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1 BEFORE THE MISSOURI GAMING COMMISSION
STATE OF MISSOURI

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MEETING

6

April 27, 2016

10:00 A.M.

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3417 Knipp Drive

Jefferson City, Missouri

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BEFORE:

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Herbert M. Kohn, Chairman

Brian Jamison, Vice Chairman

12

Larry D. Hale, Commissioner

Thomas Neer, Commissioner

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Richard F. Lombardo, Commissioner

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Reported by:

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

2 (Meeting started at 10:00 A.M.)

3 CHAIRMAN KOHN: It looks like ten o'clock to me.
4 I'm going to call the meeting to order, the April 27, 2016
5 Missouri Gaming Commission. Angie, please call roll.

6 MS. FRANKS: Commissioner Lombardo.

7 COMMISSIONER LOMBARDO: Present.

8 MS. FRANKS: Commissioner Neer.

9 COMMISSIONER NEER: Present.

10 MS. FRANKS: Commissioner Hale.

11 COMMISSIONER HALE: Present.

12 MS. FRANKS: Commissioner Jamison.

13 COMMISSIONER JAMISON: Present.

14 MS. FRANKS: Chairman Kohn.

15 CHAIRMAN KOHN: Present. So we have a quorum,
16 ready to proceed with the meeting. First item of business
17 will be a Consideration of the Minutes from the meeting of
18 the -- March 23, 2016. Is there a motion to approve those
19 minutes?

20 COMMISSIONER HALE: So move.

21 COMMISSIONER JAMISON: Second.

22 CHAIRMAN KOHN: Angie, please call roll.

23 MS. FRANKS: Commissioner Lombardo.

24 COMMISSIONER LOMBARDO: Approve.

25 MS. FRANKS: Commissioner Neer.

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1 COMMISSIONER NEER: Approve.

2 MS. FRANKS: Commissioner Hale.

3 COMMISSIONER HALE: Approve.

4 MS. FRANKS: Commissioner Jamison.

5 COMMISSIONER JAMISON: Approve.

6 MS. FRANKS: Chairman Kohn.

7 CHAIRMAN KOHN: Approve. By your vote, you've

8 adopted the minutes of the March 23, 2016 meeting.

9 Mr. Seibert, are you ready?

10 EXECUTIVE DIRECTOR SEIBERT: Yes, sir. Next

11 order of business is Consideration of Hearing Officer

12 Recommendations. Mr. Steib will present.

13 HEARING OFFICER STEIB: Good morning. May it

14 please the Commission.

15 CHAIRMAN KOHN: Good morning.

16 HEARING OFFICER STEIB: The first item on the

17 agenda I have to address is number 16-015, Mr. Yonatan

18 Ghebregziabher.

19 CHAIRMAN KOHN: Congratulations.

20 HEARING OFFICER STEIB: I've worked at it.

21 Mr. Ghebregziabher holds a Level II Occupational Gaming

22 License. In July of 2010, he executed the standard

23 Commission notice of duty to disclose arrests and

24 convictions. On October 29 of 2014, Mr. Ghebregziabher

25 pled guilty to the Class A misdemeanor of committing,

1 slash, assisting another in committing fraud, slash,
2 deception.

3 In 40 years of practicing law, I had never seen
4 this and did not know what that was. However, this stems
5 from Mr. Ghebregziabher being on a parking lot outside a
6 Department of Motor Vehicles office on the cell phone
7 talking to a friend of his who was in the Department of
8 Motor Vehicles office taking the test for an operator's
9 license. So that apparently is the crime of committing --
10 assisting in committing fraud or deception.

11 In addition to that, on May 22, 2015, the Platte
12 County Circuit Court entered a judgment denying
13 Mr. Ghebregziabher's petition for a limited driving
14 privilege. And further, on June 3, 2015, the highway
15 patrol officer who did the investigation revealed that the
16 petitioner had not disclosed those items as was his duty
17 pursuant to the standards form which he had executed.

18 Based on this information, a hearing was
19 conducted in January and it was the conclusion, based on
20 those facts and the law, that Mr. Ghebregziabher did not
21 meet his burden of proof to show clearly and convincingly
22 that he should not be subject to discipline and hence the
23 decision of the Executive Director that his license should
24 be revoked is the findings of fact of the Hearing Officer
25 in this matter.

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1 CHAIRMAN KOHN: Are there any questions of the
2 Hearing Officer?

3 COMMISSIONER JAMISON: None.

4 COMMISSIONER NEER: No, sir.

5 CHAIRMAN KOHN: Would Counsel for the Gaming
6 Commission like to address the Commission?

7 MS. KERR: Yes. We would just concur with the
8 Hearing Officer's recommendation. The revocation in this
9 case is appropriate. The regulation 11 CSR 45-4.260
10 Section 5 gives the Commission the authority to revoke the
11 license if the licensee has pled guilty in any
12 jurisdiction where the crime had an essential element of
13 which is fraud or deception. And in this case, I think
14 the Hearing Officer's recommendation should stand. And I
15 believe Mr. Ghebregziabher is here as well.

16 CHAIRMAN KOHN: Yeah, I'm going to call on him
17 in a minute. Any questions? Okay. Mr. Ghebregziabher --
18 I'm going to mess it up. You are present. Would you like
19 to address the Commission?

20 MR. GHEBREGZIABHER: Yes. Thank you for
21 inviting me for this meeting. I am a --

22 COMMISSIONER JAMISON: Could you speak up?

23 CHAIRMAN KOHN: Speak into the microphone, yeah.

24 MR. GHEBREGZIABHER: Okay. I am in US since
25 2010. I came from Europe. I'm still learning English.

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1 At the time I signed for gaming in Ameristar, still I was
2 new. I didn't even talk enough English. I improve it. I
3 didn't even see the rules. I didn't know within ten days
4 I have to report any case. Now I know.

5 The thing happened from the beginning is I
6 assist my friend. He didn't know English either. He was
7 taking exam for driving license. I was -- the one I
8 translate everything and tell him English, all the rules
9 and questions. And this guy, accidentally, he texted me a
10 question from the test. I didn't even know he was
11 cheating. Accidentally I respond for his questions.

12 I was helping him before all this how to learn
13 English, but he called and he went to the Court. I told
14 them honestly what I have done. I helped him, I did a
15 mistake and I learned from my mistake. They charged me,
16 for one year revoke my license. I was in probation. I
17 took my lesson. I did perfectly on my probation. I did
18 my community service. I finished it. I learned my
19 lesson. Now it's costing me my job because of that.

20 Right now I really need my job. I did mistake,
21 I accept that mistake and I just want to keep my job in
22 any cost. And the gaming sent me a lot of similar cases
23 who have been involved in this situation, more than 60
24 people. Out of all the 60 people, very few, one or two
25 people have been revoked. They have worse than my case,

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1 actually. I have seen all one by one. I don't know why I
2 have been revoked even though I am out of this case at
3 all. And I just ask to reduce my penalty and keep my job.

4 CHAIRMAN KOHN: Tell us again what is your job.

5 MR. GHEBREGZIABHER: My job is in Argosy
6 Riverside. I am a count room.

7 CHAIRMAN KOHN: You're in the count room.

8 MR. GHEBREGZIABHER: Yeah. I have been working
9 in Argosy since 2012, almost four years, more than four
10 years. I have been behaving myself very good. I never
11 involved in any situation. This was happen just one day I
12 did mistake and I learned from my mistake. I took a
13 lesson.

14 CHAIRMAN KOHN: And what did you do during your
15 year of probation and what was your community service?

16 MR. GHEBREGZIABHER: My community service was 40
17 hours. I did in a thrift shop. I did everything what
18 they asked me, to help people, to do everything and my
19 probation was to go every month for one year to the
20 office, probation office, to tell them I never have done
21 anything in trouble, contact police, nothing. They want
22 to make sure I have never been -- I haven't did any
23 mistake and I have done.

24 I didn't drive my car for one year. I have been
25 in -- going to work 2:30 A.M. in the morning, sometimes by

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1 transportation, sometimes by my coworkers were helping me
2 to give me transport and I have done it one year.

3 CHAIRMAN KOHN: Is there anybody here from the
4 Argosy?

5 MR. ROSENTHAL: Yeah. My name is Aaron
6 Rosenthal. I'm the General Manager of the Argosy.

7 CHAIRMAN KOHN: And what is your view or
8 position with regard to this revocation?

9 MR. ROSENTHAL: Well, from a performance
10 standpoint, he's an ideal employee, very committed to the
11 job. His job is difficult to fill and is in good standing
12 with the property. So we always try and support our
13 employees and don't feel that there's significant risk in
14 him being -- remaining as an employee.

