MISSOURI GAMING COMMISSION MEETING

DATE: August 31, 2016
TIME: 9:00
PLACE: Troop C Headquarters Meeting Room
       891 Technology Drive
       Weldon Spring, Missouri

Reported by Debra L. Burris, CSR, CCR
MO Lic. No. 789 * IL Lic. No. 084-004545

PRIMO REPORTING SERVICE
P.O. Box 31698
St. Louis, Missouri 63131
(314) 481-8616
CHAIRMAN Kohn: I will call the August 31, 2016, Missouri Gaming Commission meeting to order. Angie, please take the roll.

MS. FRANKS: Mr. Lombardo?

COMMISSIONER LOMBARDO: Present.

MS. FRANKS: Commissioner Neer?

COMMISSIONER NEER: Present.

MS. FRANKS: Commissioner Hale?

COMMISSIONER HALE: Present.

MS. FRANKS: Commissioner Jamison?

COMMISSIONER JAMISON: Finally present.

MS. FRANKS: Chairman Kohn?

CHAIRMAN Kohn: Present. We have a quorum, we're ready to begin the meeting.

Before we begin the official meeting, we have a couple of things to do. And one of them will be a presentation by our executive chairman, Mr. Seibert. But before -- before I call Mr. Seibert up, I would like you to remember with me that in the past week Bill's grandmother, Roberta Carter, passed away at the age of 102. And I wonder if you will join me in a moment of silence as a tribute to her?

(MOMENT OF SILENCE OBSERVED.)
CHAIRMAN KOHN: Thank you very much.

Now, on a brighter note, Bill -- this is still about Bill -- Bill and his wife, Rachelle, are celebrating their 40th wedding anniversary, leaving tomorrow on a trip to Hawaii. And, you know, a lot of us joke about marrying up. I met Rachelle last night, and when Bill says he married up, he ain't kidding. So with that, Mr. Seibert, are you ready for your special presentation?

EXECUTIVE DIRECTOR SEIBERT: I'm not sure. Thank you. That was very kind to mention my grandmother. And kind of like yesterday at the funeral, and some of the guys here, or some of the folks here were at the service, they played her favorite song, and then immediately after the song my mother made me do a reading. And I thought I'm not going to be able to do this. But I was able to do it. So kind of like this morning, I wasn't expecting that. I appreciate it. It was very heartfelt. But then immediately when he talked about me being married, marrying up, even though I did say that, it made me mad, and I'm ready to go now.

We're very fortunate to be able to
be over here in the St. Louis area. And I want to thank the Troop C and the Missouri State Highway Patrol. We have an extremely close working relationship with them. And when I heard we were going to have a meeting over here, I asked the colonel and Captain Johnson here if we could have it, just kind of in honor of our relationship that we have. We have a lot of troopers, as you know, working the Gaming Commission Division, and they're very very good at what they do, so this is kind of, to me it's kind of a way to honor the Highway Patrol. But thank you very much for letting us have this meeting here. It's a tremendous brand new, newest troop headquarters in the state, and, as you can see, it's a wonderful facility. So I know Captain Johnson's not here, but all of those that are involved, thank you very much for allowing us to be here.

And on that note, because we are in the St. Louis area, there's several people who work on this side, and I thought it was a great opportunity to be able to honor them too. So first I'd like to be able to thank a few people for their years of service. Larry Stitz, I
think you're here, if you'll come up, please.
And David Climer, if you'll come up, please.
Dave, I hope you don't mind if I do age before
beauty.

DAVID CLIMER: No, that's fine.
EXECUTIVE DIRECTOR SEIBERT: Larry
-- Larry has been with the Missouri Gaming
Commission for 10 years, and he works here as a
financial investigator, and he works out of our
office here in St. Louis. So I want to thank
you for your 10 years of service.
LARRY STITZ: Thank you.
EXECUTIVE DIRECTOR SEIBERT: David
is one of our compliance auditors, and he also
works out of the St. Louis office, and he's --
he's been with us for 10 years also. So I want
to thank you very much for your service. In
honor of both these gentlemen, thank you very
much.

We started about a year ago, and it
was also part of our strategic plan to do an
employee of the quarter. And it's -- it's
really an honor to be able to name the employees
of the quarter. Our employee of the quarter for
this quarter is from the St. Louis area, so this
really worked out for her to be able to come
over here. So Angie Rinker-Lugo, please come
up. You didn't know you were getting this did
you?

MS. RINKO-LUGO: No, I'll get her
later.

EXECUTIVE DIRECTOR SEIBERT: Angie
Rinker-Lugo provided great assistance during the
process of hiring and the on-the-job training of
Candy Liley, the new senior office support
associate at Lumiere Place Casino. She showed
great initiative, patience and commitment by
assuming the additional responsibility and
providing the training. At the same time she
kept everything running smoothly at her assigned
casino, River City.

Angie is a very reliable and
dedicated employee, and she always goes the
extra mile. It was because of her assistance
and professionalism during this time that things
ran smoothly at both properties. Angie showed
great initiative by taking the time to train the
new associate for Lumiere Casino. At the same
time she kept things at her casino, River City,
running efficiently. Angie always volunteers
her service, and she is always professional about everything she does. She is very dedicated to her job and to the Missouri Gaming Commission. So with great great pride, Angie, congratulations on being the employee of the quarter.

MS. RINKER-LUGO: Thank you.

EXECUTIVE DIRECTOR SEIBERT: Now at our -- at our office in Jeff City we have a spot that you can park. We weren't able to do that, but one of the things that I think is really important, because personnel really is your prize of any agency, your personnel, so, Angie you're, you are going to have to give me a date that I can come back up and take you to lunch, because I take all the employees of the quarters to lunch.

MS. RINKER-LUGO: Sounds good.

EXECUTIVE DIRECTOR SEIBERT: Thank you, Mr. Chairman.

CHAIRMAN KOHN: Thank you, Bill. On behalf of the Commission, let me say a couple words to these three employees. First of all, add our congratulationa, but secondly, to all the people who work for the Missouri Gaming
Commission, those of us who are on the Commission meet once a month, and we have a little bit of contact in between those meetings, but we're fully aware that the hard work and the effort is done by the staff of the Gaming Commission, and of course the Highway Patrol that's so actively involved in the work that we do.

So because you don't hear from us very often, because you don't see us very often does not mean that we are not fully aware of the excellent work that you all do for us. So let us add our thanks and congratulations to the three, and to all of you. With that we are ready to consider the minutes of the meeting of the July 27 meeting. Do we have a motion to approve it?

COMMISSIONER LOMBARDO: So moved.

COMMISSIONER HALE: Second.

CHAIRMAN KOHN: Discussion? 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: Approved.

MS. FRANKS: Commissioner Jamison?

COMMISSIONER JAMISON: Approved.

MS. FRANKS: Chairman Kohn?

CHAIRMAN KOHN: Approved.

