BEFORE THE MISSOURI GAMING COMMISSION

STATE OF MISSOURI

Meeting

September 28, 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

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II. Consideration of Minutes 4:18
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III. Consideration of Hearing Officer Recommendations
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CHAIRMAN Kohn: Good morning, everybody.

We'll call the meeting of the September 28, 2016 Missouri Gaming Commission to order.

Angie, please call the 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.

We have a quorum. We're able to proceed with the business of the meeting.

The first item of business is the Consideration of Minutes from the August 30 and August 31, 2016 meeting.

Is there a motion for approval of the minutes?

COMMISSIONER HALE: So move.

COMMISSIONER LOMBardo: Second.

CHAIRMAN KOHN: 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 the minutes of the August 30th and 31st, 2016 meeting.

CHAIRMAN KOHN: Welcome to everyone in the audience today. We're always happy to have you here and have you demonstrate an interest in these proceedings. So we'll start the proceedings.

Mr. Seibert.

EXECUTIVE DIRECTOR SEIBERT: Mr. Chairman, the first order of business is Consideration of Hearing Officer Recommendations, and Mr. Steib will present.

CHAIRMAN KOHN: Mr. Steib.

MR. STEIB: Good morning. May it please the Commission.

It's my understanding that the first item on the agenda, III.C., Tanya Nichols, her attorney is not
here but on his way, so I suggest that the Commission
might go to D and E and take up Item C when her counsel
appears, if that's all right with the Commission.

CHAIRMAN KOHN: Yes. We've been advised
about that and that's fine.

MR. STEIB: The first item on the agenda then
is Item III.D., which is Stewart Bredell. Mr. Bredell
is a security officer at Ameristar.

The facts of this situation are that a
security officer at the casino noticed another security
officer discarding a ticket in/ticket out into a trash
can. That particular ticket amounted to some 28 cents.

However, the rules and regulations provide
that any TITO, ticket in/ticket out, regardless of the
amount, is to be turned in as unclaimed property.

Mr. Bredell was at the hearing, and based on
the evidence and the testimony Mr. Bredell admitted that
he, in fact, previously might have said go ahead and
throw away the ticket to this other security officer.

That, of course, is a violation of the
regulations, and based upon the preponderance of the
evidence and the testimony it is the hearing officer's
opinion and recommendation that Mr. Bredell did not bear
the burden of proof by a preponderance showing that he
should not be disciplined and hence he should be
disciplined.
The recommendation of the staff is that Mr. Bredell receive a two-calendar-day suspension, and that is also the recommendation of the hearing officer in this matter.

CHAIRMAN KOHN: Okay. Any questions of Mr. Steib?

Is there anyone here representing Mr. Bredell or Mr. Bredell here?

Okay. Is there a motion?

COMMISSIONER NEER: Motion to approve.

COMMISSIONER JAMISON: 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've adopted
Resolution No. 16-045.

CHAIRMAN KOHN: And ready for the Pollard matter.

MR. STEIB: The next matter is Alexis Pollard who was working as a dealer at Ameristar. Pollard had been interviewed in a rehiring as is customary and the procedure with the Commission. At that time she neglected to report to the trooper that she had been arrested in Audrain County. That came up as a result of the subsequent investigation which always occurred.

At the hearing which was requested by Mrs. Pollard she did not appear, nor was she represented by counsel who appeared, and though thrice called, a default was then declared, and it is the recommendation of the staff and of the hearing officer that a revocation of her Level II occupational license is appropriate in this matter.

CHAIRMAN KOHN: Okay. I know I read this, but could you tell us again what it was that happened?

MR. STEIB: Mrs. Pollard was interviewed by the trooper, and, of course, when that happens they are obligated to reflect to the trooper any contact they've had with a constabulary force.

Mrs. Pollard or Ms. Pollard neglected to tell
the trooper that she had been arrested in Audrain County previously, and hence it was a false application that she submitted.

These are frequent situations where the applicant forgets or just doesn't advise the trooper of a problem in the past, and so this is a relatively frequent occurring situation. She simply did not advise the trooper that she had had this arrest in Audrain County.

CHAIRMAN KOHN: Well, this is the part that I couldn't quite figure out. Had she put false information on her application and this is just an oral interview?

MR. STEIB: She failed to report to the investigator, the trooper, that she had been arrested.

CHAIRMAN KOHN: But what was on her original application? Did she disclose it then?

COMMISSIONER JAMISON: This would have occurred way after the original application had occurred, like a month before her --

CHAIRMAN KOHN: Oh. The arrest occurred --

COMMISSIONER LOMBARDO: The arrest was in October of 2015 and the interview was in November of 2015, about two weeks later.

I do have a question as to the rehire
interview. Does that mean she had been out of the
business or was this just a periodic thing where people
are relicensed?

MR. STEIB: She had been at a different
casino is my understanding and then rehired for this new
position, and then that rehiring, the interview occurred
and she did not reflect this arrest.

CHAIRMAN KOHN: Any other questions?

COMMISSIONER JAMISON: Carolyn, did you
have --

MS. KERR: If you had any questions about
this, I was going to be able to answer those. I think
everything has been --

CHAIRMAN KOHN: I think I understand what
happened here, the timing issue.

MS. KERR: Sure.

CHAIRMAN KOHN: Is there a motion to approve
the resolution?

COMMISSIONER HALE: So moved.

COMMISSIONER LOMBARDO: 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've adopted Resolution No. 16-046.

CHAIRMAN KOHN: Okay. So we're still going to hold off on Tanya Nichols.

MR. STEIB: Correct. I will remain present, and when Mr. O'Brien appears, at the pleasure of the Commission we'll take up that matter.

CHAIRMAN KOHN: Thank you.

EXECUTIVE DIRECTOR SEIBERT: The next order of business, Mr. Chairman, is Consideration of Disciplinary Actions. Ms. Kerr will present.

MS. KERR: Good morning.

CHAIRMAN/COMMISSIONERS: Good morning.

MS. KERR: There are four considerations for disciplinary actions. I'll start with Tab F.

Tab F is Ameristar Casino St. Charles, Inc.

This is a Preliminary Order for Disciplinary Action arising from a followup to a compliance audit completed.
in May 2015 for the period of January 2013 through November of 2014.

The auditors were checking to determine if the audit findings from May 2015 had been corrected, so they were following up on the original audit.

Five findings outlined in the May audit had not been implemented when they followed up.

The first one, the 2015 audit, found that 2 of 27 investigations of kiosk variances over $20 were not documented at all. This was a 7.4 percent error rate.

According to the casino's Internal Control Standards or ICS, I-C-S, the variances are supposed to be investigated and then documented on a specific form, the over $20 variance kiosk variance file.

The management response indicated that the finding would be corrected and all variance investigations would be reviewed and documented on the proper form.

When the auditors followed up on the finding, they found that 3 of the 29 investigations into kiosk variances over $20 were still not documented at all. This was a 10.3 percent error rate.

This violated the MGC Internal Control Standards, or MICS, and the casino's ICS, Chapter H,
Section 7.04.

The second finding, the 2015 audit found that --

CHAIRMAN KOHN: Before you go to that one --

MS. KERR: Sure.

CHAIRMAN KOHN: -- this exceeded the allowable error rate. What is that? What is the allowable error rate?

MS. KERR: Five percent.

CHAIRMAN KOHN: Five percent. Thank you.

MS. KERR: The second finding, the 2015 audit, found that the eleven employees who could issue player cards could also add points in the casino's player tracking system.

Casino management indicated that the finding had been corrected. The followup, however, revealed that three individuals still had access to the system, allowing them to issue player cards and add points to the player accounts. This violated MICS and ICS Chapter I, Section 13.03.

The third finding was that in the 2015 audit noted a 20 percent error rate in the number of times poker dealers failed to clear their hands when going from their body and when exiting the game.
The management responded that the dealers and team members were reminded to make sure they cleared their hands as required. I think there was a memo sent out.

On the followup, however, the auditors found that in three of eight instances on November 17th, 2015 poker dealers failed to clear their hands, which was a 37.5 percent error rate. And this violated MICS and ICS Chapter 7, Section 13.01.

The fourth finding in the 2015 audit --

CHAIRMAN KOHN: I'm sorry.

And on this one I'm just curious, what does clearing the hands mean? I don't know what that means.

MS. KERR: Basically when they take their hands from the table to their body or when they leave, they need to put their hands over --

CHAIRMAN KOHN: And show their hands?

MS. KERR: -- and show their hands to the camera surveillance to make sure that there is nothing there.

CHAIRMAN KOHN: Okay. Thank you.

MS. KERR: Sure.

The fourth finding in the 2015 audit was that the Director of Player Development had access to activate wagering in promotional accounts, although only
ticketing employees are authorized to do so.

Management response indicated that those rights had been removed from the Director of Player Development on April 23rd, 2015, but on November 16th, 2015 the auditors followed up and found that the same Director of Player Development again had system access to activate wagering in promotional accounts.

This violated MICS and ICS Chapter U, Section 2.11, which states that only ticketing employees can have that access to activate accounts.

