BEFORE THE MISSOURI GAMING COMMISSION

STATE OF MISSOURI

MEETING:

June 28, 2017
9:00 a.m.
Riverside City Hall
2950 N.W. Vivion Road
Riverside, Missouri 64150

BEFORE:

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

Reported by:
James A. Leacock, CCR 662
Cross Reporting Service
306 S.E. 291 Highway
Lee's Summit, Missouri 64063
AGENDA

I. Call to Order

II. Consideration of Minutes
   A. May 31, 2017

III. Consideration of Renewal of Supplier's License
   B. Tech Art Manufacturing, Inc.

IV. Consideration of Relicensure of Certain Class B Licensees:
   IOC-Kansas City, Inc.
   IOC-Boonville, Inc.
   IOC-Caruthersville, Inc.
   Presentation by Applicant
   Presentation by City of Kansas City
   Presentation by City of Boonville
   Presentation by City of Caruthersville
   Public Comment
   Investigative Summary
   MBE/WBE Compliance Review
   Staff Recommendations
   C. Resolution No. 17-036
   D. Resolution No. 17-037
   E. Resolution No. 17-038

V. Consideration of Disciplinary Action
   F. St. Louis Gaming Ventures, LLC
      1. DC-17-075

VI. Motion for Closed Meeting under Sections 313.847 and 313.945, RSMo., Investigatory, Proprietary and Application Records and 610.021(1), RSMo., Legal Actions, (3) & (13) Personnel and (14) Records Protected from Disclosure by Law.

VII Motion to Open Meeting.

VIII Adjournment.
CHAIRMAN KOHN: Well, good morning everybody. We will have an official welcome to Riverside in a few minutes. I love being in Riverside, because it is the only time of the year that I can say (gavel banging) that. 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. So we have a quorum. And if you haven't noticed, Commissioner Neer is with us but on the phone, so he will be participating at the meeting, but will be on the phone.

Before we begin our official meeting, we have two things I would like to do. One is to have you welcomed to Riverside by the Mayor of Riverside. Mayor Rose, could you offer a few words.
MAYOR KATHY ROSE: Yes, I would love to.

Honorable Commission. Thank you so much for being here in our community today and welcome. I know that good work will be done here today. Welcome to all of you—all here to the City of Riverside. Thank you for being here. We are a small town.

We are small but mighty. We have been able to be on that path a lot because of the gaming vendor that we have and Argosy here in the City. And they are a wonderful group of people to work with, and I can't say what great partners they are with the City. But I just want to welcome all of you. It is like old home week. I get to visit with some new friends and see faces that I enjoy. I wish you all the best as you pursue what you are here today to do. So thank you guys so very much. I appreciate it.

CHAIRMAN KOHN: Thank you for your hospitality and for allowing us to be here.

MAYOR KATHY ROSE: You're certainly welcome.

CHAIRMAN KOHN: Mayor Rose is early in her life as a Mayor. This is only her 12th year. If you will be here for another 12, we will come back for another 12.
MAYOR KATHY ROSE: All right. You got it.

CHAIRMAN KOHN: Also, before we begin the meeting officially, I would like to ask Deputy Director McGrail to come up, because we have a special presentation.

DEPUTY DIRECTOR MCGRAIL: If I could have Pat come forward. We started this a couple years ago on behalf of Executive Director Seibert. One of the things he wanted to make sure, that we recognize the employees that work for the Missouri Gaming Commission. They do a lot of good work. It benefits not only the State, but it benefits the industry as well. So today we have Pat Robinette here. She has 10 years with this organization, and we want to recognize her for those 10 years.

I'm not going to read the whole, but it is a Certificate of Appreciation on behalf of the Executive Director Seibert and to Patricia Robinette in recognition of the 10 years of dedicated service with the Missouri Gaming Commission. Again, we congratulate her for this milestone, her effort and dedication play a tremendous part in our success and appreciate her
commitment towards us.

Her role is for the compliance audit, so she sees many of the faces here on a regular basis. At least on the west side. I know that you all take good care of her and her team. So again, we appreciate you and appreciate the work that she does as well. So Pat, this is for you. (Applause.) Did you want to say anything Pat?

MS. PAT ROBINETTE: No.

CHAIRMAN KOHN: Do you want to run for Mayor? Pat, on behalf of the Commission, we also want to add not only our congratulations, but our sincere gratitude for all the good work you do.

MS. PAT ROBINETTE: Thank you.

CHAIRMAN KOHN: With that, we will get to the business of the meeting. The first item of business is consideration of the minutes from the May 31 meeting. Is there a motion to approve?

COMMISSIONER HALE: So moved.

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 have adopted the Minutes of the May 31st, 2017 meeting.

CHAIRMAN KOHN: You will note throughout the meeting today that we are being organized by Deputy Director McGrail. I should also announce for those of you who weren't at the last meeting, or may have forgotten, that our Executive Director Bill Seibert had surgery and is recovering and is doing fine, and hopefully he will be at the next meeting. But in the meantime we are very happy to have Deputy Director McGrail to tell us what we are doing today.

DEPUTY DIRECTOR MCGRAIL: Mr. Chairman, next we have the Consideration of Renewal of Supplier's License, and Sergeant Mike Finnegan will be making the presentation.

CHAIRMAN KOHN: Sergeant Finnegan.

SERGEANT FINNEGAN: Good morning, Mr.
Chairman and Commissioners. The 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 key persons associated with this company.

The results of this investigation were 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. Tech Art Manufacturing, Incorporated.

CHAIRMAN KOHN: Okay. Are there any questions of Sergeant Finnegan?

COMMISSIONER HALE: No.

COMMISSIONER LOMBARDO: No.

CHAIRMAN KOHN: If not. Is there a motion to approve Resolution 17-035?
COMMISSIONER JAMISON: 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 have adopted Resolution Number 17-035.

CHAIRMAN KOHN: Mr. McGrail.

DEPUTY DIRECTOR MCGRAIL: The next item of business is Consideration of Relicensure of Class B Licenses. I would like to introduce the Executive Vice President and General Counsel for Eldorado Resorts, Incorporated, Ed Quatmann, who will be making additional introductions as well.

CHAIRMAN KOHN: Mr. Quatmann.

MR. QUATMANN: Chairman Kohn,
Commissioners, Deputy Director McGrail and Commission Staff, good morning and thank you for the opportunity to present a few brief comments to you today on behalf of Eldorado Resorts, Inc. I am Ed Quatmann. I am the Executive Vice President and Chief Legal Officer for Eldorado Resorts, a position I have held for about two months. Prior to that for nine years I was the Chief Legal Officer for Isle of Capri Casinos, headquartered in St. Louis, Missouri. I am moving to Reno in two weeks.