MS. FRANKS: By your vote you've adopted the minutes of the July 27th, 2016, meeting.

CHAIRMAN KOHN: Mr. Seibert, I believe we're ready for business.

EXECUTIVE DIRECTOR SEIBERT: Yes, sir. Mr. Chairmen, the first order of business is consideration of disciplinary actions. Mr. Ed Grewach will present.

MR. GREWACH: Thank you, Mr. Seibert. Good morning, Mr. Chairman, Commissioners. Under Tab B we have a Preliminary Order of Discipline directed to the Ameristar Kansas City Casino. On January 24th, 2016, you were notified of a $1,000 cage variance in a poker buy. Now a poker buy is a transaction where a casino employee, a designated casino employee takes chips and cash from a poker table to the main bank and has an
So in the course of investigating this variance we found that this particular poker brush showed a pattern of filling buy slips out incorrectly. So in other words, he had an amount of money in chips and then a document which should have matched that amount, but he was habitually incorrect on his buy slips. We also found a pattern of the cashiers at the main bank not correcting the buy slip, but just giving him the correct amount of chips that he needed out of the window.

The proper procedure in that case would be for the cashier to actually correct the buy slip. And the significance in that is then if we would have to go back and audit a particular transaction, we'd be able to trace
the paperwork and see how much the buy slip was, see what the exchange was, if we did have to isolate or identify any problems with that.

We -- in further investigating it, we found out that the main cage supervisor knew of this problem for some time period and did not take any action to correct it, nor did she notify the MGC of the problem. And the recommended fine is $5,000.

CHAIRMAN KOHN: Questions of Mr. Grewach?

COMMISSIONER JAMISON: I have just a couple of questions. In our -- in our historical information it showed the Ameristar had an incident in May of '15, February -- or January of '15 -- or December of '15 and January of '16 that looked similar kind of offenses. Would that be correct?

MR. GREWACH: I would need to take a look at them.

COMMISSIONER JAMISON: Okay.

CHAIRMAN KOHN: Is that your only question?

COMMISSIONER JAMISON: Well, my question is --
CHAIRMAN KOHN: Oh, he's looking.
COMMISSIONER JAMISON: Yeah.
MR. GREWACH: They are similar --
COMMISSIONER JAMISON: I'm -- I'm just saying that they're similar in fills and -- and so I guess my question comes from the fact that all those incidents resulted in issues with individual licensees. Is this issue here kind of a culmination of those is the reason that we're bringing this amount of fine against the Ameristar?
MR. GREWACH: Not -- no, I don't believe so. I think this --
COMMISSIONER JAMISON: Okay.
MR. GREWACH: -- this was really an issue of the supervisor knowing about this and creating those two problems: One not correcting it, and secondly not reporting to us the violation as they were occurring on an ongoing basis. So without really reviewing those past two cases you cited in detail --
COMMISSIONER JAMISON: So it's on
this incident, but it, but there's been a
pattern at this casino of having fill problems;
is that accurate or not?

    MR. GREWACH: It -- you know, I
don't know that they -- and I'll probably call
Cheryl Alonzo, our assistant deputy director, to
see if she can add anything to it. But I don't
know that the priors were this exact type of
problem where you had a form that was incorrect
that then created a great problem for us, made
it impossible to audit the transaction, and the
supervisor knew it, and the supervisor allowed
it to happen.

    MS. ALONZO: I think in the prior
cases if it's a fill, in those cases those were
isolated incidents. Fills -- we're sensitive
about fills because those affect taxes.

    COMMISSIONER JAMISON: Right.

    MS. ALONZO: This -- I think the
reason this went to a fine was because a
management person, a supervisor, knew that this
was continually happening and didn't take action
to correct it.

    COMMISSIONER JAMISON: Okay.

    MS. ALONZO: And so then we look at
it being more of a systemic problem versus just an individual that, where people miscounted or something like that.

COMMISSIONER JAMISON: So the three previous were not an incident --

MS. ALONZO: It's a different process. Different people were involved.

COMMISSIONER JAMISON: It wasn't like that they weren't paying attention to those and then it continued on?

MS. ALONZO: Right. It's not -- I wouldn't say they're related.

COMMISSIONER JAMISON: Okay, appreciate that. Thanks.

CHAIRMAN KOHN: Any other questions of Ed?

COMMISSIONER LOMBARDO: Yeah, Ed, was there any pattern as to whether the buy slips were understating or overstating the amount of chips and money?

MR. GREWACH: I'm not aware of that.

COMMISSIONER LOMBARDO: You don't know the answer?

MR. GREWACH: Don't know. I mean, I -- and because they weren't filled out
correctly, you know, it'd be difficult to
determine, go back and determine that. So, no,
we don't -- we don't know. It was a case like
this where a variance came up that brought it to
our attention. Except for the fact the variance
took place, this could have been going on and we
wouldn't have found out until we decided we had
to go back to audit a transaction, then all of a
sudden found this problem where the numbers of
the document and the numbers in the cage and
poker tables didn't add up. But, no, I don't
have that information.

COMMISSIONER LOMBARDO: The reason
that I ask is because you could concoct some
scenarios that, for instance, that were
constantly understating and there could be some
implications with that.

MR. GREWACH: There could. Now as
far as the effect on, you know, in the -- in the
absence of a variance, I don't think there'd be
any effect on AGR at all. So this is more of a
problem just from having accurate paperwork, and
then, once again, our ability to go back and
audit it at a future time. So I guess to -- in
a roundabout way to answer your question, it
really wouldn't benefit someone to fill these out incorrectly as far as taking money, it's just more of an issue of having a proper audit trail.

COMMISSIONER LOMBARDO: Okay.

CHAIRMAN KOHN: Any other questions?

Is there a motion with regard to DC-16-145?

COMMISSIONER JAMISON: I move for adoption of DC-16-145.

CHAIRMAN KOHN: Second?

COMMISSIONER NEER: Second.

CHAIRMAN KOHN: Discussion? 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: Approved.

MS. FRANKS: Chairman Kohn?

CHAIRMAN KOHN: Approve.

MS. FRANKS: By your vote you've adopted DC-16-145.

CHAIRMAN KOHN: And before you go
on, there's one other thing I intended to mention before we began, and that is to -- yesterday the Commissioners got a tour of two of the casinos here, River City and Hollywood, and they're thoroughly enjoyable. We always learn a lot when we go on those tours. It's very helpful to us performing our tasks. And I want to thank everyone that was involved in arranging for the tour and conducting the tours for your time and your knowledge and your willingness to share that with us. So thank you very much.

With that, Ed, we're ready for the next Tab C.

MR. GREWACH: Thank you, Mr. Chairman. Tab C is a Preliminary Order of Discipline directed to Bally Technologies. On November 6th, 2015, the Commission was notified by the Argosy Casino that Bally had shipped unapproved software for an electronic gaming device. Our Rule 5.2372 requires that any software shipped for the use in Missouri be approved for use in Missouri prior to shipping.

