BEFORE THE MISSOURI GAMING COMMISSION
STATE OF MISSOURI

MEETING
February 24, 2016
10:00 a.m.
3417 Knipp Drive
Jefferson City, Missouri

BEFORE: Herbert M. Kohn, Chairman
Brian Jamison, Vice Chairman
Larry D. Hale, Commissioner
Thomas Neer, Commissioner
Richard F. Lombardo, Commissioner

Reported by:
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AGENDA

I. Call to Order 3:4

II. Consideration of Minutes 3:19
   A. January 13, 2016

III. Consideration of Hearing Officer Recommendation
   B. Richard Martin
      1. Resolution No. 16-006 4:16

IV. Consideration of Disciplinary Actions
    C. HGI-Mark Twain, LLC
       1. DC-16-028 8:18
    D. HGI-Mark Twain, LLC
       1. DC-16-029 11:5

V. Consideration of Bingo Settlement
   E. American Legion Post 153
      1. Resolution No. 16-001-B 14:8

VI. Consideration of Rules and Regulations
    F. Final Orders of Rulemaking
       1. 11 CSR 45-5.070 - Payout Percentage for Electronic Gaming 18:14
       2. 11 CSR 45-9.177 - Minimum Internal Control Standards - Chapter Q 18:14

VII. Consideration of Licensure of Level I/Key Applicants
     G. Resolution No. 16-007 37:14

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 39:11
(Start time: 10:00 a.m.)

PROCEDINGS

CHAIRMAN KOHN: Good morning everybody.
We will call the meeting of February 24, Missouri Gaming Commission, to order.
Angie, please take roll.

MS. FRANKS: Commissioner Lombardo.
COMMISSIONER LOMBARDO: Present.
MS. FRANKS: Commissioner Neer.
COMMISSIONER NEER: Present.
MS. FRANKS: Commissioner Hale.
COMMISSIONER HALE: Present.
MS. FRANKS: Commissioner Jamison.
COMMISSIONER JAMISON: Present.
MS. FRANKS: Chairman Kohn.
CHAIRMAN KOHN: Present.
Now we have a quorum. We're ready to proceed with business.
The first item would be Consideration of Minutes from the January 13 meeting.

Is there a motion to approve those minutes?
COMMISSIONER HALE: So moved.
COMMISSIONER NEER: Second.
CHAIRMAN KOHN: Angie, please take the roll.
MS. FRANKS: Commissioner Lombardo.
COMMISSIONER LOMBARDO: Approve.

MS. FRANKS: Commissioner Neer.

COMMISSIONER NEER: Approve.

MS. FRANKS: Commissioner Hale.

COMMISSIONER HALE: Approve.

MS. FRANKS: Commissioner Jamison.

COMMISSIONER JAMISON: Approve.

MS. FRANKS: Chairman Kohn.

CHAIRMAN KOHN: Approve.

MS. FRANKS: By your vote you've adopted the minutes of the January 13, 2016 meeting.

CHAIRMAN KOHN: Mr. Seibert.

EXECUTIVE DIRECTOR SEIBERT: Mr. Chairman,

the first order of business is Consideration of Hearing Officer Recommendation. Mr. Bryan Wolford will present.

MR. WOLFORD: Thank you, Mr. Chairman,

Commissioners.

For your consideration Resolution No. 16-006, the matter of Richard Martin.

Mr. Martin was an employee at Harrah's North Kansas City at the time of the incident, which was the 12th of September 2014. The incident itself occurred at the Ameristar Casino.

However, as a Level II licensee, Mr. Martin is obligated to follow the gaming laws and regulations
of the State of Missouri wherever he may be, whether it's when he's at work at his home casino or if he is at any other facility.

This is kind of the segue on the companion case from last month where we had Mr. Ho involving the Ameristar rewards kiosk.

For those who might not have been present, Ameristar experienced a malfunction in its reward -- MyCash MyRewards kiosk for approximately three days, whereby a person could insert their rewards card and draw out their reward balance but it would not deduct the balance from the total.

For example, if I had $25 balance on my reward card, I could go put my card in, deduct $25 in cash and my balance would still show $25. So you could theoretically keep making transactions and your balance would never zero out.

Mr. Martin became aware of this malfunction, and he used his rewards card to make four withdrawals of $144. Then he continued to game and play some more, and he got his reward balance up from $37 to $58, at which point he made seven more withdrawals from the kiosk, resulting in an additional $400 in cash. And again, his balance did not debit that $58 and zero out because of the malfunction.
Further, he gave his reward card to Mr. Cuong Ho, another licensee. He showed him how to use his MyCash MyRewards card to make the withdrawals, and Mr. Ho made an additional $256 in deductions from the kiosk.