15 CHAIRMAN KOHN: Any questions by Commissioners?

16 COMMISSIONER JAMISON: I have a question. Where
17 were you when you answered this text question?

18 MR. GHEBREGZIABHER: I was outside on the
19 building in the downtown. He was taking exam.

20 COMMISSIONER JAMISON: Okay.

21 MR. GHEBREGZIABHER: I was outside in the
22 parking --

23 COMMISSIONER JAMISON: Did you bring him to the
24 exam?

25 MR. GHEBREGZIABHER: I am the one that bringing

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1 him.

2 COMMISSIONER JAMISON: So you knew what he was
3 doing inside the building was taking the test?

4 MR. GHEBREGZIABHER: He took the first test on
5 the computer. He failed. He came to tell me I am -- I
6 haven't passed and he said he want to bring the book, the
7 one you -- he went through and they asked him to do again,
8 I think.

9 COMMISSIONER JAMISON: So you knew he was back
10 in taking the test again?

11 MR. GHEBREGZIABHER: He was taking exam.

12 COMMISSIONER JAMISON: Right.

13 MR. GHEBREGZIABHER: But I thought he was coming
14 back. He already failed. I didn't know he was taking
15 another exam. And he text me and in a second I responded
16 the question. I thought it was on the back of the book.
17 The book has all questions on the back.

18 COMMISSIONER JAMISON: So if he had the book and
19 he wasn't taking the test, why did he need to ask you the
20 question?

21 MR. GHEBREGZIABHER: I mean the book is to
22 learn, you have to --

23 COMMISSIONER JAMISON: I understand what the
24 book's for, but my question is when you say this was an
25 accident, I'm a little questioning the accidental part of

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1 this when he's there taking the test, you brought him
2 there to take the test, you're sitting out in the parking
3 lot and he texts you a question and you give him the
4 answer.

5 MR. GHEBREGZIABHER: Yes.

6 COMMISSIONER JAMISON: You see how I'm confused
7 that it may be an accident?

8 MR. GHEBREGZIABHER: Let me explain.

9 COMMISSIONER JAMISON: Okay.

10 MR. GHEBREGZIABHER: The test, I have taken the
11 test on the computer, the -- on the computer you take the
12 test. That's all I know. I never know they give you a
13 paperwork, too, but this time they give him a paperwork,
14 paperwork, and he took a picture of that question. It
15 looks like from the book of the -- you learn test, but the
16 real test is from the computer. There is no way he
17 take -- I was confused, too.

18 When he told me he was caught, when they caught
19 him, they called me from outside. I told them the truth,
20 honestly. I didn't know. I know he was taking a test,
21 but I didn't know he was taking another chance and they
22 gave him paperwork to take a test other than the computer.

23 COMMISSIONER JAMISON: So where did you think
24 the question that he took the photograph came from?

25 MR. GHEBREGZIABHER: After they -- after they

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1 told me it was a test, but --

2 COMMISSIONER JAMISON: I know, but where did you
3 think it came from when you answered it?

4 MR. GHEBREGZIABHER: The book, the book has a
5 question behind.

6 COMMISSIONER JAMISON: I know, but if he had the
7 book, it's for learning, right? And the book has the
8 answers in it.

9 MR. GHEBREGZIABHER: It doesn't have nothing to
10 do with the -- with the real questions. They just teach
11 you similar questions.

12 COMMISSIONER JAMISON: I understand. But what
13 I'm saying is if you got the question, you get
14 photographed a question and you answer the question, I'm
15 trying to figure out how you accidentally didn't help him?

16 MR. GHEBREGZIABHER: I mean, before he takes the
17 test, I am the one, I was helping him.

18 COMMISSIONER JAMISON: I got that.

19 MR. GHEBREGZIABHER: Translate the --
20 everything, the book --

21 COMMISSIONER JAMISON: I'm just talking about
22 when you're helping him with your phone while he's in the
23 exam room and you're in the parking lot.

24 MR. GHEBREGZIABHER: Yeah.

25 COMMISSIONER JAMISON: I'm trying to get to the

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1 accidental part because that's how you're claiming this,
2 is this was an accident.

3 MR. GHEBREGZIABHER: Exactly because I'm --

4 COMMISSIONER JAMISON: I'm having trouble
5 getting to the accidental part.

6 MR. GHEBREGZIABHER: Honestly, I thought he
7 already finished testing, he failed. He went to bring the
8 book and it's too far from where I was, but after I knew
9 he was taking a test and caught, I regret to respond him.

10 COMMISSIONER JAMISON: Okay.

11 CHAIRMAN KOHN: Anyone else have a question?

12 COMMISSIONER HALE: If I might, Mr. Chairman.

13 CHAIRMAN KOHN: Sure.

14 COMMISSIONER HALE: When did you arrive in the
15 U.S.?

16 MR. GHEBREGZIABHER: March 2010.

17 COMMISSIONER HALE: 2010, okay.

18 MR. GHEBREGZIABHER: Yeah.

19 COMMISSIONER HALE: Okay. And did I understand
20 you correctly to say that you were from Europe?

21 MR. GHEBREGZIABHER: I have lived in Italy for
22 ten years, but I'm originally from Africa. I came from
23 Italy. I've got the DV lottery to have a job and anything
24 in US.

25 COMMISSIONER HALE: Okay. All right. And you

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1 did plead guilty to the misdemeanor offense of assisting
2 another; is that correct?

3 MR. GHEBREGZIABHER: Yes.

4 COMMISSIONER HALE: In a court?

5 MR. GHEBREGZIABHER: In a court.

6 COMMISSIONER HALE: Thank you, sir.

7 MR. GHEBREGZIABHER: You're welcome.

8 CHAIRMAN KOHN: Any other questions?

9 COMMISSIONER LOMBARDO: Did you ever tell your
10 employer about this until such time as it was brought to
11 your attention after the highway patrol's review?

12 MR. GHEBREGZIABHER: Yes. I told -- just
13 talking to my coworkers and my supervisor and my
14 supervisor told me if you have been in court, you know you
15 have to go to the Missouri Gaming license -- office. He
16 told me. After he told me, right away after two days, I
17 went to tell to the gaming office about this thing. I am
18 the one, I told them. But they put it that they found
19 out -- they find it renewing my badge, but that was not
20 true. I am the one, I told them.

21 COMMISSIONER LOMBARDO: When did you tell your
22 supervisor?

23 MR. GHEBREGZIABHER: It was around May 2014 on
24 the second court when I was rejected from having limited
25 driving license from Platte County.

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1 COMMISSIONER LOMBARDO: And then you said you
2 went to the gaming office?

3 MR. GHEBREGZIABHER: Yes.

4 COMMISSIONER LOMBARDO: Where?

5 MR. GHEBREGZIABHER: In Argosy, Riverside
6 Argosy.

7 COMMISSIONER LOMBARDO: And how long after you
8 talked to your supervisor was that?

9 MR. GHEBREGZIABHER: It was right -- I guess it
10 was one or two days because I had to bring the paper, find
11 the paper from the Court, and I went with that paper to
12 tell them I didn't know I have to report it was in ten
13 days. But as soon as I knew, I came to tell you guys and
14 they start to investigate.

15 COMMISSIONER LOMBARDO: What was the question
16 that you helped your friend answer? Do you remember the
17 question?

18 MR. GHEBREGZIABHER: Oh, I don't remember. It
19 was really difficult to understand the English. He was
20 new. There was two questions, I think, about -- I'm
21 not -- I don't remember exactly. I don't want to --

22 COMMISSIONER LOMBARDO: Okay.

23 MR. GHEBREGZIABHER: Yeah.

24 CHAIRMAN KOHN: Have you applied for U.S.
25 citizenship?

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1 MR. GHEBREGZIABHER: I am about to apply right
2 now.

3 CHAIRMAN KOHN: You are applying right now?

4 MR. GHEBREGZIABHER: Yeah. Because I have to
5 finish my court everything, my probation. Now I am ready
6 to apply, my citizenship.

7 CHAIRMAN KOHN: Any other questions? Okay. We
8 have before us Resolution 15-015. Is there a motion to
9 approve?

10 MS. FRANKS: Mr. Chairman, that would be 16-015.

11 CHAIRMAN KOHN: I'm sorry, 16.

12 MS. FRANKS: That's okay.

13 CHAIRMAN KOHN: I'm just a year behind. Is
14 there a motion to approve Resolution No. 16-015? Okay.
15 The resolution dies for lack of a motion. Do we need to
16 vote on that?

17 MR. GREWACH: I think the cleanest way to do it
18 is if the Commission doesn't believe there should be any
19 discipline, there should be a motion to reject the Hearing
20 Officer's findings, in which case we've closed the file by
21 a resolution showing no discipline.

22 If the Commission believes there should be
23 something less than revocation, you would make a motion to
24 modify the Hearing Officer's findings to issue some lesser
25 punishment than revocation, but I think we would need to

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1 have some sort of resolution to close the file.