This particular unapproved software would have allowed the electronic gaming device to utilize features that were not allowed in Missouri. The -- when -- what factored into
making this a discipline case -- because these
- frankly these companies such as Bally do a
large volume of shipping, and, you know, as
opposed to looking at bringing a fine for one
isolated incident, we do look at the prior
record of the company.

Now, you'll see listed in your
packet a series of priors, but when we looked at
this, we isolated the priors that dealt with
shipping either unapproved or revoked software.
And in that analysis found that this incident
was the fifth since June of 2014. Now, of those
prior four incidents, only one, the March of
2015 incident, resulted in a fine, a $5,000
fine, all the others were letters. In site --
in light of that history and record, we, staff
recommend a $5,000 fine.

CHAIRMAN KOHN: Maybe we -- would we
have done anything differently if we, if they
had given notice? I'm -- I'm trying to
understand what happens as a result of not
having given notice.

MR. GREWACH: It wasn't the notice,
it was the fact they shipped unapproved
software. So this particular software is just
not approved for use in Missouri. And what the company -- and they have taken corrective actions. When we talked to them about this, they had some reasons that they put forward for this happening, that they put everything in a centralized location, that this had a very small font on the print on the packages. They include that they've increased that font. They've made jurisdiction-specific shipping containers to try to avoid this happening in the future.

So it wasn't, Mr. Chairman, so much, it wasn't a notice problem, it was the fact that they shipped unapproved software into Missouri. They need to -- and they, you know, the company, Bally, may be licensed in 250 different jurisdictions, but they need to have a matrix to know what software is allowable in each jurisdiction to avoid shipping us unapproved software.

CHAIRMAN KOHN: Would -- would Missouri be the exception or part of the majority of states that would not have approved that software?

MR. GREWACH: I don't know if Kelly Allen, our electronic gaming device coordinator,
would be able to answer that question.

MS. ALLEN: The features that were available on the software are features that are against rules and regs that we set forth for the properties. They have other jurisdictions, you know. Each piece of software, especially within jurisdiction chip, which is what this is, allows the software to function the way that we have set forth in our rules and regulations. And so they sent us software that was for another jurisdiction. That's kind of how that went down. So the operators were able to enable functions that were approved in different jurisdictions.

So each -- each state and jurisdiction has their own software. So our jurisdiction chip is different from Illinois per se.

MR. NEER: But that software would work in our --

MS. ALLEN: It would. It would. It would work, but it would allow the operator to enable functions that were not approved for, for use here in Missouri.

CHAIRMAN KOHN: Let me just finish
up here. So is there, was there an intent to
ship something to Missouri that they knew was
not properly, or should not be properly
available in Missouri? Or was it a mistake? Or
--

MR. GREWACH: It -- it appears to be
a mistake. I mean, from their response, like I
said -- their response was, well, it was an
error in that, you know, all those reasons, kept
in a centralized location, very small font,
somebody just misread the font because of the
small print, and -- and so then they've taken
steps to try to avoid that mistake. But it --
we don't have any evidence it was intentional.

COMMISSIONER JAMISON: Well, my
question is, I get it that it's software that's
installed. Do they install it or do they just
ship the software to the casino and the casino
has technicians that install it? And so was
there, was it actually installed or was it
cought by the technician that it wasn't --

MS. ALLEN: So part of our process

--

COMMISSIONER JAMISON: Yeah.

MS. ALLEN: -- in our, in our
department is to verify that that has been approved for use in the jurisdiction. And so when they installed it, I went to verify, we were notified then that it was not approved for use here.

COMMISSIONER JAMISON: Okay. So it never really hit the operational floor?

MS. ALLEN: Correct. Correct.

COMMISSIONER JAMISON: It wasn't played on?

MS. ALLEN: Correct.

COMMISSIONER JAMISON: It was just shipped, installed, and then determined to be incorrectly shipped?

MS. ALLEN: Correct.

COMMISSIONER JAMISON: Okay.

CHAIRMAN KOHN: So no harm was done?

MS. ALLEN: Correct.

COMMISSIONER HALE: Mr. Chairman, if I might, let me ask, why weren't corrective steps not taken in connection with the earlier violations that were similar?

MR. GREWACH: Well, there were -- and one of the reasons is that when you look at a case -- and not -- not to necessarily argue
their point, but they do ship a large volume, and errors are going to happen. If you look at their error rate in shipping revoked and unapproved software, it's going to be a, you know, decimal point of a percentage of their shipments. And so when we look at those cases and we see one, we might say, okay, we're going to send them a letter, you need to really, you know, do a little better job keeping track of this.

When it gets to this point where it's the fifth, you know, since June of 2014, we begin to say, okay, now we've sent you letters, and now at this point in time, you know, we just determined -- when staff looks at it from a discretionary point of view -- that you've, that you really need to -- you know, we've given you a chance to take corrective steps, you haven't, now we're going to start assessing fines.

COMMISSIONER HALE: So this is the first fine related to similar violations?

MR. GREWACH: There was one fine assessed in March of 2015 of $5,000.

CHAIRMAN KOHN: Any other questions?

COMMISSIONER LOMBARDO: Yes. Did
the letters request that they take corrective
action and present you with a plan for how they
were going to make sure that this didn't happen
again?

MR. GREWACH: I don't have the text
of that, but they typically do do that in
response to a notice of investigation which
they're given at the time of this violation.
For example, at the time they were given the
notice of investigation for this one, even
before they knew we were going to fine them or
before we sent them any letter, they came
forward and said, okay, here's the steps we're
going to take to try to prevent it from
happening.

COMMISSIONER LOMBARDO: Here's what
I'm trying to figure out, did they come up with
any steps to try to correct it in response to
the previous three or four letters, or was it
just this time that they came up with the plan
to correct it?

MR. GREWACH: I don't have that
specific information. But in the normal course
of things, they typically do come back and
address it. And it may be something as simple
as meeting with the, you know, supervisors responsible and stressing the importance. But -- but I don't -- I don't have that information.

COMMISSIONER LOMBARDO: Okay. I mean, it sounds like there are concrete actions that they have agreed to take, at least in response to the latest complaint or investigation, where they agreed to segregate it in boxes, or whatever they come in, and change the labeling it sounds like?

MR. GREWACH: That's correct.

COMMISSIONER LOMBARDO: Roughly correct?

MR. GREWACH: That's definitely correct. And this -- this -- I could -- because I have this file, you know, here with me, I can say that not having the prior files and the prior letters, I really can't definitively tell you what happened in those others cases. But here we know they say they're going to take the steps I've outlined before. And now will that solve the problem? Then that remains to be seen. If we continue to have a problem, then most likely we'll come back again for a disciplinary action. And the staff's typical
approach is, you know, if it -- you know, we
don't go back forever, but in a relatively short
time frame in the near future if we see another
incident of unapproved software being shipped,
you most likely will see a recommendation of a
higher fine next time.