At hearing Mr. Martin admitted that he was aware that this malfunction was occurring, he admitted that his balance did not zero out, and he admitted to taking advantage of the malfunction so to speak.

Now, under the Code of State Regulations, under 11 CSR 45-10.030, it puts upon a licensee an obligation to inform the Commission when they have facts that lead them to believe there may be a violation of any Missouri law or any Missouri gaming regulation going on.

In addition, at the same CSR in Subsection 4 it gives licensees the obligation to safeguard from loss any casino assets, including cash, tokens, chips, that kind of thing.

At the very least Mr. Martin knew that the casino was losing money by the rewards program not properly zeroing out the balance on there, and as such under the CSR he had a duty to report that to the Commission through the Commission's boat agent, or at least let casino security -- let someone know, and he
didn't do that.

It was only through the review of surveillance that security noticed Mr. Martin making all these withdrawals and later determined that he was, in fact, a Level II license holder.

The hearing officer recommends that the preliminary decision to revoke Mr. Martin's license be approved by the Commission as proper and appropriate discipline in this instance, and I'd be happy to answer any questions you may have.

CHAIRMAN KOHN: Any Commissioners have a question?

COMMISSIONER LOMBARDO: No.

COMMISSIONER HALE: No.

COMMISSIONER NEER: No.

COMMISSIONER JAMISON: No.

CHAIRMAN KOHN: Is Mr. Martin here or is his attorney here?

Okay. Then we are ready for a motion regarding the proposed resolution.

COMMISSIONER JAMISON: I move for adoption of Resolution No. 16-006.

COMMISSIONER LOMBARDO: Second.

CHAIRMAN KOHN: A motion has been made and seconded.
Angie.

MS. FRANKS: Commissioner Lombardo.

COMMISSIONER LOMBARDO: Approve.

MS. FRANKS: Commissioner Neer.

COMMISSIONER NEER: Approve.

MS. FRANKS: Commissioner Hale.

COMMISSIONER HALE: Approve.

MS. FRANKS: Commissioner Jamison.

COMMISSIONER JAMISON: Approve.

MS. FRANKS: Chairman Kohn.

CHAIRMAN KOHN: Approve.

MS. FRANKS: By your vote you've adopted Resolution No. 16-006.

CHAIRMAN KOHN: Mr. Seibert.

EXECUTIVE DIRECTOR SEIBERT: The next order of business, Mr. Chairman, is Consideration of Disciplinary Actions, and Mr. Ed Grewach will present.

MR. GREWACH: Thank you, Mr. Seibert.

Mr. Chairman, Commissioners.

Under Tab C we have a preliminary order of discipline directed to the Mark Twain Casino arising out of two separate promotional activities. They've been combined into one preliminary order of discipline.

The first promotion was the Back to the '80s promotion. It was designed to have a drawing hourly on
certain dates, and for each date the first drawing was to take place at noon on that date.

On July 14th, 2015 there was a malfunction with the monitor. In fact, it wasn't plugged in. And that caused a delay of 15 minutes in the drawing of the names for the promotion.

Now, that delay in and of itself is a violation of 5.181 in two regards, that the promotion was not conducted according to its rules, and that section further prohibits a promotion be conducted in any manner that reflects negatively on the licensee.

In addition, Section 10.030 requires a licensee to promptly report any violation to the Commission, and we did not receive a report from the casino of this violation until July 16th, 2015.

The second promotion involved the ADT coupons. It was discovered by the Commission that on August 14, 2015 that there were coupons that were distributed that were not disclosed or set forth in the rules of the promotion, and there were twelve separate offers that were not included in those rules.

The staff had recommended a combined fine for those two violations of $5,000.

In response the casino wrote to the 14-day letter notifying them of the recommendation, that they
pointed out this was the only date where there was any
difficulty with the Back to the '80s promotion, and that
in spite of the discrepancy between the rules and the
dates on the ADT coupons, that all coupons were honored
and there were no patron complaints for either event.
The staff voted to keep its $5,000
recommendation for a fine.

CHAIRMAN KOHN: Any Commissioner have a
question?

COMMISSIONER LOMBARDO: No.
COMMISSIONER JAMISON: No, sir.
COMMISSIONER NEER: No, sir.
CHAIRMAN KOHN: Okay. Is there a motion to
adopt 16-028?

COMMISSIONER HALE: So moved.
COMMISSIONER NEER: Second.
CHAIRMAN KOHN: Angie.

MS. FRANKS: Commissioner Lombardo.
COMMISSIONER LOMBARDO: Approve.
MS. FRANKS: Commissioner Neer.
COMMISSIONER NEER: Approve.
MS. FRANKS: Commissioner Hale.
COMMISSIONER HALE: Approve.
MS. FRANKS: Commissioner Jamison.
COMMISSIONER JAMISON: Approve.
MS. FRANKS: Chairman Kohn.