I am here today with a number of Eldorado team members, including Barron Fuller, to present information that will hopefully assist you with consideration of renewals of the operating licenses for three of Eldorado's Missouri properties. While the focus today is on these great Missouri properties, I wanted to provide a brief update on the new parent company. Following your approval in late April of Eldorado as a Class A licensee of its transaction to acquire Isle of Capri, the transaction closed successfully as scheduled on May 1st. Numerous former corporate employees, including myself and Barron Fuller, joined Eldorado in connection with the
transaction. The numerous Isle corporate employees that have joined Eldorado have enabled a smooth transition thus far, with very few hiccups. It is obviously still early and there's a lot to do, but so far so good.

As a member of the executive team at Eldorado, I can assure you that the Eldorado corporate team is extremely focused on continuing to provide exceptional guest experiences to the patrons of our properties. Thank you again for the opportunity to present to you today, and thank you for the privilege of operating in Missouri.

I will now turn this over to Barron Fuller, Senior Vice President of Regional Operations. Thank you.

MR. FULLER: Good morning, Mr. Chairman and Commissioners. Tim and Staff. As I said, my name is Barron Fuller, Senior Vice President of Regional Operations for Eldorado Resorts. Fortunately, I get to remain in the State of Missouri, so that is good news. I don't have to relocate, so I am happy about that.

As Ed said, we are here for the relicensing of three of our four properties in the State of Missouri. We have a pretty extensive
agenda in front of us, so I will start by introducing the three gentlemen that will present to you today. Will you please stand as I announce your name. Todd Steffen, Vice President, General Manager of our Kansas City property. Ken Ostempowski, Vice President and General Manager of our Boonville property. And Tony Rohrer, Vice President and General Manager of our Caruthersville property.

I would also like to recognize Arthur Milton Porter, The Third, who is a Senior Vice President with Marks & Associates. Arthur and Marks have been instrumental with helping us as Isle of Capri early in 2013, and I was at Eldorado, in developing our Vendor Diversity Strategic Plan. So we go back to, when we opened up Cape, we realized we needed that plan. So we leaned on Marks for the help with that and continue to utilize Arthur and the Marks associates with the execution of that plan at our four properties in the State of Missouri. And you will hear some of that work in the presentations today.

So with that, we will get going, and I will now turn it over to Todd Steffen to talk
about the Kansas City property.

MR. STEFFEN: Mr. Chairman,
Commissioners and Staff, my name is Todd Steffen, as Barron indicated. I am the Vice President General Manager for the Kansas City property. I have had the privilege to work in Missouri and the Kansas City area for over five and a half years. I greatly appreciate the opportunity to present Isle of Capri Kansas City and its gaming facility for renewal of its Class B license.

As you can see, many members of our Kansas City team have joined me today. I will ask them to stand and I will go ahead and introduce them to you. Actually, I will introduce my direct reports. I understand we have 15 minutes. Erika Muldrew. Erika just recently got married, Director of Marketing. Liz Janney, Director of Human Resources. Tim Bollmann, Director of Operations. And Jean Hanson, Senior Director of Finance. Fred Doyle is over here, he is our Director of Food and Beverage. And Heather Rapp is Senior Director of Marketing for Kansas City. Isle of Capri Kansas City has complied with the terms of its agreement with Port K.C. Andrea Young, Associate General Counsel from Port
K.C. will be introducing on behalf of the Port immediately following this presentation.

Since inception, the total capital investment for the property is equal to approximately 107 million. In the past four years, the property has made significant capital investments in the infrastructure and property itself. Overall 8.5 million has been spent for the infrastructure, another 4.9 million on slot millions. Over 5.2 million has been spent on interior renovations, 2 million on exterior, and 1.1 million on mechanical, electrical and plumbing. Most of the MEP capital has been spent to improve our HVAC.

Here are some of the highlights of our capital spending for the last four years. $4 million was spent on a new buffet, called Farmers Pick. $491,000 on new casino carpet. $570,000 interior upgrades, includes freshly new interior paint, and new self-serve non-alcoholic beverage centers, new players club, brand new slot and table chairs and a new FF&E for table games. As I indicated before, about a million on HVAC upgrades. We have a remodeled event space. Team member back-of-the-house
improvements, spent about $100,000. And currently we are in the process of painting and renovating the exterior of the property. Some of those photos show the improvements. That is the casino interior with the new carpet and paint. Our new Farmers Pick Buffet is at the entrance. Here is an overview of Farmers Pick. A lot of these changes took place in the last 18 months. We opened up the Farmers Pick Buffet in December of 2016.

Here is the exterior of the barge or the boat. The photo is a few weeks old, and we are further along than the photo would suggest. So if you drive by there today, most of that front facade is completely painted, where the white is.

We have the privilege and ability to have a state-of-the-art surveillance and security, so we are able to partner with local law enforcement to help them deter crime. Isle of Capri Kansas City has taken a very active approach to address issues that arise with the property. This has resulted in a 16.2 percent reduction of arrests at the property. At the bottom of the slide are various crime incidents reported for the divisions within Kansas City, and the increase
from 2015 to 2016 according to the Kansas City P.D. annual report.

The property practices a strict identification policy and provides training to its employees at orientation to assist in the detection of underage gamblers. Security personnel are required to conduct quarterly fraudulent identification training. Also, the latest technology in Driver's License readers are used at the gaming floor entrance to assist in flagging underage patrons and invalid ID's. In addition, the property implements an incentive program, attends MGC led fraudulent I.D. detection training, and uses a queuing line in order for the security officer to have more time to properly evaluate guests who appear to be under 35 years of age. Approximately $30,000 was paid to team members for the incentive program from 2013 through 2016 for the detection of underage and Disassociated Persons.

It is important that the Kansas City Leadership Team is involved in the community and leads by example with volunteering. We encourage participation in various events related to system-wide Community Aces programs coordinated by
our former parent company. From 2013 to 2016 Isle of Capri Kansas City has contributed over 261,000 to charitable organizations. We sponsor and donate to several organizations. These are just a few of them. In addition, our team members have logged over 5600 hours of volunteer time within their community. Here are a couple photos of Kansas City property volunteering. Here is Race For The Cure. Adopt A Highway. We are responsible for cleaning up and around I-29 and Front Street overpass. And I also believe this helps with deterring crime by removing some of the blight.

CHAIRMAN KOHN: Is that you I see in the picture there?

MR. STEFFEN: Yes. I get my hands dirty, yes. I will reserve comment. Thank you, Mr. Chairman. Habitat is always a rewarding experience. With this particular project, we helped to revitalize an entire block in Kansas City. If you notice the gentleman on the ladder, that happens to be Mr. Tony Rohrer, who is now the General Manager in Caruthersville. Before transferring to Caruthersville, he worked as the Director of Operations with Isle of Capri Kansas
City property. So I thought I would include him in our presentation, too.

For Boss's Day, my team planned an event to go sack some money into Harvesters. So this is -- I am in the background, Mr. Chairman. It is not a nice profile picture, but I am there.

For the past three years Isle of Capri has an economic impact of approximately 75 million, as a result of gaming, sales, property, and other taxes. During the same time period Isle of Capri Kansas City paid out close to 47 million in salaries, wages and benefits.

