BEFORE THE MISSOURI GAMING COMMISSION

Meeting
January 11, 2017
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

Reported by:
Patricia A. Stewart, CCR 401
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AGENDA

I. Call to Order 4:3

II. Consideration of Minutes

A. December 7, 2016 4:21

III. Consideration of Hearing Officer Recommendation

B. Susan Frkovic
   1. Resolution No. 17-001 7:13

IV. Consideration of Relicensure of Class A & B Licensees

Affinity Gaming, LLC (Class A)
St. Jo Frontier Casino (Class B)
Mark Twain Casino (Class B)

Presentation by Applicant 12:6
Presentation by City of St. Joseph 36:15
Presentation by City of LaGrange 52:4
Public Comment 57:2
Investigative Summary 57:13
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Staff Recommendation 59:20

C. Resolution No. 17-002 60:1
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E. Resolution No. 17-004 61:10

V. Consideration of Disciplinary Actions

D. Tropicana St. Louis, LLC
   1. DC-17-00 162:5

VI. Consideration of Placement on the Exclusion List

G. Bob J. Young
   1. Resolution No. 17-005 67:11

VII. Consideration of Settlement Agreement

H. Tropicana St. Louis, LLC
   1. Resolution No. 17-006 69:17
I. Jacqueline E. Woody
   1. Resolution No. 17-007 69:17
VI. Consideration of Rules and Regulations

J. Proposed Amendments

1. 11 CSR 45-6.010 - Safety and Environment
2. 11 CSR 45-6.020 - Safety Standards
3. 11 CSR 45-6.025 - Safety Inspections
4. 11 CSR 45-6.030 - Firearms on the Riverboat
5. 11 CSR 45-6.050 - Limited License

K. Proposed Rescission

1. 11 CSR 45-6.060 - Excursions During Inclement Weather or Mechanical Difficulties

L. Final Orders of Rulemaking

1. 11 CSR 45-4.020 - Licenses, Restrictions on Licenses, Licensing Authority of the Executive Director, and Other Definitions
2. 11 CSR 45-5.053 - Policies
3. 11 CSR 45-9.120 - Minimum Internal Control Standards (MICS) - Chapter T - Tips

IX. Consideration of Relicensure of Certain Supplier

M. Konami Gaming, Incorporated
1. Resolution No. 17-008

X. Consideration of Licensure of Level I/Key Applicants

N. Resolution No. 17-009
XI. Consideration of Petition for Change of Control

O. Scientific Games Corporations and DEQ Systems Corp.

1. Resolution No. 17-010

XII. Motion for Closed Meeting under Sections 313.847, RSMo., Investigatory, Proprietary and Application Records and 610.021(1), RSMo, Legal Actions, (3) & (13) Personnel and (14) Records Protected from Disclosure by Law
(Start time: 10:00 a.m.)

PROCEEDINGS

CHAIRMAN KOHN: Good morning everybody. We are ready -- well, we're past ready. We're four minutes late -- to call the meeting of the Missouri Gaming Commission of January 11 to order.

Angie, please take the roll.

MS. FRANKS: Commissioner Lombardo.

(No response.)

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 even though we're missing our friend Commissioner Lombardo today. We're ready to proceed with the meeting.

The first item of business will be the Consideration of Minutes of the meeting we held on December 7th.

Is there a motion to approve?

COMMISSIONER HALE: So moved.
COMMISSIONER NEER: Second.

CHAIRMAN KOHN: Angie, please call the roll.

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 December 7, 2016 meeting.

CHAIRMAN KOHN: We have a special presentation to be made this morning, and I believe we're ready for that.

EXECUTIVE DIRECTOR SEIBERT: Yes. I'll ask Deputy Director Tim McGrail to make the presentation to Deb McDaniel, please, if she'll come forward.

MR. MCGRAIL: One of the initiatives that Executive Director Seibert started when he took over in the position was recognizing the good work that the employees do here at the Missouri Gaming Commission.

They do a lot of long hours. And there is always a lot of things that are going on as you can see from the agenda, so it stays very active around here.
One of the first people that you see whenever you come in is Deb. She always has a smile on her face and she's always willing to help and assist. But the good thing is she's been here for 15 years. It seems like only yesterday from what they said.

But again, she's done a lot of good work. She's always had an upbeat and positive attitude here. So again, we want to recognize her, 15 years of service with the Missouri Gaming Commission.

So I'll read the certificate of appreciation. Presented to Deb McDaniel, recognition of the 15 years of dedicated service with the Missouri Gaming Commission. Congratulations on reaching this significant milestone in your career. Your effort and dedication play a tremendous part in our success and we appreciate your commitment. Thank you for your years of dedicated service. From William K. Seibert, Executive Director.

CHAIRMAN KOHN: On behalf of the Commission we certainly want to add not only our appreciation but our gratitude for the excellent work that you do, and the smile I'm seeing on your face now is the smile that we see when we open the door to the Missouri Gaming Commission, and we love seeing that, so I hope you're with us for many years to come.
MS. MCDANIEL: Thank you very much. I appreciate it.

CHAIRMAN KOHN: One note that I will make now is that we're going to be removing from the agenda all matters dealing with Roman Numeral VIII, and I will have further explanation as to why and how that came about when we get to Roman Numeral VIII.

We'll begin the agenda with Mr. Seibert.

EXECUTIVE DIRECTOR SEIBERT: The first order of business is Consideration of Hearing Officer Recommendations. Mr. Bryan Wolford will present.

CHAIRMAN KOHN: Good morning, Mr. Wolford.

MR. WOLFORD: Good morning, Mr. Chairman, Commissioners.

For your consideration, Resolution No. 17-001, the matter of Susan Frkovic. Ms. Frkovic is a Level II license holder, and the relevant date of the incident is January 24th, 2016 and January 25th, 2016.

At that time Ms. Frkovic was employed as a dealer onboard the Hollywood Casino in St. Louis, Missouri. She had a shift that day in which she did serve and worked the entirety of her shift.

On the 25th, the following day, the Commission became aware of a possible theft of poker chips that occurred during Ms. Frkovic's shift. In
fact, Ms. Frkovic had self-reported that she had two $1,000 poker chips in her pocket. Again, this is on the 25th following her shift.

The Commission conducted an investigation and found that Ms. Frkovic was working at her table towards the end of her shift. She started with her hand touching and shuffling the purple $1,000 chips and that occurred for a period of approximately 16 minutes.

Following that she took two of the chips, placed them in her pocket and finished her shift. She cleared the table and she left.

Ms. Frkovic testified at the hearing that she suffers from COPD, chronic obstructive pulmonary disorder, and that she was having a flare-up that day and that because of her illness she did not realize that she had pocketed the chips.

And she did contact the Commission much later after having discovered these in her pocket. In fact, she talked to her daughter first --

CHAIRMAN KOHN: I'm sorry. You said she contacted the Commission?

MR. WOLFORD: After, on the following day.

Yes, she did self-report this incident.

CHAIRMAN KOHN: To who?

COMMISSIONER JAMISON: To the agent.
MR. WOLFORD: To the agent on the boat.

CHAIRMAN KOHN: To the agent?

MR. WOLFORD: Correct.

CHAIRMAN KOHN: I thought you meant the Commission.

MR. WOLFORD: No. The agent. Sorry. When I say Commission, I generally refer to whoever the agent is or the investigator is on the cases.

CHAIRMAN KOHN: Okay.

MR. WOLFORD: So she self-reported, testified that her illness caused her to black out on that final part of her shift and she didn't realize what was going on.

The boat agent testified that he did not observe any signs of distress in the surveillance video that he watched of Ms. Frkovic. She seemed purposeful in touching the chips when she had no reason to. Nobody was placing thousand dollar bets, and she seemed purposeful putting them into her pocket.

And under the Revised Statutes of Missouri a theft is defined as the taking of the property of another with the intent to deprive them of that property.

That intent is at the time you do the taking.
So even if I take the chips and a day later I have a flash of conscious and decide, oh, okay, that was wrong, the intent is at the time that the taking occurred. Specifically the hearing officer did not find her testimony that she medically blacked out to be credible; therefore, the hearing officer does recommend the revocation as just and appropriate discipline in this matter.

I'd be happy to answer any questions.

COMMISSIONER JAMISON: I have a question.

CHAIRMAN KOHN: All right.

COMMISSIONER JAMISON: I believe in the hearing you were presented with a copy of the surveillance tape or surveillance video, were you?

MR. WOLFORD: Correct.

COMMISSIONER JAMISON: Did you review it too?

MR. WOLFORD: I did.

COMMISSIONER JAMISON: Okay. I just wanted to make sure that you reviewed it personally.

MR. WOLFORD: There were no obvious signs of what one would assume a medical distress, particularly with COPD. It causes shortness of breath. And there was no trouble with her dealing, no trouble with her movements, nothing that would indicate obvious distress.

COMMISSIONER JAMISON: Okay. I just wanted
to ask if you had reviewed it as part of the evidentiary process.

MR. WOLFORD: Correct.

COMMISSIONER JAMISON: Thanks.

CHAIRMAN KOHN: Any other questions?

COMMISSIONER HALE: I have none.

CHAIRMAN KOHN: Is Ms. Frkovic here or her representative?

(No response.)

CHAIRMAN KOHN: Okay. Is there a motion with regard to Resolution 17-001?