The fifth finding in the 2015 audit noted that one security incident report was not included in the security incident summary report which is provided to boat agents in one week -- one of the weeks in September 2014.

The casino responded that security will ensure that the security incident summary report is provided the MGC boat agent on a daily basis and it would include all of the security incident reports.

However, during the followup auditors found that for one week in November 2015 five security incident reports were not included in the security incident summary report provided to the boat agents, and that violated MICS and ICS Chapter N, Section 2.02.

The staff recommended a $20,000 fine.
Ameristar submitted a response to our fourteen-day letter and responded to two of the five findings. They responded to the first and second one. With regard to the kiosk variances being documented, they said that the ones listed on the followup were still being investigated and that going forward a notation would be made on these variances to indicate that the investigations were still, quote, ongoing.

When the auditors followed up on November 24th, 2015 they asked for the over 20 variance -- kiosk variance file for the month of October 2015 and found that the actual investigations were not documented and that the casino claimed they were still open and being investigated. However, both the MICS and the casino's ICS, Chapter H, Section 7.04, require that these variances be documented and the investigations be completed by the end of the next business day.

And then they responded to Finding No. 2 with regard to the employees being able to issue player cards and add points to their player accounts. They said that the employee's ability to do both actions in the Aristocrat system was removed in April 2015, but since the ability to create accounts in
Aristocrat was still necessary, that function was added back for the Player Development Manager in the compliance position.

They also argued that although the ability to add points to the HALO, H-A-L-O, universe was not removed, those three positions that still had access on the followup did not complete any point adjustments to player accounts, so there shouldn't have been -- so it was all corrected. However, the failure to remove access to all of those positions is still a violation.

The company did not respond to the criticisms relating to the poker dealers failing to clear their hands, the Director of Player Development being able to activate wagering in promotional accounts or the security incident reports being properly documented.

The staff reviewed Ameristar's submission and decided to keep the $20,000 fine. We recommend the $20,000 against Ameristar.

CHAIRMAN KOHN: Any questions of Ms. Kerr?

COMMISSIONER JAMISON: Would the recommendation of the fine be based on the fact that they -- I mean, this is -- make sure I'm right.

This is the same Ameristar that had the issue with the audit back in 2015?

MS. KERR: No, I don't believe so.
COMMISSIONER JAMISON: This one is --

MS. KERR: This is St. Charles.

COMMISSIONER JAMISON: This is St. Charles.

But it's the same overarching company, correct, Ameristar? One is in St. Charles and one is in Kansas City but it's all under the same umbrella?

MS. KERR: Yes. They're separate classmates.

COMMISSIONER JAMISON: I understand that, but, I mean, it would still be under the leadership of one organization?

MS. KERR: Yes.

COMMISSIONER HALE: Along the same lines, I'm assuming that this $20,000 fine is based primarily upon the number of items found in the initial audit that were not corrected. Would that be a fair assumption?

MS. KERR: Well, that's part of it. It's really based on the totality of -- it's based on various factors, the number, the nature of the findings, whether or not the company made any corrections, what their responses were. I mean, that's part of it but that's not -- there's no mathematical, you know, delineation on it.

CHAIRMAN KOHN: I have the same type of question.
If there had been three violations, could the fine still have been 20? So it wasn't 5,000 per violation? I was wondering how we came up with that.

MS. KERR: I mean, I can't really say it might have or it might not have.

I looked at the prior audit findings for other casinos and for those that had repeat findings, three or more, some of the fines were 10,000 to 20,000. You know, one or two findings might have been -- obviously were a little less, but there is no, you know, 5,000 per violation or there is no real mathematical equation or formula to determine the fine.

CHAIRMAN KOHN: How do we come up with amounts?

COMMISSIONER JAMISON: We as a Commission agree what we're going to put under -- this is a recommendation from the --

CHAIRMAN KOHN: How do we come up to the recommendation as to the amount? I'll change the question.

MS. KERR: Well, when the staff looks at this, each staff member offers what they believe the fine should be. After looking at everything, it was determined that this fine should be 20,000.

Like I said, the other similar cases -- you
know, three significant findings in April was $10,000. There is another one in June 2014 with three significant findings repeat was 20,000. 10,000, 20,000.

CHAIRMAN KOHN: So there is no scale? There is no formula?

MS. KERR: No.

CHAIRMAN KOHN: It could be 20,000 for one violation or 18 violations?

COMMISSIONER LOMBARDO: It's not the Federal sentencing guidelines.

MS. KERR: Right.

We try to be consistent with the amounts that we recommend between companies, but, you know, this one did have five findings that were found to be repeated on the followup.

COMMISSIONER LOMBARDO: As of today have all of the findings been corrected?

Because I thought I heard you say they responded to two out of the five and then you were a little indefinite in my mind whether or not they'd all been addressed.

MS. KERR: Well, in the current audit period they have fixed all but one of the audit findings. The kiosk variances are still -- they still have a repeat finding on that, but it appears that the rest of them
have been corrected.

COMMISSIONER LOMBARDO: Okay.

CHAIRMAN KOHN: Any other questions?

COMMISSIONER LOMBARDO: No.

CHAIRMAN KOHN: Is there a motion with respect to DC-16-173?

COMMISSIONER LOMBARDO: Motion to approve.

COMMISSIONER HALE: 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-16-173.

MS. KERR: All right. I'll move on to Tab G.

CHAIRMAN KOHN: Yes. I'm having trouble letting this go.
Could we ask the staff to have an internal discussion about whether or not there is any more -- can we lend any more certainty to casinos with respect to what kind or how many violations lead to what kind of fine? I mean, it just seems so totally open ended.

I'm not asking for an answer now. I'm just wondering whether we could have a discussion internally about that.

MS. KERR: I suppose.

CHAIRMAN KOHN: We're ready for Tab G.

MS. KERR: Tab G is Bally Technology. This is a Preliminary Order for Disciplinary Action arising from an investigation into a notice received on November 11, 2015 from River City Casino informing the MGC that on November 5th of 2015 a bank of their electronic gaming devices, or EGDs, had their linked progressives jump by large unexplained amounts.

Upon investigation staff found out that on December 12, 2014 Bally had been notified of the same type of problem at the Golden Nugget Casino in Louisiana.

Bally did not disclose the Missouri or the Louisiana malfunction or anomaly to the MGC, nor did they provide any notice to the Missouri casino.

Bally's failure to notify the MGC of the
malfunction or anomaly that occurred at the Louisiana casino in December 2014, which happened to be the same malfunction or anomaly that occurred in River City in November 2015, violates 11 CSR 45-5.210, Section 2.

That regulation requires Bally to notify the MGC within 48 hours of it learning of any malfunction or anomaly affecting the integrity or operation of devices or systems it supplies regardless of the jurisdiction in which the problem occurs.

Then on November 25th, 2015 Bally submitted a replacement version of that software for the River City EGDs to correct the progressive jumping malfunction or anomaly it had experienced earlier that month.

The problem was that the submission Bally provided to us on November 25th contained modifications to the software that were not fully disclosed to the MGC, nor to the independent testing lab, the laboratory. 11 CSR 45-5.225, Subsection (4)(A)(2), requires a complete list of hardware and software modifications to be included in the supplier's submission for approval.

Bally's submission only gave a general reason for the modification rather than a specifically detailed explanation of what the modification changes were.

The staff recommended a $10,000 fine.
Bally responded to our fourteen-day letter. First they argued that what happened to the EGDs in Louisiana and later at River City were not malfunctions or anomalies but configuration errors. They claimed the EGDs were set up incorrectly by the technician at the casinos.

Second, they stated that the modifications submitted were simply to facilitate and simplify game setup to mitigate the potential for human error. They claim that since the modifications did not address a malfunction, the submission was not incomplete.

Staff reviewed Bally's arguments and decided to keep the $10,000 fine.

Now, the first regulation, 11 CSR 45-5.210, Section 2, is a rule relating to notice. Any time a supplier, Bally in this case, learns of a malfunction or anomaly with a game or software it supplied that causes the EGD or system to not function properly or as intended, that supplier has to notify the MGC within 48 hours.

The notice is required regardless of the jurisdiction in which the malfunction or anomaly occurred.

In this case the fact that the EGDs were set up with a zero in the serial number caused the EGDs to
malfunction.

So in the words of the regulation, the zero serial number affected the integrity or operation of devices or systems provided under the scope of Bally's supplier license.

When Bally learned that the EGDs in Louisiana were not functioning as intended in November 2014, they had a duty to notify us within 48 hours of learning that fact and they did not.

In fact, they failed to notify any of the operators that we know of of the risk or problem with the software.

And then with regard to the notice of modifications, their submission included general statements on the change documents so that it did not specify the modifications.

Since the modifications were not disclosed, the independent testing lab could not create a test plan for the modification. In other words, that notice that they gave us was insufficient.

Also Bally has been previously disciplined for failure to notify the MGC.

