an employee by his own volition of the casino. The original erroneous law
should have been voided with an accompanying brief
description of why the originals were voided.

It is the opinion of the hearing officer that
Mr. Cruts did not meet his burden of proof to show why
he should not be disciplined, and the discipline which
was suggested by the staff is that Mr. Cruts be affirmed
in a five-day suspension, which may be moot under the
circumstances since he's no longer an employee; however,
I would still ask that the resolution be approved.

VICE CHAIRMAN JONES: Is Mr. Cruts in the
audience?

Now, my understanding now is that if we suspend
his license, so he gets to keep the license, but he was
just fired from -- or he was terminated from his previous
employer, so he could possibly with the license move to
another employer.

MR. STEIB: I believe that the record will
reflect that he was not terminated but he chose other
pursuits. So he was not terminated from the casino,
just to make the record clear. He decided to pursue
other things.

As to the ramifications of the suspension, I
deer to the staff to relate that to the Commissioners.

MR. GREWACH: Yeah. To answer your question,
Vice Chairman, he will keep his license for whatever his
license term is, but being able to renew it when the renewal date comes around, unless he's employed by a casino.

VICE CHAIRMAN JONES: Got it.

MS. KERR: And actually I think his license has since expired.

VICE CHAIRMAN JONES: Okay. Commissioners.

COMMISSIONER HOWARD: I'll move for approval of Resolution No. 14-036.

COMMISSIONER BRADLEY: Second.

VICE CHAIRMAN JONES: Angie.

MS. FRANKS: Commissioner Howard.

COMMISSIONER HOWARD: Approve.

MS. FRANKS: Commissioner Bradley.

COMMISSIONER BRADLEY: Approve.

MS. FRANKS: Vice Chairman Jones.

VICE CHAIRMAN JONES: Approve.

MS. FRANKS: By your vote you've adopted Resolution No. 14-036.

MR. STEIB: The next item on the agenda, Mr. Vice Chairman, is that of Brandon Nichols, and the issue here being a failure to disclose an arrest record.

There was a hearing conducted April 9th, 2014 where Ms. Kerr, the Commissioner's attorney, appeared, evidence was presented and arguments made.
The issue in this situation revolves around an application that was denied for failure to disclose arrests, convictions, failure to disclose a battery arrest in Cahokia, Illinois on October 4th, 2004, a failure to disclose a battery arrest on November 15, 2002 in Cahokia, Illinois, a failure to disclose obstructing identification on July 4th, 2010 in Fairview Heights, Illinois, and a failure to disclose battery causing harm January 15, 2011, all of which were not disclosed on the application which was filed.

Based on that evidence adduced at the hearing the staff recommends that the denial of the gaming application be approved and that is the finding of fact and conclusions of the hearing officer.

VICE CHAIRMAN JONES: Is Mr. Nichols present? Commissioners.

COMMISSIONER HOWARD: I move for approval of Resolution No. 14-037.

COMMISSIONER BRADLEY: Second.

VICE CHAIRMAN JONES: Angie.

MS. FRANKS: Commissioner Howard.

COMMISSIONER HOWARD: Approve.

MS. FRANKS: Commissioner Bradley.

COMMISSIONER BRADLEY: Approve.
MS. FRANKS: Vice Chairman Jones.

VICE CHAIRMAN JONES: Approve.

MS. FRANKS: By your vote you've adopted Resolution No. 14-037.

MR. STEIB: Commissioners, the next item on your agenda is that of Brittney Bridgett.

This involves the same issue of failure to disclose an arrest record. There was a hearing conducted on April 9th, 2014, of which the applicant was duly noted. However, the applicant appeared not.

There was a record made, which I'm sure you have been advised of. The applicant pursuant to the exhibits adduced and admitted into evidence failed to disclose an arrest dated June 12, 2013 for disturbing the peace in the City of St. Louis, Missouri. That was not reflected in the application.

Based on the applicant's failure to appear on and the record made and evidence adduced, including clear and convincing, evidence that the applicant in absentia, lead the hearing officer to the conclusion that the applicant's application was properly denied, which was the recommendation of the staff.

VICE CHAIRMAN JONES: Is Ms. Bridgett present?

Commissioners.
COMMISSIONER BRADLEY: Motion to approve Commission Resolution No. 14-038.