COMMISSIONER JAMISON: I so move.

COMMISSIONER HALE: Second.

CHAIRMAN KOHN: Discussion on the motion?

Angie.

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. 17-001.
CHAIRMAN KOHN: The next order of business is
Consideration of Relicensure of Class A and B licensees.
I would like to introduce Mr. Michael Silberling, CEO of
Affinity Gaming, if he would introduce the rest of his
staff.

MR. RUBINSTEIN: Mr. Chairman, members of the
Commission. Actually it's Marc Rubinstein, the General
Counsel of Affinity Gaming. I wanted to kind of get up
here and introduce our presentation.

We're going to talk about Affinity Gaming,
your Class A license first, and Mike Silberling, our
Chief Executive Officer, will make that presentation,
followed by Jim Simms, who is our General Manager at the
St. Jo Frontier. He will talk about the Class B license
there.

Then we'll have representatives of the City
of St. Jo and Buchanan County following that. Then last
we will have Gerry Smriga, our General Manager from the
Mark Twain Casino, present for that property, followed
by representatives of LaGrange, Missouri.

Before we go on I just want to say thank you
to MGC staff, in particular Master Sergeant Gary
Davidson, for their assistance during the investigation.
And lastly I also want to introduce
Martin Auerbach from ZCapital, which you
approved last month to take over 100 percent ownership of our company. He's here in the audience today to support this application.

So without further ado, here is Mike Silberling, our CEO.

CHAIRMAN KOHN: Before you step down, what is your estimate on the length of time for each of the presentations?

MR. RUBINSTEIN: We anticipate being within the 15-minute guidelines that --

CHAIRMAN KOHN: On each?

MR. RUBINSTEIN: On each, yes. We'll be well within that timeframe.

CHAIRMAN KOHN: Okay. We'll be watching.

MR. SILBERLING: Michael Silberling, CEO of Affinity Gaming, and I am happy to take guidance as to how long you want me to speak, happy to go sooner if you would like.

Affinity Gaming is headquartered in Las Vegas, Nevada. We have eleven casinos at seven locations in four different states, two in Missouri, one in Iowa, three in Colorado, four in Southern Nevada, one in Northern Nevada.

I would characterize us as a mid-size regional operator with 5,700 slot machines, 124 table
games, 288,000 square feet of gaming space, 2,500 hotel rooms and just below 3,000 employees.

Here we go.

Several chapters in the history of Affinity Gaming, certainly in the Midwest. Started -- I've only heard him referred to as Mr. Grace.

Mr. Grace originally was the owner of the two Missouri and Iowa properties sold in 2005 to Herbst Gaming, Terribles Gaming, not great timing with the global financial crisis. They declared bankruptcy in 2008, emerged from bankruptcy in 2010, 2011 as Affinity Gaming.

I joined the organization concurrent with ZCapital, joining the board in 2014. This is my second tour of duty in this part of the world. In a previous life I was President of Midwest operations for Harrah's Entertainment, at which point I had Harrah's St. Louis and Harrah's Kansas City under my purview at that point in time.

Over the last several years we have improved the financial performance of the company, which is nice. As the cash flow has improved, we have been more able to invest in capital and upgrading our properties across the United States, certainly including Missouri, as we put in new restaurants, new slot systems, a number of
new slot machines and a variety of other improvements to the properties as well.

I believe it was December 7th that you approved ZCapital's imminent ownership, 100 percent ownership, of the entire business. We hope to close on January 31st on that. We have regulatory approval in Iowa, Colorado, Missouri, thank you, and I'll be in front of the Nevada Gaming Board tomorrow morning in Las Vegas.

And with approval from the Gaming Board and the Gaming Commission, having received shareholder approval, having approved financing, having approval from the SEC, we will then close at the end of the month.

Operations. Companywide investment in excess of 20 million on capital expenditures in 2016 on a variety of items. Significant hotel upgrade on the border of Nevada in California at Whiskey Pete's, as well as the aforementioned new restaurant, Mark Twain, slot system, slot machines, et cetera.

Through the first nine months of 2016 we grew publicly reported EBITDA by 9.2 percent, once again, helping improve the cash flow position, which helps us reinvest in our properties.

This is just a little bit more visual
representation of our business in the Midwest, in
St. Jo and LaGrange, Osceola outside of Des Moines,
Black Hawk outside of Denver, one in Las Vegas very near
the airport, on Flamingo and Paradise, three on the
California and Nevada border, where we have Primm
Valley, Whiskey Pete's and Buffalo Bill's.

We have roller coasters and a variety of
amenities in the area, with retail shops and golf
courses, et cetera.

And in Northern Nevada in Sparks, which is
right next to Reno, we have the Rail City Casino as
well.

Property overviews. I think I would be doing
both of us a disservice if I read every row and column
there, but that highlights kind of the size and scope of
our businesses throughout Midwest, Nevada and Colorado.

Leadership. This is true for the next
20 days, but of note is the fact that James Zenni, in
the lower right-hand corner, should the deal go through
will become the Chairman of the Board.

And is Martin the only Board member?

MR. RUBINSTEIN: Initially.

MR. SILBERLING: Initially.

So although the ownership structure of the
business changes, ZCapital is a 40 percent plus owner,
and James Zenni, who sits on the Board, Jim will still be on the Board. The CEO the, CFO, the COO, the CMO, CTO all will remain the same.

So despite a transaction in sale the leadership of the business remains largely entirely unchanged.

CHAIRMAN KOHN: Maybe you said this and I missed it, but will it be public after the transaction?

MR. SILBERLING: It will not be public. We'll take the business private.

Myself at the top, as I said, I have been in this part of the world before in Kansas City and St. Louis with Harrah's talented management team.

Walter Bogumil, our CFO, has been with Disney, he's been with Microsoft, more recently with Penn Gaming.

Jeff Solomon, the COO, had a very senior marketing role with Caesars Entertainment and has had a number of operations jobs.

Vincent Lentini, who has been at Hard Rock and Caesars as well.

So that management team before and after the transaction will remain unchanged.

I will probably stumble if I go through this in great detail.
I believe on December 7th when ZCapital was in front of the Commission asking for approval we went through this, the financing of the deal pre and post in some detail.

I guess the only update I have is in a favorable environment. We have gone back on our debt. We anticipate getting a lower interest rate, so a lower interest rate is good. The financing is still in place. The only change that would happen would be potentially and hopefully a lower interest rate on this deal.

Taxes paid over this period of time are in excess of $75 million when you add up between St. Jo, Frontier and Mark Twain, which is a significant chunk over the several years.

I might go off the slide a little bit and just, you know, when I think about our involvement in the community, it is in employment, it is in capital expenditure, it is in taxes paid and it's in doing business the right way.

And Affinity through its various forms with Terribles and Grace and as we go forward with Z has had a dedicated team of employees at each of the properties. We recently celebrated 15 years at Mark Twain. We took the opportunity to do a bit of a
marketing program with our employees. We put all of our
day-one employees on the billboards in the community,
and there's a significant number of employees that have
been there the entire 15 years.

Our involvement in the community is
significant and growing certainly as an organization.
We're the largest contributor to the Alzheimer's
Association in the state of Nevada, and we're
significant contributors to the Alzheimer's Association
in all of the communities, including Missouri in which
we operate.

We also allow the general managers to
contribute to the local causes that they see of
importance as well.

So we talk about employment. We talk about
capital. We've spent a large amount of money in these
businesses. These are aging facilities.

St. Joseph we opened in 1996 and Mark Twain
15 years ago, so we're starting to see some of the bones
of the business when we're looking at HVAC systems and
roofs.

So as we go forward over the next couple
years, as we approach 15, 20 years on some of these
businesses, we want to make sure that the structural
parts of the business, in addition to the customer
facing -- we've built new restaurants, we buy new slot
machines, we have new slot systems -- we're going to
make sure that the bones of the business are in good
shape as well.

The taxes that we pay are robust amounts.

I have to say one item when going through
this and preparing with Jim and Gerry, I was
disappointed in the MBE/WBE contribution percentage of
spend, and I have challenged both of them to give me
thoughts and ideas on how we are going to improve that
on a go-forward basis, and I believe that during their
presentation that they will be addressing that as well.

So being part of the community with the
employees, with the charitable contributions, keeping
the boat up, having relationships with local vendors is
very important to me. It's very important to Jim and to
Gerry.

It's an honor to be here before you today as
we turn to the new chapter with ZCapital ownership. I
think the transition will be seamless with the existing
management carrying forward and Z having been on the
Board for several years with us. It's a good story. I
look forward to continuing. There's a few items I would
like to improve and we're committed to doing that.

So with that I'm not sure what the protocol
is. Do I open for questions or do we just keep going?

CHAIRMAN KOHN: Why don't we see if Commission members have any questions for you and then we'll have another chance when the individuals come up.

COMMISSIONER HALE: Mr. Silberling, I appreciate your comments relative to the MBE/WBE numbers.

Certainly I am cognizant and I suspect other members of the Commission are likewise cognizant of pretty significant deficiencies in my judgment in the numbers.

I also understand that, as you represented here today, there is an interest in improving those numbers, but I'm one who believes that certainly direction for the company starts at the top and works its way down.

MR. SILBERLING: Certainly.

COMMISSIONER HALE: And you as CEO I'm sure recognize a responsibility as head of your organization to see to it that issues associated with MBE/WBE, as well as others, are addressed at lower levels.