2 CHAIRMAN KOHN: Let me take them one at a time.

3 MR. GREWACH: Sure.

4 CHAIRMAN KOHN: Is there -- here's what I'm
5 going to do just for the commissioners. I'm going to ask
6 for a motion to reject the Hearing Officer's report, we'll
7 vote on that and then -- assuming there's a motion. And
8 then we will take up a motion to modify or amend the
9 Hearing Officer's report. So if that's okay, we'll do it
10 in that order. Is there a motion --

11 COMMISSIONER JAMISON: Can -- I've got a point
12 of order, though. Can we -- wouldn't it be easier just to
13 modify it instead of rejecting it and then going back to
14 it if we've rejected it?

15 MR. GREWACH: In the order that the motions are
16 taken up?

17 COMMISSIONER JAMISON: Yeah.

18 CHAIRMAN KOHN: I think we need to reject it
19 first and then come back and modify it.

20 MR. GREWACH: Actually, Mr. Chairman, those are
21 two different options under the rule because under the
22 rule the Commission has the option to either accept,
23 reject or modify the Hearing Officer's recommendation. So
24 the motion would just be one motion to do one of those
25 three things. So once you reject it, you mean there's --

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1 CHAIRMAN KOHN: Don't we need to say what we're
2 modifying?

3 COMMISSIONER JAMISON: Yeah.

4 MR. GREWACH: You could for --

5 COMMISSIONER JAMISON: I got a motion for you.

6 COMMISSIONER LOMBARDO: It's the same one I do.
7 Let's discuss it in closed session.

8 COMMISSIONER NEER: If we reject his, can we
9 recommend a different one?

10 COMMISSIONER JAMISON: Yeah. I --

11 CHAIRMAN KOHN: Okay. Let's do this by
12 priority. We'll start with the Vice Chairman's motion.

13 COMMISSIONER JAMISON: I would move that we
14 accept the resolution amended to a 30-day suspension as
15 opposed to a revocation. That would be my motion.

16 COMMISSIONER LOMBARDO: Second.

17 CHAIRMAN KOHN: That takes care of yours?

18 COMMISSIONER LOMBARDO: Yeah.

19 CHAIRMAN KOHN: All right. Motion has been made
20 and seconded that the Hearing Officer's report be amended
21 to provide for a 30-day suspension in lieu of a
22 revocation. Angie.

23 MS. FRANKS: Commissioner Lombardo.

24 COMMISSIONER LOMBARDO: Approve.

25 CHAIRMAN KOHN: I'm sorry. Is there any

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1 discussion on that motion?

2 COMMISSIONER HALE: No.

3 CHAIRMAN KOHN: Okay. Go ahead.

4 MS. FRANKS: Commissioner Lombardo.

5 COMMISSIONER LOMBARDO: Approve.

6 MS. FRANKS: Commissioner Neer.

7 COMMISSIONER NEER: Approve.

8 MS. FRANKS: Commissioner Hale.

9 COMMISSIONER HALE: Approve.

10 MS. FRANKS: Commissioner Jamison.

11 COMMISSIONER JAMISON: Approve.

12 MS. FRANKS: Chairman Kohn.

13 CHAIRMAN KOHN: Approve.

14 MS. FRANKS: By your vote, you have amended the
15 Hearing Officer's findings to give a 30-day suspension.

16 MR. GHEBREGZIABHER: Thank you very much. I
17 behave myself. I'll be good citizen. I will never
18 involving any situation like this. I will take a lesson
19 for rest of my life.

20 CHAIRMAN KOHN: We can't ask for more than that.

21 MR. GHEBREGZIABHER: Excuse me?

22 COMMISSIONER HALE: Thank you.

23 COMMISSIONER LOMBARDO: Thank you.

24 CHAIRMAN KOHN: Thank you.

25 MR. GHEBREGZIABHER: Thank you very much.

1 CHAIRMAN KOHN: Okay. We're ready for
2 Resolution 16-016. Who's presenting that?

3 EXECUTIVE DIRECTOR SEIBERT: Mr. Steib.

4 HEARING OFFICER STEIB: May it please the
5 Commission, the next item on the agenda is Resolution
6 16-016, Kenneth B. Twilla. Mr. Twilla has a Level II
7 Occupational License. He is a pit manager at the Lady
8 Luck Casino in Caruthersville.

9 On July 11, 2015, the petitioner observed a
10 dealer, one Karla Benitez, expose a card to a patron
11 enabling the patron to cheat at that table. Several weeks
12 prior to that, petitioner observed the same Karla Benitez
13 exposing cards to a patron.

14 The regulations of the Commission provide that
15 the petitioner shall -- or an applicant shall immediately
16 notify an MGC agent of any suspicion regarding cheating or
17 irregularities or suspicious activity. Under oath the
18 petitioner at the hearing as an admission against interest
19 stated, quote, I'm not denying, hey, I could have come
20 forward a week sooner, end quote.

21 Based on the petitioner's admission against
22 interests that he should have come sooner and there was a
23 period of time after which he suspected there was some
24 cheating going on, he did not come to -- before the
25 Commission representative and advise them that there was

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1 an irregularity at the table. Based on those facts and
2 the law in this matter, it is the opinion of the Hearing
3 Officer that the petitioner did not meet his burden of
4 proof that he should not be subject to discipline and that
5 the recommendation of the Staff and the Executive Director
6 that he be suspended for three calendar days is
7 appropriate.

8 CHAIRMAN KOHN: Any questions of the hearing
9 officer?

10 COMMISSIONER LOMBARDO: No.

11 COMMISSIONER NEER: No, sir.

12 CHAIRMAN KOHN: Okay. Are we going to hear from
13 Counsel Kerr on this?

14 MS. KERR: We concur with the Hearing Officer's
15 recommendation.

16 CHAIRMAN KOHN: Okay. Is there a motion with
17 regard to Resolution No. 16-016?

18 COMMISSIONER JAMISON: Is he here?

19 CHAIRMAN KOHN: I don't think he is. Is he --
20 is Mr. Twilla here? I don't believe he is. Is there a
21 motion with respect to Resolution No. 16-016?

22 COMMISSIONER NEER: Motion to approve.

23 COMMISSIONER HALE: Second.

24 CHAIRMAN KOHN: Discussion on the motion?

25 Angie.

0023

1 MS. FRANKS: Commissioner Lombardo.

2 COMMISSIONER LOMBARDO: Approve.

3 MS. FRANKS: Commissioner Neer.

4 COMMISSIONER NEER: Approve.

5 MS. FRANKS: Commissioner Hale.

6 COMMISSIONER HALE: Approve.

7 MS. FRANKS: Commissioner Jamison.

8 COMMISSIONER JAMISON: Approve.

9 MS. FRANKS: Chairman Kohn.

10 CHAIRMAN KOHN: Approve.

11 MS. FRANKS: By your vote you've adopted
12 Resolution No. 16-016.

13 CHAIRMAN KOHN: Okay. One more, Mr. Steib.

14 HEARING OFFICER STEIB: Yes. Thank you, sir.

15 The next item is DC-15-333, In Re: Colin Barnes. In
16 October of 2015, Mr. Barnes submitted an applicant
17 interview form on which he disclosed a misdemeanor
18 conviction for stealing in Gladstone, Missouri in 2011.
19 Applicant further disclosed a guilty plea in Kansas City,
20 Missouri in 2014 for possession of drug paraphernalia. He
21 also disclosed in that interview form a plea in Kansas
22 City, Missouri for failure to lead to a police vehicle.

23 All of those things were disclosed by
24 Mr. Barnes. However, after requesting the hearing, which
25 was to occur in January of 2015, the halls were called

0024

1 thrice and Mr. Barnes appeared not and hence defaulted in
2 this. And based on that default and the record which was
3 introduced at that time by Counsel for the Gaming
4 Commission, it is the recommendation that -- of the
5 Hearing Officer that the applicant did not meet his burden
6 of proof to show clearly and convincingly that he should
7 not be subject to discipline and, therefore, he should not
8 be granted a Level II Occupational Gaming License.