COMMISSIONER HOWARD: Second.

VICE CHAIRMAN JONES: Angie.

MS. FRANKS: Commissioner Howard.

COMMISSIONER HOWARD: Approve.

MS. FRANKS: Commissioner Bradley.

COMMISSIONER BRADLEY: Approve.

MS. FRANKS: Vice Chairman Jones.

VICE CHAIRMAN JONES: Approve.

MS. FRANKS: By your vote you've adopted Resolution No. 14-038.

VICE CHAIRMAN JONES: Mr. Steib.

MR. STEIB: Commissioners, the next item on your agenda is of that DeAndre Davis, the issue here being failure to disclose five arrests.

There was a hearing conducted April 9th, 2014 in which sufficient evidence was presented to reflect that the applicant had failed to disclose multiple arrests, which were the results of a fingerprint check which had been taken after the application was submitted.

There were indeed five arrests in various jurisdictions. Based on that and the evidence adduced at that hearing, it is the hearing officer's judgment
and opinion that the applicant did, in fact, fail to
disclose the arrest records and that the recommendation
of the staff, that the denial of the gaming license is
appropriate, that being the conclusion of the hearing
officer in this matter.

VICE CHAIRMAN JONES: Is Mr. Davis present?

Commissioners.

COMMISSIONER HOWARD: Move for approval of

Resolution No. 14-039.

COMMISSIONER BRADLEY: Second.

VICE CHAIRMAN JONES: Angie.

MS. FRANKS: Commissioner Howard.

COMMISSIONER HOWARD: Approve.

MS. FRANKS: Commissioner Bradley.

COMMISSIONER BRADLEY: Approve.

MS. FRANKS: Vice Chairman Jones.

VICE CHAIRMAN JONES: Approve.

MS. FRANKS: By your vote you've adopted

Resolution No. 14-039.

MR. STEIB: Thank you, Commissioners.

VICE CHAIRMAN JONES: Thank you, Mr. Steib.

COMMISSIONER HOWARD: Thank you, Mr. Steib.

VICE CHAIRMAN JONES: We're going to take a
ten-minute minute break. Then we'll get into the rest
of the agenda. So 12:10.
(A RECESS WAS TAKEN.)

EXECUTIVE DIRECTOR STOTTLEMYRE:

Mr. Chairman, we have Tom Cook with us, the General Manager of Harrah's in North Kansas City, and he will start the presentation and introduce any of the guests that he has with him.

MR. COOK: Well, I guess it's officially afternoon. So good afternoon, Chairman Jones, Commissioner Howard and Commissioner Bradley.

Tom Cook, General Manager for Harrah's North Kansas City.

COMMISSIONER HOWARD: Good afternoon.

MR. COOK: I had time to think about some things. This is my fifth visit before you seeking again our license renewal for North Kansas City.

There are a number of folks with me that I'd like to introduce with us. Because we're also seeking our Class A license renewal as well, we have Jackie Bioto (phonetic sp.), Sue Carletta and Tim Lambert. They are with our corporate office in Las Vegas. And locally from North Kansas City, Jim Janchar and Sharon Spencer-Drew, our finance and regulatory compliance manager.

And then finally on the conclusions of my comments we have our mayor, Mr. Don Stielow, who would also like to say a few words at the conclusion of our
brief presentation.

So without further ado I'll cruise through the request. I appreciate that we've minimized a little bit of this. You've asked me to speak for no more than 15 minutes, and I promise you I will adhere to that.

North Kansas City, this is our star property. We are in our 20th year. So in September we will be celebrating our 20th year. So we've been around now for quite a while.

And things are good. With regard to the agreements, we continue to adhere to the development agreement, our rent being the greater of $2 million per year, or 2 percent of gaming revenues. So you see before you how we did in 2012 and '13.

As well as our charitable contributions, which were in this particular component $100,000 in each of the last two years. You'll see later in the presentation where our charitable donations are in excess of this requirement.

I do want to point out that through this particular piece of the process we partnered -- or actually almost allowed the City of North Kansas City to determine where all of these funds go, and I think that they do a terrific job of balancing the needs, not just of North Kansas City but in the surrounding communities,
in providing funds to a whole bunch of local charitable organizations through a really good process.

So the revenue in our admission performance is not surprising. Revenues haven't been quite up to what our planned revenue was, and the same with the admissions, but our adherence to the -- to the record and then obviously to the taxes have been in place.