So I guess my question to you, sir, is this has been going on since 2012 or '13 at the latest, and I guess why haven't we addressed it before?

And if you're not the person to answer that
question, then I'll certainly wait for a response from
whoever is.

But these numbers have been bad, particularly
at St. Jo for some time, and I have a concern and I'll
just be frank. I have a serious concern about these
numbers. So can you help me?

MR. SILBERLING: Well, I am the one. The CEO
has accountability for the direction of the business,
and where we stand today is not acceptable to me.

I don't remember the phrase but it's
something along the lines if you do the same things
going forward, you're going to get the same results.

And, you know, the things that we have talked
about on a go-forward basis. We have bought a new
purchasing system, where a purchasing system did not
exist before, and we have now a dedicated purchasing
executive, where a dedicated purchasing executive did
not exist before.

So if I was the head of beverage or the head
of table games or the head of whatever department, I was
doing purchasing in my spare time. We're now going to
have a dedicated person with a dedicated system that
allows some degree of central monitoring as all of the
businesses will be on the same purchasing system.

So I can look in Las Vegas and see where our
purchasing is actually going. And with a dedicated
purchasing system and a purchasing personnel who is not
just doing this in addition to all of their other
duties, one of their primary remits will be to make sure
that we are improving our MBE/WBE numbers.

And I think accountability with one person
and stated goals is going to be much better than having
a number of people doing it in their spare time and
without a centralized purchasing system, you know, me
being able to look at this when someone has put
together, you know, a spreadsheet as a special effort
versus being able to look at it on a daily, if not
ongoing, basis.

There is other things that we're doing as
well. I've challenged the properties to look at the
statewide MBE/WBE list of every vendor that every casino
is using to see if there is an opportunity that we have
to use that vendor at our property as well.

Gerry has talked to me in the past, and I've
asked him to reinvigorate his efforts at looking at a
minority Chamber of Commerce in his community as well,
and we have community representatives visiting us.

There is other initiatives that we have as
well. You know, I challenge the team not to make
excuses.
You know, we are bidding a reasonably expensive HVAC system in LaGrange, and we delayed the bidding process twice in order to find a qualified MBE/WBE candidate to bid for the process.

So I assure you that our efforts are not starting from scratch, but we have spent a lot of time talking about this. I think where we are right now is not acceptable to me.

I'm two years on the job. I should have turned my attention to this. There is a few things going on. This is certainly an important one, and being part of the community and being part of what Missouri wants from its gaming businesses is very important to me, and I am open to suggestions of other initiatives from the Commission as well. We are dedicated to this.

COMMISSIONER HALE: So if representatives from the Gaming Commission who make contact with your Missouri management staff with suggestions and thoughts relative to how your Missouri gaming operations might be able to significantly increase your MBE and WBE numbers, I'm assuming your Missouri people will be open to that and receptive to that and willing to work with the Gaming Commission staff in that regard?

MR. SILBERLING: We welcome and encourage discussion and involvement from Commission staff to
improving our results in this area.

COMMISSIONER HALE: Okay. You mentioned, sir, you know, your willingness and the willingness of your Missouri people to talk to other operators within the state for purposes of identifying qualified women and minority vendors.

I would encourage you in the strongest terms that I might to do that, because I know that there are other vendors -- I'm sorry -- other operators within the state who have been very successful in my mind in achieving MBE and WBE objectives that are impressive. I will encourage your Missouri people to do that.

And so from what you've said, sir, am I safe in assuming that next year when I look, if I'm here, at the 2017 numbers, that those numbers will be significantly improved?

MR. SILBERLING: I am committed to improving those numbers significantly and am open to whether it be in a formal meeting or informally monitoring with Commission staff on a go-forward basis.

COMMISSIONER HALE: Well, thank you, sir. I appreciate your candor and your assistance here. Thank you.

MR. SILBERLING: Thank you very much.

CHAIRMAN KOHN: Let me just add, because this
is a very important topic to us, in my own experience with dealing with governmental units is that when somebody at the top, in this case you, says by date X I want these percentages to be Y, it tends to happen.

MR. SILBERLING: Right.

CHAIRMAN KOHN: And I'm not sure that that isn't the only way you can make this happen.

MR. SILBERLING: Yeah. No. I do think that goals setting carrots and sticks. Bunnies hop where the carrots are.

I'm happy to commit to the Commission if you would like a series of goals and timelines to commit to the Commission.

CHAIRMAN KOHN: I think it would be very good and very helpful, and I think you'll find it to be good for your organization.

MR. SILBERLING: I think I agree with you.

Thank you.

CHAIRMAN KOHN: Okay.

COMMISSIONER JAMISON: I have a question, and this may be better suited for your manager at St. Jo or maybe both of you.

I know that you had done a previous study relocation, and it wasn't feasible at that time. Are there any behind the scenes working or plans of
relocation or is that not a viable enterprise?

I mean, I'm just trying to find out kind of where you're going. We hear rumors of relocation.

MR. SILBERLING: Sure.

COMMISSIONER JAMISON: We hear things like that, so I just thought it would be good to ask you to kind of see where -- you know, I can't have you predict the future, you don't have a crystal ball, but just kind of your perspective on that.

MR. SILBERLING: I think I read in the newspaper one of the local hotel owners talking about a casino relocation, and I asked my general counsel, who is that? And, in fact, we reached out and we've got a meeting scheduled with them.

We have continued to discuss with the St. Jo mayor, counsel, the feasibility of that. To date when we've looked at it the capital costs and the projected revenue and expenses have not been feasible so far.

You know, we've had, you're aware, several years of reasonably flat revenue growth. You know, should the economic situation change, should a partnership with a private enterprise or the City allow us to crunch the numbers in a different way, you know, I assure you if we were starting from scratch with a blank piece of paper, we'd rather be --
COMMISSIONER JAMISON: Sure. No. I understand that. It's kind of like remodeling a house. It's one thing to build a new house. It's another to take an older home and remodel it. You have more in it than you would the other way.

MR. SILBERLING: So I have no secret plan that I am getting close to presenting, but we continue discussions on the topic.

COMMISSIONER JAMISON: Okay. I appreciate that. Thanks.

CHAIRMAN KOHN: Any other questions?

Okay. You want to move ahead.

MR. SILBERLING: All right. Thank you.

Jim Simms.

MR. SIMMS: Thank you, Michael.

Commissioners, good morning.

CHAIRMAN/COMMISSIONERS: Good morning.

MR. SIMMS: My name is Jim Simms. I joined Affinity Gaming seven months ago, having been in the industry for 20 years and worked for several gaming organizations.

I'm proud to be in this position, and I can tell you that Affinity Gaming is an excellent company.

And just to follow up with Michael's commitment. One of the things that is a priority for me
is implementing systems and processes at our property
that endure transition and become part of our
operational, you know, standards moving forward.

So with respect to the points that are
raised, there is more detail that I could add to that,
but what I want to do this morning is take you guys
through some slides just on some information that talks
about the casino business in St. Jo.

First of all, as you can see, we've been a
steady contributor in terms of taxes. Our admission
taxes have exceeded $1 million since 2013 through 2016,
and our gaming taxes are approaching a million dollars
each year.

In terms of payroll we employ over 200 people
in St. Jo. Our payroll is over $5 million, has exceeded
that amount consistently, so we're an important part of
the business community, and we operate a solid,
reputable business which we're proud of.

Since 2013 we've invested over $6.1 million
in our business, most notably in new slot machines, a
new slot system, computer equipment, surveillance
systems, and we've done some things to really upgrade
the infrastructure within the operation.

As we look forward to 2017, we're committing
over $1.6 million in significant capital projects, new
gaming products, to make sure we stay competitive.

We are looking at replacing the entire roof over the boat with a brand new membrane to make sure that our infrastructure is up to speed and up to date. We're looking at expanding our quick-serve restaurant on the boat so that we'll have more product offerings when our traditional restaurant is closed. And we've got some various other projects, but we're continuing to make capital improvements to upgrade our property.

In terms of our demographics. The majority of our employees are from Missouri. A great many are from the St. Jo area, as are customers. Minority employees make up 9 percent of our casino. We just hired a minority executive chef. And female currently make up 55 percent of our employee base.

As discussed, we are committed to moving forward with an affirmative action program both in terms of employment, in terms of vendor purchasing.

I can tell you that when we looked at these MBE and WBE customers, you were correct, sir. We're not making the progress that we should be, and Michael highlighted some significant things, but I think there is some more things we can do quite frankly.

And one of the focuses that I have is putting in some new approaches that will sustain and endure and
become an annual part of our process.

I think every quarter we have the opportunity
to have an open house and work with any new vendors that
come on. I've reached out to the local Chamber of
Commerce in St. Jo who are interested in expanding their
membership base, and certainly we'd like to work with
them and see if there is any other opportunities to
identify some new vendors that we can work with.

We're putting in some new processes in terms
of reviewing the numbers that come with the new
purchasing system.

I have recently joined membership with the
Missouri Gaming Association, and as mentioned, I think
we have an opportunity to learn from the other
businesses that operate in the state.

So I can assure you it's one of my priorities
to look at this and make it, you know, improve and start
the steps forward so we can have continual improvement
moving forward.

COMMISSIONER HALE: Okay. If I might, sir.