The economic impact from gaming taxes for the City of Kansas City during their fiscal year '16-17 is over 13 million. This contributes to equipment, capital, maintenance and public facilities.

Isle of Capri Kansas City continues to put forth great effort in using Minority Owned Business Enterprise and Women Owned Business Enterprises. Isle of Capri Kansas City is committed to support minority and women owned businesses. The pursuit and development of MBE and WBE sources is a priority. To aid in that endeavor, Isle of Capri Kansas City is a member of
several local chambers, including the Heartland Black Chamber of Commerce, the Hispanic Chamber of Commerce of Greater Kansas City, and the Asian American Chamber of Commerce.

Beyond membership, Isle Kansas City sponsors and participates in various chamber events to further promote Isle Kansas City's involvement in the local community and create opportunities to form and develop relationships with other chamber businesses. In October of 2016, Isle Kansas City sponsored and hosted Heartland's networking event focused on "How to do Business with the Isle of Capri." On June 13th we had a similar event with the Hispanic Chamber. We had the pleasure of Cheryl Bonner and Rick Wilhoit attending for that one.

Isle Kansas City has held on-property meetings with leaders of various groups to better understand and meet corresponding needs. Recent meetings include the Hispanic Chamber in August of 2016 and March of 2017. Heartland Black Chamber, and Mountain Plains Minority Supplier Development in December of 2016. Also in 2016, December, Isle Kansas City completed the remodel of the buffet for which MBE and WBE vendors were utilized. The
rebranded buffet, Farmer's Pick, features locally sourced, fresh products. In the implementation of this concept, Isle Kansas City has fostered relationships with a new MBE vendor and a WBE vendor to supply produce and eggs. Respectively, we are also working to provide assistance to another minority individual seeking to establish a produce business.

CHAIRMAN KOHN: Can I ask you about the diversity chart. Two questions. One, on WBE, it looks like there is a pretty significant drop-off from '13 and '14 to '15.

MR. STEFFEN: Yes, Mr. Chairman.

CHAIRMAN KOHN: Let me ask my second question. You can deal with both of them. Do you have an MBE and WBE goal?

MR. STEFFEN: I'm sorry?

CHAIRMAN KOHN: Is there a goal that you are trying to achieve? In MBE you are at 16 percent. Is that where you are trying to be?

MR. STEFFEN: I don't think we have a set number. I think the goal is always to try to do more, and always -- if it is an MBE goal or any goal, we always try to do better than last year. If it is a financial goal, we always try to do
better. That's what our goal is, is to do better than the prior year and do as much as we can.

I think with Farmer's Pick, that opens up a new concept with WBE and MBE vendors bringing in. Business has also picked up. But we can solicit smaller vendors and get some product in.

One of the Octoponics farm, Gray Taylor, he introduced here in the last year in Kansas City. We have been working with them and his staff to bring in -- it is really an interesting concept, a neat concept that he is doing in downtown Kansas City. So we are trying to partner with them.

CHAIRMAN KOHN: So you were not able to place the Star Group with another WBE vendor?

MR. STEFFEN: Not currently. However, part of that lesser spend year over year with WBE is a result of dropping crab legs from Scavuzzo's. We have picked them back up in 2017. Scavuzzo's is a WBE vendor. So we anticipate that number going up in the next coming years. That is a large portion of our food and beverage business is crab legs. Also, in part of my presentation, Scavuzzo's and a couple other of the minority vendors are vendors that the Kansas City property have developed. And Scavuzzo's is also being
used, and you will hear in the other presentations, by Boonville and Caruthersville and also Cape, who is not present today. So the vendors that we have developed in Kansas City, Barron has done an excellent job to bring them on to other properties in the Isle of Capri Missouri. At one time they were even looking at our Colorado property to do business with. So it is beyond the borders of Missouri.

COMMISSIONER HALE: I understand you are using, is it Marks, the food and advertising company?

MR. STEFFEN: Marks & Associates? They help us create strategic alliance with some of the MBE and WBE vendors out there.

COMMISSIONER HALE: Do they work just with the Kansas City property or are they associated with the other properties as well?

MR. STEFFEN: All four Missouri properties.

COMMISSIONER HALE: All right. Thank you.

MR. STEFFEN: You're welcome, Commissioner. Isle of Kansas City actively seeks potential vendors by means of various vendor fairs
and has participated in the Midwest Supplier Diversity Fair in Kansas City and the one in St. Louis and Procurement One-on-One. Isle of Kansas City networks with other Missouri Isle properties, as I stated earlier, as well as the purchasing department of other Kansas City casinos to aid in identification and promotion of MBE and WBE vendors. Vendors discovered at the Kansas City property are now being used at other Isle of Capri properties. And Isle of Kansas City participates in a conference call with the other Missouri Isle properties for the sole purpose of discussing and supporting growth of MBE and WBE vendors.

In addition, a list was developed and shared of MBE and WBE vendors, including Kansas City's website and the list developed by MGC with Cheryl Bonner, and are used and shared as resources to identify new vendors to continue with that growth. Did I answer your question, Mr. Chairman?

CHAIRMAN KOHN: You answered mine. Any other questions? Tom, do you have any questions?

COMMISSIONER NEER: No.

MR. STEFFEN: At this time I will introduce Ms. Andrea Young. She is an Associate
General Counsel with Port K.C.

MS. YOUNG: Good morning. I am here on behalf of Port K.C. to express our partnership with Isle of Capri and Eldorado. We work with them on vendor acquisition. They, in our minds, are good corporate citizens, as you saw in the presentation.

We work with them on the new vendors and we feel that they have done a very good job of reaching out to people in the Kansas City community as well as Missouri. I don't really have much to say, other than we are very happy with them. So if you have any specific questions, I am happy to answer those at this time.

CHAIRMAN KOHN: Any questions of Ms. Young?

COMMISSIONER HALE: No.

CHAIRMAN KOHN: Thank you very much.

MS. YOUNG: Thank you.

MR. STEFFEN: If you turned on the local news -- thank you, Andrea -- the Port is very busy. They have a few open houses and promoting Berkley Park and some of the development that we have been doing down there.

CHAIRMAN KOHN: Good development.
MR. STEFFEN: Yes. Can I entertain any
other questions? At this time I will introduce
Ken Ostempowski, who is Vice President and General
Manager for Boonville.

MR. OSTEMPOWSKI: Good morning,
Chairman, Commissioners, Staff. Before I get
started today, I would like to ask a couple
members of the Boonville staff to stand up so I
can introduce them here today. Ms. Heather Rapp
is our Senior Director of Marketing and
Hospitality. Ms. Jamie Ellingboe is our
Compliance and Risk Manager. And Ms. Andrea Boggs
is our Director of Finance.

While I have only been G.M. for just
under 60 days, I have been with the Isle of Capri
Boonville for over ten years. I am truly honored
today to present our summary package for
consideration for relicensure.