In April 2015 we sent a letter to Bally criticizing it for failing to file an EGD incident report within 48 hours after being notified of issues
with the Mark Twain Casino slot accounting system, and
then in May 2016 Bally was fined $5,000 for an incident
occurring in April 2015 in which they failed to notify
the MGC of a field advisory it had issued to Lumiere
Place Casino & Hotels.

So this was the third time that MGC found a
violation of the notice requirement by Bally in the last
two years, and for those reasons the staff recommended a
$10,000 fine.

CHAIRMAN KOHN: Okay. Any questions?

COMMISSIONER LOMBARDO: Yes.

I'm looking at the similar case attachment,
and it looks like to me over the last five years they've
had five separate violations. Is that accurate?

MS. KERR: Yes. The others were in August
2013 and then two in 2011.

COMMISSIONER LOMBARDO: And without causing
me to get down into the details of each and every one,
were these all notice-type violations, in other words,
similar to what we're talking about today?

MS. KERR: Yes. The two in 2011 and one in
2013 were for failure to report, and then the other --
there were some other ones, but those were mostly for
shipping or installing revoked or unapproved software,
but they have been fined March 2011, 15,000; October
2011, 15,000 and August 2013, 5,000 for failure to report.

CHAIRMAN KOHN: Does that answer your question?

COMMISSIONER LOMBARDO: It does.

CHAIRMAN KOHN: Any other questions?

Would this have impacted any other states where they failed to report, or do you know?

MS. KERR: Well, it started in -- it was first notified in Louisiana, so it could have. It could have also affected some within the state. The possibility was there.

CHAIRMAN KOHN: So we don't know what other states are doing or not doing?

MS. KERR: With your permission I'd ask that Todd Nelson, the Gaming Enforcement Manager, he might be able to answer some of those questions.

CHAIRMAN KOHN: Okay.

MR. NELSON: Good morning.

I'm not aware of what other states have done with this particular scenario, no, sir.

CHAIRMAN KOHN: So there is no coordination between states when something like that happens?

MR. NELSON: No, sir.

CHAIRMAN KOHN: Okay. Any other questions?
Is there a motion with regard to DC-16-174?

COMMISSIONER JAMISON: I move for approval.

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-16-174.

CHAIRMAN KOHN: Okay. Carolyn, Tab H.

MS. KERR: Yes. Tab H is Harrah's North Kansas City, LLC.

This is a Preliminary Order for Disciplinary Action arising from a repeat audit finding. So in this case there was an audit, a followup and then a second audit.

Two findings outlined in the April 11, 2014
audit report were noted again as not being corrected in
the most recent audit issued April 1st, 2016.

The first finding dealt with alarms on EGD
progressive controller compartments. The first audit
found that six of ten EGD compartments were not equipped
with door alarms at all.

A followup revealed that the compartments had
alarms installed but one of the five alarms failed to
produce the audible alarm.

Then when we went back, the current audit
found that two of ten EGD controller compartments failed
to alarm surveillance when the door opened because they
did not have an alarm installed on their doors.

This violated MICS and ICS Chapter E,
Section 11.02, which requires all controller
compartments to be alarmed.

And the two EGDs noted in the current audit
have been fixed. As far as we know, they do have
alarms.

This finding -- the second finding dealt with
terminated employees' user access to the casino's slot
accounting system, not being removed within 72 hours of
their termination.

The first audit found that two of fifteen
terminated employees did not have their access to the
system removed within 72 hours of their employment termination. A followup indicated that the error had been corrected as there were no errors noted.

The current audit, however, found two of seven employees who terminated employment between June and August 2015 did not have their access to the system removed within 72 hours of termination. That violated MICS and ICS Chapter S, Section 5.06.

And currently the finding appears to be corrected. They looked in July '16 and all of the employees that had been terminated, their access had been removed.

The staff recommends a $5,000 fine.

There are some priors if you want me to --

CHAIRMAN KOHN: Yeah, please.

MS. KERR: In June 2014 there was -- it was for the audit -- an audit covering September 12 -- through September 12 -- let me start over.

September of 2012 through December 2013 there were five findings, three repeat findings and two noted on a followup review. At that point they were fined $20,000.

CHAIRMAN KOHN: Was that on the terminated employees or --

COMMISSIONER JAMISON: No, I don't think so.
MS. KERR: There was a failure to clear hands, assigning unique account numbers.

CHAIRMAN KOHN: These are totally different?

MS. KERR: These are different, correct.

COMMISSIONER LOMBARDO: Which kind of brings up a question -- I don't want to interrupt the train here.

MS. KERR: Sure.

COMMISSIONER LOMBARDO: When you come up with the similar incidents, let's call them, they're not exactly the same. They're not security things like alarms. They are things that are generally grouped into, what, repeat audit violations or are they security violations?

How have you chosen -- because you have a really long appendix here of similar violations. I just wonder how they're chosen.

MS. KERR: Right.

We list the other -- all of the audit -- repeat audit findings for all of the casinos that have been disciplined. They're not necessarily by the type of finding.

COMMISSIONER LOMBARDO: So the common thread is repeat audit findings?

MS. KERR: Yes.
COMMISSIONER LOMBARDO: Okay. Thank you.

CHAIRMAN KOHN: Any other questions?

COMMISSIONER HALE: If I might, Mr. Chairman.

CHAIRMAN KOHN: Sure.

COMMISSIONER HALE: I think this is the second one of these kinds of situations we've had today, and I know we've had them in the past.

When our auditors go out and conduct the audit, I'm assuming that they leave written audit findings --

MS. KERR: Yes.

COMMISSIONER HALE: -- with the casino? Is it generally understood that we would come back as a followup visit to confirm that those audit findings or violations have been corrected, so it's understood that that is going to happen? It's not sort of a random, you know, we'll come out and follow up on some of them but not all of them?

It's understood, as I understand it, that they're coming back for all followup visits to confirm that the violations have been found to have been corrected?

MS. KERR: Yes, generally.

With your permission, I ask Leisha Kempker. She's the MGC Compliance Audit Manager. If you have
specific questions, she can answer those.

COMMISSIONER HALE: Go ahead.

MS. KEMPKER: Yes, they do know that we will be coming out to do a followup on all of the findings noted in the report.

COMMISSIONER HALE: I guess that's difficult for me to understand why when you know that we're going to come back out and follow up and check to see that these violations have been corrected, that it seems like frequently they're not corrected.

MS. KEMPKER: You only see the ones that are not corrected. There are several that are corrected. So, like I said, you only see the ones that aren't corrected.

COMMISSIONER HALE: I see.

Because my concern was -- because, again, we've seen them before and we've seen twice today, my concern was just that maybe we're not being taken seriously, but obviously if this is not the norm, it's the exception rather than the rule. I guess we have some fall through the cracks I guess.

MS. KEMPKER: For instance, in this case, during the followup to the first audit they were corrected, but then when we went back out to do the next audit, then something had broke in between.
COMMISSIONER HALE: Thank you.

CHAIRMAN KOHN: Any other questions?

Is there a motion with respect to DC-16-175?

COMMISSIONER HALE: Move to adopt recommended disciplinary action on DC-16-175.

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 DC-16-175.

CHAIRMAN KOHN: Okay. Tropicana, Tab I.

MS. KERR: Tab I is Tropicana St. Louis, LLC.

This is a Preliminary Order for Disciplinary Action arising from a minor on the gaming floor.

The minor was arrested on January 4th, 2016.
for presenting false identification to gain entry onto
the gaming floor, purchasing, attempting to purchase
liquor by a minor and making, attempting to make a wager
on the gaming floor by a minor.

She admitted being at the casino multiple
times between December 30, 2015 and January 4, 2016 when
she was arrested.

Surveillance showed that in that time, over
the course of those four days, 17 licensees checked her
ID but failed to recognize that it was not hers and let
her onto the casino floor, let her make wagers and buy
or consume alcohol.

61 licensees failed to check her ID at all to
verify that she was over the age of 21 before letting
her make a wager or buy or consume alcohol.

She was on the gaming floor for a total of
21 hours over that four-day period. The casino was
cited for violating multiple statutes, regulations and
MICS and ICS dealing with prohibiting minors from coming
on to the gaming floor, placing wagers and buying or
consuming alcohol. All of those are listed in the
Preliminary Order.

The staff recommended a $10,000 fine.

This appeared to be a systemic problem of
licensees' failure to check an ID or properly
identifying a minor on the floor by employees across various departments within the casino.

Since 2014 there have been 21 gaming reports issued against Lumiere and/or their employees for failing to check an ID, accepting a false ID or failing to properly verify that the person was actually over 21 years old before allowing them to either enter, play or drink, drink alcohol.

The casino responded to the MGC's fourteen-day letter. They noted that 17 times the minor's ID was checked in that four-day period. They also argued that many of their licensees relied on their, quote, faith in the gate or their prior dealers to have identified the individual before they came in contact with her.

They also argue that many of the 61 licensees noted in the gaming report had tangential contact or dealings with the minor and should not be held accountable or be expected to check the ID.

The staff reviewed Tropicana's arguments and reexamined the 61 employees listed as failing to check the individual's ID.