If a representative from the Gaming Commission does make
contact with you directly and discusses with you ways
that you, at St. Jo in particular, you might be able to
improve those numbers, would you work with that person?

MR. SIMMS: Absolutely. I would welcome the
feedback and input. As mentioned, I'm somewhat new to this position, but this is a top priority of mine, I can assure you, and I will take all of the advocacy and input that you guys can provide to us and start to make progress moving forward starting tomorrow.

COMMISSIONER HALE: Thank you, sir.

MR. SIMMS: In terms of our vendors, we have some transition with our vendors. Some of our vendors have been bought out. In other cases we've had some vendors that have actually increased in terms of their percentage of product that we're buying from them.

There has been some change in some vendors changing their scope of business, but as we have made some transitions, we're trying to again make sure we build a core base and then open up new opportunities wherever possible.

In terms of our employment program, I think we definitely have opportunities to make some improvements in this area.

As mentioned, we've already added a new person to our management team who is starting to make great contributions. We think there is another opportunity that may be coming our way to bring someone else on the team.

And, you know, in terms of succession
planning and development, you know, one of the things that I am doing now is sitting on a panel review committee, and it's my responsibility to make sure that before we hire somebody that they are, you know, going to be a good fit for our business, but obviously this is going to -- you know, something that is going to be in consideration of our process moving forward.

Here is a summary of our purchases. As you will see, as I mentioned, there is some variation between vendors, and I won't go through this line by line, but there has been some transition.

I would highlight a business such as Scavuzzo's that started at 94,000 and is now over $524,000.

We've had some other vendors, such as Zones Vazquez, that have changed their business models and doing a little less.

But one of the things that we'll be doing is having a quarterly review of our purchases and looking at this data. One of the things that the system will provide, our new purchasing system, will be better trending analysis, so we can see these things, you know, as they're happening and make sure we are on the right track, the trends.

We do not have final numbers yet for 2016,
but through Q3 we are over 42.3 million, and our total net purchases from 2013 through '15 have exceeded 13 million.

Briefly, there is some statistics. We are in St. Jo. We have a population of over 76,000. We are a major metropolitan area, so we have some statistics similar to the larger cities.

And the property is -- as you're aware, we're committed to assisting with problem gaming. We have all of the requisite programs in place. We have problem gaming week, which was held in August this year, and this is something that we as part of our regular operations, that we're committed to as well.

We have a disassociated, DAP, underage gaming program as well, where if the patron is on the DAP list, they're removed in five calendars days. We require the proper identification before cashing checks.

The same thing for admitting patrons. We have recently put in a new driver's license identification system software so we can make sure that we're bringing in valid identification before anyone is admitted to the boat. So we're responsible there. And we also have a reward program if we identify any patrons who are on the DAP program.

But we have regular interaction between our
marketing department and our IT department to make sure that these processes are happening regularly.

We are a big believer at St. Jo of contributing to the community along several fronts. Our numbers have improved in this area over the past few years. Our community contributions have exceeded 32,000 this year alone.

CHAIRMAN KOHN: Are those from your employees or from the company?

MR. SIMMS: These are basically donations we make as a company to these organizations.

As Michael mentioned, we're aligned with corporate in terms of supporting Alzheimer's, but we are involved with making contributions to a lot of these organizations.

We attend a lot of the community functions, the YWCA banquet, the Chamber annual event. I think -- and I'm going to call upon some City representatives that were -- I can confidently say we're a good community partner and that this is also something part of our priorities as we operate.

Our employees volunteer within several organizations, Alzheimer's, Big Brothers, Big Sisters. We recently did a toy drive for the Salvation Army in December to provide toys for underprivileged children.
We're involved with the YMCA, YWCA, United Way and various other organizations as well.

One of my goals this year is to make sure that every member of our management staff is involved with at least one organization.

At this time, before I invite our City representatives, I wanted to open up if you have any specific questions with regard to St. Jo.

CHAIRMAN KOHN: Any questions?

COMMISSIONER HALE: No, sir.

MR. SIMMS: Thank you.

If I may, I'd like to welcome our Mayor, Bill Falkner, Bruce Woody, our City Manager, and Harry Roberts, our Presiding Commissioner.

MAYOR FALKNER: Chairman, Commissioners, it's a pleasure to be here today to speak in support.

CHAIRMAN KOHN: For the record, tell us your name.

MAYOR FALKNER: Okay. I'm Mayor Bill Falkner, St. Joseph, Missouri.

It's a pleasure to be here to talk in support of Affinity Gaming and their casino located here in St. Joseph, Missouri.

And to keep it brief I'm just going to touch on a few of the programs that we use the funding that we
receive, and it's very -- it's over a wide spectrum.

We help support local festivals and various local events that otherwise would be hurt for funding. We also fund our downtown partnership. We're trying to rejuvenate our downtown, and the downtown partnership helps us in that area.

We are very heavy in the animal health corridor, and so this helps fund the Innovation Stockyards, which I am on the board, and we -- that's a place to bring businesses in to kind of help them get along and start up in that animal health.

We fund our economic development in the Chamber of Commerce through this funding. And just last year we were able to build some shelters for Camp Geiger, for the Boy Scouts, so they would have a place to go in case it stormed, after the incident out in Colorado I believe where some Boy Scouts were killed with lightening. So, you know, we try to use these funds to promote every aspect of our community.

And they have been a wonderful supporter of our community. And any time that I need anything, you know, I don't even hesitate to call. So I really appreciate them being in and helping with our community.

Any questions for me?

CHAIRMAN KOHN: Just for the record you are
in favor of extending the license? You're in favor of this licensing process?

MAYOR FALKNER: Oh, absolutely, 100 percent.

CHAIRMAN KOHN: I just wanted to get that on the record.

MAYOR FALKNER: No. I am firmly behind and in their court, yes.

CHAIRMAN KOHN: Thank you, Mr. Mayor.

MAYOR FALKNER: Thank you.

MR. WOODY: Mr. Chairman, my name is Bruce Woody. I'm City Manager with the City of St. Joseph, Missouri, and I too support and recommend your favorable approval of the renewal of their licensure.

Affinity Gaming is a very important employer in our community, 220 employees. Their operation in maintenance expenses certainly contribute to our local economy.

Our city is not unlike a lot of cities, where the majority of the incoming revenue is largely committed to our core services, meaning that there isn't much left for discretionary expenditures.

Riverboat gaming is one of those discretionary areas where our City Council has a lot of flexibility to address issues that come up over the course of the year on any particular issue.
So it's a real go-to source that the City Council really appreciates to be able to address issues, whether they be capital issues in a particular year, economic development issues or special projects, and that's the predominant use within our community.

Affinity has a good reputation in our community for the support of the community. Back in the 2011 flood they kept their employees on their payroll despite not being in service at the time.

They contribute heavily to charitable organizations. Those employees who weren't working at the time were involved with working at charitable organizations during that period of time.

As was shown in the screen earlier, they contribute regularly to charitable organizations, over $30,000 a year. They also work in those and provide services to United Way, Big Brothers, Big Sisters, Food Kitchen, Noyes Home, et cetera.

So overall they're a good community provider, and our City Council has used that funding for many purposes. In addition to the ones already mentioned by the mayor, we also contribute to and provide funds to community groups for parades, festivals. We had a local air show at our airport last year. We had over 20,000 people in attendance.
Some past year expenditures of importance to our community, replacing some computer mobile data computers for our police force, adding defibrillators for replacement for our fire department. We also use it as subsidiary expenditures for our property maintenance division to help upkeep the enforcement of appearance of our community.

So in conclusion we appreciate them as a local business, and certainly their contributions for the City Council is used for discretionary funding, and I favorably recommend your consideration for the relicensure.

CHAIRMAN KOHN: Any questions of Mr. Woody?

COMMISSIONER JAMISON: No.

COMMISSIONER HALE: No.

COMMISSIONER NEER: No.

CHAIRMAN KOHN: Mr. Roberts.

MR. ROBERTS: Yes. Thank you.

My name is Harry Roberts. I'm the Presiding Commissioner of Buchanan County. So as I address this Commission, I appreciate you giving us this time.

Before I get started I was asked by Suzanne Bradley, past Commissioner, to tell everybody she served with on this Commission hello. She misses you.

So with that being said, they've already
covered a lot of the details here on benefits to St. Joseph.

From a county standpoint, the county receives part of the tax revenue just like the City does, and so I just wanted to cover a couple of things that we do with that.

We don't have a lot of extra funds as a county, but this does assist our county from the standpoint of being able to help out some of those things we couldn't do normally.

And one of those items is the Social Welfare Board. We receive about a million dollars a year in revenue from the casino being there. So we provide about $300,000 a year to the Social Welfare Board in St. Jo which provides services, medical services, basic medical services to those folks who quite honestly fall between the cracks of being able to qualify for services or being able to afford their own services, and it's several hundred folks that the Social Welfare Board is able to serve, including dental services and that type of thing.

So it saves us a lot of money as a community by them not ending up at the ER and different places like that as well.

We also fund our commitment to the University
of Missouri Extension Council. Now, for those of you who might be aware, I mean, we have an obligation as a county to fund -- by State statute to fund the University of Missouri Extension Council, but that's at a lower amount. And so we actually are able to fund extra dollars to them which helps support their efforts with many counties in Northwest Missouri.

We also fund our tower expenses, communication tower expenses, that we share with the City, the hospital and the ambulance service, and approximately $300,000 goes to that.