I am happy to report that the Isle of
Capri Boonville has fully complied with the
development agreement with the City of Boonville
and have an excellent partnership. You will hear
later from the staff from the City of Boonville.

In December of 2001 we opened up our
doors with a $69 million investment. Our hotel
and event center opened up in 2006 with a $17.5 million investment. Making sure that we keep the property attractive, we constantly are investing capital back into it. $38.5 million in total over the last several years.

I am going to go through several renovation projects, which I will share with you in images coming up. I want to say, we are also looking to project to change our steakhouse and our quick service restaurant to ensure that it is renovated as well.

As I mentioned, in 2013 we renovated our casino. We invested approximately $2 million. The lower image on the right-hand side is what it looks like today.

In 2015 we renovated our hotel lobby, ballroom, and all our hotel rooms. The total investment of this project was just over $5 million. And finally, we just completed a renovation of our exterior, putting new paint, new signage, as well as exterior lighting. I can now honestly tell everyone that the Isle of Capri Boonville is happy to say "Bye Bye Birdie." On the right is what we look like today.

I am happy to report there has been no
significant crime at the Isle in Boonville, which
the Chief of Police is here and can attest to
later if you like. We continue to nurture a
relationship, not just with local law enforcement,
but with the State, to ensure that we provide a
great and wonderful environment.

Underage gaming is something that we
take very seriously at the Isle of Capri
Boonville. We ensure that anyone that appears to
be under the age of 35 is properly ID'd. If you
look at the image, the two podiums that were
installed in the last few years include electronic
identification checkers. So if somebody has a
fraudulent ID, it will identify it, not just for
ID's but for passports as well.

All of our employees receive regular
training. We work with the local Missouri Gaming
Commission officers to ensure all of the security
people receive fraudulent identification training.
In addition to that, all of our customer facing
personnel receive training to ensure that they are
identifying ID's.

The Bounty Hunter program that we have
in Boonville allows us to reward those employees
who identify an underage attempting to board.
Moving on to problem gaming. We are an active member of Missouri Alliance to Curb Problem Gaming. We conduct Compulsive Gaming Training on an annual basis for all employees. We participate in Responsible Gaming Week. It is not just putting out posters, we ensure that we engage our employees, participate in games and activities to ensure that they understand the ports.

We include the 1-888-BETS-OFF number on all of our materials and promote the State DAP Program. And similar to underage gaming, we have a Bounty Hunter Program that allows us to reward team members who identify a DAP on the floor with a $100 bonus in their paychecks.

I am proud to say that the Isle of Capri Boonville is very active in charitable giving. Over the last licensure period we have donated in excess of $332,000 to various organizations throughout the State, a few of which we have listed here below.

A few worth pointing out, they are just very, very recent. In the upper left-hand corner is a donation to Boonville Harvest House, which is a home that helps battered women. In the lower left-hand corner is an image of the Boonville
YMCA. And most recently we have just made a $20,000 donation to this Boonville Animal Shelter. It is not just financial support that the Isle of Capri team members participate in, it is also volunteering in our community. Our team members are very, very passionate about participation. It is something we talk about every single day. I am proud to report over the relicensing period, we had over 8,000 hours of volunteer work. There are several different organizations I can tell you about that we participated in, but one in particular I want to point out, and we have an image of it here, is our participation in the Missouri Veterans History Project. As you all know, State Representative Jill Schupp in 2011 brought the Missouri Veterans History Project in coordination with the Federal program, that takes Veterans' stories and records them. It is their voice telling the history of our country. It allows us to really understand what they went through.

In the image, Kurt Klingler, he is an assistant analyst at our property. He is very active in the program and received a commendation from the Lieutenant Governor this past year. It
is also worth noting that Kirk received the Isle of Capri's Community Aces of the Year Award. This isn't just an award from the Isle of Capri Boonville, he is up against thousands of employees nationwide who volunteer, and he was selected. You have the report. He makes his home in Boonville.

Here is a collage of all of the volunteer hours. You are welcome to do a "Where is Waldo?" "Where is my picture with Todd?" We won't do that. We are very proud of our employees as they continue to participate.

Moving on to Economic Impact. We have gaming sales and property taxes that we contribute over the relicensing period in excess of 86 million. Approximately 8 million is going to the local home dock. Our team members, approximately 450 of them, have earned salaries and wages in excess of $36 million. We have paid them benefits in excess of $15 million.

Moving onto Employment Demographics. I am proud to say that our minority employment, the Boonville percentage of employment exceeds the local county standards, as reported by the U.S. Census Bureau. Another thing to point out, and
this is with all the Isle of Capri properties, is we have an upward mobility program. What that does, is allows those employees who may not have had a whole lot of education, to take that opportunity to learn about leadership, to learn about being better employees and being better citizens. When there are promotion opportunities, this upward mobility program helps these employees have a leg up, so that they can truly understand how to be a leader in our community.

Moving on to Vendor Diversity. From 2013 to 2016 we had a 100 percent increase in our minority purchasing. And as you can see, we continue to show growth. I want to point out that 2013 probably jumps out to you. We had a spike in our purchasing, specifically related to, we lost power to our infrastructure, which was some dark days -- no pun intended -- that we had to deal with as a result of everything just shutting down. The contractor who helped us replace that infrastructure was a women owned business.

Vendor Diversity in procurement is part of our culture, as you heard clearly from Todd. As a result, I think it is worth noting some additional points. As Todd indicated, we do
attend regular calls with the Missouri properties on a monthly basis to talk about vendor sharing, to make sure we have communication with all the properties. We have a continued focus on diversity, as far as going to vendor fairs and councils, attending individual meetings. When Ms. Cheryl Bonner comes up and shares her reports with you, if you flip to Boonville, and you look at the last couple pages, there are over two pages of all the different program participation and all the different things. We happen to have it in the licensing materials. We are very proud of it. Cheryl, I'm sure she will share with you, that I think it is a good list. We are doing it to ensure that we are inclusive.

And finally, certainly not least, the Isle of Capri does operate under a Diversity Strategic Plan, a copy which is in your licensing materials as well.

Before I ask for questions from anyone, I thought I would take a moment and introduce members of the community from the City of Boonville. If they will stand for a moment. Our Mayor Julie Thatcher. The City Administrator Irl Tessendorf. And our Chief of Police Bob Welliver.
I believe Irl would like to share a few thoughts regarding our property.

MR. TESSENDORF: Thank you, Ken. As Ken said, my name is Irl Tessendorf, I am the City Administrator of Boonville. I would initially affirm Ken's comments about the compliance. We consider the Isle to be fully in compliance with the agreement that they have with the City. A couple other observations I would like to make, that the City immensely appreciates, is the stability of the management staff has been very comforting and very good over the last probably 10 years, since I have been in this position there. We were very happy when Barron moved on to his promotion and that Ken was promoted to take over there, as we had a very good working relationship with him.

The level of communication between the City and the members of the Isle management team is also excellent, as is the accessibility. We don't necessarily communicate daily, but when one of us needs something from the other party, the lines are always open and the responsiveness is always there.