9 CHAIRMAN KOHN: Is Mr. Barnes here? Okay.
10 Counsel.

11 MS. KERR: We concur with the Hearing Officer's
12 recommendation.

13 CHAIRMAN KOHN: Any commissioners have any
14 questions?

15 COMMISSIONER JAMISON: No.

16 CHAIRMAN KOHN: Okay. Is there a motion to
17 approve Resolution No. 16-017?

18 COMMISSIONER LOMBARDO: Motion to approve.

19 COMMISSIONER JAMISON: Second.

20 CHAIRMAN KOHN: Discussion on the motion.
21 Angie.

22 MS. FRANKS: Commissioner Lombardo.

23 COMMISSIONER LOMBARDO: Approve.

24 MS. FRANKS: Commissioner Neer.

25 COMMISSIONER NEER: Approve.

0025

1 MS. FRANKS: Commissioner Hale.

2 COMMISSIONER HALE: Approve.

3 MS. FRANKS: Commissioner Jamison.

4 COMMISSIONER JAMISON: Approve.

5 MS. FRANKS: Chairman Kohn.

6 CHAIRMAN KOHN: Approve.

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

8 Resolution No. 16-017.

9 CHAIRMAN KOHN: Mr. Seibert.

10 EXECUTIVE DIRECTOR SEIBERT: Next order of

11 business is Consideration of Disciplinary Actions.

12 Mr. Grewach will present.

13 HEARING OFFICER STEIB: Thank you, gentlemen.

14 MR. GREWACH: Good morning.

15 CHAIRMAN KOHN: Good morning.

16 COMMISSIONER HALE: Morning, sir.

17 MR. GREWACH: Under tab F, we have a Preliminary

18 Order of Discipline directed to Gaming Partners

19 International, USA. GPI supplies playing cards to

20 Missouri casinos. On September the 7th, 2015, Ameristar

21 Kansas City Casino discovered some decks of cards which

22 had been supplied by GPI which had a small dot on the back

23 of every nine of diamonds. This defect is a violation of

24 Rule 5.183(1)(D). The problem with this type of defect is

25 it allows the players to identify the cards when they're

0026

1 face down.

2 The history of this case is that this -- these
3 cards came out of the same lot or shipment of playing
4 cards that was supplied by the -- by GPI in August of
5 2014. When that -- those defects were discovered, they
6 still had some of that lot in their warehouse at -- on
7 their property. Instead of destroying the balance of that
8 lot, they kept those cards in their inventory,
9 subsequently shipped them to Ameristar Kansas City, which
10 gave rise to this violation and the recommended fine is
11 \$5,000.

12 CHAIRMAN KOHN: Let me make sure I understand.
13 They -- Ameristar found the first batch of defective
14 cards, reported it and then they sent another batch of the
15 same thing?

16 MR. GREWACH: Correct. And that was, you know,
17 about a year apart. When they had originally shipped the
18 first shipment, they didn't send the entire lot. They
19 still -- they had some of them back at their -- at their
20 warehouse. What GPI should have done upon finding that
21 first -- finding in August of '14 that that defect was in
22 this lot, they should have destroyed the remaining parts
23 in their inventory. They didn't. Then they got
24 subsequently shipped to the casino a year later.

25 CHAIRMAN KOHN: Was this an intentional act? I

0027

1 mean, they shipped the second lot knowing that they were
2 defective?

3 MR. GREWACH: No. And when they -- when they
4 responded to the notice of investigation, they indicated
5 that they just had a problem in their quality control
6 because they typically ship an entire lot. They don't
7 usually split one up. So when they found this defect,
8 they just didn't have that step in their quality control
9 procedures to go back and look and say, okay, is there --
10 did we ship this entire lot or didn't we. They've
11 indicated to us that they've now added an extra step to
12 their quality control process to catch this problem should
13 it come up again.

14 CHAIRMAN KOHN: And they did not ship to any
15 other casino?

16 MR. GREWACH: No; not to our knowledge, no.
17 This was the last part of that lot and it has all been
18 destroyed at this point in time.

19 COMMISSIONER LOMBARDO: Ed, did they have any
20 explanation about how this happened to begin with? I
21 understand it got past their quality control, but what was
22 the part of the process that allowed this to happen?

23 MR. GREWACH: I don't have that information.
24 No, they didn't address it because at this point in time,
25 we're addressing why didn't you destroy the entire lot. I

0028

1 don't think it's completely unheard of that there's a
2 defect in a playing card. As a matter of fact, we require
3 the casinos to do very thorough checks of the backs of the
4 cards. Now, sometimes that's to look for any chip or cut
5 or mark that's been placed on them after they've been put
6 into play, but they're actually inspected throughout the
7 process to try to find this kind of defect.

8 COMMISSIONER LOMBARDO: I was just wondering how
9 in the manufacturing process that mark gets on the back of
10 a nine of diamonds.

11 COMMISSIONER JAMISON: If you go to the last one
12 in the -- the last -- same previous events, it said that
13 that one showed a defect on the back of the card and it
14 was a foreign substance that came onto contact with the
15 engraving plate of that particular card.

16 COMMISSIONER LOMBARDO: So they were all that
17 way after it got on the engraving plate.

18 COMMISSIONER JAMISON: Yeah. I don't know that
19 that's the answer to this one, but that's --

20 COMMISSIONER LOMBARDO: Okay.

21 CHAIRMAN KOHN: Okay. Any questions of Ed? Is
22 there a motion to adopt DC-16 --

23 COMMISSIONER HALE: 067.

24 CHAIRMAN KOHN: -- 067?

25 COMMISSIONER HALE: So moved.

0029

1 COMMISSIONER NEER: Second.

2 CHAIRMAN KOHN: Discussion on the motion.

3 Angie.

4 MS. FRANKS: Commissioner Lombardo.

5 COMMISSIONER LOMBARDO: Approve.

6 MS. FRANKS: Commissioner Neer.

7 COMMISSIONER NEER: Approve.

8 MS. FRANKS: Commissioner Hale.

9 COMMISSIONER HALE: Approve.

10 MS. FRANKS: Commissioner Jamison.

11 COMMISSIONER JAMISON: Approve.

12 MS. FRANKS: Chairman Kohn.

13 CHAIRMAN KOHN: Approve.

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

15 DC-16-067.

16 CHAIRMAN KOHN: Okay. Ed.

17 MR. GREWACH: Under tab G, we have a Preliminary
18 Order of Discipline directed to Lumiere Place Casino for a
19 violation of minimum internal control standard E 1.10.
20 That rule requires that all electronic gaming devices
21 contain approved software.

22 On October 15, 2015, the MGC conducted a floor
23 audit and discovered an electronic gaming device with
24 revoked bill validator software. Now, the background of
25 this matter is that there was also discovered in May of

0030

1 2013 an electronic gaming device with revoked bill
2 validator software. At that point in time a compliance
3 directive was given to the casino telling them to perform
4 a floor audit to determine if there were any other revoked
5 bill validator software on the electronic gaming devices
6 on their floor.

7 Now, when we looked specifically at the problem
8 we found here in October of 2015, this software had been
9 installed in 2008. When we checked the log on the
10 machine, it had not been checked or changed since that
11 installation in 2008. In the preliminary order, you'll
12 also see there are two more recent cases in July of 2015
13 and September of 2015 for this specific property involving
14 revoked or unapproved bill validator software and the
15 recommended fine is \$5,000.

16 CHAIRMAN KOHN: Any questions? Is there a
17 motion to approve Resolution 16-067?

18 COMMISSIONER JAMISON: 068.

19 CHAIRMAN KOHN: 68, I'm sorry.

20 COMMISSIONER JAMISON: I move to approve.

21 COMMISSIONER LOMBARDO: Second.

22 CHAIRMAN KOHN: We're talking about 16-068. Any
23 discussion on the motion? Angie.

24 MS. FRANKS: Commissioner Lombardo.

25 COMMISSIONER LOMBARDO: Approve.

0031

1 MS. FRANKS: Commissioner Neer.

2 COMMISSIONER NEER: Approve.

3 MS. FRANKS: Commissioner Hale.

4 COMMISSIONER HALE: Approve.

5 MS. FRANKS: Commissioner Jamison.

6 COMMISSIONER JAMISON: Approve.

7 MS. FRANKS: Chairman Kohn.

8 CHAIRMAN KOHN: Approve.

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

10 DC-16-068.

11 CHAIRMAN KOHN: Before you begin on this next
12 item, I'm recusing myself because my law firm does some
13 estate planning and real estate work for one of the
14 shareholders of the Isle of Capri. So Mr. Jamison will
15 take over.

16 COMMISSIONER JAMISON: Ed, please proceed,
17 please.

18 MR. GREWACH: Thank you. Tab H is a Preliminary
19 Order of Discipline directed to Isle of Capri
20 Caruthersville for a violation of Minimum Internal Control
21 Standard Chapter G Section 7.10. This violation comes out
22 of a repeat audit finding. The rule cited requires count
23 team members to clear their hands if moving to or from the
24 table. That's a process of showing their palms and the
25 back of their hands to the other count team members and to

0032

1 surveillance.

2 During a routine audit by the MGC for a time
3 period from July 2012 to July 2014, a finding was made in
4 the audit of a failure to -- for the count team members to
5 clear their hands in 82 percent of the times observed.
6 The MGC did a follow-up to that audit in July of 2015 and
7 then those observations noted that there was a failure to
8 clear hands by count team members in 64 percent of the
9 times observed. And the recommended fine is \$5,000.