CHAIRMAN KOHN: Approve.

MS. FRANKS: By your vote you've adopted DC-16-028.

MR. GREWACH: Under Tab D we have a preliminary order of discipline directed to Mark Twain Casino arising out of a promotion.

The casino installed a kiosk for its birthday promotions which was scheduled to begin on June 1st of 2015.

If a patron's birthday was during that month, they could swipe the card at the kiosk and get a coupon, and the coupons were for various things, either for cash, food, specific coupons for the gift shop, vouchers.

The casino conducted an internal audit on July 16, 2015 and found that there were coupons that were redeemed by patrons that were not shown redeemed in the system.

The Commission's investigation found, in fact, that the coupons could be used multiple times, and in addition, they could be used at different outlets than were specifically stated on the coupon.

That violates several provisions, Rule 5.181, Subparagraph 7 and 8, Minimum Internal Control
Standards H17.1 and H17.08, all of which collectively require coupons to be canceled in the system once they are used.

The staff recommended a fine of $10,000.

In response to the 14-day notice letter of that fine, the casino replied that July the 16th was the first date that they were aware of the problem with the coupons, that they then undertook an alternative method to cancel the coupons on July the 22nd and that they fixed the system on August the 6th.

They asked based on that that the fine be lowered. The staff in reviewing that request noted that the casino's IT manager did not give the auditing department access to the system until July the 8th, 2015.

They also found that the employee that was responsible for the testing of the kiosk had noted multiple problems during the testing process and even had sent an e-mail internally to management expressing her concerns about the kiosk going live on June the 1st, 2015.

Also, when we looked at the history of violations of Mark Twain for promotional activity, we saw that in March of 2015 they were sent a letter for a promotional violation. In April 2015 they were assessed
a $2,500 fine for a promotional violation. As you see
previously on Tab C, the third violation was a
recommendation of 5,000.

So in the scope of progressive discipline,
the staff thought it was appropriate to recommend a
$10,000 fine in this case.

CHAIRMAN KOHN: Any questions of Mr. Grewach?

COMMISSIONER LOMBARDO: No.

COMMISSIONER HALE: No.

COMMISSIONER JAMISON: No, sir.

CHAIRMAN KOHN: Is there a motion regarding
DC-16-029?

COMMISSIONER LOMBARDO: Motion to approve.

CHAIRMAN KOHN: Is there a second?

COMMISSIONER NEER: Second.

CHAIRMAN KOHN: Angie.

MS. FRANKS: Commissioner Lombardo.

COMMISSIONER LOMBARDO: Approve.

MS. FRANKS: Commissioner Neer.

COMMISSIONER NEER: Approve.

MS. FRANKS: Commissioner Hale.

COMMISSIONER HALE: Approve.

MS. FRANKS: Commissioner Jamison.

COMMISSIONER JAMISON: Approve.

MS. FRANKS: Chairman Kohn.
CHAIRMAN KOHN: Approve.

MS. FRANKS: By your vote you've adopted DC-16-029.

CHAIRMAN KOHN: Mr. Seibert.

EXECUTIVE DIRECTOR SEIBERT: The next order of business is Consideration of Bingo Settlement.

Mr. Ed Grewach will present.

MR. GREWACH: Under Tab E we have a resolution to approve a settlement with a bingo licensee, specifically with American Legion Post 153 in Poplar Bluff, Missouri.

There were two separate rule violations, 30.355 and 30.545. Those two rules only allow pull tabs to be possessed or sold which were obtained from suppliers licensed by the State of Missouri, and they further provide that those pull tabs can only be sold during a bingo event.

Acting on a complaint we received about illegal pull tab sales, MGC agents conducted an inspection of the licensed premises and found that pull tabs from an unlicensed supplier were being distributed in the bar, and discovered further that they were selling them outside of, or not during, specific bingo events.

The recommendation for the settlement is a
$500 fine, as well as the representation by the licensee that they will discontinue that practice.

CHAIRMAN KOHN: Any questions?
COMMISSIONER LOMBARDO: No.
COMMISSIONER HALE: No.
COMMISSIONER JAMISON: No.
COMMISSIONER NEER: No.

CHAIRMAN KOHN: So which is the more serious of the two, selling tabs from a nonsupplier or selling it outside the bingo game?

MR. GREWACH: If you had to compare the two, more likely selling it outside the bingo game, although it's difficult because there is different risks in both.
COMMISSIONER JAMISON: Right.

But if they weren't a licensee, you could consider that they were running an illegal gambling operation by selling pull tabs if you took it out of the licensee punishment and took it into the criminal statutes. Selling pull tabs out from underneath the license of a bingo operator would be a criminal offense.