Just a couple other comments on the
benefit of the property for the community. Obviously Ken gave you some statistics on that. In a rural setting that Boonville is, the level of employment offered there can't be overstated. Some of the challenges that rural areas have had in the last ten years. So we are highly appreciative of that. Obviously, their philanthropic endeavors are appreciated.

The last item that Ken mentioned about the recent donation to the animal shelter. That had been a fund raising effort that had been going on in the community for a year and a half, probably. They have had some success, but the Isle's donation has functioned as a catalyst. That goal was probably down to less than $500 to meet the target. So we are very pleased with the casino there and their staff and their operations. We are fully supportive of their renewal. If anyone has any questions, I would be happy to respond.

CHAIRMAN KOHN: Any questions? Mayor, anything to add?

MAYOR JULIE THATCHER: No. We are very pleased with the Isle of Capri or Eldorado. We are going to call them by their new name. I can't
say enough good things about them. They just
really have stepped up. Any time we have a
problem or they have a problem, I would like to
think that we help them out also. So we have a
very good relationship with them.

CHAIRMAN KOHN: Thank you.

MAYOR JULIE THATCHER: Thank you.

MR. OSTEMPOWSKI: We are very lucky to
be partners with them. At this point I would be
happy to entertain any further questions you may
have.

CHAIRMAN KOHN: No. Thank you.

MR. OSTEMPOWSKI: Thank you. At this
time I would like to introduce Mr. Tony Rohrer,
who is the Vice President and General Manager for
the Lady Luck in Caruthersville.

MR. ROHRER: Good morning, Mr. Chairman,
Commissioners, Deputy Director McGrail and Staff.
As Ken said, my name is Tony Rohrer. I am the
Vice President and General Manager of Lady Luck in
Caruthersville. And I thank you for the
opportunity this morning to speak on their behalf.
I will get right into this.

Our development agreement with the City
of Caruthersville. We complied with the terms of
the development agreement, and we continue to this
day to provide ongoing support through monetary
contributions and volunteer opportunities for
projects within the City of Caruthersville and
surrounding communities.

To date, initial investment purchase,
rebranding and remodeling and then continued
maintenance capital that we have spent at the
property for a total of approximately $58 million
to date. Much of that capital -- this is our
pavilion as you enter the property. This is on
the non-river side of the flood wall. This is
where our restaurants are located. We continue to
invest in improvements and maintenance issues with
that property, with that part of the building.

The majority of our capital is going
into the river side of the flood wall. We have
added additional driveways through the flood wall
to get to the back of the property, with
additional parking lots, for better and more
convenient access for our customers to get to the
property. It has been a big impact. We added
about 216 spaces on the river side of the flood
wall, which has been a really nice customer
service impact for us. It is working very well,
other than when it floods. We lost a few of those spots this year with the flood. It really dramatically changes the way that we are forced to operate, but all in all a very positive story there.

Additional capital continues to be spent within the casino, upgrading our gaming product. The Isle of Capri had a very aggressive gaming schedule with those upgrades, and it appears that that will continue with Eldorado. So we are proud of the changes that have been made at the property, and we are looking forward to those continued investments.

A couple small projects. I'm not going to go through all of them with you. A couple nice ones. There was a Main Cage remodel, and the Video Poker Bar remodel. We took a couple areas that looked basically like snapshots from "That 70's Show" and kind of upgraded them a little bit. Created a little better environment that is more comfortable for our customers.

I struggled with this slide. I saw this, and I really racked my brain trying to think of items to put in here for criminal activity. I went to our Boat Sergeant Carissa Goins and asked
for her help in trying to identify any significant activity that we might want to report to you. We were unable to come up with anything. So I guess that's a good story. I am really happy to announce.

CHAIRMAN KOHN: You want to borrow some from Kansas City?

MR. ROHRER: We're very fortunate to operate in a community that has a very low crime activity and is relatively safe. We have some counterfits once in a while. We have a few warrants that show up from time to time, but really a very safe environment. We are very fortunate to operate in. So I'm sorry there's not more information on that slide, but that is actually a good story.

CHAIRMAN KOHN: That's okay.

MR. ROHRER: Our underage gaming efforts, much like you heard from the other properties. We all have similar policies in place. We use an electronic identification system to scan the ID's and make sure they are not counterfeit. We have TIPS training for Team Members at new hire orientation and Underage Gaming Training as well. We partner with the
local MGC and do annual Fraudulent Identification Training that is mandatory for all security and voluntary for other employees.

Semi-annual testing, which is going to quarterly this year, for all security personnel on I.D. identification. We also utilize the same Bounty Program that you heard from the other two properties. If we have an employee that identifies an underage patron and prevents them from entrance, or if it happened to be something that did get through and we catch them, they are rewarded with $100.

We redesigned the main entrance security checkpoint for better customer evaluation. It doesn't seem like much, but simply relocating the podium to have a better vantage point for the security officers to evaluate the customers as they are coming in, evaluate them for underage purposes, for intox purposes, it has helped out. We have better identified entrance and exit points, so that we can kind of steer the traffic and create a little more of an organized entrance and exit to the property. That has been helpful as well. So those efforts prevent underage and intoxicated entrance, are certainly a top priority
for our property and will continue to be so.

CHAIRMAN KOHN: Yesterday we saw -- what was the name of the system we saw?

DEPUTY DIRECTOR MCGRAIL: Veridocs.

CHAIRMAN KOHN: Veridocs. Do you use that?

MR. ROHRER: No, we use -- I believe it is called I.D. Tech. It is a different system. Does one of our properties use Veridocs?

MR. STEFFEN: We use Veridocs, yes.

MR. ROHRER: We do use a system that helps identify, it is just different from the other two at the moment. And over the past four years, I guess this was an interesting side note. Security at that podium has checked over 115,000 ID's. That is quite a few. That number adds up. They have refused admittance to over 2,000 of those for various reasons. Those are big numbers and I feel confident that they are really doing their job in trying to keep the underage patrons out of the casino.

We will talk about charitable contributions. There we go. To date, Lady Luck Caruthersville has contributed $51,811 in cash donations to charitable organizations. And I am
sorry, that is from 2014 to 2017. If you will
notice on that slide, 2015 we had a little over
$11,000. And the check that they are holding that
is dated 2015 in and of itself is $15,000. So not
only are we contributing at a property level, we
also have corporate initiatives as well. We had a
contest for all of our different markets. It was
fun. We voted for different charities and
organizations, and those that got the most votes
were awarded cash donations. We were in the
smaller market. We won that market. We were able
to donate $15,000 to the local Animal Welfare
Society. So that was a feel-good for the
property.

In addition to the donations, since 2012
Lady Luck Caruthersville Community Aces have
volunteered over 10,750 hours of service in
Caruthersville and the surrounding communities in
which we live and work. Some of the organizations
that we work with, some of their locals right
there, Missouri Department of Social Services,
Pemiscot Animal Welfare Society, and some others.
I am not going to go through and name them all.
Those are a few of them, certainly not all of
them. There are some very prominent names up
there and we are proud to be associated with them.