We keep -- it's been a tough market, and it's been particularly tough, I think, for gaming. As the rest of the economy rebounds, we seem to be a little bit lagging, and we're hopeful that this will come back around.

From a capital investment perspective, as we look at 2012 and '13, we have a list before you of some of the things that we have done.

Honestly, unless you're sort of a facilities guy and not really sexy kinds of capital investment type things but more necessary maintenance types of things, with certainly things thrown in.

But there's a couple probably I would characterize as lean years for 2012 and '13, and while the presentation is focused on '12 and '13, I did want to at least acknowledge or point out that in this year, our 20th year, we've got some exciting changes happening, where we're spending approximately $3 million
on a renovated restaurant. We've built out an employee health and wellness center. So beyond just the investment, just the idea that we're taking care of our employees locally, where there will be a nurse on site. It will be terrific.

We're spending almost $2 million to refurbish one of our two hotel towers, and we're continuing with the process of remodeling the restrooms and components of the hotel. A plumbing issue that is being addressed is a singular issue that is on the order of $100,000, and about the same amount with the restroom remodels. So those are both going to be done through MBEs, which is terrific.

Our responsible gaming, that is something that Caesars Entertainment has always been particularly proud of. This is a busy slide. Hopefully you've had a chance to peruse it because I won't go through it in great detail.

But one of the things worth noting is we did in the last year purchase this advanced ID detection system which has significantly helped both in speed and accuracy of scanning IDs and taking the pictures of the IDs and checking for alterations and those kind of things. And it's deemed -- you know, it's been really successful.
I think, you know, we have about three to four million admissions a year. We ultimately check on the order of a few hundred thousand IDs that are physically checked, and about once every ten days on average we will catch a fraudulent ID.

So I think our teams do a pretty good job, and we're highly sensitive to the minors getting on board and we do our best, and I think we've made some progress in that regard.

Our responsible gaming, as I said, is something that Caesars has always been proud of. This is just a little bit more of the tools that we use to identify people with false IDs, from the detection system, that I noted, to black lights and flashlights and all sorts of things.

And we -- you know, we've been -- that's really been in place for a long time, and again, as I tried to emphasize, I think Caesars has always been known as one of the pioneers, and really moving forward, responsible gaming is something we're really proud of.

This slide I can't speak intelligently about. It was requested and -- you know, so I can't put a comparison about what those stats are relative to other major cities of any kind.

But it was requested. It's provided. I wish
I could say more to it.

I think that in our property in Kansas City, I think talking to the boat sergeant most recently that did come on, it seems like this is a safer environment than some of the other places he's worked.

But I think that it's -- that we've done very well at Harrah's in North Kansas City and our crime is pretty darn low, really small stuff.

Our code of commitment. This is really about a commitment to our employees. The section on a commitment to our guests with respect to responsible gaming to the communities in which we work and operate and to the environment and really making efforts to do more green types of activities.

This is an ongoing code that is properly mentioned and reiterated and reminded of our teams, and a lot of the things that we do particularly from an environment are based on a grassroots effort that are near and dear to the employees' hearts.

This is where I noted that in addition to the mandatory requirement on the charitable donations in total, we've given about $550,000. That does include the $200,000 that was noted on the earlier part, and you see before you a list of all of the different entities in which we have provided funds to for all sorts of
In addition to that, we're proud of our Harrah's Entertainment Reaching Out program, acronym HERO. That's a program where our employees get involved in all sorts of activities, and we try to note their hours that they participate and recognize and reward them for being -- you know, for their charitable service in and around our community.

These are just some of the things that we've done.

You know, Harvesters. We're getting ready to open up our restaurant, and doing a little research I think somebody said we've given out about 187,000 meals through Harvesters. There are relationships we've had for a number of years now and it's just a win-win. The employees and the guests appreciate it, and obviously it's great to be a part of that community.

Green is probably one that is a little bit more -- made more progress -- progress in the past few years as that seems to be something that is really taking root, particularly I think with the grassroots effort, so we're getting behind a lot of the efforts and activities there.

And then we get into the utilization of MBE and WBE, and I think we have a good story. You know, I
know this is one that's always been of interest. You know, we've continued to partner with our corporate partners on our national purchasing program, as well as our local purchasing folks.