Am I not accurate in that assessment?
MR. GREWACH: No. You're completely correct.
COMMISSIONER JAMISON: So to me the violation of doing that outside the regulations would put them in a criminal violation would be the most serious of the
two.

CHAIRMAN Kohn: Outside the bingo game.

COMMISSIONER JAMISON: Right. If they're outside -- if they're not operating under their bingo license, they're operating an illegal gambling operation, regardless of where they got the pull tabs from.

So I really think that that is the bigger question of the two. That's just my thought.

MR. GREWACH: But specifically following up, it's illegal to sell pull tabs unless from a licensed supplier at a bingo event, and the two violations present different risks.

We're very thorough, and we actually examine the pull tabs. We take a sampling of them to examine that they are designed the way that they're supposed to be designed and function, and how the payouts, the pay tables are set.

So there is consumer protection built into the reason for that rule, to make sure they're for one of our licensed suppliers.

And secondly, if it's going on outside of a bingo event, we have no way of monitoring that. And the fact that they are a bingo licensee, and as Commissioner Jamison pointed out, they're basically selling them
outside of the parameters of those two rules, it does
make it illegal, and that was the reason for the
disciplinary action.

CHAIRMAN KOHN: I understood the nonsupplier
pull tabs. I was just a little curious about the
parameters of the bingo game.

If the bingo game is from 7:00 to 10:00, it's
okay to sell them any time within those three hours or
does the game have to be going on?

MR. GREWACH: At the bingo event at the -- at
the location or part of the hall where the bingo event
is taking place. That would be the only way they could
be done legally.

CHAIRMAN KOHN: Okay. Any other questions?

Angie.

Oh, I'm sorry. We need a motion.

COMMISSIONER NEER: I make a motion to accept
Resolution 16-001-B.

COMMISSIONER JAMISON: Second.

CHAIRMAN KOHN: Okay. Angie, please call the
roll.

MS. FRANKS: Commissioner Lombardo.

COMMISSIONER LOMBARDO: Approve.

MS. FRANKS: Commissioner Neer.

COMMISSIONER NEER: Approve.
MS. FRANKS: Commissioner Hale.

COMMISSIONER HALE: Approve.

MS. FRANKS: Commissioner Jamison.

COMMISSIONER JAMISON: Approve.

MS. FRANKS: Chairman Kohn.

CHAIRMAN KOHN: Approve.

MS. FRANKS: By your vote you've adopted Resolution No. 16-001-B.

CHAIRMAN KOHN: Mr. Seibert.

EXECUTIVE DIRECTOR SEIBERT: Okay. The next order of business is Consideration of Rules and Regulations. Mr. Ed Grewach will present.

MR. GREWACH: Thank you.

There are two Final Orders of Rulemaking, one to 45-5.070 and another to 45-9.117, which modifies Minimum Internal Control standards in Chapter Q.

These were proposed rules that were approved by the Commission on November the 4th, 2015. That was followed by a public comment period and also followed by a public hearing which took place on January the 20th, 2016.

There were no comments received at either the written comment or public hearing on 9.117, so that is just not republished here, just the Final Order of Rulemaking.
There were comments received on Rule No. 5.070 and those comments, both the written comments and the comments made at the public hearing, are included in the Final Order of Rulemaking you see before you.

There is a State statute, 536.041, which sets forth the process that we have to follow if we receive a written request to adopt or amend a rule.

We received a request from an individual named Michael Gold on March the 6th, 2015. Mr. Gold's request were for amendments to Rule 5.070.

The existing rule at the time we received the request required on a monthly basis that the casinos post a sign at the entrance to the gaming floor and the main cashier's cage, listing the aggregate payout percentage for electronic gaming devices for the previous month, and also a provision in the rule said that the Commission may require a reference to the MGC website for breakdown by denomination.

Mr. Gold's request was to have more specific details and guidelines as far as the placement of the sign. He further requested that the signs post the hold rate as opposed to the payout percentage.

Now, those two are just the mirror image of one another. So if you have a payout percentage of
90 percent, there is an industry term called a hold rate, so your hold rate would be 10 percent, and his request was to change from payout percentage to hold rate.

He also asked that instead of the aggregate payout for all electronic gaming devices, that it lists the payout for penny slots, and also asks that we require each casino to put on their signs a link to the Commission website for the detailed breakdown by denomination.

The response then to that request was the proposed amendment, and in the proposed amendment we made a couple changes.

One, we did require that all of the signs include the information to access the link of the Commission's website for the breakdown by denomination, and also further clarified that the signs be conspicuously placed so they can be readily seen by patrons at that location.

Before they were -- for example, you know, it said that they should be in the front of the main cashier's cage, but this clarified, you know, in a conspicuous location.