A slide of some of our activity. Our Community Aces out doing their work. At the top left, we had a big toy drive this past Christmas season. Several hundred toys that we put together. And that's important to note, it is not just about the money that we contribute from the property itself. We have toy drives, we have donations, we have different events to try to raise money that we donate to communities as well.

So there is clothing, there is food, there is toys. There is a lot of effort that goes into those donations. It doesn't always show up on the cash side.

Our Community Services Road Work. The Adopt A Highway Program and the Kenny Rogers Association, the bottom left. We are all wearing funny red noses. That was a fun day. A construction crew that we put together for the Humane Society. While they did good work, I would recommend that we don't hire them to do any jobs in our homes and our businesses. And then the lemonade stand. All real fun events that we have at the casino and surrounding areas that have a big impact in the community.
Some of the organizations that we are affiliated with, there are just a few. We are in a small community. There are a lot of small cities around us, and we are members of all of the various Chambers of Commerce for the cities. A member of the Kiwanis, the Rotary, Lions Club, Caruthersville Arts Society and several others. Those are just a few. It is very important for us as well to be involved in the community in that way.

Next slide. I am kind of proud of this one. Caruthersville Mayor Mike McGraw, who will be speaking here in just a moment, proclaiming April 25th, 2017, as Lady Luck Casino Appreciation Day. Conversely, that was a 22-year anniversary of riverboat gaming in Caruthersville. So that was a nice event. We appreciate the Mayor doing that for the property.

Economic impact on the home dock. Gaming sales and property taxes, $30.3 million. Salaries and wages and benefits about $34 million in this time period.

So I would like to introduce to all of you, to speak about the economic impact on Caruthersville, Mayor Mike McGraw.
MAYOR MIKE MCGRAW: Good morning, Chairman, Commissioners and Staff. My name is Mike McGraw, Mayor of Caruthersville. In my first term as Mayor. My background is, I was born in Springfield, Missouri. I have lived in Caruthersville twice, once as an infant to age 5, and then back to Springfield until age 11. In 1961 we moved back to Caruthersville. My education, I attended Springfield Public Schools for five years, Caruthersville Public Schools for seven years, and I graduated in 1968. I went to Drury in Springfield, and then I went to Cape Girardeau for school in 1969. And then to Central Missouri State in Warrensburg in 1970. And I graduated in 1973 with a Bachelor of Science in Education, with a Major in Biology and Earth Science. My jobs have been varied, and include working in a funeral home, a hospital, and a high school science teacher for 11 years, and a businessman for 30 years selling commercial insurance. And now I'm Mayor.

Caruthersville was the fifth casino in the State of 13 casinos. Missouri in 1992 passed riverboat gaming. In 1993, as just a citizen, I ran a campaign for passage in Caruthersville. I
saw it as the only means of improving our local economy. In hindsight, I hate to think where our town would be, had not two-thirds of the people had the exact same foresight and vision. It is estimated that our city has received $40 million from the casino. And it has been good for the State, helping to fund education and local governments.

As can you see from this slide, we have got all kinds of new equipment. Dump trucks, snow removal equipment, weight room equipment, infrastructure improvements, tractors for mowing grass, additional police. And we operate a superior parks and recreation center and library.

As the Mayor and a citizen of this State, I think it is imperative that the State and Gaming Commission continue to improve and protect this vital revenue stream.

With that thought in mind, the casinos are all located on either the Missouri or Mississippi rivers. Caruthersville is 90 miles south of the Cape. The Cape is on the upper Mississippi, while Caruthersville is on the lower Mississippi. The division between the upper and lower Mississippi is where the Ohio River meets
the Mississippi. In 2007 Lady Luck was forced to close for ten days, when the river crested at 47.7 feet. My estimate is our town lost $50,000. The State probably lost $250,000.

This year we had, as the Corps of Engineers described, a non-event, when the river crested at only 39.4 feet. To me, just as the actual cruising rule was relaxed, the requirement of being on the water should also be relaxed. It is just good business for the State and local economies. Flooding is inevitable. It is just prudent to protect this vital revenue stream.

Thank you.

CHAIRMAN KOHN: Thank you very much, Mr. Mayor.

MR. ROHRER: Thank you, Mayor. Vendor Diversity. 2013 to '16, you can see the results on the chart there. I think it is important to note, there was a question brought up earlier in the meeting, asked Todd from Kansas City, about the impact of the Star Group. You may have mentioned it, but we didn't drop the Star Group. They went out of business suddenly, and it affected all of our properties. That was a significant WBE spend that we lost there.
For Caruthersville itself, since that happened, we took that impact, we have had five straight quarters of WBE growth. So we are working to build that number back up. Most recently we were able to capitalize on the corporate initiative that was already in place with Kansas City, Boonville and Cape, utilizing Scavuzzo's for some of the food purchases and deliveries. I believe if we didn't have that in place with the other properties, we wouldn't have been able to capitalize on it. So Scavuzzo's finally agreed to start delivering to Caruthersville, because they go right by us on their way to Memphis. If we didn't have that relationship, I don't think that would have happened.

You asked the question earlier, Chairman, about what is the goal. And I think if you look at that MBE chart, that is my goal, it is continued improvement year over year, just to continue to get better, find more opportunities to invest. We will just keep working it. We don't have a hard number.

CHAIRMAN KOHN: Do you know what, in '15 or '16, what the state MBE percentage is in the
MR. ROHRER: Like in our area of Caruthersville? I do not. I do not have that information. I can certainly find it out and get back to you.

So really to summarize this slide. And really, just to summarize with all of the properties. MBE and WBE opportunities continue to be at the forefront of every project bidding process and every purchasing opportunity that we have. It was a very high priority with the Isle of Capri. It will continue with Eldorado. We expect those efforts to get better and continue to show good results and growth. And that's the end of my presentation. Thank you. Do you have any questions?

COMMISSIONER LOMBARDO: We heard about the flooding. I am from up here in Kansas City, so I have to say I wasn't all that aware of it. How did that affect your business? Did you all have to close or sustain property damage?

MR. ROHRER: No, we didn't. The property was actually built to sustain a certain flood level. While it certainly did impact operations. We had to raise the bridge that goes
out to the vessel on the land side, which is quite
a process. It was my first year to experience
about a ten-hour process to raise that bridge and
change the flow of the patrons going into the
casino. It does impact operations. We were able
to stay open, but it is not the greatest scenario
for the customers to get to the casino. It is a
lot of walking outside. If there is weather,
obviously they are subject to that. So there is
an impact there.

And then one of the hardest things we
fought was the impression from the public that we
were closed. We were having to put out
information in social media, letting them know
that we were still open. We definitely took an
impact just from the water being the level it was.
It was an interesting --

COMMISSIONER LOMBARDO: I'll bet.