And this is again another busy slide but, you know, I do want to point out just as a point of reference, that in 2002 when I add the MBE and WBE together, our percentage was 7.1 percent. In '11 it went to 8.9 percent. In '12 we went right up to about 12 percent, 11.99 percent. And in 2013, now for the year, it was 16 percent.

Looking more carefully, if you go back to the third quarter of 2012 forward, every -- for the last six consecutive quarters we've increased that percentage such that the final fourth quarter of 2013 was 17.3 percent.

So clearly in my mind significant progress has been made, and one particular vendor that we worked with here locally we have introduced to our sister property in Iowa, where we spent, I think, on the order of $300,000 given our size with them, and they'll do about $400,000 in Iowa with the same vendor.

So I think too that that is worthy of note and something that, you know, we do continue to work hard to try to identify areas in which we can invest in
minority and women-owned businesses.

We, as I think I said, on some of the capital work that we're doing, some of the construction work that we do, we have recently found two different vendors and talked about the restroom remodel and the hotel renovation, that we have now been able to parcel out some of that work to them.

And then actually, you know, one of our food providers has been a good source of improvement for us. We're currently, as I noted in our capital combining -- well, I didn't note that we combined it, but we used to have our own steakhouse and a third-party Italian restaurant.

We have since -- we'll be in the new restaurant combining those two outlets into one. It will be all of our purchases, so we anticipate that the spend to that particular vendor will go up as well as we will likely be buying more food for what is our much bigger restaurant.

So I think, you know -- and the numbers bear them out -- that we have done a really nice job and hopefully will continue to make progress in that area.

That is -- except for your questions or comments, and these were just some of the more recent ones. Scavuzzo is the food provider that I talked
about, the restroom remodel that I talked about and a couple other vendors that we have found to do some work here and there.

That really sums up briefly, as requested, you know, what's happened at Harrah's North Kansas City and our results over the last two years.

So certainly I'd be interested in any questions. I also did want to allow a few minutes for our mayor to come speak to the Commission, Mr. Stielow.

VICE CHAIRMAN JONES: Any questions?

MR. COOK: Mr. Stielow.

MR. STIELOW: First of all, I'd like to say I've only been the mayor for North Kansas City now for about a year and a half but I have been a resident of North Kansas City for 45 years.

So I have -- before Harrah's was there we were there, I was there, and I was there during the whole thing.

And really during all that time I think that Harrah's has been a very good corporate neighbor and helper for our city. I know a lot of things that we've done we never could have accomplished without the help of Harrah's and their money, and we appreciate them to be in North Kansas City.

One of the things that we are doing right now
is we're putting in an off-leash dog park in the north
part of our city, which a lot of people in the whole
north area will benefit from that. And due to Harrah's
monies we've been able to do stuff like that.

So basically that's about all I've got to
say. Any questions?

VICE CHAIRMAN JONES: Any questions?

COMMISSIONER BRADLEY: Thank you.

VICE CHAIRMAN JONES: Thank you, Mr. Mayor.

COMMISSIONER HOWARD: Thank you.

EXECUTIVE DIRECTOR STOTTLEMYRE: At this
time, Mr. Vice Chairman, if we had any public comments
from anyone, it would be the appropriate time.

If not, the investigative summary will be
presented by Sergeant Gary Davidson.

SERGEANT DAVIDSON: Mr. Vice Chairman,
Commissioners, on March 26, 2012, Caesars
Entertainment -- excuse -- 2014 Caesars Entertainment
Corporation, or later referred to as Caesars, submitted
a relicensing application to the Missouri Gaming
Commission for renewal of its Class A riverboat gaming
license.

Additionally, Harrah's North Kansas City
Casino submitted a relicensing application for renewal
of their associated Class B riverboat gaming license.
You will find the resolutions for renewing those licenses under Tabs Q and R. Both licenses are set to expire on June 30th, 2014.

Missouri State Highway Patrol background investigators, working closely in conjunction with Missouri Gaming Commission financial investigators, conducted an investigation into the suitability of Caesars and Harrah's North Kansas City Casino.

The investigations included, but were not limited to, criminal, civil, regulatory and financial inquiries.

Key and Level I personnel have either been subject to or are currently the subject of general character inquiries, to include where they lived, worked and frequented.