So these funds we are using in an effort to maintain our services, provide services to folks that fall between the cracks and to try to put those funds to a use that is actually good in our community. So it is reaching a lot of folks.

And so I guess you're going to ask me for the record, and I'm in support of the licensure renewal as well.

CHAIRMAN KOHN: Any questions?

COMMISSIONER HALE: No, sir.

COMMISSIONER NEER: No.

COMMISSIONER JAMISON: Oh, I have questions of Harry but I'm not going to ask him. I've known Harry for quite a while.
CHAIRMAN KOHN: Okay. Moving right along.

Ready for Mark Twain.

MR. SMRIGA: Good morning.

CHAIRMAN KOHN: Good morning.

MR. SMRIGA: Thank you, Commissioners, thank you Missouri Gaming staff for allowing me to speak today on behalf of the Mark Twain Casino.

My name is Gerry Smriga. I am the General Manager for Mark Twain Casino. I have been there for the past seven years both under Herbst prior to bankruptcy and now with Affinity Gaming.

Our home dock community is LaGrange, Missouri. We provide over -- the last four years we provided over $7 million in taxes to the home dock community. Our city mayor and people will talk a little bit about that later as we go on with the presentation.

As far as payroll goes, over the years we average $4 million in payroll. Almost 70 percent of our employees come from the Missouri area. As mentioned earlier, we provide over $35 million in actual taxes in the last four years.

Capital expenditurewise, we've done over $6 million in the last four years. 60 percent of that has gone toward slot machines to keep our casino floor fresh and up to date, as well as many building and
property maintenance programs, such as barge
maintenance, with the installation of a rust protection
system for the barge, as well as $350,000 in parking lot
improvements.

We've invested in technology, such things as
new marketing kiosks, upgrades, computer systems to
allow for downloadable points and free play, as well as
invested in some customer comfort areas, such as new
slot chairs and a cigarette smoke removal system.

One of our main projects that we've done over
the last year has been in the New Winners Grill. We
have some pictures up there to show you that. We spent
over $350,000 to remodel that area. Now we have two
distinct outlets, the one sit-down restaurant, as well
as the deli area, that services 50 guests, serves them
directly to the casino floor, allowing for a better
experience for the overall gambler.

CHAIRMAN KOHN: From the looks of the empty
tables, you must not have too many winners.

MR. SMRIGA: Yeah, that was before we opened.
Didn't want to get any customers that didn't want to be
known shown.

But we also removed some walls by the bar
area and redesigned the whole self-serve drink area to
make that a little more comfortable for those patrons as
It has improved the overall appearance greatly for the casino.

As we go forward in 2017 we have a lot of capital projects, $1.5 million in total. The main one would be the HVAC system. We're looking to spend close to 700,000 on that.

It will include such things as a new HVAC unit, building management system, air filtration system, duct cleaning and modifications to improve the overall 15-year-old facility.

Arnell Consulting is helping us with this project. They held meetings this week, including yesterday and today, to go over the final -- the bids from the final vendors. We expect the completion of that HVAC process to be in May.

We are also working with the Gaming Commission to get the slot and player tracking system upgraded. We're going to be moving through Oasis and Aristocrat. It's a project we look to complete in April with the help of the Commission.

As far as employee demographics go, according to U.S. Census, Mark Twain, we are exceeding currently for our female but we have a little bit of work to do with the minority area, something that we'll be focusing
on as we go forward.

As Jim mentioned earlier, I as the general manager do attend all interviews, so the ongoing process and part of the interview process, the panel interviews. I'm greatly involved with the hiring of employees, as well as the followup with them after their first 90 days of employment.

The affirmative action policy, we talked a little bit about that. The efforts from Michael and Jim are going to -- talked earlier about. We're going to devise a plan that is going to be successful and help us improve in some of these areas.

As you look at the minority spend overall, we advertise locally in St. Louis, trying to attract people up to the LaGrange area, which is about two hours north of St. Louis, and various papers.

We did attend all of the diversity fairs last year. There were two in St. Louis, as well as we're going to look to collaborate with our corporate purchasing team. As Mike said earlier, this will be the first year that Mark Twain will have a full-fledged purchasing system, with a dedicated purchasing clerk to handle those assignments.

COMMISSIONER HALE: Mr. Smriga, not to interrupt, but let me inquire as with Jim.
Would you, sir, also be willing to talk to and communicate with Gaming Commission staff relative to ways that you and your casino might be able to improve the MBE/WBE numbers, particularly the MBE numbers?

MR. SMRIGA: Yes, absolutely would be willing to work with them 100 percent, work with Cheryl Bonner and the Missouri Gaming Commission as well.

COMMISSIONER HALE: Thank you.

MR. SMRIGA: So looking at the purchases overall. We did -- in 2015 Mark Twain did increase its overall MBE/WBE spend to $390,000. Consistently we've been around 7 1/2 percent for the women's spend.

With the help of some bigger purchases from minority vendors in 2015 we actually were able to get to 6.4 percent for minority spending.

CHAIRMAN KOHN: I'm curious. With your affirmative action program as you've described, how did you fall off by over 50 percent from '15 to '16?

MR. SMRIGA: One of the big purchases we had in '15 was the new slot chairs we talked about a little bit earlier. That was from a minority business.

So that was one of the larger spends that we had in 2015, compared to not having that big project we had in 2016 versus 2015. So that was one of the main ones, the main one.
Which as someone with a smaller spend overall, a smaller property, when you get some of these bigger purchases, it helps your percentage quite a bit.

CHAIRMAN KOHN: Okay.

MR. SMRIGA: Talk a little bit about going forward overall.

One of the things we were doing, utilizing data limited for our direct marketing program. They are one of the companies that we are increasing our spend with as far as women-owned business goes.

We're also working to replace our uniforms next year. We use most of our uniforms currently through a women-owned business, and we'll continue to look at women and minority businesses as we replace all uniforms in 2017.

As we talked about a little bit earlier, we're committed to spending more using our purchasing system. We've also contracted with Bethel Business Machines. They are a minority business company. They'll be doing all our TITO tickets.

We started with them about June of last year, so that will be a full year of spend with that minority business for all of our TITO tickets that come out of our slot machines.

As well as the Gaming Association, we talked
about adding a diversity fair in Kansas City, and we plan to attend things like that, and then just overall utilizing our purchasing system to improve our spend overall.

COMMISSIONER HALE: Mr. Smriga, do I understand correctly from the last -- or from this chart that in -- I guess year-to-date 2016 up to the third quarter, I guess, we've got $15,573.60 spent with MBEs? Do I understand that correctly?

MR. SMRIGA: I'm sorry. Which one?

COMMISSIONER HALE: It's the MBE number.

MR. SMRIGA: Yeah, the 15,500?

COMMISSIONER HALE: Correct.

MR. SMRIGA: Yeah.

COMMISSIONER HALE: That's total spend for MBEs through the third quarter of 2016?

MR. SMRIGA: Yeah.

And then in the fourth quarter Bethel Machine Business is one of those companies that we use going forward, so that will increase in the fourth quarter to '17.

COMMISSIONER HALE: So that will increase that number for 2016?

MR. SMRIGA: Yeah, because they're only a partial year in 2016.
COMMISSIONER HALE: Okay.

MR. SMRIGA: Crime rates. The LaGrange crime statistics continue to be below national average. The law enforcement team includes the State Troopers assigned to the property, as well as the City of LaGrange do a wonderful job of keeping the casino property secure.

Problem gamingwise. Mark Twain Casino obviously participates in responsible gaming weeks where employees are involved.

We receive training from the Life Crisis Center. All employees help educate them on the signs of problem gaming, as well as we have people wear responsible gaming T-shirts and wrist bands, et cetera.

We do have a bounty team program for the disassociated person and underage gamblers. It's a program where people who identify people who are on the DAP list, as well as people who are under the age of 21.

Going forward we plan to increase our ID check to people who look over the age -- from 40 years and older -- or younger. Excuse me.

As far as charity, Mark Twain Casino has received some new commitment with the leadership of Michael Silberling who is very involved with a lot of charities and is leading the charge as far as increasing
our charity spend nationally with the Alzheimer's Association, as well as locally. We are the main sponsor for the Alzheimer's Association Walk. One of our walkers this year actually achieved grand championship status raising personal money. That was well over a lot locally, which I think they finished No. 3 locally.

As well as we're the main sponsor locally with the breast cancer walk. The Blessing Foundation, we do a lot of work with them as well.

Employee volunteer hours are very important to us. The management team alone logged over 925 hours to such groups as the LaGrange Youth Center, Mid-American Military Salute, Illinois Veterans Home, Palmyra Food Pantry and United Way.

I personally worked with the Big Brother, Big Sister program. I have a mentor that I've been mentoring for the last four years, a young boy. I'm very proud of that and enjoy working with that program locally as well.

That is what we've had for Mark Twain Casino. We do have some representatives from the City of LaGrange. I'll invite them up now.

We have Mike Lowe who is the Mayor of the City of LaGrange, Bob Corbin who is on the City Council,
and then John Roach is our City Administrator in the City of LaGrange, and he will be doing the presentation on behalf of the City of LaGrange.

MR. ROACH: Hello. My name is John Roach. I'm the City Administrator with the City of LaGrange, and I have Mayor Mike Lowe with me and Councilman Bob Corbin. Thank you for letting us speak for a few minutes today.