10 COMMISSIONER JAMISON: Okay. Are there any
11 questions in reference to this resolution?

12 COMMISSIONER NEER: No.

13 COMMISSIONER HALE: No, sir.

14 COMMISSIONER LOMBARDO: No.

15 COMMISSIONER JAMISON: If not, the Chair would
16 entertain a motion on DC-16-069.

17 COMMISSIONER NEER: Motion to approve.

18 COMMISSIONER LOMBARDO: Second.

19 COMMISSIONER JAMISON: Angie, call the roll,
20 please.

21 MS. FRANKS: Commissioner Lombardo.

22 COMMISSIONER LOMBARDO: Approve.

23 MS. FRANKS: Commissioner Neer.

24 COMMISSIONER NEER: Approve.

25 MS. FRANKS: Commissioner Hale.

0033

1 COMMISSIONER HALE: Approve.

2 MS. FRANKS: Commissioner Jamison.

3 COMMISSIONER JAMISON: Approve.

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

5 DC-16-069.

6 CHAIRMAN KOHN: Thank you. Mr. Seibert.

7 EXECUTIVE DIRECTOR SEIBERT: Next order of
8 business is Consideration of Placement of Individuals on
9 Exclusion List. Mr. Grewach will present.

10 MR. GREWACH: Thank you. Under tab I is a
11 resolution to place Alfred Brown on the involuntary
12 exclusion list. Now, this is different from the voluntary
13 exclusion list or the DAP list that we've discussed on
14 prior occasions. The Commission can place a person on
15 this list if they meet the criteria of Rule 15.030.

16 Mr. Brown fits the criteria in that he was
17 convicted of a felony involving a crime of moral
18 turpitude. Mr. Brown was a pastor of a church in south
19 St. Louis which also operated a day care. Because
20 Mr. Brown had previously been convicted of ten counts of
21 felony theft of healthcare payments in 2003, he was
22 prohibited from being employed with or operating the day
23 care establishment.

24 Also since 2003, he owed an amount in excess of
25 250,000 to the Internal Revenue Service. In order to

0034

1 avoid collection from the Internal Revenue Service, he
2 only reported \$7,000 a year as his salary as pastor of the
3 church. However, between 2007 and 2010, he withdrew over
4 \$500,000 from the church using the church's checks --

5 CHAIRMAN KOHN: Say that number again.

6 MR. GREWACH: \$500,000.

7 CHAIRMAN KOHN: 500,000.

8 MR. GREWACH: -- using the church's checks,
9 credit cards and debit cards. Through the government's
10 investigation, a substantial amount of those withdrawals
11 were done in area casinos. Now, however, Mr. Brown had
12 very little play at the casinos.

13 As a matter of fact, there was never a year
14 during that time period where he wagered more than \$20,000
15 and there was never a year in which he lost more than
16 \$2,000. So it appears that he would just use the casino
17 as a bank or an ATM or another avenue in which to get
18 money out of the church's account, gamble just a little
19 bit and then leave the property. So he pled guilty, was
20 convicted of filing a false tax return and was sentenced
21 to one year in prison.

22 CHAIRMAN KOHN: And what is your -- do you have
23 a recommendation?

24 COMMISSIONER JAMISON: They're placing him on
25 the exclusion list.

0035

1 CHAIRMAN KOHN: Oh, that is the --

2 MR. GREWACH: The resolution then does place him
3 on the involuntary exclusion list. How this works, then,
4 he'll get notice of the Commission's action in this
5 regard, he'll have 30 days to request a hearing. If he
6 doesn't request a hearing, then the placement on the list
7 becomes final. If he does request a hearing, we'll have a
8 hearing similar to the hearings that Mr. Steib presented
9 today at a future Commission meeting date.

10 CHAIRMAN KOHN: Okay. And how is that -- how is
11 that enforced?

12 MR. GREWACH: That is enforced -- the Commission
13 keeps a database of everyone who's on the voluntary DAP
14 list and everybody who's on the involuntary DAP list. The
15 casinos are required with every seven days to download an
16 update of that list. So the casino is required to have a
17 current list from our computer database of everyone who's
18 on either the DAP list or the involuntary exclusion list.

19 If one of those persons is found on the
20 property, if they win a taxable jackpot, if they attempt
21 to make a cash transaction at a cage, any of those items
22 happen, the person is arrested for trespassing at that
23 point in time.

24 CHAIRMAN KOHN: And this applies to all casinos
25 in Missouri as well as all casinos outside of Missouri

0036

1 or --

2 MR. GREWACH: Only applies in Missouri. Now,
3 some states, as we do, as you can see from the text, the
4 15.030, that's in the first paragraph of the proposed
5 resolution, we also have a provision that if you're on
6 another state's list, we can automatically add you to
7 ours. So there could be other states that take our list
8 on a regular basis and use it to update theirs. But we
9 only have authority to exclude people for the 13 casinos
10 in Missouri.

11 CHAIRMAN KOHN: Any questions?

12 COMMISSIONER LOMBARDO: No.

13 COMMISSIONER NEER: No, sir.

14 CHAIRMAN KOHN: Is there a motion to approve
15 Resolution No. 16-018?

16 COMMISSIONER LOMBARDO: Motion to approve.

17 COMMISSIONER HALE: Second.

18 CHAIRMAN KOHN: Discussion on the motion?

19 Angie.

20 MS. FRANKS: Commissioner Lombardo.

21 COMMISSIONER LOMBARDO: Approve.

22 MS. FRANKS: Commissioner Neer.

23 COMMISSIONER NEER: Approve.

24 MS. FRANKS: Commissioner Hale.

25 COMMISSIONER HALE: Approve.

0037

1 MS. FRANKS: Commissioner Jamison.

2 COMMISSIONER JAMISON: Approve.

3 MS. FRANKS: Chairman Kohn.

4 CHAIRMAN KOHN: Approved.

5 MS. FRANKS: By your vote you've adopted
6 Resolution No. 16-018.

7 CHAIRMAN KOHN: Mr. Grewach, you're still up.

8 MR. GREWACH: Tab J is another resolution to
9 place Paul G. Parker, II on the involuntary exclusion
10 list. Mr. Parker was an insurance agent and he embezzled
11 \$260,000 from clients between 2012 and 2013. He had an
12 extensive gambling history in St. Louis area casinos.
13 Matter of fact, between -- through 2012 through 2014, his
14 losses totaled \$590,000.

15 He pled guilty on April the 9th, 2015 of mail
16 fraud and filing a false tax return and received a
17 three-year prison sentence and was ordered to pay
18 restitution in the sum of \$280,000. So he qualifies for
19 the list of -- by being convicted of a crime involving --
20 a felony involving moral turpitude.

21 CHAIRMAN KOHN: So this is the same involuntary
22 DAP list?

23 MR. GREWACH: Correct. Involuntary list.

24 CHAIRMAN KOHN: Any questions?

25 COMMISSIONER HALE: I have none.

0038

1 COMMISSIONER NEER: No, sir.

2 CHAIRMAN KOHN: Is there a motion to approve

3 Resolution No. DC-16-1 -- dash 018.

4 COMMISSIONER HALE: So moved.

5 CHAIRMAN KOHN: I'm sorry. I'm still back.

6 16-019.

7 COMMISSIONER HALE: So move.

8 COMMISSIONER NEER: Second.

9 CHAIRMAN KOHN: Discussion on the motion.

10 Angie.

11 MS. FRANKS: Commissioner Lombardo.

12 COMMISSIONER LOMBARDO: Approve.

13 MS. FRANKS: Commissioner Neer.

14 COMMISSIONER NEER: Approve.

15 MS. FRANKS: Commissioner Hale.

16 COMMISSIONER HALE: Approve.

17 MS. FRANKS: Commissioner Jamison.

18 COMMISSIONER JAMISON: Approve.

19 MS. FRANKS: Chairman Kohn.

20 CHAIRMAN KOHN: Approved.

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

22 Resolution No. 16-019.

23 CHAIRMAN KOHN: Mr. Seibert.

24 EXECUTIVE DIRECTOR SEIBERT: Next order of

25 business is Consideration of Rules and Regulations.

1 Mr. Grewach will present.

2 MR. GREWACH: Thank you. Under tab K, we have
3 Final Orders of Rulemaking to Chapter 12 of our rules,
4 Liquor Control. As a background there's state statute
5 313.840, which designates the Commission as a sole liquor
6 licensing authority for the casinos and any property owned
7 and operated by the licensee adjacent to the casinos.