North Kansas City, Clay County, State and Federal agencies having regulatory authority over Caesars and North Kansas City were also contacted.

The findings of these investigations were provided to the Gaming Commission staff for review and you now possess the detailed summary report before you.

The investigating officers are present and financial investigators are present to entertain any questions you may have at this time.

VICE CHAIRMAN JONES: Commissioners, any
COMMISSIONER HOWARD: No, I don't believe so.

Thank you.

VICE CHAIRMAN JONES: Thank you.

EXECUTIVE DIRECTOR STOTTLEMYRE: Vice Chairman, at this time Cheryl will present the MBE/WBE compliance review.

MS. BONNER: Mr. Vice Chairman and Commissioners, on May 1st, 2014 the Missouri Gaming Commission staff conducted a 100 percent audit of the MBE/WBE records for the Class B licensee Harrah's North Kansas City.

The results of our audit and specific details related to those findings are contained with the comprehensive summary report in your possession, and I will be happy to answer any questions.

VICE CHAIRMAN JONES: Any questions?

Thank you.

EXECUTIVE DIRECTOR STOTTLEMYRE: Mr. Chairman, you had talked at one point about maybe wanting to go into closed to discuss this before you voted on the resolutions.

VICE CHAIRMAN JONES: Okay.

EXECUTIVE DIRECTOR STOTTLEMYRE: I don't know if you're still wanting to do that.
VICE CHAIRMAN JONES: Yes, sir.  
Can we get a motion to go into closed?  
COMMISSIONER HOWARD: I'll do that.  
I move that we go into closed session. I believe that's going to be under Section 313.847 of the Revised Statutes of Missouri, for the purpose of investigatory, proprietary and application records, I believe is where that is going to fall under, and as well as Section 610.021, Subsection 14, for records protected from disclosure by law.  
COMMISSIONER BRADLEY: Second.  
VICE CHAIRMAN JONES: Angie.  
MS. FRANKS: Commissioner Howard.  
COMMISSIONER HOWARD: Approve.  
MS. FRANKS: Commissioner Bradley.  
COMMISSIONER BRADLEY: Approve.  
MS. FRANKS: Vice Chairman Jones.  
VICE CHAIRMAN JONES: Approve.  
(Closed session.)  
MS. FRANKS: Commissioner Howard.  
COMMISSIONER HOWARD: Present.  
MS. FRANKS: Commissioner Bradley.  
COMMISSIONER BRADLEY: Present.  
MS. FRANKS: Vice Chairman Jones.  
VICE CHAIRMAN JONES: Present.
EXECUTIVE DIRECTOR STOTTLEMYRE:

Mr. Chairman, staff does recommend approval of Resolution No. 14-040 and Caesars Entertainment Corporation Class A.

VICE CHAIRMAN JONES: Commissioners.

COMMISSIONER BRADLEY: Motion to approve Commission Resolution No. 14-040.

COMMISSIONER HOWARD: I'll second that motion.

VICE CHAIRMAN JONES: Angie, call the roll.

MS. FRANKS: Commissioner Howard.

COMMISSIONER HOWARD: Approve.

MS. FRANKS: Commissioner Bradley.

COMMISSIONER BRADLEY: Approve.

MS. FRANKS: Vice Chairman Jones.

VICE CHAIRMAN JONES: Approve.

MS. FRANKS: By your vote you've adopted Resolution No. 14-040.

EXECUTIVE DIRECTOR STOTTLEMYRE: Mr. Vice Chairman, staff also recommends approval of Resolution No. 14-041 for Harrah's North Kansas City, LLC, the Class B.

COMMISSIONER HOWARD: I'll move for approval of Resolution No. 14-041.

COMMISSIONER BRADLEY: Second.
VICE CHAIRMAN JONES: Angie.

MS. FRANKS: Commissioner Howard.

COMMISSIONER HOWARD: Approve.

MS. FRANKS: Commissioner Bradley.

COMMISSIONER BRADLEY: Approve.

MS. FRANKS: Vice Chairman Jones.

VICE CHAIRMAN JONES: Approve.

MS. FRANKS: By your vote you've adopted Resolution No. 14-041.

EXECUTIVE DIRECTOR STOTTLEMYRE: That's it.

MR. COOK: Thank you.