CHAIRMAN KOHN: Other questions? Is
there a motion with respect to 16-146?

COMMISSIONER HALE: So moved.

CHAIRMAN KOHN: Is there a second?

COMMISSIONER NEER: Second.

CHAIRMAN KOHN: 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've

adopted DC-16-146.
CHAIRMAN KOHN: Ed?

MR. GREWACH: Tab D is also a Preliminary Order of Discipline directed to Bally Technologies for a violation of Rule 5.210, subparagraph 2. That rule requires the suppliers to notify the Commission of any defects or malfunction or anomaly that affects the integrity or operation of any systems, regardless of what jurisdiction that takes place in, within 48 hours. Now Bally in this case supplied software to Lumiere Place Casino to operate their promotions.

In April of 2015 Bally identified a malfunction that would cause the deletion of sweepstakes entries under certain circumstances when using this software. They sent out a field advisory to Lumiere and some other customers on April the 9th, 2015. Now at that point in time their duty would have been triggered to notify us, and that 48-hour window would have begun. But they failed to notify us of the problem at that point in time.

Subsequently, on June the 20th, 2015, Lumiere experienced that problem with their promotional software, where under some
circumstances sweepstakes entries were being deleted. Now, we found out about this on July the 1st of 2015 when Lumiere came to us and asked permission to install a modification or a patch that Bally was providing to address or to fix this problem. And from there we said, what problem? And then we backtracked, found the field advisory. And that led to this disciplinary action and a recommended fine of $5,000.

CHAIRMAN KOHN: Questions? Is there a motion with respect to DC-16-147?

COMMISSIONER NEER: Motion to approve.

COMMISSIONER LOMBARDO: Second.

CHAIRMAN KOHN: 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: Approved.
MS. FRANKS: Chairman Kohn?

CHAIRMAN KOHN: Approve.

MS. FRANKS: By your vote you've adopted DC-16-147.

CHAIRMAN KOHN: For the next item, as I've announced at previous meetings involving the Isle of Capri, I'm going to recuse myself and invite Chairman Jamison to take over.

MR. GREWACH: Mr. Chairman, the Tab E is Preliminary Order of Discipline directed to Isle of Capri – Cape Girardeau Casino. It involves a violation of two rules. One is 5.184, which states that when cards are placed into play on the table, and it specifically says that the time shall be recorded on the deck at the time the cards are placed on the table for use. The second rule is a violation of paragraph D5.01, which deals with the table drop. And as you may know, the table drop is a process where the money is collected from the table, the boxes on the table. And that rule requires that at the time -- for 24-hour gaming you have to pick a time when you're going to do the table drop. And then there's a table
inventory form that's filled out counting the chips that are still on the table. And that table inventory form is put into the box with the cash, and that's all done for accounting and audit purposes for us.

And the -- the rule minimum internal control standards Chapter D5.01 specifically says all activity at the table shall be temporarily ceased to allow sufficient time for an accurate count of the table inventory. Which makes sense because, you know, you want to make sure that your chips in the rack, and the cash, and everything, we can go back and audit and confirm the correct amounts are there.

The problem first came to our attention in this particular case when we had a report from surveillance and security that there were two boxes of cards in the card and dice destruction room which were still sealed and in their pack. So obviously -- and on these boxes of cards in the card and dice destruction room, had a time in of 4:05 and a time out of 4:20. So when you go back to that rule that says the time in has to be the time they are actually placed on the table for use, well, obviously
that wasn't complied with because they never were placed on the table for use.

When we investigated we found out that they had a practice where they would put the time in at the time they took the cards out of the storage at the podium instead of at the time they were actually placed for use in the game. As we further investigated the case we found that, a separate violation of 5.184. And we found out that for the table drop -- the table drop was scheduled for 4:30 in the morning. And we found that they had a practice of starting the table inventory sometimes as many as 30 minutes prior to 4:30, prior to the time of the actual drop.

So they would inventory the chips in the tray and fill out the table inventory slip, but allow play to continue. So by virtue of that, the table inventory slip would never be accurate because the amount of chips in the tray would change as play would continue. They wouldn't -- they weren't complying with the rule where they were stopping play, counting the chips, filling the form out, and then doing the drop.
And so as we further investigated we found out that both those practices had been in place for approximately three years. Staff recommended a fine of $5,000. In response to that the Isle of Capri - Cape Girardeau stated that both practices were intended to be for the benefit of the patrons and not inconvenience them by interrupting play for both marking the times in on the cards, and by stopping play to count the, count the tray. And they also stated in there that they now adjusted their procedures, they're now complying with the rule as far as the cards are concerned, and putting the time in when they're actually taken out of the box and put into the shoe to be dealt.

They also said they changed their drop time from 4:30 to 5:30, because in their experience there are fewer players playing, and that they were going to stop play then at that point in time. And they -- the staff's, when we reviewed those comments, position was to keep the fine for two reasons, one was the length of time this practice has been going on, and the second is that the table games manager knew about this practice and permitted it to
continue. So the recommended fine is $5,000.

COMMISSIONER JAMISON: Any questions from the Commissioners?

COMMISSIONER NEER: Do you have any idea how much time it takes to go through this procedure where the players would not have been allowed to play time-wise roughly?

MR. GREWACH: Really not. It really kind of depends, because they have to drop all the tables. So, you know, they say they start it 30 minutes before. I've seen some estimates of, you know, maybe 8 to 10 minutes.

COMMISSIONER NEER: Okay.

MR. GREWACH: Cheryl Alonzo --

MS. ALONZO: Like blackjack tables, you know, for them to fill out -- they just have to fill out the form, count the various chips on the table. A blackjack table might maybe take a few minutes, couple minutes, three minutes. And they -- they each count. The supervisor will count it, and the dealer will count it, and they'll both sign off. So you've got to stop that table play, let them get that good count, put the slips in the drop box. Craps table, a lot more chips, so that's going to take a little
bit longer. So it's kind of on the table.

Definitely craps is going to take the longest,
but the blackjack table, the people are very
skilled, they can count quickly. So it's a few
minutes.

COMMISSIONER JAMISON: But -- so
obviously they had to stop play for a short
period of time to be able to count and fill out
the slip, correct?

MS. ALONZO: They should be.

COMMISSIONER JAMISON: They were
just doing it 30 minutes earlier, but reporting
it -- were they doing it at a convenient time
and then continuing to play after that before
the time they said they were doing it, or were
they --

MS. ALONZO: There were statements
that they estimated by, that they doing kind of
an estimation.

COMMISSIONER JAMISON: So they
really weren't doing the count?

MS. ALONZO: Yeah, it was maybe
ahead of time they were doing the, the larger
denominations, is what some of the, I think some
of the testimony was.
COMMISSIONER NEER: They didn't stop play?