8 Now, this review and amendment to Chapter 12
9 really came from two sources. The staff here, it came to
10 our attention that there was a pattern of the same
11 questions coming up repeatedly on issues of liquor
12 control. So one thing we did is we got together the
13 people that dealt with it here on a daily basis to
14 brainstorm and talk about those questions. And so we then
15 set out to adapt changes to the rules, to clarify and to
16 give some final answers to those questions that tended to
17 come up on a frequent basis.

18 Additionally, we had some input from the
19 industry because our rules were different than the state
20 alcohol and tobacco control, the state liquor control
21 rules, and they expressed some interest in having a level
22 playing field with other licensees that state liquor
23 control licensed who were neighboring to the casinos where
24 they operated. So we looked at our regulations and
25 attempted to import, as much as we could, from state

0040

1 liquor control regulations to create that level playing
2 field.

3 We then drafted a Proposed Order of Rulemaking,
4 which this Commission approved on January the 13th, 2016.
5 There was a public written comment period after that and
6 then there was a public hearing on March 29, 2016. The
7 only comment we received was on Rule 12.090. So when you
8 look at the resolutions before you, for those rules in
9 which we received no comment, the actual original proposed
10 rule is not reprinted here and that's per the Secretary of
11 State's guidelines.

12 But just to kind of go back over some of the
13 main topics that were covered in those other rules, one
14 was that we changed it so that the liquor outlets on the
15 boat are all licensed separately and the reasoning behind
16 that is if there are repeated violations of one particular
17 liquor outlet on a boat, we can take some action to
18 suspend or possibly revoke that specific outlet as opposed
19 to having to suspend or revoke the entire casino's liquor
20 outlet. Because, in our experience, we've found that some
21 outlets have more troubles and problems than others.

22 The -- another major area and questions that had
23 come up were employees' consumption of alcohol. The
24 changes to the rule prohibited any employee from consuming
25 alcohol on the gaming floor or anywhere while they were on

0041

1 duty. Another general area that was really more in
2 response to questions that we received is we changed the
3 rule to allow private functions, renting, let's say, a
4 conference room or a ballroom from a casino, to provide
5 their own alcohol, however, we require the licensee's
6 employees to serve that alcohol.

7 We did get, as I indicated, comments on Section
8 12.090. That was the rule that defines lewd and improper
9 acts on the license premises. Again, initially, we had
10 incorporated verbatim the state liquor control rules. In
11 response to the comments, we've made the changes that you
12 see in the Order of Rulemaking before you.

13 We've discussed and got input from Mike Winter,
14 the Executive Director of the Missouri Gaming Association,
15 concerning these rules and if the Commission approves this
16 Final Order of Rulemaking, this rule will become effective
17 on August the 30th, 2016.

18 CHAIRMAN KOHN: So you've covered 12.010 through
19 12.090?

20 MR. GREWACH: Correct.

21 CHAIRMAN KOHN: Any questions of Mr. Grewach?

22 COMMISSIONER HALE: No, sir.

23 CHAIRMAN KOHN: Okay. And can we approve all --
24 can we approve 11 CSR 45-12.010 through 019?

25 MR. GREWACH: You do. You just have to --

0042

1 CHAIRMAN KOHN: 090.

2 COMMISSIONER JAMISON: List all them out.

3 MR. GREWACH: -- list all the rules in the
4 motion, but they can all be done in the same motion.

5 CHAIRMAN KOHN: That sounds like a job for you.

6 COMMISSIONER JAMISON: I move for approval of 11
7 CSR 45-12.010, .020, .030, .040, .050, .060, .70 -- .070,
8 let me correct that, .080, and .090.

9 CHAIRMAN KOHN: Would anyone like to repeat
10 that? Is there a second to the motion?

11 COMMISSIONER NEER: I'll second.

12 CHAIRMAN KOHN: Discussion on the motion.
13 Angie.

14 MS. FRANKS: Commissioner Lombardo.

15 COMMISSIONER LOMBARDO: Approve.

16 MS. FRANKS: Commissioner Neer.

17 COMMISSIONER NEER: Approve.

18 MS. FRANKS: Commissioner Hale.

19 COMMISSIONER HALE: Approve.

20 MS. FRANKS: Commissioner Jamison.

21 COMMISSIONER JAMISON: Approve.

22 MS. FRANKS: Chairman Kohn.

23 CHAIRMAN KOHN: Approve.

24 MS. FRANKS: By your vote you've adopted the
25 Final Orders of Rulemaking 11 CSR 45-12.010, 12.020,

0043

1 12.030, 12.040, 12.050, 12.060, 12.070, 12.080, and
2 12.090.

3 MR. GREWACH: Thank you.

4 CHAIRMAN KOHN: Brian, she does it better.

5 COMMISSIONER JAMISON: She does do it better.

6 CHAIRMAN KOHN: Mr. Seibert.

7 COMMISSIONER JAMISON: And there's a lot of
8 things she does better than I do.

9 EXECUTIVE DIRECTOR SEIBERT: Mr. Chair, the next
10 order of business is Consideration of Licensure of Certain
11 Supplier & Key Business Entity. Sergeant Gary Davidson
12 will present.

13 CHAIRMAN KOHN: Sergeant.

14 SERGEANT DAVIDSON: Mr. Chairman, Commissioners,
15 good morning.

16 CHAIRMAN KOHN: Good morning.

17 SERGEANT DAVIDSON: If you'd please refer to
18 Resolution 16-020 under tab L and 16-021 under tab M
19 involving the licensure of Everi Games Holding
20 Incorporated and Everi Games Incorporated. On January 21,
21 2015, Multimedia Games Holding Company, Incorporated and
22 Multimedia Games, Incorporated made application to the
23 Missouri Gaming Commission to be licensed as a Supplier
24 Key Business Entity and Supplier respectively.

25 On August 24, 2015, the name of Multimedia Games

0044

1 Holding, Incorporated was changed to Everi Games Holding
2 Incorporated and Multimedia Games, Incorporated was
3 changed to Everi Games Incorporated.

4 Missouri State Highway Patrol and Missouri
5 Gaming Commission Financial Investigators conducted
6 background investigations to assist the Missouri Gaming
7 Commission in determining each company's suitability for
8 licensure. These investigations included the evaluation
9 of jurisdictional inquiries, disciplinary actions,
10 litigation, business credit profiles, feedback from
11 affected gaming company clients, financial analyses and a
12 review of the key persons associated with each of the
13 companies.

14 A comprehensive summary report for each
15 detailing the results of these investigations were
16 provided to the Gaming Commission for their review and
17 there are investigators here present to answer any
18 questions that you may have.

19 CHAIRMAN KOHN: Are there any questions of
20 Sergeant Davidson?

21 COMMISSIONER LOMBARDO: No.

22 CHAIRMAN KOHN: Is there a motion to approve
23 Resolution 16-020?

24 COMMISSIONER LOMBARDO: Motion to approve.

25 COMMISSIONER HALE: Second.

0045

1 CHAIRMAN KOHN: Discussion on the motion.

2 Angie.

3 MS. FRANKS: Commissioner Lombardo.

4 COMMISSIONER LOMBARDO: Approve.

5 MS. FRANKS: Commissioner Neer.

6 COMMISSIONER NEER: Approve.

7 MS. FRANKS: Commissioner Hale.

8 COMMISSIONER HALE: Approve.

9 MS. FRANKS: Commissioner Jamison.

10 COMMISSIONER JAMISON: Approve.

11 MS. FRANKS: Chairman Kohn.

12 CHAIRMAN KOHN: Approve.

13 MS. FRANKS: By your vote, you've adopted

14 Resolution No. 16-020.

15 CHAIRMAN KOHN: Is there a motion to approve

16 Resolution 16-021?

17 COMMISSIONER LOMBARDO: Motion to approve.

18 COMMISSIONER HALE: Second.

19 CHAIRMAN KOHN: Discussion on the motion.

20 Angie.

21 MS. FRANKS: Commissioner Lombardo.

22 COMMISSIONER LOMBARDO: Approve.

23 MS. FRANKS: Commissioner Neer.

24 COMMISSIONER NEER: Approve.

25 MS. FRANKS: Commissioner Hale.

0046

1 COMMISSIONER HALE: Approve.

2 MS. FRANKS: Commissioner Jamison.

3 COMMISSIONER JAMISON: Approve.

4 MS. FRANKS: Chairman Kohn.

5 CHAIRMAN KOHN: Approve.

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

7 Resolution No. 16-021.

8 CHAIRMAN KOHN: Mr. Seibert.

9 EXECUTIVE DIRECTOR SEIBERT: Next order of
10 business is Consideration of Relicensure of Certain
11 Supplier. Sergeant Sammy Seaton will present.