I would like to maybe initially point out that LaGrange is a small community. We are a population of 931, and the casino is our biggest source of revenue, if not to say just about our only source of revenue. Without it we would suffer tragedy.

With their revenues that we receive we've accomplished some great projects. We bought some great equipment, even small stuff, like the police department. We've boughten new car cameras, new body cameras, shotguns, vests. We've bought a new truck, two new police vehicles.

And we would continue to with the police department to even get -- we're going to upgrade our radio systems next year and get another car camera to go with that.

Our fire department has seen some great things. We've boughten all new turnout gear. We bought
all new SCBA tanks for the firemen. We've bought a new truck. And we have plans in the near future to purchase a generator for the fire department so in times of emergencies we can still operate.

Our sewer department has -- over the last few years we've made significant upgrades to our wastewater treatment plant, and those are -- those are still ongoing.

One thing that I'm kind of proud that the City has done is we've done a sewer lining project over the last several years, and with that we've -- we have one more year of a sewer lining project and we'll have completed the whole town, which consists of you put a new -- basically a new line inside of your old pipes.

That one I'm significantly proud of because I don't think there is another city in the state that can say the same.

We've also purchased a new sewer camera within the sewer department.

Our water department, we have made major upgrades to our treatment plant, and we continue every year to budget money for water main extensions so that we can eliminate old pipes and put in new. That's an ongoing project.

The water department has also purchased a
generator to -- you know, in times of power outage that
we can still operate. And they did get a new truck
also.

Our street department, we have a paving
project every year. So we budget every year to pave
streets. We have a sidewalk project that we budget for
every year and put in new sidewalks.

The street department did get as far as
equipment a new truck, a new skid steer and a trailer.

And some of our -- one of our maybe bigger
projects working on in the future is -- of course, we're
located on the Mississippi River and we are interested
in building and expanding on our riverfront properties
and that's a significant project. Of course, it's still
in the works. But without the casino and their source
of revenue we'd be unable to do it.

And maybe just a few other things, you know,
that we do, you know, plan for in the future. We have
some dilapidated old dump trucks. You know, we'll
probably purchase a new dump truck in the near future.

With that I would -- the City of LaGrange
would be in favor of renewal of the license and with
that I'll answer if you have any questions.

COMMISSIONER HALE: I have nothing.

CHAIRMAN KOHN: Any questions?
COMMISSIONER JAMISON: No, sir.

COMMISSIONER NEER: No, sir.

CHAIRMAN KOHN: Mr. Mayor.

MAYOR LOWE: Yes. I'm Mike Lowe, the Mayor of the City of LaGrange. This is my second year as being Mayor. I was on the Council for over 20 years. John has pretty well covered everything that the boat has done for us. I would like to add that I was in charge of the LaGrange Appreciation Days for over 13 years, and any time we asked the boat for help for money we got it.

For those 13 years we took that money and had an evening meal and it was free for the public to come. It was like hamburgers, hotdogs, chips, cake, but the boat did furnish money for that and we want to thank them for that.

And I think John has pretty well covered everything else that, you know, the boat has done for us, and we do very much want the boat to be relicensed. Thank you very much.

CHAIRMAN KOHN: Thank you very much,

Mr. Mayor.

Mr. Corbin, anything to add?

MR. CORBIN: I just want to thank you all for inviting us here today, and I think John and Mike has
probably went over pretty much of everything, the big
things.

But there are small things. I belong to the
Lion's Club there in LaGrange, and we were short of some
money to buy candy this year for our candy day. I went
and asked Gerry and he said sure, you know, send me the
bill on it and I'll pay for that.

So it's the little things too that matter as
much as some of the big things does, because we are a
small community. I go to the casino every day. I eat
there most every day, which Gerry can vouch for.

And, you know -- and probably 80 percent of
the people that come to our casino I know or Gerry
knows, and being a small community like that I think,
you know, we work hand in hand to try to take care of
everybody.

And my thing as a City Council member, we
definitely need the casino in LaGrange, Missouri. So
thank you. If you have any questions or --

CHAIRMAN KOHN: As the sole funder of City
revenue, I think we understand that.

MR. CORBIN: Thank you all.

CHAIRMAN KOHN: Any questions?

COMMISSIONER JAMISON: No.

COMMISSIONER NEER: No, sir.
COMMISSIONER HALE: No.

CHAIRMAN KOHN: Any members of the public want to comment, anybody from LaGrange here?

And I forgot to ask that with respect to St. Jo.

Any members of the public want to comment on the St. Jo application?

Okay. We are ready for Sergeant Davidson's report.

SERGEANT DAVIDSON: Good morning, Mr. Chairman, Commissioners.

CHAIRMAN/COMMISSIONERS: Good morning.

SERGEANT DAVIDSON: On August 4th, 2016 applications were received by the Missouri Gaming Commission for the renewal of the Class A license of Affinity Gaming and the Class B riverboat gaming licenses of HGI-St. Jo, LLC, doing business as St. Jo Frontier Casino, and HGI-Mark Twain, LLC, doing business as Mark Twain Casino.

You will find resolutions for those licensees under Tab 4 in your book.

Missouri State Highway Patrol investigators, working in conjunction with Missouri Gaming Commission financial investigators, investigated the suitability of Affinity Gaming, HGI-St. Jo, LLC and HGI-Mark Twain
Casino to continue to operate as licensees. Financial and criminal background checks were conducted on the companies' key and Level I personnel, and a financial analysis of the company was completed. City and county officials were contacted regarding business activities at the casinos, and ABS Consulting, Incorporated conducted the superstructure, life safety systems and multi-barge platform annual surveys of both casinos.

The findings of these investigations were provided to the Missouri Gaming Commission staff for their review and the investigating officers are present at this hearing to answer any questions.

Thank you.

CHAIRMAN KOHN: Any questions of Sergeant Davidson?

COMMISSIONER HALE: No, sir.

COMMISSIONER JAMISON: No, sir.

COMMISSIONER NEER: No, sir.

CHAIRMAN KOHN: Okay. Thank you very much, Sergeant.

We're ready for the MBE/WBE report from Cheryl Bonner.

MS. BONNER: Good morning, Mr. Chairman, and Commissioners.
In November 2016 the Missouri Gaming Commission staff conducted a 100 percent audit of the MBE/WBE records for the Class B licensees, St. Jo Frontier and Mark Twain Casinos.

The results of our audit and specific details related to those findings are included with the summary report in your possession.

Any questions?

CHAIRMAN KOHN: Any questions?

COMMISSIONER HALE: Just, Ms. Bonner, you've heard from Mr. Silberling and the two managers at St. Jo and Mark Twain, and I assume then that in the future you will make direct contact with them and aid them in improving their MBE and WBE numbers?

MS. BONNER: Yes, sir.

COMMISSIONER HALE: All right. Thank you, ma'am.

CHAIRMAN KOHN: If there are no questions of Ms. Bonner, Mr. Seibert, the staff recommendation?

EXECUTIVE DIRECTOR SEIBERT: The staff does recommend approval.

CHAIRMAN KOHN: Of all three resolutions?

EXECUTIVE DIRECTOR SEIBERT: Yes, sir.

CHAIRMAN KOHN: Okay. We're going to do these separately.
Is there a motion to approve 17-002?

COMMISSIONER JAMISON: So moved.

COMMISSIONER NEER: Second.

CHAIRMAN KOHN: Discussion on the motion?

Angie.

MS. FRANKS: Commissioner Neer.

COMMISSIONER NEER: Approve.

MS. FRANKS: Commissioner Hale.

COMMISSIONER HALE: Approved with the assurances given by Mr. Silberling and the others.

MS. FRANKS: Commissioner Jamison.

COMMISSIONER JAMISON: Approve.

MS. FRANKS: Chairman Kohn.

CHAIRMAN KOHN: Approve.

MS. FRANKS: By your vote you've adopted Resolution No. 17-002.

CHAIRMAN KOHN: Is there a motion to adopt Resolution No. 17-003?

COMMISSIONER NEER: I recommend approval of Resolution 17-003.

COMMISSIONER JAMISON: Second.

CHAIRMAN KOHN: Discussion on the motion?

Angie.

MS. FRANKS: Commissioner Neer.

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

COMMISSIONER HALE: Approved with the same caveat that I mentioned with regard to 17-002.

MS. FRANKS: Commissioner Jamison.

COMMISSIONER JAMISON: Approve.

MS. FRANKS: Chairman Kohn.

CHAIRMAN KOHN: Approve.

MS. FRANKS: By your vote you've adopted Resolution No. 17-003.

CHAIRMAN KOHN: Okay. And now we're ready for 17-004. Is there a motion to approve?

COMMISSIONER JAMISON: So moved.

COMMISSIONER NEER: Second.

CHAIRMAN KOHN: Discussion on the motion?

Angie.

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. 17-004.
CHAIRMAN Kohn: Mr. Seibert.

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

MR. GREWACH: Thank you, Director Seibert, Mr. Chairman, Commissioners.

Under Tab F we have a Preliminary Order of Discipline directed to Lumiere Place Casino. This disciplinary action was originated by a patron complaint regarding a casino promotion.

Our Rule 55.181 makes it a violation for a casino to conduct a promotion in the manner that reflects negatively on the licensee.

Also that rule requires dated written rules to be immediately available to the patron and to the Commission.