MS. ALONZO: They were doing the larger ones. But they didn't actually just stop.

COMMISSIONER JAMISON: They didn't do a five-minute count or a ten-minute count, they didn't -- they didn't actually --

MS. ALONZO: That was the impression that I got from reading the report and some of the statements were that they were kind of estimating. And then in their response they said, no, we're not really estimating. So -- but there was no -- it didn't appear that the agent found where they actually stopped, did that table inventory slip, dropped it, and, you know, started play again.

MR. GREWACH: In their response they said, no, we would count it ahead of the drop, so then we'd have it all filled out, then the drop can come through and just drop all the tables. But they conceded that the table inventory slip was inaccurate. It would have to be because play continued from --

COMMISSIONER JAMISON: It was really
done -- it was at least done 25 to 30 minutes prior, or 15, or whatever, prior to the actual drop, and so there's an estimated difference in what the actual could be either higher or lower?

MR. GREWACH: Correct. Right. It could -- either way. And -- and, you know, the slip's filled out, put in the box, play goes on. So -- so that table inventory -- and they conceded that part. It's no longer accurate, and then -- and then whatever time passes between the time they fill out the report and the time they actually come to get the money in the box, whenever a change in chips happened in that time period, it counts for the inaccuracies.

COMMISSIONER JAMISON: Okay. Any other questions?

COMMISSIONER LOMBARDO: Ed, has the Commission staff encountered any other casinos in the State of Missouri that deviated from the procedures similarly to Isle of Capri in Cape Girardeau or are they an outlier in terms of doing it this way?

MR. GREWACH: This is the only one we're aware of.
COMMISSIONER LOMBARDO: Okay. I'm not sure that question, the answer to that question should matter in terms of what we do, but I was just curious.

COMMISSIONER JAMISON: Any other further questions? Rick, you good?

COMMISSIONER LOMBARDO: Yeah.

COMMISSIONER JAMISON: With that the chair would entertain a motion on DC-16-148.

COMMISSIONER NEER: Motion to approve.

COMMISSIONER HALE: Second.

COMMISSIONER JAMISON: It's been first and seconded. Angie, would you call roll, please?

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: Approved.

MS. FRANKS: By your vote you've adopted DC-16-148.
CHAIRMAN KOHN: Thank you, sir.

COMMISSIONER JAMISON: Thank you,

Mr. Chairman.

CHAIRMAN KOHN: Ready for Tab F?

MR. GREWACH: Yes. Tab F we have a Preliminary Order of Discipline directed to the Argosy Casino for repeat audit findings. An audit was completed on April 30th, 2015, for time period that stands from June of 2013 to February of 2015. The followup to that audit found two significant repeat findings. The first was for inspection of rules, Section 5.18416 paragraph B, requires that 10 percent of the cards that are taken out use be inspected for flaws and defects. And in the original audit we, they found one instance where that was in fact not done.

When they did the followup they reviewed surveillance for the month of October, 2015. And in that review they found five occasions where less than 10 percent of those cards that were taken out of use had been inspected. The actual percentage inspected varied on those five instances from 7.6 percent to 9.5 percent. The second repeat audit finding
was for failing to clear hands going to or from
the count table during bill validator counts.
There were in -- the initial audit found 13
percent of the count of the instances where the
employees did not clear their hand. In the
followup that percentage was 17.3 percent. The
recommended fine is $5,000.

CHAIRMAN KOHN: Are these -- are
these two related? Are the two instances
related?

MR. GREWACH: No, they're really two
separate problems done by two separate, two
separate groups of people. One of the clearing
of hands, that's the people in the count room.
And on the inspection of the cards, that is
required to be done by the security department.

CHAIRMAN KOHN: So -- so is it like
2500 for each violation?

MR. GREWACH: I don't know that we
really did that specific math. I think we had
two repeat audit findings. And probably what
led the staff to the 5,000 is that neither one
was terribly egregious. They were under the 10
percent. And I understand it was just a problem
of them, how they were calculating the number of
cards to be inspected. In both cases also
they've now fixed the problem. They've --
they've fixed their procedures to where they're
now, and we're reasonably comfortable they will
get the 10 percent mark on the inspected cards.
The clearing of the hands is never
anything you're going to get to 100 percent, you
know, with the number of employees, number of
counts that you do. But in the review that we
did just recently they were down to 3 percent
error. And so they've improved on both of those
two audit findings. And that's probably --
rather than a mathematical formula, you're
looking at the two violations that led us to
recommend a $5,000 fine.

CHAIRMAN KOHN: It just seems to me
-- and I don't know how anybody else feels --
but we should be discussing these separately. I
mean, they are two unrelated violations. I'm
not sure why they'd be lumped together.

COMMISSIONER JAMISON: Well, I think
that -- I guess -- I'm not speaking for the
Commission staff -- but I would guess that
because it's the result of a followup -- there
was an audit that established a baseline, and
then there was a follow-up review of that audit, and so these were two instances that were identified as not approved from the original audit. So it's kind of like two audits, and it's the comparison of the audits. Is that a fair assessment?

MR. GREWACH: It's a fair assessment. And probably the most direct to answer, Mr. Chairman, is that's just been our practice, that when you look at repeat audit findings, we look at that as one disciplinary action when we have repeat audit findings. Now, that may be one, that may be two, that may be four different findings, but we look at it as the problem is you had an audit, and after the audit you had an exit interview. And at the exit interview you talked about the causes of the problem, you talked to our auditors about what steps you were going to take to fix it, and then we come back and do the followup. And if for some reason, you know, your fixes didn't work or you didn't do them, then we lump them all together as one.

CHAIRMAN KOHN: So if you were here just -- if you had just found the one violation,
the counting of the cards violation, would you
still be recommending $5,000?

COMMISSIONER LOMBARDO: Objection,
improper hypothetical.

COMMISSIONER JAMISON: There we go
on that end of the table again.

COMMISSION NEER: Let the lawyers
take care of that.

MR. GREWACH: It also assumes facts
not in evidence. It is a little bit of
speculation, but most likely -- because between
the two, that's really the bigger violation.
The clearing of hands, again, you're always
going to have -- and, you know, 13, 17 percent's
higher than we'd like to see, but, I mean, we've
seen cases much much higher percentages that
alarmed us more than this one does.

And probably to look at your question
from the other direction, if the only repeat
audit finding would have been the clearing of
hands, the question would have been would we
have brought that up for discipline in and of
itself. But when you have both things going on,
and then the two together, you know, I think we
thought were worthy of a disciplinary action.
COMMISSIONER HALE: So the -- so the problem here is simply not improving on two after being given notice of problems?

MR. GREWACH: Correct. Exactly.

That's really the -- you know, when you look at the discipline against a casino -- and you go back maybe prior to the Bally case where we wrote them two or three letters, and then they still shipped some unapproved software -- then we say at this point in time we're going to fine them, as opposed to saying, hey, the first time you ship unapproved software, we're going fine them.