12 SERGEANT SEATON: Mr. Chairman, Commissioners,
13 good morning.

14 CHAIRMAN KOHN: Good morning.

15 SERGEANT SEATON: Missouri State Highway Patrol
16 Investigators and Missouri Financial Investigators
17 conducted an investigation of Ainsworth Game Technology
18 Limited to determine the company's suitability to continue
19 operating as a licensed gaming supplier company in
20 Missouri. This investigation consisted of multiple
21 jurisdictional inquiries, feedback from affected gaming
22 company clients, a review of disciplinary actions and
23 current litigation, a financial analysis, as well as a
24 review of the key persons associated with the company.

25 The results of our investigation were provided

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1 to the Gaming Commission Staff for their review and
2 specific details related to those findings are contained
3 in the comprehensive summary report before you. The
4 investigators are available to entertain any questions you
5 may have. Thank you.

6 CHAIRMAN KOHN: Are there any questions?

7 COMMISSIONER HALE: Yes, sir. As I understand
8 it, it was an earlier application from Mr. Ainsworth or
9 involving Mr. Ainsworth that initially was rejected?

10 SERGEANT SEATON: Yes, sir. That is correct.

11 COMMISSIONER HALE: Okay. I know from my review
12 of the report regarding this application that there were
13 issues in connection with the earlier application that
14 were issues of concern, as I understand it, for the
15 Commission Staff. I didn't see -- and I may have missed
16 it, but I did not see specifically what those issues were.
17 Is there any way you guys could address that?

18 MR. GREWACH: If you're talking about the --
19 there was a prior case where there was initial --

20 COMMISSIONER HALE: That's what I'm talking
21 about.

22 MR. GREWACH: Right. And that involved some
23 of -- some of the criminal history involving the CEO of
24 the company and some associations. That came before the
25 Commission. The Commission found Mr. Ainsworth, the CEO

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1 and the company all suitable for licensure at that point
2 in time. And as far as we know, those issues aren't --
3 those specific issues that existed then really aren't
4 presented in this report that you have before you today.

5 COMMISSIONER HALE: I take it from what you've
6 just said, then, that those concerns that were previously
7 expressed regarding these people are no longer concerns?

8 MR. GREWACH: That would be correct.

9 COMMISSIONER HALE: Okay. All right. Thank
10 you.

11 CHAIRMAN KOHN: Any other questions?

12 COMMISSIONER NEER: Were these -- it says
13 currently six legal litigations pending, lawsuits pending.
14 Did you look into any of those to indicate -- I see the
15 general nature of them here, but it's your opinion that
16 regardless of what the results of any of that litigation,
17 it would not negatively impact their ability to do
18 business with Missouri Gaming?

19 SERGEANT SEATON: Yes, sir. We did review the
20 litigation that they have and it seemed routine in nature
21 and we did inquire with Ainsworth and their general
22 counsel and received a statement from them that a negative
23 ruling in any of that litigation would have no material
24 effect on the company.

25 COMMISSIONER NEER: Okay. Thank you.

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1 CHAIRMAN KOHN: Any other questions? Seeing
2 none, is there a motion to approve Resolution 16-022?

3 COMMISSIONER JAMISON: So moved.

4 COMMISSIONER NEER: Second -- second.

5 CHAIRMAN KOHN: Any discussion on the motion?
6 Okay. Angie.

7 MS. FRANKS: Commissioner Lombardo.

8 COMMISSIONER LOMBARDO: Approve.

9 MS. FRANKS: Commissioner Neer.

10 COMMISSIONER NEER: Approve.

11 MS. FRANKS: Commissioner Hale.

12 COMMISSIONER HALE: Approve.

13 MS. FRANKS: Commissioner Jamison.

14 COMMISSIONER JAMISON: Approve.

15 MS. FRANKS: Chairman Kohn.

16 CHAIRMAN KOHN: Approve.

17 MS. FRANKS: By your vote you've adopted
18 Resolution No. 16-022.

19 CHAIRMAN KOHN: Okay. Mr. Seibert.

20 EXECUTIVE DIRECTOR SEIBERT: Next order of
21 business is Consideration of Licensure of Certain Level I
22 and Key Applicants. Sergeant Jason McTheeney will
23 present.

24 SERGEANT McTHEENEY: Mr. Chairman and
25 Commissioners, good morning.

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1 CHAIRMAN KOHN: Good morning.

2 SERGEANT McTHEENEY: Missouri State Highway
3 Patrol Investigators, along with the Missouri Gaming
4 Commission Financial Investigators, conducted
5 comprehensive background investigations on multiple Key
6 and Level I applicants. The investigations included, but
7 were not limited to criminal, financial and general
8 character inquiries which were made in the jurisdictions
9 where the applicants lived, worked and frequented.

10 The following individuals are being presented
11 for your consideration: Sandra W. Beaver, Vice President
12 North America Gaming with IGT Global Solutions
13 Corporation; Marc A. Beilinson, a Director with Caesars
14 Acquisition Company; Alberto Dessy, Director,
15 International Games Technology PLC; Jeremy James Hanley,
16 Director with International Games Technology PLC; Daniel
17 Ray Harris, Security Manager, Lady Luck Casino,
18 Caruthersville; and James Francis McCann, Director with
19 International Games Technology PLC.

20 The results of these investigations were
21 provided to the Gaming Commission Staff for their review
22 and you have all related summary reports before you.
23 Thank you.

24 CHAIRMAN KOHN: Is there -- I haven't heard this
25 part of the process before. Is there some reason that

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1 these are all combined into one? Even though they're
2 different companies and different --

3 MR. GREWACH: I --

4 CHAIRMAN KOHN: These are all the
5 investigations?

6 MR. GREWACH: Yes, it is and probably just for
7 the sake of efficiency to have one resolution and then
8 attach the list to those persons. Now, if there's ever
9 any one person on the list that the Commissioners have
10 doubts should be licensed, then obviously there could be a
11 vote to -- directing us to amend the resolution to delete
12 that person.

13 But we have to, if we did that, make a specific
14 finding of unsuitability and the rule provides that if
15 you're going to find someone unsuitable, there's certain
16 requirements in that resolution that we have to outline
17 and delineate of what we believe give rise to the grounds
18 for unsuitability. But other than saying this is the way
19 we've always done it, I can only guess that it was just
20 done for efficiency's sake.

21 CHAIRMAN KOHN: I love that answer.

22 COMMISSIONER JAMISON: But, historically, we
23 have done that in the past. We've approved like five out
24 of the six and then taken the sixth one to a closed
25 session and did some discussion and then brought it back

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1 for licensure at a later meeting.

2 CHAIRMAN KOHN: So should we at least allow
3 discussion on individuals before we vote on the one
4 resolution?

5 MR. GREWACH: It depends. The difficulty with
6 the individuals is in the reports you're going to find a
7 lot of non-public information that we have the right to
8 access to because we're a regulatory agency, tax records,
9 financial records, possibly arrests that didn't lead to
10 any charges or convictions, domestic issues, things that
11 if you're going to take one individual off of here and
12 want to talk about them, my suggestion would be that you
13 go into closed session, talk about that individual, then
14 come back out and vote on the resolution as a whole at
15 that point in time. I think that would be the most
16 efficient way to do that.

17 CHAIRMAN KOHN: And in closed session we would
18 have access to that information?

19 MR. GREWACH: Absolutely.

20 CHAIRMAN KOHN: I will leave it up to the
21 Commissioners, but I would opt for following that process.

22 COMMISSIONER HALE: I would agree.

23 COMMISSIONER JAMISON: Which one do you --

24 CHAIRMAN KOHN: Go into closed session to --

25 COMMISSIONER JAMISON: Which one do you want to

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1 take out?

2 CHAIRMAN KOHN: I don't know.

3 COMMISSIONER HALE: I've got Marc Alan Beilinson
4 that I'd like to discuss in closed session.

5 COMMISSIONER JAMISON: I guess my thoughts is
6 you would only take the ones out that any commissioner has
7 a question of that we've already referenced.

8 CHAIRMAN KOHN: You'd rather vote on the others
9 now?

10 COMMISSIONER HALE: Approve them.

11 CHAIRMAN KOHN: I was going to vote on all of
12 them and come back.

13 COMMISSIONER JAMISON: I'd vote on the -- if
14 Larry wants to remove one, then he can make a motion to
15 approve the rest of them minus the one and then take the
16 other one in closed.

17 COMMISSIONER HALE: We can do that.

18 CHAIRMAN KOHN: Are there any others that any
19 commissioner would like to remove from the general
20 resolution?

21 COMMISSIONER LOMBARDO: No.

22 CHAIRMAN KOHN: Why don't you make a motion?

23 COMMISSIONER HALE: At this time, Mr. Chairman,
24 I would move that we consider -- the Commission consider
25 the resolution excluding the name of Marc Alan Beilinson,

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1 which I'd like to discuss in closed session.