MR. ROHRER: -- experience for sure.

CHAIRMAN KOHN: Anything else? Any
other questions? Is there anyone here from the
public that would like to talk about any of the
three applications? Okay. Mr. McGrail.

DEPUTY DIRECTOR MCGRAIL: Mr. Chairman,
we are ready for the Investigative Summary.
Again, Sergeant Mike Finnegan will be making the presentation.

SERGEANT FINNEGAN: Good morning, Mr. Chairman and Commissioners. Eldorado Resorts, Incorporated is a Class A Licensee associated with the Isle of Capri Casinos of Missouri. Eldorado Resorts, Incorporated, and its three associated key business entities were licensed by the Missouri Gaming Commission on April 26th, 2017. Therefore, a Renewal Investigation of the Class A Licensee is not required at this time.

Missouri Gaming Commission financial investigators and members of the Missouri State Highway Patrol were tasked with conducting investigations on Isle of Capri Kansas City, Incorporated; Isle of Capri Boonville, Incorporated; and Isle of Capri Caruthersville, LLC for the purpose of assisting the Missouri Gaming Commission in determining each casino's suitability for Class B relicensure in the State of Missouri. A detailed company profile was created by investigators to perform comprehensive financial analysis, conducted site inspections, interviewed company representatives, confirmed appropriate insurance coverages, ensured the
payment of taxes, contacted law enforcement officials and reviewed litigation history. All investigative findings were provided to the Missouri Gaming Commission Staff for their review and investigators are present at this hearing and would be happy to entertain any questions you might have. Thank you.

CHAIRMAN KOHN: Thank you. Any questions of Sergeant Finnegan?

COMMISSIONER HALE: No, sir.

COMMISSIONER LOMBARDO: No, sir.

COMMISSIONER NEER: No, sir.

DEPUTY DIRECTOR MCGRAIL: Mr. Chairman, we will have now Ms. Cheryl Bonner, and she will present the MBE/WBE Compliance Review.

MS. BONNER: Good morning, Mr. Chairman and Commissioners. In February, March and April of 2017 the Missouri Gaming Commission staff conducted 100 percent audits of the MBE/WBE records for the Class B licensees, Isle of Capri Boonville, Caruthersville and Kansas City casinos. The results of our audit and specific details related to those findings are contained within the Summary Report in your possession.

CHAIRMAN KOHN: Any questions of Ms.
COMMISSIONER HALE: If I may, Mr. Chairman. Ms. Bonner, if my memory serves me correctly, and it may not. Nonetheless, there were some discussions, I guess, with representatives I guess from Eldorado in April thereabouts of this year? Okay. In any event, at that time representatives of Eldorado had given something in the nature of assurances that they were willing to work with you in efforts to improve their MBE/WBE numbers. My understanding is that they have been forthcoming in that regard and been very cooperative?

MS. BONNER: Yes, sir. That is correct.

COMMISSIONER HALE: Okay. I just wanted to be sure. That, in my mind, particularly with regard to Caruthersville and Boonville, that is commendable. I just want to make mention of that. There was a commitment made, as I told you, when Eldorado appeared in April. It appears that that commitment was taken seriously and I do appreciate that.

MS. BONNER: The one thing I would like to note about the Isle of Capri at Caruthersville. When they had the drop-off of the Star Group for
2016, their numbers that were submitted for the
first quarter of 2017 have doubled so far. And
let me note that those numbers have not been
audited. However, their numbers that they have
submitted for the first quarter only doubled the
whole year of 2016, and I just wanted to note
that.

CHAIRMAN KOHN: So you wouldn't be
making your prior recommendation if you weren't
staffed with both the numbers that are existing
and the progress of these casinos?

MS. BONNER: That is correct.

CHAIRMAN KOHN: You are satisfied?

MS. BONNER: I am satisfied with their
efforts.

CHAIRMAN KOHN: Any other questions?

COMMISSIONER HALE: I have none.

CHAIRMAN KOHN: Thank you very much.

Mr. McGrail, what is staff's recommendation?

DEPUTY DIRECTOR MCGRAIL: We recommend
your approval for all three of these casinos.

CHAIRMAN KOHN: Any other questions from
the Commission?

COMMISSIONER LOMBARDO: No.

COMMISSIONER HALE: No, sir.
CHAIRMAN KOHN: Then we are ready to
move on the three resolutions. We will vote on
them separately. Is there a motion to approve
Resolution 17-036?

COMMISSIONER LOMBARDO: Motion to
approve.

COMMISSIONER JAMISON: Second.

CHAIRMAN KOHN: Any discussion on that?

Angie.

MS. FRANKS: Commissioner Lombardo.

COMMISSIONER LOMBARDO: Approve.

MS. FRANKS: Commissioner Neer.

COMMISSIONER NEER: Approve.

MS. FRANKS: Commissioner Hale.

COMMISSIONER HALE: Approve.

MS. FRANKS: Commissioner Jamison.

COMMISSIONER JAMISON: Approve.

MS. FRANKS: Chairman Kohn.

CHAIRMAN KOHN: Approve.

MS. FRANKS: By your vote you have
adopted Resolution Number 17-036.

CHAIRMAN KOHN: Is there a motion with
respect to Resolution Number 17-037?

COMMISSIONER JAMISON: So moved.

COMMISSIONER HALE: Second.
Discussion on the motion? Angie.

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 have adopted Resolution Number 17-037.

CHAIRMAN KOHN: Is there a motion with respect to Resolution Number 17-038.

COMMISSIONER HALE: Move for adoption of Resolution Number 17-038.

COMMISSIONER LOMBARDO: Second.

CHAIRMAN KOHN: Any discussion on that motion? Angie.

MS. FRANKS: Commissioner Lombardo.

COMMISSIONER LOMBARDO: Approve.

MS. FRANKS: Commissioner Neer.

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

COMMISSIONER HALE: Approve.

MS. FRANKS: Commissioner Jamison.

COMMISSIONER JAMISON: Approve.

MS. FRANKS: Chairman Kohn.

CHAIRMAN KOHN: Approve.

MS. FRANKS: By your vote you have adopted Resolution Number 17-038.

DEPUTY DIRECTOR MCGRAIL: Next on the Agenda is the consideration of Disciplinary Action. And Mr. Ed Grewach will be making the presentation.

MR. GREWACH: Thank you, Deputy Director McGrail. Mr. Chairman, Commissioners. Under Tab F. we have a Preliminary Order of Discipline directed to the Hollywood Casino St. Louis for a failure to pay tournament prizes according to their rules, which is a violation of our Rule 5. 180 Paragraph 3 Subparagraph E. This property was holding poker tournaments on a daily basis during the months of November, December of 2016, and during the month of January in 2017.

Now these tournaments would be conducted where the patrons would pay a buy-in fee. They would receive non-valued chips. And then at the
end of the tournament, depending on the amount of chips that you have, that's what place you would place in the tournament. Then at that point in time, according to the tournament rules, your prize money would be determined by your placement. They had also, as the rule requires, filed their rules with us in advance of the poker tournament.