EXECUTIVE DIRECTOR STOTTLEMYRE: Mr. Vice Chairman, the next item on the agenda is Consideration of Disciplinary Actions. Mr. Grewach will present.

MR. GREWACH: Thank you.

Under Tab S we have a preliminary order of discipline directed to Bally.

On January the 2nd, 2013 Bally shipped one piece of revoked software to the St. Jo Frontier Casino. That software had been revoked on December 21st, 2012, and the recommendation is for a $5,000 fine.

VICE CHAIRMAN JONES: Commissioners.

COMMISSIONER BRADLEY: I'll move for approval of DC-14-252.

COMMISSIONER HOWARD: I'll second that.
VICE CHAIRMAN JONES: Angie.

MS. FRANKS: Commissioner Howard.

COMMISSIONER HOWARD: Approve.

MS. FRANKS: Commissioner Bradley.

COMMISSIONER BRADLEY: Approve.

MS. FRANKS: Vice Chairman Jones.

VICE CHAIRMAN JONES: Approve.

MS. FRANKS: By your vote you've adopted DC-14-252.

MR. GREWACH: Under Tab T there's a preliminary order of discipline directed to Lumiere Casino. This results from an audit MGC did for a time period beginning June 1st, 2011 through April 30th, 2013.

There were three findings in that audit report which were also violations in prior audits. The first involved employees who had access to keys that they were not authorized to have. This was a finding in a prior audit.

The second was a failure to terminate employees from the key system within 72 hours of the time of their termination of employment. This, in fact, was a finding in three prior MGC audits.

The third audit finding was that count team members failed to clear their hands when moving them to
and from the count table, which again was a finding in a prior audit, and the recommended fine is $15,000.

VICE CHAIRMAN JONES: Commissioners,

questions, motion?

COMMISSIONER BRADLEY: Motion to approve DC-14-253.

COMMISSIONER HOWARD: I'll second.

VICE CHAIRMAN JONES: Angie.

MS. FRANKS: Commissioner Howard.

COMMISSIONER HOWARD: Approve.

MS. FRANKS: Commissioner Bradley.

COMMISSIONER BRADLEY: Approve.

MS. FRANKS: Vice Chairman Jones.

VICE CHAIRMAN JONES: Approve.

MS. FRANKS: By your vote you've adopted DC-14-253.

MR. GREWACH: Tab U is a preliminary order of discipline directed to Lumiere Casino.

On January the 20th, 2013 a 20-year-old female entered the casino's Stadium Bar and Grill, ordered and was served two drinks by the bartender and the bartender failed to request an ID for those drinks, and the recommended fine is $5,000.

VICE CHAIRMAN JONES: Commissioners.

COMMISSIONER BRADLEY: Motion to approve
DC-14-254.

COMMISSIONER HOWARD: I'll second that.

VICE CHAIRMAN JONES: Angie, call the roll, please.

MS. FRANKS: Commissioner Howard.

COMMISSIONER HOWARD: Approve.

MS. FRANKS: Commissioner Bradley.

COMMISSIONER BRADLEY: Approve.

MS. FRANKS: Vice Chairman Jones.

VICE CHAIRMAN JONES: Approve.

MS. FRANKS: By your vote you've adopted DC-14-254.

MR. GREWACH: Under Tab V we have a preliminary order of discipline directed to the Hollywood Casino in Maryland Heights.

We have a Minimum Internal Control, E2.02, which requires that the EGDs, when they experience a jackpot of $1,200 or more, lock up and require a hand pay to the patron.

There are two reasons for this. One is for an EGD jackpot over $1,200 the IRS requires a W-2G form to be filled out, and secondly, Missouri has a statute, 313.826, which requires a 4 percent withholding of State income tax from a jackpot over that amount.

On June 15, 2013 it came to MGC's attention
that a certain EGD paid out a $4,000 jackpot and did not lock out.

We investigated the matter and found that when it was set up, the amount for the lockup was incorrectly set at $11,999.99 instead of 1,199.99, which caused the problem, and the recommended fine in this case is $2,500.

VICE CHAIRMAN JONES: A question: Is there any way -- I guess unless you do a physical inspection, is there any technological way for them to check to make sure everything is set at the correct floor or correct ceiling in this case in all of the machines?

MR. GREWACH: Your question is we're looking at a bank of machines; how would we know that they're all set correctly?