Same theory here, you know, we look at you, we audit you, we find these problems, we say fix this, tell us how you're going to fix it. Get this fixed. We come back, followup, find there's still a couple things that are problems, and that's when we go to disciplinary action.

CHAIRMAN KOHN: So it -- so it's really more of a case of not as you say fixing problems discovered in a previous audit than it is these two specific things that were done?

MR. GREWACH: Correct.
CHAIRMAN KOHN: That makes more sense.

MR. GREWACH: Yeah.

CHAIRMAN KOHN: Okay. All right.

Any other questions? Is there a motion with respect to DC-16-149?

COMMISSIONER HALE: So moved.

COMMISSIONER LOMBARDO: Second.

CHAIRMAN KOHN: 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: Approved.

MS. FRANKS: Chairman Kohn?

CHAIRMAN KOHN: Approve.

MS. FRANKS: By your vote you've adopted DC-16-149.

CHAIRMAN KOHN: Tab G.

MR. GREWACH: Tab G we have a Preliminary Order of Discipline directed to the
Hollywood Casino St. Louis. On October 31st, 2015, casino surveillance notified the Commission agent that he was reviewing an incident of patrons and dealers colluding to cheat at the craps table. Upon investigating it we found that the dealer in fact was cheating at craps, several methods. He would be returning losing wagers to these players he was colluding with; he was failing to place losing bets; he was paying when no bets were made.

We also from the investigation found that this conduct had continued for approximately a four-week period. Now, in the seven-day surveillance that were available for us to review, we found the total of $54,000 that was improperly paid out to the patrons the dealer was colluding with. And further investigating found that three supervisors had knowledge of this particular dealer's what they described sloppy dealing practices, questionable payouts, but none of them took any action to correct the dealer's activities, and in addition none of the three supervisors reported their suspicions to the Commission.

The staff recommended a fine of
$5,000. The response by the casino to that recommendation was that they conceded and admitted that the supervisors failed to exercise good judgement to prevent this activity from taking place, rather they argued that the fine was too high. They pointed out that they cooperated with the investigation, that they terminated the dealer, that they met with the supervisors to emphasize the importance of both monitoring, correcting and reporting that type of activity.

The staff nonetheless voted to keep the recommendation of the $5,000 fine due to the number of instances of cheating, the time period that it went on, the number of supervisors who had some knowledge of some wrongdoing, and the fact that this did in fact affect adjusted gross revenue, and therefore taxes.

CHAIRMAN JAMISON: And they have a recommendation --

MR. GREWACH: 10,000.

CHAIRMAN JAMISON: 10,000, I'm sorry, in the written -- so is it 10 or 5?

MR. GREWACH: It's 10.

CHAIRMAN LOMBARDO: Okay. And it's
been 10 all along?

MR. GREWACH: It's been 10 all along. Since we took that wrong turn on Highway 40. See, I went this far without --

CHAIRMAN KOHN: Now, what happens to the employees in this situation?

MR. GREWACH: The employees here -- as far as personnel-wise, we've -- of course we know the one dealer was terminated. We've revoked --

COMMISSIONER JAMISON: Has there been a criminal investigation initiated on that?

MR. GREWACH: There has been. We -- we've completed our criminal investigation, the patrol has. They've sent the reports to the prosecutor and are awaiting action --

COMMISSIONER JAMISON: Okay.

MR. GREWACH: -- from the prosecutor's office on that. The dealer --

COMMISSIONER LOMBARDO: And you've got two other employees listed here by name that supposedly assisted the dealer in some fashion. What happened to them?

MR. GREWACH: The -- the -- well, actually the dealer himself was revoked, his
license was revoked. One of the patrons that was, that he was conspiring with --

COMMISSIONER LOMBARDO: Well, they're listed -- they're listed here -- 8 and 9 list two former licensees, yeah, former licensees, and then former dealer. They have former in front of their names, but one of them's identified as a licensee, the other's identified as a dealer. So there are three total employees supposedly actively involved in this.

CHAIRMAN KOHN: Well, then you've got pit supervisors too.

COMMISSIONER LOMBARDO: I used the words actively involved.

MR. GREWACH: And they weren't employees of this property, but they were licensees. One of them, Liang, was a -- was a licensee at a different property. His license was revoked. And, of course, the dealer, like I said, was the employee there was revoked. The other beverage server, Stephanie Stokes, was involved in this activity. Her license was inactive. So in other words, she, no action was taken against it because she -- she's --
COMMISSIONER LOMBARDO: She's still inactive?

MR. GREWACH: -- she's still inactive. And she won't be able to activate her license. We put notes in the licensing system that would prohibit her from being re-licensed. The Level II licensees have a two-year term, and if they're inactive, they can't get a casino access pass or actually work anywhere until they go through a process. And so with her, once her license expires, that'll be it, that'll be the end of her licensure. Now, the two --

COMMISSIONER JAMISON: Is it -- there's no indication that any of the supervisors were aware that cheating was going on, and that they turned a blind eye to that, that wasn't discovered in the investigation, it's just poor supervision on practices? Is that the question?

MR. GREWACH: Our -- our -- our assessment was poor supervision. And even the things they did know, which didn't directly indicate cheating, just sloppy play, questionable payouts, you know, very --

COMMISSIONER JAMISON: This guy was
doing this over a four-week period and you
notice sloppy payouts and improper payouts, that
would be a pattern I would think that a normal
supervisor would throw up a red flag? So -- but
there's no indication that there's any
cooordination between any of the supervisors and
--

MR. GREWACH: No, none. None. But
for that lack of supervision we did suspend all
three of them, the two table game supervisors
and the floor supervisor for three days.

COMMISSIONER JAMISON: Okay.

COMMISSIONER NEER: Is there any
indication that the patrons were splitting the,
shall I call it excess money, unearned money
with the dealer?

MR. GREWACH: Yes. They would --
they would meet after each time this occurred at
an off-site location and divide up the money.
The dealer got a set amount and the players got
the rest.

CHAIRMAN KOHN: Any other questions?

Motion with respect to 16-150?

COMMISSIONER JAMISON: I move for
adoption of DC-16-150.
CHAIRMAN KOHN: Second?

COMMISSIONER NEER: Second.

CHAIRMAN KOHN: 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: Approved.

MS. FRANKS: Chairman Kohn?

CHAIRMAN KOHN: Approve.

MS. FRANKS: By your vote you've adopted DC-16-150.

CHAIRMAN KOHN: Okay. Ed, we're ready for Rules and Regulations.

MR. GREWACH: Under Tab H we have a proposed amendment to Chapter 12 of our regulations, specifically 12.090, adding a provision that would allow self-dispensing beer and wine systems. Under -- a little background that you already know, under 313.840, the Commission is sole liquor licensing authority
for the casinos and any property owned and
operated adjacent to the casino floor, and all
the other licensees in the state are regulated
by a state liquor control and are subject to
Chapter 311 and state liquor controls
regulations.