In the written comments period Mr. Gold provided us with extensive documents, and also he
appeared and spoke at the public hearing on January 20th, 2016.

Those comments and our responses to those comments again are seen in the Final Order of Rulemaking.

And in response to those comments, we did make the three changes that you'll see in that Final Order of Rulemaking.

One, that the sign was to be posted at all patron entrances to the gaming floor and each cashier's cage. And we removed the phrase in front of the cashier's cage because based on the physical layout, sometimes putting a sign in front of the cashier's cage would make it very difficult to see because people would be blocking the view of the sign, and just left the rule with the proposed language of in a conspicuous place, which could vary depending on the physical layout from cage to cage.

And so those were the changes we made in response to those comments, and you can see our reasoning for our response to the others. If this rule is approved, it would become effective on June 30th, 2016.

Mr. Chairman, if you would like, I could go into Rule 9.117, or would you prefer questions at this
CHAIRMAN KOHN: Why don't you go ahead and go to the next one and then we'll talk about them together.

MR. GREWACH: The amendment to that rule, 9.117, as I stated before, included changes to Chapter Q, which is the Minimum Internal Control standard dealing with disassociated persons. It was initiated in response to a request from one of our casino operators.

The existing rule required that players' accounts be flagged as a disassociated person, or as a DAP. The recent rule change also allowed persons on the DAP list to have their name removed from the DAP list after five years if they applied to have it removed. So the existing rule then prohibited any reference in any system operated by the casino that indicated the rescinded DAP was on the DAP list.

Now, the reason for that rule was to avoid any confusion if someone was rescinded from the DAP list and came to a certain casino.

Now, the casino may have them evicted for some other reason. They may have been kicked off the property at some other point. They might have a policy that they don't accept DAPs who are rescinded in other states.
I mean, there is a variety of reasons as a private business they may decide they want to evict a patron.

But what we wanted to avoid is the casino telling a DAP who had been rescinded that they were a DAP, and it was again intended to avoid that confusion. The casino operator that came to us indicated that they used a generic designation across the properties in multiple states as DAP. Disassociated person was the term they used across their entire system.

So they wanted to know if they could use that generic DAP designation, which would require this rule change to take place.

In response a proposed rule which would now become final does allow the use of that generic term DAP in a corporatewide system.

It does, however, require casinos to have specific notes in their system indicating someone who has been rescinded is excluded from the property for some other specific reason, and it further prohibits any employee of a casino from telling someone who has been rescinded from the DAP list that they are on the DAP list.

CHAIRMAN KOHN: I don't know what you just
COMMISSIONER LOMBARDO: I'm sorry. I'm glad I'm not the only one.

COMMISSIONER NEER: Is there a vote on that?

CHAIRMAN KOHN: Go through the rescinded thing again.

MR. GREWACH: So a person after five years can apply to be rescinded off the DAP list. Under the new rule that's before you, then the casino would have to put in their system in one of their screens that the person was -- let's take an example. It might be easier.

So let's say a person was excluded for being intoxicated on the floor, getting in a fight on the floor.

CHAIRMAN KOHN: That gets them on the DAP list?

MR. GREWACH: No. And they're also on a DAP list. So there is two different --

CHAIRMAN KOHN: They're already on the DAP list?

MR. GREWACH: So there is two different reasons that they're excluded. One was for being on a DAP list and one was what we call a property evict, because they were kicked off the floor for some other
reason.

Five years go by and the person --

CHAIRMAN KOHN: Wait just a second.

COMMISSIONER LOMBARDO: The only way you're
on the DAP list is if you self report. Right?

MR. GREWACH: You have to sign up for it, correct.

So this person, again, to use this example, signed up for the DAP list, but maybe even before he signed on the DAP list he was on the casino floor and got in a fight, got drunk and was evicted from the property, as anybody else would that would be in that.

So the casino then has to put in their system that this person is a DAP. Five years go by and this patron gets rescinded from the DAP list and then he --

CHAIRMAN KOHN: How does that happen?

MR. GREWACH: They have to file an application with us to be rescinded, and we check it, but basically all we check is that they have been on for five years, and if they have been on for five years, then we send them a letter saying you're now off the DAP list.

CHAIRMAN KOHN: So they go on voluntarily but it takes our permission for them to go off. Correct?

MR. GREWACH: Correct.
We have to check to make sure they actually have been on five years, and we need to make sure they are -- the person that is applying is the person that is on the DAP list. We require a photo ID, and we have certain requirements, checks, to make sure, you know, that it is. Since they were the one that applied, that they're the one that --

COMMISSIONER JAMISON: Now, the event that got them kicked off as far as their actions, is that casino specific as opposed to the DAP being statewide specific? Is that the difference between those two lists?

MR. GREWACH: Correct.