We identified 35 employees who actually came into direct contact with the minor and still failed to check her ID.

Of those 35 individuals who had direct
contact with the minor, 4 served her drinks, 25 were dealers at the tables that she actual played at and 6 were direct supervisors of those dealers of the tables that she played.

So the point was that all those who had direct contact with the minor or someone who they think might be a minor must check the individual's ID to verify that they are, in fact, over 21 years old and legally allowed to be on the gaming floor. Those 35 did not even check her ID.

For those reasons the staff recommends the fine of $10,000.

COMMISSIONER JAMISON: I have a question.
CHAIRMAN KOHN: Go ahead.
COMMISSIONER JAMISON: How did she get caught?
Was that by Lumiere -- it is Lumiere.
Correct?
MS. KERR: Yes.
COMMISSIONER JAMISON: Was that by Lumiere staff or was she caught in another fashion?
MS. KERR: I believe a security officer had stopped her, wasn't sure and then called the MGC agent.
COMMISSIONER JAMISON: Okay.
COMMISSIONER NEER: She was in possession of
a fake ID. Correct?

MS. KERR: Yes.

CHAIRMAN KOHN: This is a point I don't understand either.

So she had an ID, was checked by numerous people and it was a false ID but obviously they didn't know it at the time. What else are they supposed to do?

MS. KERR: Well, in this case there were the 17 licensees that checked, but then there were another 35 licensees who didn't even ask for her ID.

CHAIRMAN KOHN: This is all in the same place?

MS. KERR: Correct.

The security officers --

CHAIRMAN KOHN: If she had had a legitimate ID, you're telling me that a patron, a legitimate patron, could be asked over 50 times to show her ID?

MS. KERR: Well, in this case we determined there were 35 who had actual contact with her and she looked young.

COMMISSIONER NEER: To some?

MS. KERR: Well, I have -- she looked like she might be under 21. I have her picture here if you'd like to --

COMMISSIONER JAMISON: Do you have a picture
of the ID?

CHAIRMAN KOHN: And I don't know whether, Carolyn, you're the right person to ask this.

But what is a casino supposed to do other than ask over 20 times to show the ID, which must have looked real or, you know, 20 people or 21 people wouldn't have said go ahead?

MS. KERR: Well, there were -- if a patron looks to be under 21, licensees are supposed to ask and verify --

COMMISSIONER JAMISON: Yeah, but his point is 17 people did and 17 people didn't recognize it as a fake ID.

So I think, if I'm understanding what your point is, 17 people checked it. So of the 51 people or the 52 people that you're quoting should have looked at it, 33 percent of them did, and out of that 33 percent none of them recognized the fact that it was a fake ID.

CHAIRMAN KOHN: So my real question is what else could they have done?

MS. KERR: Well, I don't think those --

COMMISSIONER JAMISON: It comes in recognition of the false ID if --

MS. KERR: That's not the only problem.

COMMISSIONER JAMISON: Well, I know, but
that's one of the issues here.

MS. KERR: Correct.

COMMISSIONER JAMISON: One of the issues is
33 percent of the people that should have checked the ID
did but failed to recognize it as a false ID?

MS. KERR: Correct.

COMMISSIONER JAMISON: That would be one
parameter --

CHAIRMAN KOHN: But that also assumes that if
the other 30, whatever, number had also asked her, they
would have also not recognized it as a false ID. I just
don't know what they're supposed to do.

COMMISSIONER LOMBARDO: I think the point
here might be more the 30 -- the other two-thirds of
them that didn't even check.

COMMISSIONER JAMISON: Right.

COMMISSIONER LOMBARDO: But I'll agree, if
everybody who looked at it couldn't tell, I don't know
why we would think the rest of them could tell. I guess
the question is whether they should have checked it.

COMMISSIONER NEER: Do you have the ID?

MS. KERR: I think so.

COMMISSIONER JAMISON: I mean, the bottom
line is it's -- eventually someone realized it was a
false ID because she wouldn't have got arrested if that
hadn't have happened. So then unfortunately you have
the situation where 51 people did fail at identifying.

CHAIRMAN KOHN: But that gets to my other
question. The one person who did figure it out, what
did that person do differently than the 17 that didn't
figure it out?

MS. KERR: Well, I think the security
officers -- the security officer was unsure of --

CHAIRMAN KOHN: That's the ID.

MS. KERR: The Highway Patrolman was the one
that determined that it was a false ID. The security
officer suspected that, you know, there's a problem with
this identification.

COMMISSIONER LOMBARDO: The security officer
is an employee of Lumiere?

MS. KERR: Correct.

COMMISSIONER LOMBARDO: And he then talked to
the MGC personnel on site. Right?

MS. KERR: Correct.

CHAIRMAN KOHN: So maybe the rule should
be -- and I'm not trying to tell a casino how to run the
business, but maybe a rule should be that the first
person that looked at it and wondered should have called
that security officer over and had a determination made
before the other 17 people looked at it.
MS. KERR: Well, this was over the course of four days and --

CHAIRMAN KOHN: Four days, right.

MS. KERR: -- all of the security officers checked her ID, but when she went to the bar or when she was ordering a drink or when she went to a table and placed bets, the people that didn't check were those people for the most part. You know, she sat down and played blackjack and whatever. They didn't check her ID. They just dealt her in.

When she went to order a drink, the people that were noted didn't check her ID. They just served her a drink. And that's the problem -- that's the main problem.

EXECUTIVE DIRECTOR SEIBERT: Mr. Chairman, if I may.

CHAIRMAN KOHN: Yes, sir. We're going to get some clarity.

EXECUTIVE DIRECTOR SEIBERT: The 17 that checked her ID aren't under question. We agree with that. They checked her ID. That's fine. But you have other positions within the casino that are required to challenge people if they look underage.

So if she goes to the bar and gets a drink, which those other 35 that are identified -- the 17
aren't in question. It's the other 35.

If you're playing a table game or if you're getting a drink and they don't challenge you -- which they didn't. We looked back and we narrowed that number down from 61 to 35. It was the other 35 that she went to that didn't challenge her in my form, or supervisors who were working that didn't question why she wasn't challenged when she sat down --

CHAIRMAN KOHN: But I'll go back to why do we think that those 30 some would have come to a different conclusion than the 13?

EXECUTIVE DIRECTOR SEIBERT: We don't. The fact is they didn't even check.

COMMISSIONER JAMISON: I do have a question, and not to go back to what their explanation was, but there is a responsibility of the person at the turnstile to check IDs of people who look underage. Correct?

EXECUTIVE DIRECTOR SEIBERT: That's correct.

COMMISSIONER JAMISON: So that is the initial gatekeeper of the casino and that's where people are filing in individually and other tasks aren't being done, that's that person's -- way the way I understand it, that person's job is to check for ID if a person looks underage. If not, we don't check for ID at the front part of the casino. Correct?
Is that -- since we've got rid of term limits -- not term limits -- loss limits --

MS. KERR: I think that's a different --

COMMISSIONER JAMISON: Since we got rid of the loss limits we no longer check the ID of every individual, but the primary responsibility of that person at the turnstile is to check IDs of people who may appear under age. Is that correct?

And so I do get a little bit of -- I think where the Chair is going is that someone clears the initial check, which is supposed to be the primary check, and then we're going to punish 51 people that are sitting behind that primary check because they didn't do it 16 -- or 13 times a visit over these four days. 13 times every day she's supposed to get checked in addition to that primary check. Is that kind of --

CHAIRMAN KOHN: Well, yeah. And I guess I've got a dilemma going here.

Either, you know, we don't check somebody 50 some times over four days. We check them once when they come in, and if there is a suspicion, we call the security guard or the security person who eventually came in and said this is a fake ID, so we catch it upfront.

Or if there is 17 people that looked at it
and 33 that didn't look at it, but I've got to assume that they would have come to the same conclusion that
the 17 did.

Something is not making sense. And I agree that we need to punish, if you will, casinos that allow underage people to come in and either gamble or drink, but I'm just not sure what else in this case they could have done other than what they did, or they should have done it a lot earlier, you know, when she first came in the front door or the gate.

COMMISSIONER JAMISON: Can I ask one more question?

COMMISSIONER LOMBARDO: And I have one also.

COMMISSIONER JAMISON: Resources of the personnel at the turnstile, do they have access to compare out-of-state licenses to -- so I see a nod. Or can you help me with that, what resources they should or should be able to cross-reference?

MS. ALONZO: Cheryl Alonzo, Missouri Gaming Commission.