VICE CHAIRMAN JONES: Yes.

MR. GREWACH: I might have to call on Todd Nelson to answer that particular question.

MR. NELSON: Good morning.

That depends on the manufacturer of the gaming device. Some gaming devices are set up to where it's hard coded, to where it locks up at a certain limit, and other ones you have to input that information into the game.

So to answer your question, it depends on the
supplier of the game.

VICE CHAIRMAN JONES: Okay. All right.

COMMISSIONER HOWARD: And how is that information inputted? Is it inputted with the software?

MR. NELSON: So what will happen procedurally is a casino tech will install the software and they have to manually enter that amount into the gaming device.

COMMISSIONER HOWARD: So when the software is installed?

MR. NELSON: Yes. We looked at different manufacturers and they handle it different ways as well.

VICE CHAIRMAN JONES: So we still wouldn't know -- with the manual input we still wouldn't know until it generates -- until we find out, just similar to this case?

MR. NELSON: That is correct.

VICE CHAIRMAN JONES: Right.

COMMISSIONER HOWARD: So when someone was installing the software, they just got the decimal point off?

MR. NELSON: That's exactly correct.

COMMISSIONER HOWARD: Good thing I've never done that.

VICE CHAIRMAN JONES: After this hearing I can tell you a horror story. I've done that.
All right. Thank you, Todd.

MR. NELSON: Thank you.

VICE CHAIRMAN JONES: Commissioners.

COMMISSIONER BRADLEY: Motion to approve DC-14-255.

COMMISSIONER BRADLEY: Second.

VICE CHAIRMAN JONES: Angie, call the roll, please.

MS. FRANKS: Commissioner Howard.

COMMISSIONER HOWARD: Approve.

MS. FRANKS: Commissioner Bradley.

COMMISSIONER BRADLEY: Approve.

MS. FRANKS: Vice Chairman Jones.

VICE CHAIRMAN JONES: Approve.

MS. FRANKS: By your vote you've adopted DC-14-255.

MR. GREWACH: Under Tab W we have a preliminary order of discipline directed to River City Casino.

The casino ran a promotion in which it gave away Schnucks gift cards. After the promotion was finished there was approximately 1,700 gift cards left over. They were put into a storage room to which only revenue audit staff employees had access.

A subsequent inventory found that all of the
gift cards were missing. They were $25 denomination
gift cards. So the total value of cards missing was
$42,700.

The Schnucks gift cards were later found to be cashed in by several members of the revenue audit staff, including 47 gift cards cashed in by the spouse of one of these revenue audit staff employees within a ten-day period.

Section 10.030, Subparagraph 4, makes it a violation for a casino to fail to safeguard assets, and the recommendation here is a $5,000 fine.

VICE CHAIRMAN JONES: Commissioners,
questions, motion.

COMMISSIONER BRADLEY: Motion to approve DC-14-256.

COMMISSIONER HOWARD: I'll heartily second.

VICE CHAIRMAN JONES: Angie, call the roll.

MS. FRANKS: Commissioner Howard.

COMMISSIONER HOWARD: Approve.

MS. FRANKS: Commissioner Bradley.

COMMISSIONER BRADLEY: Approve.

MS. FRANKS: Vice Chairman Jones.

VICE CHAIRMAN JONES: Approve.

MS. FRANKS: By your vote you've adopted

DC-14-256.
MR. GREWACH: Under Tab X we have a preliminary order of discipline directed to River City Casino.

The Minimum Internal Controls require that when anyone is added to the DAP list, that they be removed from any VIP or club program.

A patron signed up for the DAP list on May 15th, 2013. On May 16th, 2013 that person was flagged in the casino slot accounting system, however was not flagged in the system that managed VIP patrons.

On July 30th, 2013 a VIP host sent an introductory e-mail to that DAP patron.

The recommendation by the DRB was a fine of $5,000. We did get a response to the 14-day letter from the casino. They indicated in that letter that they had self-reported this incident, that the e-mail was only an introductory e-mail, that the patron never responded to the e-mail, and that they have subsequently fixed the problem to make sure that the VIP database is also flagged when someone is added to the DAP list. They also indicated they believed that the fine was excessive.

DRB considered this correspondence and voted to retain its recommendation of a $5,000 fine.