2 CHAIRMAN KOHN: So when you say consider, you
3 mean approve?

4 COMMISSIONER HALE: Consider for approval,
5 correct.

6 CHAIRMAN KOHN: Okay. Is there a second to that
7 motion?

8 COMMISSIONER NEER: I'll second.

9 CHAIRMAN KOHN: Any discussion on that motion?
10 Okay. Angie.

11 MS. FRANKS: Commissioner Lombardo.

12 COMMISSIONER LOMBARDO: Approve.

13 MS. FRANKS: Commissioner Neer.

14 COMMISSIONER NEER: Approve.

15 MS. FRANKS: Commissioner Hale.

16 COMMISSIONER HALE: Approve.

17 MS. FRANKS: Commissioner Jamison.

18 COMMISSIONER JAMISON: Approve.

19 MS. FRANKS: Chairman Kohn.

20 CHAIRMAN KOHN: Approve.

21 MS. FRANKS: By your vote you've adopted
22 Resolution No. 16-023 excluding Marc Alan Beilinson.

23 CHAIRMAN KOHN: Okay. And we will report out
24 after closed session. Mr. Seibert.

25 EXECUTIVE DIRECTOR SEIBERT: The next order of

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1 business is Consideration of Waiver of Institutional
2 Investors. Miss Martha LeMond will present.

3 MS. LeMOND: Mr. Chairman, Commissioners, good
4 morning.

5 CHAIRMAN KOHN: Good morning.

6 MS. LeMOND: Behind tab P and Q are resolutions
7 regarding waivers of licensure for institutional investors
8 holding and/or requesting to hold publicly traded
9 interests of up to 20 percent in gaming licensees.

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

16 Because the holdings may exceed the 10 percent
17 threshold for which the Executive Director may grant a
18 waiver, these resolutions are before the Commission today.
19 Resolution No. 16-024 is for Bennelong Funds Management
20 Group Proprietary Limited and Resolution No. 16-025 is for
21 Fuller & Thaler Asset Management, Inc. Any questions?

22 CHAIRMAN KOHN: What are they investing in and
23 what percent will their investment constitute?

24 MS. LeMOND: They are investing only in a single
25 licensee. Bennelong is investing in Aristocrat and Fuller

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1 & Thaler is investing in Everi.

2 CHAIRMAN KOHN: And what are the casinos?

3 MS. LeMOND: They're suppliers that we license,
4 yes.

5 CHAIRMAN KOHN: Okay. So suppliers to all the
6 casinos or more than one?

7 MS. LeMOND: They supply -- yeah, that's
8 correct.

9 CHAIRMAN KOHN: All right. Any questions?

10 COMMISSIONER HALE: No, sir.

11 CHAIRMAN KOHN: Is there a motion to approve
12 16-024?

13 COMMISSIONER HALE: So moved.

14 COMMISSIONER LOMBARDO: Second.

15 CHAIRMAN KOHN: Discussion on the motion?

16 Angie.

17 MS. FRANKS: Commissioner Lombardo.

18 COMMISSIONER LOMBARDO: Approve.

19 MS. FRANKS: Commissioner Neer.

20 COMMISSIONER NEER: Approve.

21 MS. FRANKS: Commissioner Hale.

22 COMMISSIONER HALE: Approve.

23 MS. FRANKS: Commissioner Jamison.

24 COMMISSIONER JAMISON: Approve.

25 MS. FRANKS: Chairman Kohn.

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1 CHAIRMAN KOHN: Approve.

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

3 Resolution No. 16-024.

4 CHAIRMAN KOHN: Is there a motion to approve

5 Resolution 16-025?

6 COMMISSIONER HALE: So moved.

7 CHAIRMAN KOHN: Is there a second?

8 COMMISSIONER LOMBARDO: Second.

9 CHAIRMAN KOHN: Discussion on that motion?

10 Angie.

11 MS. FRANKS: Commissioner Lombardo.

12 COMMISSIONER LOMBARDO: Approved.

13 MS. FRANKS: Commissioner Neer.

14 COMMISSIONER NEER: Approved.

15 MS. FRANKS: Commissioner Hale.

16 COMMISSIONER HALE: Approved.

17 MS. FRANKS: Commissioner Jamison.

18 COMMISSIONER JAMISON: Approved.

19 MS. FRANKS: Chairman Kohn.

20 CHAIRMAN KOHN: Approved.

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

22 Resolution No. 16-025.

23 CHAIRMAN KOHN: I think that concludes our

24 business for this open session. Is there a motion to go

25 into closed session? Brian, that's your job.

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1 COMMISSIONER JAMISON: Okay. I move to move
2 into closed meeting under Sections 313.847 Revised
3 Missouri Statutes, Investigatory, Proprietary and
4 Application Records and 610.021, Subsection 1, Revised
5 Missouri Statutes, Legal Actions, Subsection 3 and
6 Subsection 13, Personnel and Subsection 14, Records
7 Protected from Disclosure by Law.

8 CHAIRMAN KOHN: Is there a second?

9 COMMISSIONER LOMBARDO: Second.

10 CHAIRMAN KOHN: Angie.

11 MS. FRANKS: Commissioner Lombardo.

12 COMMISSIONER LOMBARDO: Approved.

13 MS. FRANKS: Commissioner Neer.

14 COMMISSIONER NEER: Approved.

15 MS. FRANKS: Commissioner Hale.

16 COMMISSIONER HALE: Approve.

17 MS. FRANKS: Commissioner Jamison.

18 COMMISSIONER JAMISON: Approved.

19 MS. FRANKS: Chairman Kohn.

20 CHAIRMAN KOHN: Approved. We will go into
21 closed session and come out with our -- whatever we need
22 to do in open session afterwards. Okay. This session is
23 adjourned.

24 (Break in proceedings.)

25 CHAIRMAN KOHN: The Missouri Gaming Commission

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1 session of April 27 is reopened. We need a roll call.

2 MS. FRANKS: Yes, please.

3 CHAIRMAN KOHN: Okay.

4 MS. FRANKS: Commissioner Lombardo.

5 COMMISSIONER LOMBARDO: Present.

6 MS. FRANKS: Commissioner Neer.

7 COMMISSIONER NEER: Present.

8 MS. FRANKS: Commissioner Hale.

9 COMMISSIONER HALE: Present.

10 MS. FRANKS: Commissioner Jamison.

11 COMMISSIONER JAMISON: Present.

12 MS. FRANKS: Chairman Kohn.

13 CHAIRMAN KOHN: Present. We have one additional
14 resolution to consider and approve which was discussed in
15 our closed session. Is there a motion to approve
16 Resolution No. 16-026?

17 COMMISSIONER JAMISON: So moved.

18 COMMISSIONER HALE: Second.

19 CHAIRMAN KOHN: Discussion on the motion?

20 Angie.

21 MS. FRANKS: Commissioner Lombardo.

22 COMMISSIONER LOMBARDO: Approve.

23 MS. FRANKS: Commissioner Neer.

24 COMMISSIONER NEER: Approve.

25 MS. FRANKS: Commissioner Hale.

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1 COMMISSIONER HALE: Approve.

2 MS. FRANKS: Commissioner Jamison.

3 COMMISSIONER JAMISON: Approved.

4 MS. FRANKS: Chairman Kohn.

5 CHAIRMAN KOHN: Approved.

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

7 Resolution No. 16-026.

8 CHAIRMAN KOHN: Is there any additional business

9 to come before this meeting? If not, we are adjourned.

10 MS. FRANKS: We need to --

11 COMMISSIONER JAMISON: I move for adjournment.

12 CHAIRMAN KOHN: Is there a second to the motion?

13 COMMISSIONER NEER: Second.

14 CHAIRMAN KOHN: Angie.

15 MS. FRANKS: Commissioner Lombardo.

16 COMMISSIONER LOMBARDO: Approve.

17 MS. FRANKS: Commissioner Neer.

18 COMMISSIONER NEER: Approve.

19 MS. FRANKS: Commissioner Hale.

20 COMMISSIONER HALE: Approve.

21 MS. FRANKS: Commissioner Jamison.

22 COMMISSIONER JAMISON: Approved.

23 MS. FRANKS: Chairman Kohn.

24 CHAIRMAN KOHN: Approved.

25 (Proceedings concluded at 11:40 A.M.)

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CERTIFICATE OF REPORTER

I, Julie K. Kearns, Certified Court Reporter (MO), Certified Shorthand Reporter (IL), Registered Professional Reporter and Certified Realtime Reporter within and for the State of Missouri, do hereby certify that I was personally present at the proceedings had in the above-entitled cause at the time and place set forth in the caption sheet thereof; that I then and there took down in Stenotype the proceedings had; and that the foregoing is a true and correct transcript of such Stenotype notes so made at such time and place.

Julie K. Kearns, CCR #993, CSR, RPR, CRR