Now, our licensees have expressed to
us in the past a desire for us to as best, as
much as we feel comfortable doing, maintaining a
level playing field between our regulations and
the control regulations, because in many
instances the casinos were competing against
other bars, restaurants, entertainment
establishments, and they just want to have the
same rules apply to them. This session, Senate
Bill 919, which the law went into effect Sunday,
allows for self-dispensing beer and wine devices
at state liquor license locations.

This proposed amendment tracks that
statutory language, with the exception that
you'll see in paragraph 21, that we do not allow
it on the casino floor. And the reason for us
carving that out is that there's a separate
regulation that makes it a violation for any
casino to allow any intoxicated person to enter
into or remain on the casino floor.

So we were concerned with lack of control over the self-dispensing beer and wine, that that could create separate violations in and of itself. This rule, if the Commission approves the proposed amendment today, will have a public comment period from October 3rd, 2016, until a public hearing, which will take place on November the 2nd, 2016, and will be presented to the Commission for a final order of rule-making on December the 7th, 2016.

COMMISSIONER JAMISON: I have a question. Does the -- does the amount, does that mirror the statute? I mean, a quart of beer and a pint of wine, it seems like a generous pour, for lack of a better word, on a

--

MR. GREWACH: Yeah. That -- that does.

COMMISSIONER JAMISON: It seems like, you know, to hand a person the ability to get a quart of beer at a time and a pint of wine at a time, seems, as a single serving, seems rather large. But then maybe that's just me. Maybe you're --
CHAIRMAN KOHN: It could be just you.

COMMISSIONER JAMISON: I'm not saying I wouldn't go back three or four times, but, you know, it just seemed like large amounts to me. I just didn't --

MR. GREWACH: But those amounts were exactly out of the statute. So we just again -- but, again, it's up to the Commission whether they want to proceed with that or not and are comfortable with that. But our motivation, again, is the motivation presented by the, by the industry to want that level playing field, that if the competitors down the street could offer this, then the casinos want to be able to offer the same.

COMMISSIONER JAMISON: Excuse me, when we meet, I'll have the large beer.

CHAIRMAN KOHN: So all the -- all the casinos are in favor of that?

MR. GREWACH: I don't know if they all have addressed this particularly. I think there was one property -- and I can't tell you which one it was -- that, you know, would like to go ahead and install this system. But more
-- just in more general terms, the industry has
expressed to us their desire to have a level
playing field. When we did the rewrite of
Chapter 12, that was one of our focuses there.
When we were made the sole liquor licensing
authority, you know, for the casinos and their
outlets, to me when I look at that I think --
and I -- I talk pretty regularly with one of my
counterparts at the Division of Liquor Control,
and I talked to him about this specific issue,
because we can learn from them. I mean, this is
what they do. I mean, they do this on a regular
basis. So we always are contacting them to find
out information.

And so -- so, again, I don't know
that so much they come to us and say, hey, we
want this particular system as they would just
like to see as a general basis that they have a
level playing field. And I do know one property
is specifically interested in this system.

CHAIRMAN KOHN: Is there going to be
an issue on what authorization means?

MR. GREWACH: That's a very good
question. When I -- I talked to my contact in
liquor control, you know, he's seen different
systems. Some of them you swipe your credit card, and then you get an authorization code to punch in, and then you just self-dispense. Others have a human being involved, you know, who you actually have to go and get authorization from. The advantage of that system is it gives you a, you know, chance of eyes on to see is this person intoxicated or are they not.

But the statute itself isn't really clear on that, what does authorization mean. And I think most likely the first scenario I talked about where you just have a machine where you swipe your credit card, just like at a car wash, you know, and you get a, at the gas station you get the authorization code for your car wash, and you punch it in, you know, that type of thing. It would most likely satisfy the statute, and then by virtue of that satisfy the --

CHAIRMAN KOHN: Mr. Plant is sitting right behind you. Do you like this idea?

MR. PLANT: Well, Hi, Chairman, how are you? Thank you. I should have picked a different seat maybe. I -- to what Ed is
saying, he's -- by the way, Chris Plant, General Manager, River City. What Ed is saying is absolutely accurate in the level playing field. Now, what equipment would be utilized? We're going to make sure that we're diligent in the assurance that they're over the age of 21, of course, that there is no intox issues. But this is a good example of where evolution of technology is occurring, and entertainment, as Ed pointed out, occurs around us. That we're competing against that entertainment dollar, and having an opportunity to be advanced technology, take advantage of that, and deliver a better guest experience. That's beneficial. Now what does that look like in terms of what we install and how we operate it? That is still an evolving conversation.

CHAIRMAN KOHN: Any other questions of Ed?

COMMISSIONER HALE: I'm just curious, Ed, do you have any idea, if it's not on the gaming floor, were it would be?

MR. GREWACH: It would be in the restaurants and bars off of the gaming floor.

COMMISSIONER HALE: I got you.
COMMISSIONER LOMBARDO: Ed, perhaps this is a reflection of the fact that I just turned 60, but I generally go to, if I go to a bar, I go to a bar with a bartender. I'm not necessarily familiar with self-dispensing. And you talked about a level playing field. How prevalent is this and where is it? Maybe Chris could answer that.

MR. PLANT: Well, I -- I don't have -- I couldn't tell you all the places that have them, but what -- what I would say is millennials. I would point to that generation, that as we look to grow our gaming base, we're looking to expand our gaming experience, and we look at what are millennials -- we want to deliver that guest experience. And I don't envision a situation where bartenders would go away, but what you do envision is a variety of deliveries and services, a variety of the experiences that we're able to engage our guests in.

COMMISSIONER LOMBARDO: Well, let's say Brian wanted to go, let's say Brian wanted to go down and self-dispense a 32-ounce beer, where would you go in the State of Missouri
right now? I'm trying to figure out who we're having a --

MR. PLANT: That I don't know.

COMMISSIONER JAMISON: I've seen more of it in a, in a wine situation, to where they have machines that have like 30 bottles of wine around the room, and you just go and punch in and take a 2, 4, 6-ounce serving, and then at the end of the day the card that -- they charge you on the way out the door of whatever you had plugged in while you were there. And so it's kind of a self-serving kind of thing there. I think maybe after I listened to this a little bit, the authorization is go pick up two beers on a credit card swipe, and so that's where they come up with the 32 ounces as opposed to serving out a quart of beer at a time.

CHAIRMAN KOHN: Any other questions?

MR. GREWACH: I can answer that a little bit too, because one thing I probably want to point out it that the prior statute before the Senate bill did allow for self-dispensing beer at a table, but the licensees for liquor control complained that that was too expensive to run the tubes to each
table. And as lawyers do, sometimes they got in
an argument of what is and isn't a table, you
know. Only lawyers can do that. But the -- so
then this was the genesis then of the lobby to
have this be a free-standing unit as opposed to
each table, to having it as a free standing.