Several -- like one of -- the question earlier, but yet when we no longer required player cards, most of the casinos instituted, you know, if you looked under 30, 35, they could set their own standards. But they do have -- the security guard at the
1 turnstiles have an obligation to check that ID. They
2 are trained on how to check IDs. They have -- some of
3 the casinos have an ID check Veridocs system, where they
4 can put the ID in and it will flash red if it's a fake
5 ID.
6
7 So a lot of them have different resources for
8 that. They have training. We have one of our gaming
9 enforcement managers who goes there and conducts
10 training, not just to look at the ID but look at height,
11 look at weight, look at where the ears are placed on the
12 face. They receive that kind of training. So, yes,
13 they are the primary gatekeeper.
14
15 The Commission historically has not allowed
16 that one check to satisfy the checking of IDs. Once the
17 person get through that door, we've never taken the
18 stance that once an underage is in that the rest of the
19 people have no obligation, because it's a crime to deal
20 to an underage, to allow them to gamble at a table.
21
22 So when some person approaches the table and
23 they're not carded by the dealer or by the table games
24 supervisor and are allowed to gamble, that's a crime.
25
26 So that's just historically how the casino --
27 how the Commission has addressed the carding of
28 individuals.
29
30 And a lot of individuals that are underage
are identified at the tables by a table game supervisor or a dealer carding the game.

So that is a good way that we have caught underage people on the casino, or that they have caught underage people in the casino.

COMMISSIONER JAMISON: And I understand that, and I agree with that because you would have longer term time of observation and maybe a longer time to process that.

But I guess my question would go back to is if that was done, how many of these 35 people -- did you take out -- when you eliminated, did you take out people that were like the second shift of someone who -- you know, they check the -- the pit boss or the supervisor checks the ID of the table and then the next dealer comes in and the person could have said, we've checked her ID? That changes the responsibilities of that dealer and the next supervisor if someone has already said we've checked that ID.

I guess that's a deeper part of this investigation. But if 17 people checked, there's four people -- at least on an average four people a day that checked her ID.

MS. ALONZO: Yeah, we -- the list of 35 includes people -- includes a dealer at the table when
she first initially approached the table. Nobody that
was tapped in is included on that list.

COMMISSIONER JAMISON: Okay.

MS. ALONZO: It only includes table games
supervisors that were physically standing at the table
when she approached the table, not if the table games
supervisor was three tables away or not in the -- not
standing there.

So that's how we weeded that down, because
the initial report included everybody, you know, with
any possible responsibility. So that was how that was
narrowed. And the beverage servers that served her that
didn't card. So that's -- all of the 35 were either --
were in one of those groups.

CHAIRMAN KOHN: Anything else to present on
this?

COMMISSIONER LOMBARDO: I had an
additional --

CHAIRMAN KOHN: I'm sorry, Rick. Go ahead.

COMMISSIONER LOMBARDO: I understand that
Lumiere has had a change in management within the last
few years. Is that right?

MS. KERR: Yes.

COMMISSIONER LOMBARDO: Okay. Under current
management have there been previous similar problems?
MS. KERR: Well, the ones -- the priors that I had mentioned, those were all from April 2014 forward, so those were all under the current management.

COMMISSIONER LOMBARDO: Okay. And then there were four times -- there were four times that the casino was disciplined.

In 2014 they received a $2,500 fine. On January 4th, 2016 they received a $5,000 fine. In January -- a different day in January 2016 and February 2016 they received letters.

So all of the other priors that are listed in that appendix, those, like I said, are dated April 2014 through April 2016, and those were individuals that had gotten some kind of discipline, whether it was a day or whatever.

MS. ALONZO: They did get a new GM this year. I don't know if he's here. It was January. So there's a new GM in January.

So the priors are all Tropicana Lumiere priors, but they did have some change in management in January.

COMMISSIONER LOMBARDO: I seem to remember that. Okay.

CHAIRMAN KOHN: Any other questions?

COMMISSIONER LOMBARDO: No.
CHAIRMAN KOHN: Is there a motion to approve or otherwise modify DC-16-176?

COMMISSIONER NEER: I make a motion to approve the modification of the penalty of $5,000.

COMMISSIONER LOMBARDO: Second.

CHAIRMAN KOHN: Discussion on the motion?

I'm going to discuss the motion.

I can't be in favor of this because it's not so much -- to me it's not a matter of how much the fine is as it is does the process that we went through make sense, and I can't justify it in my mind.

So, 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: No.

MS. FRANKS: By your vote you've adopted DC-16-176 as amended to a $5,000 fine.

CHAIRMAN KOHN: Is the attorney for
Ms. Nichols here yet?

MR. O'BRIEN: Yes.

CHAIRMAN KOHN: Yes.

MR. O'BRIEN: Yes, Your Honor.

CHAIRMAN KOHN: Carolyn, do you want to finish or should we go back to this matter?

MS. KERR: I'm done with all of the Consideration of Disciplinary Actions. The next thing on my list are the rules and regulations. So we can go back and finish that --

CHAIRMAN KOHN: We'll do it either way you want. Do you want to finish that?

Let's go ahead and finish that.

MS. KERR: It's up to you. It makes no difference to me.

CHAIRMAN KOHN: Let's finish up the rules and regulations.

MS. KERR: So move to Tab J, which are the proposed amendments.

CHAIRMAN KOHN: Is that okay, Mr. Seibert --

EXECUTIVE DIRECTOR SEIBERT: Yes, sir.

CHAIRMAN KOHN: -- to finish up and then go back?

MS. KERR: Okay. Under Tab J there are three proposed amendments. These are all proposed rules that
have not yet been finalized. They're the first time filing.

The first one is 11 CSR 45-4.020, which is licenses, restrictions on licenses, licensing authority of the Executive Director and other definitions.

Basically the change that we're proposing here is to move some language around in Section 6 of that regulation for clarification purposes.

11 CSR 45-5.053 is policies, and in that rule we're proposing to take out Subsection (3)(E) because the current language in the regulation is inconsistent with the statute. The statute is 313.812 RSMo.

The statutory language overrides the regulation language, and so to avoid any potential conflict, any inconsistency, we just decided to take out that particular section within the regulation and just leave it be the statutory language.

And then 11 CSR 45-9.120 is the Minimum Internal Control Standards, Chapter T, dealing with tips, and then also the MICS Chapter T is included in that.

We're amending the regulation because the MICS needs to be amended, and because the regulation incorporates the MICS Chapter T, we need to file an amendment to the regulation to amend the MIC.
And what we're changing in Chapter T mainly is to change Section 1.03 to allow EVS employees to accept tips in the form of cash but not tickets.

We received some requests from casinos and kind of in response to that we decided to make that amendment.

We've also made some finetuning changes to Chapter T regarding table game tips. I could go through those if you want me to.

CHAIRMAN KOHN: Does anybody need those?

COMMISSIONER LOMBARDO: No.

COMMISSIONER JAMISON: No.

CHAIRMAN KOHN: Okay.

MS. KERR: So once the Commission approves the filing of those we will file the proposed amendments. A public hearing is scheduled on those rules for December 6, 2016. After that we would file -- bring the Final Order of Rulemaking, we'd bring that, present that to the Commission for their approval, and then at that point then we'd go and file the Final Order of Rulemaking with the Secretary of State and Joint Committee on Administrative Rules.

And assuming everything goes as planned along the timeline, these rules would become effective May 30th, 2017.
And before I go on to K, I think we probably need a motion on those.

CHAIRMAN KOHN: Let's finish up on those.

Any questions on any of those?

We're going to do this in one motion. Is there a motion to adopt CSR 11 CSR 45-4.020, 5.053 and 9.120?

COMMISSIONER JAMISON: So moved.

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: 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 proposed amendments 11 CSR 45-4.020, 5.053 and 9.120.

CHAIRMAN KOHN: Okay. Carolyn, Tab K.
MS. KERR: Tab K is a Final Order of Rulemaking for 11 CSR 45-9.113, which deals with the Minimum Internal Control Standard Chapter M, surveillance.

So we've made some changes to Chapter M and because of those changes we need to file an amendment to the regulation.

As I said, this is a Final Order of Rulemaking. Basically what we've done in Chapter M is we're amending Section 1.06 by removing a reference to 11 CSR 45-12.090 regarding liquor control regulations dealing with employees being able to consume or receive liquor while on the premises.

We previously amended that liquor control rule, and so this Chapter M needed to be amended so that there is consistency across the MICS and the regulations.

So previously the Commission approved the filing of the proposed amendment at your May 2016 Commission meeting. A public hearing was held on August 10th of 2016.

And so if the Commission approves this, we'll file the Final Order of Rulemaking with the Secretary of State and Joint Committee on Administrative Rules, and then after that it will be published in the Missouri
Register and the Code of State Regulations and become effective January 30th, 2017.

CHAIRMAN Kohn: Any questions?

Is there a motion to adopt 11 CSR 45-9.113?

COMMISSIONER HALE: So moved.

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've adopted 11 CSR 45-9.113.

CHAIRMAN Kohn: Thank you, Carolyn. Good job.

You know, let's go ahead and finish up the relicensure items too.

COMMISSIONER LOMBARDO: Whatever you want to
Mr. Seibert, let's go ahead.

EXECUTIVE DIRECTOR SEIBERT: The next order of business is Consideration of Relicensure of Certain Suppliers. Master Sergeant Gary Davidson will present.

MASTER SERGEANT DAVIDSON: Good morning, Chairman, Commissioners.