In addition, Minimum Internal Control Standards Chapter I-1301 requires all player reward systems to be based on predetermined formulas, and Minimum Internal Control Standard I-1302 provides that the casino is required to present to the patron information regarding the reward structure of a promotion or player reward program upon request.

The promotion in question was a $250,000 slot challenge point chase. The winner of the prizes were
based on the amount of tier points that patrons earned
in the player reward program between May the 1st and
May 21st of 2016.

The top 20 tier point earners during that
time period won some specific prizes set out in the
promotional rules.

The website advertising the promotion
indicated that the total -- the point totals would be
posted at the Trop advantage counter every Monday.

The patron that issued the complaint visited
the Trop advantage counter on Monday, May the 9th to see
what the standings and point totals were to determine
how much he would need to have to play in order to have
a chance of winning one of the prizes.

The employee she encountered at the desk did
not know anything about the promotion. The employee
called a casino host who was unavailable, could not
reach them. The person at the desk gave the phone
number of the casino host to the patron, had them call.

She did call. She took a couple attempts to
reach that person and to make an appointment to meet.

When they first met, that casino host did not have the
point totals and later came back with the point totals.

I go into that level of detail in presenting
this because that ties into the 5.181 prohibition of
conducting a promotion in the manner that reflects
negatively on the licensee.

When they did come back with the point
totals, the first-place participant had 121,000 points,
the second place had 55,000 points and the third place
had 32,000 points.

Now, this particular patron had played before
and had played once, for example, and bet the maximum
amount for six hours, earned 800 points.

So looking at those numbers just determined
there was no way that she could possibly get into the
running giving those numbers and left.

We investigated the complaint and found that
the rules didn't have any information on how tier points
were earned. They did have a brochure, however, they
handed out which showed that for slot machines you got
one tier point for every $5 coin in. For video poker
you got one tier point for every $10 coin in. For poker
you got one tier point -- you got 20 tier points for
every hour played.

It just had the general statement then that
all table games were based on the average bet and time
played.

As a patron looking at that brochure and you
see someone who has 121,000 points in one week, you
would have had to have bet on slot machines six -- had
$605,000 of coin in in one week to earn that many
points. If you played video poker, you would have had
to have $1.2 million coin in to earn that many points.
Playing poker you would have had to play 6,050 hours in
one week to earn that many points.

COMMISSIONER JAMISON: That would be
difficult.

MR. GREWACH: Unless you're a lawyer and
billing someone. I've seen some bills and it might be
possible.

There is a separation provision of 5.181 that
comes into play that requires that all prizes be paid
out according to the rules of the promotion.

The problem there presented was how would a
patron know and how they'd be able to evaluate how they
could win and how we'd be able to evaluate compliance.

How do we know that 121,000 points was
correctly calculated according to the rules? Because as
you recall, Section I-1301 requires that the points be
based on a predetermined formula.

Without having to immediately get our hands
on the formula, we couldn't answer that patron's
question as to how -- how did someone get 121,000 points
and was that the correct number of points for the table
It was a table game player by the way. All three of those top persons were all table game players during that week prior to this complaint being lodged.

This particular casino has had prior problems with promotions. There were eight prior promotional violations since June of 2014. Seven of them have gone to final order and one you’ll see later in a settlement under Tab H on this agenda, and the recommended fine was $5,000.

CHAIRMAN KOHN: Any questions of Ed?

COMMISSIONER HALE: I have none.

COMMISSIONER NEER: No, sir.

COMMISSIONER JAMISON: No.

CHAIRMAN KOHN: Okay. Is there a motion to approve Resolution DC-17-001?

COMMISSIONER HALE: So moved.

CHAIRMAN KOHN: Is there a second?

COMMISSIONER NEER: Second.

CHAIRMAN KOHN: Discussion on the motion?

Angie.

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-17-001.

CHAIRMAN KOHN: Mr. Seibert.

EXECUTIVE DIRECTOR SEIBERT: The next order of business is Consideration of Placement on the Exclusion List. Mr. Ed Grewach will present.

MR. GREWACH: Under Tab G we have a resolution to place Bob J. Young on the involuntary exclusion list.

Our Rule 45-15.030 allows us to place a person on the involuntary exclusion list for any violation of Chapter 313 or any act that adversely affects the public confidence and trust in gaming.

On October the 4th, 2015 Mr. Young was playing Easy Mini/Baccarat in Lumiere Place Casino. He placed the bet, he saw what the cards were, saw that he had lost the hand and quickly removed the chips from the table.

It's a term that you'll hear us calling pinching a bet. When you know the outcome of the game, know you're going to lose and pull back chips out of the
wager line that you put them on.

He also had been previously warned by the casino about pinching bets, so it wasn't his first time that he had done that.

He was charged with the violation in criminal court, a violation of Section 313.830.4, parentheses 4. He then pled guilty on October the 5th, 2016 of one count of misdemeanor stealing and one count of felony resisting arrest. He received a suspended imposition of sentence with a six-month unsupervised probation.

But those acts both in violating Chapter 313 and performing an act adversely affecting public confidence and trust in gaming make Mr. Young eligible for the involuntary exclusion list.

CHAIRMAN KOHN: And that's your recommendation?

MR. GREWACH: Yes.

CHAIRMAN KOHN: Any questions?

COMMISSIONER JAMISON: No, sir.

COMMISSIONER HALE: No.

COMMISSIONER NEER: No.

CHAIRMAN KOHN: Is there a motion to approve Resolution 17-005?

COMMISSIONER JAMISON: So moved.

COMMISSIONER HALE: Second.
CHAIRMAN KOHN: Any discussion on the motion?

Angie.

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. 17-005.

CHAIRMAN KOHN: Mr. Seibert.

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

Mr. Ed Grewach.

MR. GREWACH: Thank you.

This case -- and I'd like to present Tabs H and I together because they both arise out of the same incident, and they're settlements of disciplinary actions against Lumiere Place Casino and against Marketing Manager Jacquelyn Woody arising out of problems with a certain promotion.

Again, 5.181 prohibits the licensee from conducting a promotion in a manner reflecting negatively
on the licensee. Again, it requires all promotional
prizes to be paid out according to the rules.

Section 10.030 requires a licensee to
promptly report any facts which give the licensee
reasonable grounds to believe a regulatory violation may
have occurred.

The casino acquired from Bally a sweepstakes
program system, and on April the 9th, 2015 Bally sent a
field advisory notifying Lumiere that in certain
circumstances sweepstakes entries were deleted if a
casino manually adjusted player ratings.

Now, those manual adjustments are fairly
common and take place when you have a player playing
table games.

The casino at that point in time did not
notify the MGE as required by 10.030. Instead it
continued to conduct promotions using that system.

In June of 2015 the casino held the $60,000
convertible giveaway promotion.

In the time period from June the 1st to
June 27th the patrons would earn one entry into the
promotion -- into the drawing for every 25 points
earned.

And the drawings were going to be held in two
dates, June 20th beginning at 2:00 p.m. and every
30 minutes after that and June 27th beginning at 7:00 p.m. and again every 30 minutes after that time.

When they went to conduct their first drawing at 2:30 on June the 20th, they saw that there were no active entries in the drawing, which obviously alerted them to the fact that there was some problem.

And the problem was the same problem that had been detailed in the April the 9th field advisory that Bally had sent to the casino.

At that point in time the casino did not notify MGC. The casino did contact Bally, worked on what they believed was going to fix the problem.

However, when they checked again on June 23rd, they found that the problem still hadn't been fixed, that there were still being entries deleted, and once again they did not notify the MGC but continued to conduct the promotion at that point in time.

On June 27th when they began to conduct drawings again they once again saw that entries were deleted.

Now, at that point in time what they did is they switched to -- they selected an alternate method of selecting the winners of the drawing, the entries, what they called a hot-seat method.

Now, in the hot-seat method the patron had to
have a card in an electronic gaming device in order to be recognized and to earn drawings.

Now, that system was not sufficient because it did not give any entries to the table games players according to the rules of the promotion.

We investigated the matter, and they did notify us then on -- actually had notified us the day before. On June 26th the compliance officer had notified us of the problem.

We investigated the matter and found that there were a number of promotions that were conducted after the field advisory up through and including the June 27th drawings that took place.

I should note that when we talk about the number of drawings -- and I'll talk about that a little bit later and their response -- there's -- you know, there was an issue as to how many drawings were really affected by this.

You'll see in the Preliminary Order of Discipline we allege 11, which they admit for the purpose of the settlement.

Really I think if you -- if you looked at that and the case went to hearing, you may look at -- more likely the evidence would be that there would be six drawings involved and a total of $293,000 involved
in total prize money of those drawings.

Now, the important thing to note is they actually paid out all of the prize money for all of the drawings.

What happened was there are a number of patrons -- and we were able to quantify that at 17,672 individual patrons who in one promotion or another had entries deleted because of that manual adjustment made during the course of the promotion, and the casino made no efforts to compensate or conduct any makeup drawing for those 17,672 patrons.

The staff in looking at this case also considered the disciplinary history with promotions that we've spoken about previously in the earlier Tab F item, and the staff's recommendation was a $100,000 fine and a three-day suspension of Jacquelyn Woody, the Marketing Manager.

We sent out a letter and asked for a response within 14 days, which as you know we refer to as the 14-day letter.