CHAIRMAN KOHN: So if the Governor
were to appoint all millennials to the
Commission, we wouldn't have had all this
discussion. Is there a motion with respect to
11 CSR 45-12.090?

COMMISSIONER JAMISON: I move for
adoption.

CHAIRMAN KOHN: Is there a second?
COMMISSIONER HALE: Second.

CHAIRMAN KOHN: Discussion on the
motion? Angie.

MS. FRANKS: Commissioner Lombardo?
COMMISSIONER LOMBARDO: Approve.

MS. FRANKS: Commissioner Neer?
COMMISSIONER NEER: I guess I got to
get out more. Approve.

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

COMMISSIONER JAMISON: Approved.

MS. FRANKS: Chairman Kohn?

CHAIRMAN KOHN: Approve.

MS. FRANKS: By your vote you've adopted proposed amendment 11 CSR 45-12.090.

CHAIRMAN KOHN: Mr. Seibert?

EXECUTIVE DIRECTOR SEIBERT: Thank you, Mr. Chairman. The next order of business is consideration of relicensure of certain suppliers. Sergeant Brad Ussary will present.

CHAIRMAN KOHN: Good morning, Sergeant.

SERGEANT USSARY: Good morning. Mr. Chairman and Commissioners, good morning. Two supplier companies are being presented for re-licensing. Missouri State Highway Patrol investigators in conjunction with MGC financial investigators conducted a re-license investigation of two supplier companies currently licensed in Missouri. These investigations consisted jurisdictional inquiries, feedback from affected gaming company clients, a review of disciplinary actions, litigation, and business credit profiles, as
well as review of the key persons associated
with each company. The results of these
investigations were provided to the Missouri
Gaming Commission staff for their review, and
you possess comprehensive summary reports which
outline our investigative findings for each
company.

The following supplier companies are
being presented for your consideration. First
is Midwest Game Supply Company. Midwest Game
Supply Company is located in Kearney, Missouri.
The company specializes in certified dice for
casinos, table layouts, table game accessories,
chips, and slot machines. Second is Modern
Gaming, Incorporated. Modern Gaming is located
in Denham Springs, Louisiana. The company
specializes in manufacturing and refurbishing of
various gaming devices.

CHAIRMAN KOHN: Any questions on
either one of these?

EXECUTIVE DIRECTOR: Mr. Chairman,
staff recommends approval on both.

CHAIRMAN KOHN: Thank you. Is there
a motion with respect to 16-041?

COMMISSIONER HALE: Mr. Chairman, I
move that we adopt the staff's recommendation relative to Resolution Number 16-041.

COMMISSIONER LOMBARDO: Second.

CHAIRMAN KOHN: 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: Approved.

MS. FRANKS: Chairman Kohn?

CHAIRMAN KOHN: Approve. Is there -- oh, I'm sorry, go ahead.

MS. FRANKS: By your vote you've adopted Resolution Number 16-041.

CHAIRMAN KOHN: Is there a motion with regard to 16-042?

COMMISSIONER HALE: Mr. Chairman, I would move for adoption of staff's recommendation relative to Resolution Number 16-042.

COMMISSIONER LOMBARDO: Second.
CHAIRMAN KOHN: 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've adopted Resolution Number 16-042.

CHAIRMAN KOHN: Mr. Seibert?

EXECUTIVE DIRECTOR SEIBERT: Next order of business, Mr. Chairman, is consideration of Level I key applicants.

Sergeant Jim Bennett will present.

SERGEANT BENNETT: Good morning, Mr. Chairman and Commissioners.

CHAIRMAN KOHN: Good morning.

SERGEANT BENNETT: Missouri State Highway Patrol investigators along with Missouri Gaming Commission's financial investigators
conducted a comprehensive background investigation on multiple key and Level I applicants. The investigations included, but were not limited to, criminal, civil, financial, and general character inquiries where applicants live, worked, and frequented. The following individuals were being presented for your consideration: Charles Walter Ball, surveillance manager for Harrah's North Kansas City Casino; Kazuya Kozuki, chief financial officer, senior vice president, member of the board of directors for Konami Gaming; Brooks Harrison Pierce, managing director, Americas, for Aristocrat Technologies; and Jane Scaccetti, director of Penn National Gaming.

The results of these investigations were provided to the Missouri Gaming Commission staff for their review, and you were all provided a summary report. Do you have any questions?

CHAIRMAN KOHN: Any questions for Sergeant Bennett?

COMMISSIONERS: None

SERGEANT BENNETT: Thank you.

CHAIRMAN KOHN: Can we vote on all
three of those at once?

COMMISSIONERS: There's four of them.

CHAIRMAN KOHN: Four, all right. Is there a motion with regard to Resolution Number 16-043?

COMMISSIONER JAMISON: I move for adoption of Resolution 16-043.

COMMISSIONER NEER: Second.

CHAIRMAN KOHN: 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've adopted Resolution Number 16-043.

CHAIRMAN KOHN: I think we have concluded the business for our open session in
record time. Oh, Brian, you're on.

COMMISSIONER JAMISON: Okay.

CHAIRMAN KOHN: Motion to go into closed session.

COMMISSIONER JAMISON: I move to go into a closed meeting under Section 313.847 Revised Missouri Statutes, investigatory, proprietary, and application records, and Section 610.021, Subsection 1, Revised Missouri Statute, legal action, Subsection 3 and Subsection 13, personnel, and Subsection 14, records protected from disclosure by law.

CHAIRMAN KOHN: Is there a second?

COMMISSIONER NEER: Second.

CHAIRMAN KOHN: Discussion on the motion? By the way, for those of you who think that vice chairman has this memorized, he doesn't. He's reading from a script provided by Angie.

COMMISSIONER JAMISON: That's pretty much how we do everything, by Angie.

CHAIRMAN KOHN: I think we're ready for a 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.

(END OF RECORD.)
REPORTER'S CERTIFICATE

I, DEBRA L. BURRIS, a Certified Court Reporter in and for the State of Missouri, do hereby certify that this is a true and accurate transcription of the MGC meeting that took place on August 31, 2016, at Troop C Headquarters, 891 Technology Drive, Weldon Spring, Missouri.

BY THE AUTHORITY BESTOWED UPON ME, I have hereunto set my hand on this _____ DAY OF ________________, 2016.

_________________________

DEBRA L. BURRIS, MO CCR #789,
IL CSR #084.004545
MISSOURI GAMING COMMISSION
Second Open Session Minutes
August 31, 2016

The Missouri Gaming Commission (the “Commission”) went back into open session at approximately 10:38 a.m. on August 31, 2016, at Troop C Headquarters, 891 Technology Drive, Weldon Spring,

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

The meeting ended at 10:39 a.m.