CHAIRMAN KOHN: Is that a new title?

MASTER SERGEANT DAVIDSON: Yes, it is.

CHAIRMAN KOHN: Congratulations.

MASTER SERGEANT DAVIDSON: There is really no congratulations to it. It's just a restructuring as far as the supervisors that -- or sergeants that supervise people. So there is really no difference.

COMMISSIONER NEER: No more money. Right?

MASTER SERGEANT DAVIDSON: Not much.

Please note the two supplier companies being presented for relicensing.

Missouri State Highway Patrol investigators, in conjunction with Missouri Gaming Commission financial investigators, conducted relicensing investigations of two supplier companies currently licensed in the state of Missouri.
These investigations consist of jurisdictional inquiries, feedback from affected gaming company clients, a review of disciplinary actions, litigation and business credit profiles and a review of 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.

The first company is DEQ Systems Corp which you will find under Tab L.

DEQ has been continuously licensed by the Missouri Gaming Commission as a supplier since September 30th, 2009.

DEQ is located in Levis, Quebec, Canada, with additional offices in Las Vegas, Nevada. Founded in 1998, DEQ specializes in casino table game bonusing technology and serves the worldwide gaming industry.

DEQ's patents and products include side bet bonusing with progressive and random jackpot prizes and slot machine style mystery bonusing, multiple credit betting for the player's and dealer's hand, denomination
betting flexibility, electronic credit bank, electronic rake, as well as baccarat and blackjack hand tracking. All DEQ solutions are enhanced by multimedia animation and sound effects.

DEQ has an extensive patent protected portfolio that is recognized in more than 50 countries, to include the United States, Macau, Australia and Canada.

DEQ's bonusing solutions and products are also present in more than 300 casinos in over 30 countries.

It should be noted at this time, however, that DEQ is in the process of being acquired by Scientific Games who is currently a licensee in the state of Missouri. The transaction is expected to be completed within the next several quarters but at this time it's just being proposed.

CHAIRMAN KOHN: Any questions?

Is there a motion to adopt Resolution 16-047?

COMMISSIONER JAMISON: So moved.

CHAIRMAN KOHN: Thank you. I was beginning to worry.

Is there a second?

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 No. 16-047.

CHAIRMAN KOHN: Do you want to move on to 048, Master Sergeant?

MASTER SERGEANT DAVIDSON: Yes, sir.

The second company is BMM North America, Incorporated doing business as BMM Testlabs, which you will find under Tab M.

BMM has been continuously licensed by the Missouri Gaming Commission as a supplier since September 29, 2010. BMM's international headquarters is located in Las Vegas, Nevada.

BMM is an independent testing laboratory company which tests gaming products for manufacturers,
distributors and gaming regulators to ensure that they
are performing as required and within the regulations
for the jurisdictions for which they are intended.

The company provides certification reports to
gaming regulatory agencies within gaming jurisdictions
for which the testing was performed. BMM also provides
specialized training for gaming regulators.

CHAIRMAN KOHN: Any questions?

COMMISSIONER JAMISON: I do.

Under the assessment that we did of them
earlier and we had some questions --

MASTER SERGEANT DAVIDSON: Yes, sir.

COMMISSIONER JAMISON: -- and I see that they
said that they are committed to correcting those
questions.

MASTER SERGEANT DAVIDSON: Yes, sir.

COMMISSIONER JAMISON: But if we license them
and they don't correct those questions -- because I'm
assuming by the way this is written they have not
corrected them as of the time of the writing of this
report?

MASTER SERGEANT DAVIDSON: That is my
understanding.

COMMISSIONER JAMISON: Okay. So if we
approve them as a licensee but they don't do those
corrections, do we have recourse?

MASTER SERGEANT DAVIDSON: I would ask Todd to speak on that, please.

MR. NELSON: Good morning again.

CHAIRMAN KOHN: Would you identify yourself for the record?

MR. NELSON: Todd Nelson, Gaming Enforcement Manager, Missouri Gaming Commission.

So we do have a meeting scheduled with them on December 16th to review these. If they do not make those modifications that we requested and they've agreed to, then we will write a gaming incident report, and we will submit that to our discipline review board and we'll take action and we'll come up through that particular chain.

COMMISSIONER JAMISON: We're going to issue them a license based on the fact that we know that they're delinquent or deficient in that area and then we're going to turn around and write a disciplinary report. Why wouldn't we delay the issuance of the license?

MR. NELSON: That's completely up to you guys.

COMMISSIONER LOMBARDO: Why is the meeting set on December 16th and not earlier?
MR. NELSON: Because the modifications they're going to have to make, they scoped it out and they said that they could have it completed by December 1st, so we set the meeting for December 16th.

COMMISSIONER JAMISON: So I guess the question would be is two months of them having a license prior to those, what is the downside of them being able to be a licensee prior to them correcting these issues?

MR. NELSON: We know that -- we know they're deficient on a couple times. In my opinion I do not feel they're absolutely critical to what they're doing at that organization.

One has to do with, like, some backups and tapes, and they're restructuring how they're handling their backups and tapes. Another one has to do with a repository, where they keep all of the software for the slot machines. They're reconstructing that so it's better segregated from their staff.

So I didn't view them as things that would create a licensure issue if you will.

CHAIRMAN KOHN: Is there a downside in waiting until after December 16?

MR. NELSON: I personally do not have any concerns.

COMMISSIONER JAMISON: You don't have any
concerns issuing the license before the 16th or you
don't have any concerns if we didn't issue the license
before the 16th?

MR. NELSON: I have no concerns with you
issuing the license.

COMMISSIONER JAMISON: Okay.

CHAIRMAN KOHN: Today or after the 16th?

MR. NELSON: Today.

CHAIRMAN KOHN: Today.

Mr. Seibert, do you have a recommendation on
this?

EXECUTIVE DIRECTOR SEIBERT: Staff recommends
approval.

CHAIRMAN KOHN: To issue it today?

EXECUTIVE DIRECTOR SEIBERT: Yes, sir.

CHAIRMAN KOHN: Okay. Any further
discussions or questions?

I can't remember if we had this motion before
us.

MS. FRANKS: We did not.

CHAIRMAN KOHN: Is there a motion to approve 16-048?

COMMISSIONER LOMBARDO: I'll move to approve 16-048.

CHAIRMAN KOHN: Is there a second?
COMMISSIONER HALE: I'll 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 No. 16-048.
CHAIRMAN KOHN: Okay. Mr. Seibert, who is doing 049?
EXECUTIVE DIRECTOR SEIBERT: Level I and key applicants will be presented by Sergeant Brian Holcomb.
CHAIRMAN KOHN: Okay. Sergeant.
After this we'll go back and pick up the Tanya Nichols' matter.
SERGEANT HOLCOMB: Good morning,
Mr. Chairman, Commissioners.
CHAIRMAN/COMMISSIONERS: Good morning.

SERGEANT HOLCOMB: Missouri State Highway Patrol investigators and Missouri Gaming Commission financial investigators conduct comprehensive background investigations on key and Level I applicants.

These investigations include civil, criminal, financial and general character inquiries which are made in the jurisdictions where the applicants live, work and frequent.

Investigations were completed for the following individuals: John J. Connelly, Chief Executive Officer, Interblock USA, L.C.; Michael Allan Hart, Senior Vice-President of Accounting, Treasurer and Assistant Secretary for Isle of Capri Casinos, Incorporated; Jeffrey Robert Solomon, Chief Operating Officer for Affinity Gaming.

Investigative results were provided to the Gaming Commission staff for their review, and these individuals are being presented for your consideration.

CHAIRMAN KOHN: Any questions?

COMMISSIONER JAMISON: No, sir.

COMMISSIONER NEER: No.

COMMISSIONER LOMBARDO: No.

CHAIRMAN KOHN: Can we vote on these together or individually?
EXECUTIVE DIRECTOR SEIBERT: Yes.

CHAIRMAN KOHN: I'm going to recuse myself on the Isle of Capri person. So, Angie, if you would show that, then with that we'll go ahead and vote on all three.

COMMISSIONER JAMISON: I move for the adoption of Resolution 16-049.

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 with that one exception.

MS. FRANKS: By your vote you've adopted Resolution No. 16-049.

CHAIRMAN KOHN: Okay. Mr. Steib, I think we're ready to go back to Tab C.
COMMISSIONER LOMBardo: Chairman, I'm going to recuse myself on this one.

MR. STEIB: May it please the Commission.

This is the matter of Tanya Nichols.

Ms. Nichols occupied the position of accounts receivable or accounts payable coordinator at Argosy Casino. Ms. Nichols had or has a gambling problem. The answer to that remains in the future.

This situation occurred because a jackpot had been won in September of 2015 and it was unclaimed. Going back to 2006 and through 2015 Ms. Nichols had voluntarily placed herself on a disassociated person's list.

So we have an employee of the casino who was gambling.

There was a voluntary Stipulation of Facts agreed to by counsel for the Gaming Commission and by Ms. Nichols' counsel that was admitted into the record, and it establishes, along with other testimony, by a preponderance of the evidence that Ms. Nichols did not bear the burden of proof showing that she should not be disciplined and, hence, she should be disciplined in this matter.