The Commission's Tax Section found, in reviewing the paperwork they submitted on the tournaments, that on November the 6th and November the 10th, that the property paid incorrect amounts to winners in violation of the rule. In investigating the matter, the supervisor of that area claimed responsibility. We then sent, on December 28, 2016, correspondence to the property, warning them that future violations would result in a fine.

When we reviewed the January submissions that the property made for their poker tournaments, we found that the incorrect amounts were awarded for prizes on the gaming days of January the 8th, 14th, and 16th. Now, these incorrect payments resulted in 21 patrons being overpaid a total of $2,110. 31 patrons being underpaid a total of $2,110.
The property again indicated it was an error in the supervisor not inputting the proper entries into the computer system they used to calculate the prize payouts. The reaction of the property was not to seek refunds for the overpayments, but to place the underpayments into safekeeping. Then they made phone calls to the players who were underpaid, indicating to them that that money was in safekeeping. The recommended fine by the Commission Staff is $2,500.

CHAIRMAN KOHN: Questions?

COMMISSIONER JAMISON: So the $2,100 was reimbursed to the 31 -- or attempted to be reimbursed to the 31 patrons that were underpaid. They didn't take money back from the 21 patrons that got overpaid.

MR. GREWACH: That is correct.

COMMISSIONER JAMISON: But the first offense, it wasn't the same kind of offense. They just miscalculated, and then they got a notice from the Gaming Commission that they needed to get that corrected. And then the second offense occurred because they still had -- they made a similar kind of error in calculation?
MR. GREWACH: A similar type of error.

As you can see, the first offense it was basically
two relatively small programs.

COMMISSIONER JAMISON: But they were at
least aware that they needed to pay closer
attention to their calculation process, before
they made the event that occurred in December and
January?

MR. GREWACH: That is correct.

COMMISSIONER JAMISON: Okay.

CHAIRMAN KOHN: Other questions?

COMMISSIONER LOMBARDO: Ed, you've got
two similar cases here, which to me appear to be
slightly different. In the sense that, the
similar cases involved not submitting tournament
rules in a timely fashion or at all, I suppose.
Those are both $2,500 fines, correct?

MR. GREWACH: That is correct. We did
not have a case in our records that was on point
with this particular fact scenario, but those did
involve poker tournaments. As you pointed out,
those two cases we cite were cases where they
failed the first part of the rule, which is where
they have to send us the tournament rules prior to
the commencement of the tournament.
COMMISSIONER LOMBARDO: Okay.

CHAIRMAN KOHN: Other questions? Ed, I was curious. So they are being fined $2,500, but they are also out the money that they paid, that should have been paid out to the underpaid people, and have not recovered the money that they paid out to the overpaid people. So their fine is really $2500 plus whatever. It is not a violation to not get back the money that they paid out on the overpays?

MR. GREWACH: No, it is not. If they wanted to waive or forego their ability to try to recoup that $2,110, that would not constitute a violation. But you are right, the net effect is that the casino is now paying out $2,110 more than they would have had the promotion proceeded.

CHAIRMAN KOHN: Plus the $2500?

MR. GREWACH: Correct, plus the $2500.

CHAIRMAN KOHN: Any other questions or discussion?

COMMISSIONER LOMBARDO: I have one question. Has this casino had any previous problems of this nature?

MR. GREWACH: I would like to call on Cheryl Alonzo, our Assistant Deputy Director.
MS. CHERYL ALONZO: The priors in this case that were noted in November were the most recent. Over time they may have an occasional error, but it seemed to be -- there were several in a row, so then they sent the letter, and they are continuing to have more issues after that. So not a pattern.

All the casinos at some time or another might have a mistake on a tournament payout, but not so many to where we felt like we needed to send that letter. Which they did after the three issues in November. Then when these issues came up in January, they just wrote the Gaming Report at that time.

COMMISSIONER LOMBARDO: But all of the issues that you are talking about are described in Ed's presentation and the document we have, right?

MS. ALONZO: Yes.

COMMISSIONER LOMBARDO: Other than that, you don't think they've had a significant history of this?

MS. ALONZO: No.

CHAIRMAN KOHN: Any other questions?

Comments? Tom, anything?

COMMISSIONER NEER: No, sir.
CHAIRMAN KOHN: Is there a motion with respect to Resolution Number DC-17-075?

COMMISSIONER JAMISON: I move for adoption.

COMMISSIONER NEER: Second.

CHAIRMAN KOHN: Discussion on the motion? Angie.

MS. FRANKS: Commissioner Lombardo.

COMMISSIONER LOMBARDO: I don't approve.

MS. FRANKS: Commissioner Neer.

COMMISSIONER NEER: Approve.

MS. FRANKS: Commissioner Hale.

COMMISSIONER HALE: Approve.

MS. FRANKS: Commissioner Jamison.

COMMISSIONER JAMISON: Approve.

MS. FRANKS: Chairman Kohn.

CHAIRMAN KOHN: Approve.

MS. FRANKS: By your vote you have adopted Resolution Number DC-17-075.

MR. GREWACH: Thank you.

CHAIRMAN KOHN: Anything else, Tim?

DEPUTY DIRECTOR MCGRAIL: No, sir.

CHAIRMAN KOHN: Before we adjourn this meeting and go into closed session, I again want to thank all the representatives from Eldorado --
I guess that's the right new name to use -- for being here. Again, I want to thank all the rest of you for coming. And Mayor Rose, if you are still here, thank you again for letting us use your premises. That concludes our open session. Do we have a motion to go into closed?

COMMISSIONER JAMISON: I move for a closed meeting under Sections 313.847 and 313.945 Revised Missouri Statutes, Investigatory, Proprietary and Application Records and 610.021(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.

COMMISSIONER NEER: Second.

CHAIRMAN Kohn: Angie.

MS. FRANKS: Commissioner Lombardo.

COMMISSIONER LOMBARDO: Approve.

MS. FRANKS: Commissioner Neer.

COMMISSIONER NEER: Approve.

MS. FRANKS: Commissioner Hale.

COMMISSIONER HALE: Approve.

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

MS. FRANKS: Chairman Kohn.

CHAIRMAN KOHN: Approve. We will now go into closed session.

(Proceedings concluded at 10:15 a.m.)
CERTIFICATE

I, James A. Leacock, Certified Court Reporter for the State of Missouri, do hereby certify that I appeared at the time and place hereinbefore set forth; that I took down in Stenotype the proceedings had at said time and place; and the foregoing 63 pages constitute a true, correct and complete transcript of said Stenotype notes.

Certified to this 3rd day of July, 2017.

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James A. Leacock, CCR.
Certified Court Reporter No. 662 (G)
Notary Public, State of Missouri
The Missouri Gaming Commission (the “Commission”) went back into open session at approximately 10:32 a.m. on June 28, 2017, at Riverside City Hall.

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

The meeting ended at 10:34 a.m.