The casino in their response stated that they weren't actually aware that the April field advisory would have that specific effect on the promotions that were conducted.

They indicated that the only impact was
limited to a specific set of circumstances and not all promotions that were necessarily conducted between April and June.

And in the course of that, discussions that followed that response to the 14-day letter, the casino offered to settle, and it was a package offer basically of -- they offered to pay a fine of $40,000 and to reduce Ms. Woody's suspension from three days to one day.

In reviewing their 14-day letter response and further investigating the matter, we found that we really couldn't quantify the number of entries that were deleted for those 17,000 plus patrons. We couldn't quantify a dollar amount.

And we looked at similar cases involving multiple promotions, and the staff came to the conclusion that given all that, that the $40,000 offer was fair and reasonable and agreed to accept that subject to the Commission's approval. The rule requires Commission approval of any settlement of a disciplinary action.

CHAIRMAN KOHN: So I'm just curious. As a practical matter, how does that work? She continues her job but gets one pay period deducted from it?

MR. GREWACH: She has a one-day suspension.
COMMISSIONER JAMISON: One day she's not licensed.

CHAIRMAN KOHN: One day she's not paid?

COMMISSIONER JAMISON: No. One day she's not licensed.

CHAIRMAN KOHN: So she can't work one day?

COMMISSIONER JAMISON: Right. It doesn't mean that she necessarily gets without pay. It says one day she's not licensed.

CHAIRMAN KOHN: Okay. Any questions?

COMMISSIONER NEER: Yeah, I have a question. Did the patrons know that this system was not functioning?

MR. GREWACH: No.

COMMISSIONER NEER: Okay. When it came time to the drawing, the date of the drawing, what were the patrons told?

The drawings couldn't occur. Correct?

MR. GREWACH: The drawings did occur. They went ahead and did the drawings.

And I'm going to call on Todd Nelson, our Electronic Gaming Device Manager, to maybe answer that question further.

But, you know, for a patron all you know is you didn't -- your name wasn't drawn.
COMMISSIONER NEER: You didn't win.

MR. GREWACH: Right.

So I don't know if Todd Nelson has more he can add to that.

MR. NELSON: Good morning, Chairman, Commissioners. Todd Nelson, Gaming Enforcement Manager.

It's my understanding that they did make an announcement over the PA that you had to leave the table to go put your card in.

It's also my understanding that there was no indication of the difference between a sweepstakes or a hot-seat that was made to a patron.

So you would have to get up from the table and go put your card into a slot machine in order to be eligible.

CHAIRMAN KOHN: Any other questions?

Anything else?

COMMISSIONER NEER: No. That's it.

COMMISSIONER HALE: No. I have nothing.

CHAIRMAN KOHN: Is there a motion with regard to Resolution No. 17-007?

COMMISSIONER JAMISON: Wait. Do you want to do six first?

COMMISSIONER HALE: Yes, six.

CHAIRMAN KOHN: Okay. Yeah. Scratch that.
Is there a motion with regard to Resolution 17-006?

COMMISSIONER HALE: So moved.

COMMISSIONER JAMISON: Second.

CHAIRMAN KOHN: Discussion on the motion?

Angie.

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. 17-006.

CHAIRMAN KOHN: Okay. Is there a motion with regard to Resolution 17-007?

COMMISSIONER HALE: So moved.

COMMISSIONER JAMISON: Second.

CHAIRMAN KOHN: Discussion on the motion?

Angie.

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. 17-007.

CHAIRMAN KOHN: At the beginning of the meeting I said we would make further comments with regard to Consideration of Rules and Regulations which shows up as Item Roman Numeral VIII on the agenda.

Many you of you probably saw the Governor's order yesterday regarding any new regulations, and we have decided that even though we may not technically be covered by that order, we have decided to comply at least with the spirit of it and we will not be considering new rules and regulations that are listed in Roman Numeral VIII.

In discussing this matter with Mr. Seibert and staff, there is nothing that is contained in those rules and regulations which will in any way hamper the operation of any of our casinos or will interfere with the operation of the Gaming Commission.

So unless something else happens we will take these rules and regulations up at our -- sometime after
February 28th, which is the date the Governor put forth in his order.

So we're ready for No. IX, Mr. Seibert.

EXECUTIVE DIRECTOR SEIBERT: The next order of business is Consideration of Relicensure of Certain Supplier. Sergeant Mike Finnegan will present.

SERGEANT FINNEGAN: Good morning, Mr. Chairman, Commissioners.

CHAIRMAN/COMMISSIONERS: Good morning.

SERGEANT FINNEGAN: Missouri State Highway Patrol investigators, along with Missouri Gaming Commission financial investigators, conducted the relicensing investigation of one supplier company which is currently licensed in the state of Missouri.

This investigation consisted of jurisdictional inquiries, feedback from affected gaming company clients, a review of disciplinary actions, litigation and business credit profiles, as well as a review of the key persons associated with this company.

The result of this investigation was provided to the Missouri Gaming Commission staff for their review, and you possess a comprehensive summary report before you.

Investigating officers are present at this meeting to answer any questions you may have.
The following supplier company is being presented for your consideration: Konami Gaming, Incorporated.

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

CHAIRMAN KOHN: Is there a motion with regard -- well, any questions?

Is there a motion regarding Resolution 17-008?

COMMISSIONER JAMISON: So moved.

COMMISSIONER NEER: Second.

CHAIRMAN KOHN: Discussion on the motion?

Angie.

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. 17-008.

CHAIRMAN KOHN: Mr. Seibert.

EXECUTIVE DIRECTOR SEIBERT: The next order
of business, Mr. Chairman, is Consideration of Level I and Key Applicants. Sergeant Brian Holcomb will present.

SERGEANT HOLCOMB: Mr. Chairman,
Commissioners, good morning.

CHAIRMAN/COMMISSIONERS: Good morning.

SERGEANT HOLCOMB: Missouri State Highway Patrol investigators, along with Missouri Gaming Commission financial investigators, conducted comprehensive background investigations on multiple key and Level I applicants.

These investigations included, but were not limited to, criminal, financial and general character inquiries which were made in the jurisdictions where the applicants lived, worked and frequented.

The following individuals are being presented for your consideration: Linster Walter Fox, Director, Everi Holdings, Incorporated and Everi Payments, Incorporated; Brian Eugene Hairston, Table Games Manager, Hollywood Casino St. Louis; Richard Matthew Primus, Senior Vice-President and Chief Information Officer, Penn National Gaming, Incorporated; Eileen Fein Raney, Director, Everi Holdings, Incorporated and Everi Payments, Incorporated; Anthony Alan Rohrer, Vice-President and General Manager, Lady Luck Casino -
Caruthersville.

The results of the investigations were provided to the Gaming Commission staff and the investigating officers are present at this meeting to answer any questions you might have.

CHAIRMAN Kohn: Are there any questions?

Is there a motion with regard to Resolution 17-009?

COMMISSIONER HALE: So moved, Mr. Chairman.

COMMISSIONER JAMISON: Second.

CHAIRMAN Kohn: Thank you.

Any discussion on the motion?

Angie.

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. 17-009.

CHAIRMAN Kohn: Thank you.

Mr. Seibert.
EXECUTIVE DIRECTOR SEIBERT: The next order of business is Consideration of Petition for Change of Control. Mr. Ed Grewach will present.

MR. GREWACH: Thank you.

Under Tab O we have a joint petition for approval of changing control for Scientific Games Corporation and DEQ Systems Corporation.

Scientific Games Corporation is a licensed key business entity in the state of Missouri and DEQ Systems is a licensed supplier who supplies table game systems in the state of Missouri.

On August 30th, 2016 Scientific Games entered into a contract to acquire DEQ. That acquisition requires Commission approval subject to 10.040. The staff review of this transaction did not disclose any discrepancies or concerns.

CHAIRMAN KOHN: So you're recommending approval?

EXECUTIVE DIRECTOR SEIBERT: Staff does recommend approval.

CHAIRMAN KOHN: Thank you.

Is there a motion regarding 17-010?

COMMISSIONER JAMISON: So moved.

COMMISSIONER HALE: Second.

CHAIRMAN KOHN: Discussion on the motion?
Angie.

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. 17-010.

CHAIRMAN KOHN: Unless any Commissioner has any other matter to come before us, that concludes our matters in the open session, and we will be going into closed session. Is there a motion?

COMMISSIONER JAMISON: I move 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 HALE: Second.

CHAIRMAN KOHN: Angie.
MS. FRANKS: Commissioner Neer.

COMMISSIONER NEER: Approve.

MS. FRANKS: Commissioner Hale.

COMMISSIONER HALE: Approve.

MS. FRANKS: Commissioner Jamison.

COMMISSIONER JAMISON: Approve.

MS. FRANKS: Chairman Kohn.

CHAIRMAN KOHN: Approve.

We will be going into closed session and we will report out after that. Thank you all for coming, especially the public officials, if any of them are still here, who made the trip to Jeff City to attend our hearing.

WHEREIN, the meeting concluded.
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
MISSOURI GAMING COMMISSION
Second Open Session Minutes
January 11, 2017

The Missouri Gaming Commission (the “Commission”) went back into open session at approximately 1 p.m. on January 11, 2017, 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, Neer – yes, Hale – yes, Jamison – yes, and Kohn – yes, the motion was unanimously approved.

The meeting ended at 1 p.m.