This situation affords me the opportunity to point out a couple of things to the Commission. No. 1,
you will see that there is a difference between what the
staff recommended and what the hearing officer
recommended.

That occurs for two reasons on occasion. No. 1, the hearing officer has an opportunity to listen
to witnesses. The staff does not have that opportunity. So sometimes the hearing officer has more information
than does the staff, including the ability to make a
judgment regarding the credibility of those witnesses.

The other important factor that the Commission should observe is that once the staff makes a
recommendation there is to be an independent
recommendation by the hearing officer.

That is a good, healthy, necessary check and balance in the system. And beyond that there is a check
and balance twixt to what the hearing officer recommends and what the Commission may adopt. So that's a good
thing in the procedure. I point that out because that happens sometimes.

The other thing that I'd like to point out is that the roll of the hearing officer is to attempt to
establish some balance twixt the protection of the citizens of the state of Missouri by adherence to the
statutes and to the regulations but on the other hand balancing the interest of employees.
These are grave situations in that they frequently involve whether the employee has an opportunity to incur a livelihood or make a livelihood. So I point out why those differences occur and what I believe the Commission should see when there is a balancing act here.

In this situation Ms. Nichols was represented by counsel. There was a Stipulation of Fact entered into the record.

It is the opinion of the hearing officer that Ms. Nichols should be disciplined. The issue becomes what is the appropriate sanctions, and that harkens back to what is this balancing act that should occur between the protection of the citizens of the state of Missouri and their interest and the grave situation of the part of a livelihood.

Sometimes there is a modicum of compassion that is to be clothed in these situations, not always but sometimes, and when appropriate I try to point that out to the Commission.

So what is the appropriate sanction in this matter?

I point out to the Commission that there has been good cooperation twixt the Respondent in this matter; the Stipulation of Fact voluntarily entered.
Ms. Nichols voluntarily placed herself on the disassociated person's list. She also admitted for the record that she attempted to deal with this gambling situation on her own, was unable to do so, and hence entered voluntarily into -- voluntarily into counseling, weekly counseling, which she is undergoing.

So I've attempted to examine the letter and spirit of the law, the statutes and the regulations and hence balance this interest of Ms. Nichols also in this grave situation.

In short and to quote a colloquialism Ms. Nichols has met the enemy and they are her. She recognizes this problem. She has attempted to deal with the problem.

That resulted in a recommendation that I am making to the Commission that Ms. Nichols' license be suspended for one year to afford her the opportunity to remedy her personal situation through counseling, and if so, after that year she may come back as an employee.

If, in fact, she does not do that successfully, I believe that the interests of the citizens of the state of Missouri would be observed also.

So that's the recommendation of the hearing officer, that Ms. Nichols' license be suspended for one
CHAIRMAN KOHN: Okay. And I understand that Ms. Nichols and/or her counsel is here and we'll hear from them, but let me ask you first: What is the -- and I've read all of this but I'd like to hear it from you. What is the specific thing that she did that she's being suspended for?

MR. STEIB: Well, the specific thing which the hearing officer paid attention to, or I paid attention to, was after she made this admission of interest, admitted that she had done something wrong, she then admitted that she was unable to take care of this problem on her own, retained counsel to help her get through this and then more importantly voluntarily entered herself in weekly counseling to address this problem.

CHAIRMAN KOHN: Okay. I'm not sure you answered my question.

MR. STEIB: Okay.

CHAIRMAN KOHN: Specifically what was the act that she committed that is causing her to be suspended?

MR. STEIN: The act that she committed, she was on a disassociated person's list and she then went in and gambled on the floor.

The way that was ascertained was she won a
jackpot but didn't claim it. When someone is on a
disassociated person's list, they're found on the
gambling floor, they're arrested for trespass,
disassociated person's list.

So she was arrested for trespass because she
was gambling, having been placed on the disassociated
person's list.

CHAIRMAN KOHN: So the specific act was
gambling after she's on the list?

COMMISSIONER JAMISON: But the violation is
trespass.

MR. STEIB: Yes.

COMMISSIONER JAMISON: And this would go
to -- nonlicensees would be the exact same thing that
would happen to a nonlicensee who was on the DAP list
and was found on the floor.

CHAIRMAN KOHN: Okay.

MR. STEIB: Correct.

CHAIRMAN KOHN: Any questions of Mr. Steib
before we hear from --

COMMISSIONER JAMISON: I do.

I read your Final Order and it reads a little
different than what I'm hearing you say, and I just want
to make sure I understand what you're saying when you
said that your recommendation is she be suspended for a
year to afford her the opportunity to complete
counseling?

MR. STEIB: Correct.

COMMISSIONER JAMISON: And I thought I heard
you state that at which time her license would be
reinstated if she successfully completed that.

In your Order you say if she -- it gives her
an opportunity to successfully complete, after which she
may apply for rescission of her suspension, which to me
those are two different things.

One would be a we're suspending you if you
complete treatment; you're going to be reinstated.
Another is you've been suspended, you complete
treatment, you come back and present the facts to the
Commission and they'll consider a rescission of your
suspension.

So I'm kind of trying to get what you're
saying.

MR. STEIB: I understand.

What I'm saying is that I believe she should
be afforded the opportunity to correct the situation but
she will not be granted an automatic relicensure. She
will have to come back and demonstrate that she has
successfully completed a counseling program or present
evidence which would lead the staff or the hearing
officer to believe that she has taken care of this problem which she has.

COMMISSIONER JAMISON: Okay. There was just a little bit of -- you know, I just wanted to clarify.

MR. STEIB: I understand the confusion.

CHAIRMAN KOHN: Other questions of Mr. Steib?

COMMISSIONER HALE: Very briefly, Mr. Chairman.

Sir, she placed herself on that DAP list, right, originally I believe in 2006?

MR. STEIB: In 2006 and through 2015 she was still on the list.

This situation occurred on September 15, 2015.

COMMISSIONER HALE: Okay. But she placed herself on the DAP list?

MR. STEIB: Yes.

COMMISSIONER HALE: Was it your view after the submission of stipulation but also interaction with her and her counsel that this was simply an instance where someone who is on the DAP list, voluntarily placed herself there, couldn't control herself?

MR. STEIB: Based on her testimony I believe that's the case, and based on her testimony I believe that counseling may or may not correct that.
That's why I opened my statement by saying she has or had -- has or had a gambling problem. It will be up to her to demonstrate that she had a gambling problem. If she cannot do that and she still has a gambling problem, if fact, she should be disciplined.

COMMISSIONER HALE: I got you. Thank you very much, sir.

CHAIRMAN KOHN: You may or may not know this, but is the type of treatment that is being recommended for her, is that generally a one-year-long-type treatment or is that unusually long or should it be longer?

MR. STEIB: That's a professional counseling question that I'm not in a position to answer. I don't know.

I did reach the conclusion that if this problem had not been corrected in one year, it probably was not going to be corrected, but that's a lay psychologist answer to your question.

CHAIRMAN KOHN: Any other questions of Mr. Steib?

And we may have questions for you afterwards after we hear from Ms. Nichols or her counsel.

Okay. Is Ms. Nichols here?

MR. O'BRIEN: No, she's not, Your Honor. I'm
here for her.

CHAIRMAN KOHN: Okay.

MR. O'BRIEN: My name is Kevin O'Brien.

CHAIRMAN KOHN: All right. Do you want to step forward.

Do you want to go ahead and introduce yourself for the record.

MR. O'BRIEN: My name is Kevin O'Brien. I'm an attorney in Columbia. I represented Ms. Nichols in this action at the hearing.

She actually has changed jobs, is no longer in the gaming industry. She asked me to appear for her at this hearing so she could request a different specific remedy from the Commission.

CHAIRMAN KOHN: Okay. We're ready to hear from you.

MR. O'BRIEN: Ms. Nichols -- I agree with Mr. Steib's recitation of the facts in this case.

Ms. Nichols worked in the gaming industry for a number of years and had a gambling problem that had developed in her life while she was working in the gaming industry, and I think the record reflects this.

She continued on with her education and got an accounting degree, and in the midst of trying to pass her CPA exam and having some family strife, the stresses
of those activities kind of caused her to relapse into
some problem gambling behavior.

It's true she had placed herself on the DAP
list voluntarily and she violated that. We admitted
that in the hearing and certainly agree to that.

We would note, and I think it's clear in the
record, she has no other violations of her license and
she did voluntarily on her own seek out counseling in
this matter.

Now, as I said, she has changed careers.
She's no longer in the gaming industry, so, I mean,
effectively this is somewhat of a moot question.

However, Ms. Nichols has asked me to ask the
Commission to consider allowing her license to simply
lapse in December -- it's my understanding speaking to
her that her license would no longer be active as of
December 27th -- rather than disciplining her in this
case, and that's our request.

CHAIRMAN KOHN: Do you know if she's -- is
she going to undergo treatment even though she's changed
jobs?