So then the person gets -- five years go by. They send in their application. They get rescind off the DAP list. They get a letter from us saying you're no longer on the DAP List.

So they show up at the casino, and the casino says, no. You're trespassing. You can't be here.

So what the rule is designed to do is to make sure they tell that patron, and explain it hopefully better than I just tried to a minute ago, that you're not excluded because you're a DAP. You're excluded because of this fight you got in back on this date, or you're excluded because as a company policy if you're on
a DAP list in another state, we don't want you on our property, but whatever -- as Commissioner Jamison pointed out, whatever that property's specific reason for kicking this person off is.

So what we want is we want to make sure they make it clear to that patron that they're not being kicked off because they're on a DAP list, that they're kicked off for this other reason, this other property specific reason.

So the two things in the rule that are designed to address that is, one, on their computer screen it's going to show, you know, property evict or, you know, evict because they're a Kansas DAP or whatever the reason is.

And then the other thing is a directive specifically to the employees of the casino not to say to a rescinded DAP you're being kicked off because you're on the DAP list.

The original rule already provided for that, but, you know, we just want to say, okay, you can use this generic flag but it's got to work. You know, we don't want you telling rescinded DAPs that they're DAPs, because the whole original purpose of the rule was to avoid this confusion once people were off the DAP list.

COMMISSIONER LOMBARDO: So, Ed, the burden is
on the casino to give the correct reason why that person
is not allowed on the premises. Right?

MR. GREWACH: That's correct.

COMMISSIONER LOMBARDO: All right. But here
is what I'm a little fuzzy on.

Internally, though, they can use the term DAP
even though it refers to more than just people who have
self-excluded themselves?

MR. GREWACH: Yes. And then what they have
to do under the rule then is they have to have a second
screen they go to. So if you encounter a DAP, you have
to go to screen two, and that will tell you
specifically, well, are they on the Missouri
disassociated person list or are they a DAP -- do they
have that generic flag because they're on the Kansas or
Iowa list or because they're a property evict?

So it would require the casino employees to
go to a second screen so they could see specifically
what is the case. You know, are they a Missouri DAP?
Are they a property evict? Are they some other reason
that they're --

COMMISSIONER LOMBARDO: And I know you said
this at the beginning but it's been a while ago.

So who is it that suggested this rule? Where
does this --
MR. GREWACH: One of our Isle of Capri casino -- one of our operators, and they operated in multiple states and that's the reason that they came to us with this.

COMMISSIONER LOMBARDO: Okay.

CHAIRMAN KOHN: I'm still trying to learn the DAP rules.

If you become a self-reporting DAP in Missouri at the Isle of Capri, does that designation then get sent to all other casinos in all other states?

MR. GREWACH: No, not from us.

When you sign up for the Missouri DAP list, we have a computer program that adds you to that list, and every casino in Missouri is required every seven days to download the updated DAP list.

So we're only concerned about Missouri. So from our point of view you're on the Missouri DAP list or you're not.

And then our obligation for the thirteen Missouri casinos is that they have an accurate update list of who is on the DAP list. So if one of those persons on the DAP list is on the floor, they need to notify the gaming agent. The person is trespassing. They're arrested and processed.

CHAIRMAN KOHN: So if I'm on a DAP list in
Nevada, I can go to any casino in Missouri and play. Is that right?

MR. GREWACH: It's up to the casino. So the casino may say as a corporate policy we don't want anybody in our casino who is on any DAP list in any state.

CHAIRMAN KOHN: How would they know?

MR. GREWACH: Because any state that they operate in. So they'd have the list. So let's just say --

COMMISSIONER JAMISON: They would receive the DAP list from the state that they're operating in, so they would cross-reference that to their other states.

CHAIRMAN KOHN: Within their own casino?

COMMISSIONER JAMISON: Just inside their own inhouse computer network.

CHAIRMAN KOHN: If I'm in another casino, Harrah's, then they might not know?

MR. GREWACH: They may not know.

So if you have a casino corporate operator who has casinos in Missouri, Iowa, in Nevada, it's going to have all those lists in their corporate database.

So it may as a corporate decision decide, you know, if -- you know, we just don't want you -- as a business model, we don't want anybody -- if you're on a
DAP list anywhere that we operate, we don't want you in our casino.

But that's, as Commissioner Jamison said, a property specific, company specific decision they have to make.

CHAIRMAN KOHN: But I could be on another casino's DAP list and Casino A wouldn't know about it, theoretically?

MR. GREWACH: Well, another state's DAP list, right, because if they don't operate in that state, they wouldn't have access to the information you're on that list.

So let's just take Isle of Capri. I'm not even sure Indiana has one, but let's take that as an example.

If Indiana had a DAP list but Isle of Capri didn't have any properties in Indiana, they wouldn't know you're on the Indiana DAP list, but they would know you're on the Iowa DAP list because they have properties there.