VICE CHAIRMAN JONES: Commissioners.
COMMISSIONER HOWARD: I make a motion for approval of DC-14-257.

COMMISSIONER BRADLEY: Second.

VICE CHAIRMAN JONES: Angie, call the roll.

MS. FRANKS: Commissioner Howard.

COMMISSIONER HOWARD: Approve.

MS. FRANKS: Commissioner Bradley.

COMMISSIONER BRADLEY: Approve.

MS. FRANKS: Vice Chairman Jones.

VICE CHAIRMAN JONES: Approve.

MS. FRANKS: By your vote you've adopted DC-14-257.

EXECUTIVE DIRECTOR STOTTLEMYRE:

Mr. Vice Chairman, the next item on the agenda is the Consideration of Waiver of Institutional Investors. Martha LeMond will present.

MS. LEMOND: Mr. Vice Chairman, Commissioners, behind Tab Y and Z are resolutions regarding waivers of licensure for institutional investors holding and are requesting to hold publicly traded interests of up to 20 percent in gaming licensees.

These investors have submitted requests for waivers to hold interest in these licensees in compliance with 11 CSR 45-4.
The submitted waiver request certifies the holding is for institutional investment purposes only, with no intent to be involved in the management or operation of the licensee.

Because the holdings may exceed the 10 percent threshold for which the Executive Director may grant a waiver, this resolution is before the Commission today.


Any questions?

COMMISSIONER HOWARD: I move for the approval of Resolution Nos. 14-042 and 14-043.

COMMISSIONER BRADLEY: Second.

VICE CHAIRMAN JONES: Angie, call the roll, please.

MS. FRANKS: Commissioner Howard.

COMMISSIONER HOWARD: Approve.

MS. FRANKS: Commissioner Bradley.

COMMISSIONER BRADLEY: Approve.

MS. FRANKS: Vice Chairman Jones.

VICE CHAIRMAN JONES: Approve.

MS. FRANKS: By your vote you've adopted Resolution Nos. 14-042 and 14-043.
EXECUTIVE DIRECTOR STOTLEMYRE:
Vice Chairman, the next item on the agenda is Delegation of Authority for Chairman and Vice Chairman.

MR. GREWACH: This is a resolution that we consider every year under our rules. It would grant the Chairman, and now in this event the Vice Chairman, to extend any existing license for up to 60 days subject to the ratification by the Commissioners at the next full meeting.

It's one that is necessary because sometimes occasions occur where someone's license is going to expire and some circumstances arise that prevent us from having a meeting, and it gives us that flexibility.

The only change between this year's draft and prior drafts is we did add the designation of Vice Chairman, which we didn't have at the time.

But again, that would allow us that flexibility to be able to extend a license until the next regularly scheduled meeting.

COMMISSIONER HOWARD: We might have to go into closed session to debate this.

MR. GREWACH: It does need three votes to pass on it.

COMMISSIONER BRADLEY: I guess.

VICE CHAIRMAN JONES: I'm sweating over here.
COMMISSIONER BRADLEY: Motion to approve Commission Resolution No. 14-044.

COMMISSIONER HOWARD: I'll second.

MS. FRANKS: Commissioner Howard.

COMMISSIONER HOWARD: Approve.

MS. FRANKS: Commissioner Bradley.

COMMISSIONER BRADLEY: Approve.

MS. FRANKS: Vice Chairman Jones.

VICE CHAIRMAN JONES: Approve.

MS. FRANKS: By your vote you've adopted Resolution No. 14-044.

EXECUTIVE DIRECTOR STOTTLEMYRE:

Mr. Chairman, having taken care of all of the closed meeting needs, I believe you're ready to adjourn the meeting without going into another closed session.

VICE CHAIRMAN JONES: Is there a motion to adjourn the meeting?

COMMISSIONER BRADLEY: So moved.

COMMISSIONER HOWARD: Second it.

VICE CHAIRMAN JONES: Angie, call the roll, please.

MS. FRANKS: Commissioner Howard.

COMMISSIONER HOWARD: Approve.

MS. FRANKS: Commissioner Bradley.

COMMISSIONER BRADLEY: Approve.
MS. FRANKS: Vice Chairman Jones.

VICE CHAIRMAN JONES: Approve.

Okay. Thank you, everyone, and have a great afternoon.

WHEREIN, the meeting concluded at 1:25 p.m.
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