MR. O'BRIEN: I believe she still continues
in counseling, you know. Now that she's changed jobs
and she's no longer in the industry, I believe she
thinks that's more important than actually it was
before, because there is nothing really professionally 
that would limit her from going into a casino and 
gambling, and I don't think that's something that she 
wants to do.

CHAIRMAN KOHN: Carolyn, do you have 
something to add?

MS. KERR: I do, if I might.

CHAIRMAN KOHN: Thank you.

MR. O'BRIEN: Thank you, sir.

CHAIRMAN KOHN: I'm not sure that -- we may 
or may not have questions of you.

MR. O'BRIEN: Certainly.

CHAIRMAN KOHN: Don't go away.

MS. KERR: Thank you.

The staff stands by the recommendation that 
Ms. Nichols' Level II occupational license be revoked.

First, revocation is consistent with what 
we've done in the past in similar cases when we've had a 
licensee that is on the DAP list that wins a jackpot or 
is found on the gaming floor gambling.

Another reason, and probably more important, 
is that as a licensee, she's had a license since 2005, 
she's been on the DAP list since 2006.

Ms. Nichols knew and should have known that 
it was not only against gaming regulations but also
against the law to be a DAP and be on the gaming floor, let alone win and attempt to cash a jackpot.

Being on the casino floor while on the DAP list is a crime. She admitted as much at the hearing. She knew it was wrong and admitted leaving the casino without claiming the jackpot because she, quote, knew she wasn't supposed to be in there in the first place. She knew that not only was it against gaming regulations but it was also unlawful. It's a crime for her to be on the boat, to gamble and to attempt to claim the jackpot while she was on the disassociated person's list.

For those reasons we recommend that her license be revoked.

I also wanted to touch on her attorney's recommendation that her license just lapse, be allowed to lapse. I believe her license expires at the end of December 2016.

But we would ask that her license still be revoked, because in the event that she comes -- decides to be licensed sometime in the future, if we allow her license just to lapse, just to expire, this discipline would not be on the record that she had her license disciplined for not only violating gaming rules but also violate-- committing a crime.
And so we would ask that the license be revoked.

COMMISSIONER NEER: If she would reapply, the arrest would be on the record?

MS. KERR: The arrest would be on the record if she --

COMMISSIONER NEER: Would probably prevent her from being licensed.

MS. KERR: Well, it might. I do not find anything on CaseNet that she's been charged or anything happened to that arrest. Just being arrested may or may not prevent her from --

COMMISSIONER HALE: But if we adopted the hearing officer's recommendation that she be suspended for a year, and as I understand it, then be permitted to seek reinstatement or renewal, whatever the case may be, of her license, then there is a record of some disciplinary action having been taken against her which may well result in conceivably no license issued.

But the other thing is, as her attorney points out, she's in another industry now. I assume from that the likelihood that she probably will not seek relicensure because of the change in career.

COMMISSIONER NEER: Could I ask a question?

What field is Ms. Nichols in at this point?
MR. O'BRIEN: Accounting. She's an accountant.

COMMISSIONER NEER: So obviously would not want a revocation on her work history if she wanted to go into bigger and better things later on?

MR. O'BRIEN: Yes.

COMMISSIONER JAMISON: But back to Larry's question. The difference between if we did suspend it and then the license expires, what's -- that gives her the ability to come back and apply for a license but a revocation does not. Is that --

MS. KERR: Well, I guess she could reapply either way.

COMMISSIONER JAMISON: Even if your license is revoked, you can reapply?

MS. KERR: You could reapply. Now, I would assume that if you revoked her license in the past, we're probably not going to give her a new license.

COMMISSIONER JAMISON: So the difference would be a suspension would give her the ability somewhere to come back and apply at a future date with the determination if you want to reissue?

CHAIRMAN KOHN: If I understand it, she can apply either way.

COMMISSIONER JAMISON: Right, yeah, but with
a revocation sitting on there it's a much different deal
than if there's a suspension on there.

MS. KERR: We would still look at this and
still consider the fact --

COMMISSIONER JAMISON: The circumstances of
the event.

MS. KERR: -- that she committed a crime.
And the other cases that we've had where a
licensee was a DAP and found on the floor either
gambling or attempting to cash in a jackpot, we have
consistently revoked those individual's license. There
hasn't been a case where we did something different for
one person as opposed to another.

Any other questions?

COMMISSIONER JAMISON: No, sir.

CHAIRMAN KOHN: I assume there is no halfway
measure between revoking and letting it run out?

COMMISSIONER JAMISON: Suspension.

MS. KERR: Our recommendation is to revoke
the license.

COMMISSIONER JAMISON: But I think suspension
would be a halfway between revocation --

MS. KERR: But what the Commission decides to
do --

CHAIRMAN KOHN: How would that impact her
reapplication? Would suspension serve her any better than a revocation?

COMMISSIONER JAMISON: Well, I would say that it would because you would view it that you didn't permanently revoke someone's license. You took a lesser punishment and suspended them for a year.

That's much different than if you -- to me. And my view would be if I revoke someone's license, that would be a revocation based on I didn't want that person to have a license, and a suspension would be I didn't want that person to have a license for a period of time.

MS. KERR: Right. I mean, her application would be reviewed again at that point and whether the staff might --

CHAIRMAN KOHN: So is there a motion?

COMMISSIONER NEER: This is all assuming she would even reapply.

MS. KERR: Correct.

COMMISSIONER HALE: Correct.

CHAIRMAN KOHN: Which we don't know. So is there a motion to either approve staff's recommendation of revocation or a motion to approve a suspension of the license?

COMMISSIONER HALE: Mr. Chairman, I move that we approve a suspension of her license consistent with
the recommendation of the hearing officer.

CHAIRMAN KOHN: Is there a second?

Is there another motion?

COMMISSIONER NEER: I would make a motion that we allow the license to lapse.

CHAIRMAN KOHN: Is there a second to that motion?

COMMISSIONER JAMISON: Let's try No. 3. I move we revoke the license.

CHAIRMAN KOHN: Is there a second to that motion?

COMMISSIONER JAMISON: If we don't vote on one of these, then we're going to let it lapse.

CHAIRMAN KOHN: Okay. I've got another idea, because I think we're all dealing with the same sort of angst about the right thing to do, and we want to do the right thing.

Mr. Seibert, is there anything wrong in our putting this off and voting again at the next meeting? We'd have some time to think about it.

MR. STEIB: That's certainly possible.

COMMISSIONER JAMISON: I'll defer my motion and let Larry make his again.

MR. STEIB: That's certainly possible, Mr. Chairman. However, I do point out and I hearken
back to what I deem my role, and that is a balancing act
twixt protection of the citizens of the state of
Missouri and Ms. Nichols.

And I deemed the suspension as a middle
ground, protecting both the citizens and giving some
protection, some compassion to Ms. Nichols.

And so when you ask is there a middle ground,
my recommendation I believe is a middle ground.

I believe there is a significant difference
between having the license pulled and a suspension. And
if she successfully completes the counseling, et cetera,
that's not nearly as bad as having a license taken away
from her.

So I deem the suspension recommendation as a
middle ground and a protection of both interests in this
situation.

CHAIRMAN KOHN: Are the people of Missouri
injured in any way by our delaying this for a month?

MR. STEIB: I do not believe that they are,
and if that's the option of the Commission, certainly we
can do that. I don't know what additional information
we will have. I can certainly conduct another hearing
if you'd like, but I don't know what --

CHAIRMAN KOHN: No, I don't think that's
necessary. We're going to go for strike four here.
COMMISSIONER JAMISON: I move that we suspend her license for a period of two years.

COMMISSIONER HALE: Let me ask --

CHAIRMAN KOHN: The Chair is going to make a ruling. We're going to put this off for a month. Thank you very much.

COMMISSIONER NEER: And I second that.

Is that a motion?

CHAIRMAN KOHN: No. That's just a ruling.

Mr. Seibert, any further business to come before the open session?

MR. STEIB: I believe not, sir.

CHAIRMAN KOHN: Thank you very much.

MR. O'BRIEN: Thank you.

EXECUTIVE DIRECTOR SEIBERT: That concludes our business.

CHAIRMAN KOHN: Is there a motion to adjourn?

COMMISSIONER HALE: Move to adjourn to closed session.

COMMISSIONER JAMISON: Motion for a closed meeting under Sections 313.847, Revised Missouri Statutes, investigatory, proprietary and application records, and 610.021, Subparagraph 1, Revised Missouri Statutes, legal actions, Subparagraph 3 and Subparagraph 13, personnel, and Subparagraph 14 records
protected from disclosure by law.

CHAIRMAN KOHN: Is there a second?

COMMISSIONER LOMBARDO: 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.

WHEREIN, the meeting concluded at 11:39 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 back into open session at approximately 12:25 p.m. on September 28, 2016, at the Missouri Gaming Commission’s Jefferson City office.

Commissioner Jamison moved to adjourn the open session. 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 was unanimously approved.

The meeting ended at 12:26 p.m.