CHAIRMAN KOHN: So now with that background, come all of the way back around and tell us what this new rule does again.

MR. GREWACH: What this new rule does, it allows operators to use a generic flag. They can use
the term DAP when they flag someone who has been evicted from their property, but they have to have in their system a second screen that the employees go to to confirm the exact -- what DAP means, the exact reason why they're on this generic flag list.

Are they on the Missouri DAP list? Are they a property evict? Are they on a DAP list in another state?

And so that's what the new rule requires them to do. Before the rule changed they weren't even allowed to use that term as a generic flag. This rule change allows them to use that generic flag but puts those limitations on it.

CHAIRMAN KOHN: And how does that make things better for the State of Missouri?

MR. GREWACH: Well, it's really an accommodation to that casino operator, and the safeguards that we put in protect the original purpose of the rule.

And the original purpose of the rule was just to avoid that confusion. We don't want a patron going in and being told they're on a DAP list when they're not, and that's -- and we felt comfortable as a staff that the provisions we put in, the change that allows the generic flag, protected our original purpose and
reason for adopting the rule in the first place.

COMMISSIONER NEER: If you become intoxicated and punch out a dealer, that does not put you on a DAP list?

MR. GREWACH: It does not, no. No. That would get you excluded from that specific property, but you only get on the DAP list by applying to be on the DAP list.

COMMISSIONER JAMISON: But we as a Commission have placed people -- excluded them from being allowed in any casino, and is that through DAP or is that a different identifying?

Because, I mean, like, we did one here not too long ago where the person had issues with the financial reasons. I believe it was counterfeiting that was connected to his gambling.

And so did we place him on the DAP list or did we bar him in a different designation?

MR. GREWACH: There's a different designation, a different list, called the involuntary exclusion list, and from time to time -- and again, Commissioner Jamison's example is probably the -- the most prevalent is someone who has been convicted of some theft, embezzlement, and then we find out in the course of that investigation that the money was used for
gambling. We've also put people on the involuntary exclusion list who cheat at a casino.

So that's a separate list. So you have the DAP list which is voluntary that you sign up for, which is really rather large, I'm just guessing, maybe 10, 11,000 people on it, and then you have the exclusion list, which is relatively small, maybe a couple hundred people on it, because it is just specific cases that that rule applies where we would put somebody on that involuntary list.

But that's separate from this. So this is Chapter Q which just addresses the voluntary DAP list.

COMMISSIONER JAMISON: Well, not exactly separate because you're allowing them to take those designated exclusions and put them on their master screen as a DAP. Then they would have to go to the second screen to find out that we had put them on the involuntary screen, but they're getting to call them DAP under this new rule on this first screen.

MR. GREWACH: Well, that's true.

COMMISSIONER JAMISON: So they are connected in that angle of we're allowing them to call them DAPs on the first screen and then they would have to go to the second screen to find out what the classification was.
MR. GREWACH: I guess I just said that because the existing rule just said if someone is a rescinded DAP, you can't have any reference to the DAP list in your system, and this rule just changes that. But it is true that the same seven-day requirement includes the involuntary exclusion list. So our computer system has all of that in it, has the voluntary DAPs, has the involuntary exclusion list, and any updates to those show up on our system, which the casinos are required to download every seven days.

CHAIRMAN KOHN: Any other questions or comments?

COMMISSIONER LOMBARDO: No.

COMMISSIONER HALE: No.

CHAIRMAN KOHN: Ed, I think maybe we should go back. We've had such a lengthy discussion on the second rule. Let's go back to the first one and vote on them separately.

COMMISSIONER JAMISON: I move to adopt 11 CSR 45-5.070.

COMMISSIONER LOMBARDO: Second.

CHAIRMAN KOHN: Any discussion on the motion?

COMMISSIONER LOMBARDO: That's the first one?

COMMISSIONER JAMISON: Correct.
CHAIRMAN KOHN: Angie.

MS. FRANKS: Commissioner Lombardo.

COMMISSIONER LOMBARDO: Approve.

MS. FRANKS: Commissioner Neer.

COMMISSIONER NEER: Approve.

MS. FRANKS: Commissioner Hale.

COMMISSIONER HALE: Approve.

MS. FRANKS: Commissioner Jamison.

COMMISSIONER JAMISON: Approve.

MS. FRANKS: Chairman Kohn.

CHAIRMAN KOHN: Approve.

MS. FRANKS: By your vote you've adopted the Final Order of Rulemaking, 11 CSR 45-5.070.


COMMISSIONER JAMISON: I move for adoption of 11 CSR 45-9.117.

COMMISSIONER NEER: Second.

CHAIRMAN KOHN: Any discussion on the motion? Angie.

MS. FRANKS: Commissioner Lombardo.

COMMISSIONER LOMBARDO: Approve.

MS. FRANKS: Commissioner Neer.

COMMISSIONER NEER: Approve.

MS. FRANKS: Commissioner Hale.

COMMISSIONER HALE: Approve.
MS. FRANKS: Commissioner Jamison.

COMMISSIONER JAMISON: Approve.

MS. FRANKS: Chairman Kohn.

CHAIRMAN Kohn: Approve.

MS. FRANKS: By your vote you have adopted the Final Order of Rulemaking, 11 CSR 45-9.117.

MR. GREWACH: Thank you.

CHAIRMAN Kohn: Thank you, Ed.

Mr. Seibert.

EXECUTIVE DIRECTOR SEIBERT: Mr. Chairman, the next order of business is Consideration of Licensure of Level I and Key Applicants. Trooper John Masters will present.

TROOPER MASTERS: Good morning.

CHAIRMAN/COMMISSIONERS: Good morning.

TROOPER MASTERS: Chairman and Commissioners.

Missouri State Highway Patrol investigators, along with MGC financial investigators, conducted comprehensive background investigations on key and Level I applications. The investigations include, but are not limited to, criminal, financial and general character inquiries which are made in the jurisdiction where the applicants lived and worked.

The following individual is being presented
for your consideration: Theresa Ann Glebocki, Executive Vice President of Finance, Chief Financial Officer and Treasurer of Tropicana Entertainment.

The result of this investigation was provided to the MGC staff for their review, and you have the related summary report before you.

Thank you.

EXECUTIVE DIRECTOR SEIBERT: Mr. Chairman, staff does recommend approval.

CHAIRMAN KOHN: Okay. Is there a motion to approve?

COMMISSIONER LOMBARDO: Motion to approve.

COMMISSIONER HALE: Second.

CHAIRMAN KOHN: Any discussion on the motion? Seeing none, we're ready for the vote.

Angie.

MS. FRANKS: Commissioner Lombardo.

COMMISSIONER LOMBARDO: Approve.

MS. FRANKS: Commissioner Neer.

COMMISSIONER NEER: Approve.

MS. FRANKS: Commissioner Hale.

COMMISSIONER HALE: Approve.

MS. FRANKS: Commissioner Jamison.

COMMISSIONER JAMISON: Approve.

MS. FRANKS: Chairman Kohn.
CHAIRMAN KOHN: Approve.

MS. FRANKS: By your vote you've adopted Resolution No. 16-007.

CHAIRMAN KOHN: Mr. Seibert.

EXECUTIVE DIRECTOR SEIBERT: That was our final order of business, sir.

CHAIRMAN KOHN: Okay. We will be going into closed session.

Is there a motion to approve the closed session?

COMMISSIONER JAMISON: I move that we go into closed meeting under Sections 313.847, Revised Missouri Statutes, investigatory, proprietary and application records, and 610.021, Subsection 1, Revised Missouri Statutes, legal actions, Subsection 3, Subsection 13, personnel, and Subsection 14, records protected from disclosure by law.

CHAIRMAN KOHN: Is there a second?

COMMISSIONER NEER: Second.

CHAIRMAN KOHN: Angie.

MS. FRANKS: Commissioner Lombardo.

COMMISSIONER LOMBARDO: Approve.

MS. FRANKS: Commissioner Neer.

COMMISSIONER NEER: Approve.

MS. FRANKS: Commissioner Hale.
COMMISSIONER HALE: Approve.

MS. FRANKS: Commissioner Jamison.

COMMISSIONER JAMISON: Approve.

MS. FRANKS: Chairman Kohn.

CHAIRMAN KOHN: Approve.

We will now be going into closed session.

Thanks to everyone for attending our meeting, and we will be coming back out afterwards.

WHEREIN, the meeting concluded at 10:43 a.m.
CERTIFICATE OF REPORTER

I, Patricia A. Stewart, CCR, a Certified Court Reporter in the State of Missouri, do hereby certify that the testimony taken in the foregoing transcript was taken by me to the best of my ability and thereafter reduced to typewriting under my direction; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this transcript 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 401
The Missouri Gaming Commission (the “Commission”) went into open session at approximately 12:03 p.m. on February 24, 2016, at the Missouri Gaming Commission’s Jefferson City Office.

General Counsel Ed Grewach updated the Commission on the pending legislation concerning the regulation of Daily Fantasy Sports.

No motion, action or vote was taken.

Commissioner Lombardo moved to adjourn the second open session meeting. Commissioner Hale seconded the motion. After a roll call vote was taken, Lombardo – yes, Neer – yes, Hale – yes, Jamison – yes, and Kohn – yes, the motion passed unanimously.

The open session adjourned at 12:15 p.m.