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BEFORE THE MISSOURI GAMING COMMISSION

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Meeting

6

June 24, 2020

7

9:30 a.m.

8

3417 Knipp Drive  
Jefferson City, Missouri

9

10

BEFORE: Mike Leara, Chairman  
Daniel P. Finney, III, Commissioner  
Brandon Boulware, Commissioner  
Pat Conway, Commissioner  
David W. Hane, Commissioner

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XI. Motion for Closed Meeting under Sections 105:18  
313.847 and 313.945, RSMo., Investigatory,  
Proprietary and Application Records and  
610.021(1), RSMo, Legal Actions and Matters  
Subject to Attorney-Client Privilege, (3) &  
(13) Personnel, (12) Contract and (14)  
Records Protected from Disclosure by Law

1 (Start time: 9:30 a.m.)

2 P R O C E E D I N G S

3 CHAIRMAN LEARA: We'll call the regular June  
4 meeting to order of the Missouri Gaming Commission.

5 Angie, please call the roll.

6 MS. FRANKS: Commissioner Hane.

7 COMMISSIONER HANE: Present.

8 MS. FRANKS: Commissioner Conway.

9 COMMISSIONER CONWAY: Present.

10 MS. FRANKS: Commissioner Boulware.

11 COMMISSIONER BOULWARE: Present.

12 MS. FRANKS: Commissioner Finney.

13 (No response.)

14 MS. FRANKS: Chairman Leara.

15 CHAIRMAN LEARA: Present.

16 Okay. We have a quorum.

17 Okay. The first item is adoption of the  
18 agenda.

19 Any discussion?

20 I will move for the adoption of the agenda  
21 as demonstrated and look for a second.

22 COMMISSIONER BOULWARE: Second.

23 CHAIRMAN LEARA: We have a second from  
24 Mr. Boulware.

25 No further discussion.

1 Angie, please call the roll.

2 MS. FRANKS: Commissioner Hane.

3 COMMISSIONER HANE: Approved.

4 MS. FRANKS: Commissioner Conway.

5 COMMISSIONER CONWAY: Approved.

6 MS. FRANKS: Commissioner Boulware.

7 COMMISSIONER BOULWARE: Approved.

8 MS. FRANKS: Chairman Leara.

9 CHAIRMAN LEARA: Approved.

10 Motion carries.

11 The next item is consideration of minutes

12 from February 26th, April 1st, April 6th, April 17th

13 and June 8th of 2020.

14 Do we have to approve those individually or

15 in bulk?

16 MS. FRANKS: You can do them in bulk.

17 COMMISSIONER HANE: Motion to approve the

18 minutes as presented.

19 CHAIRMAN LEARA: We have a motion to

20 approve. Do we have a second?

21 COMMISSIONER BOULWARE: Second.

22 CHAIRMAN LEARA: We have a second.

23 Any further discussion?

24 Seeing none, Angie, please call the roll.

25 MS. FRANKS: Commissioner Hane.

1 COMMISSIONER HANE: Approved.

2 MS. FRANKS: Commissioner Conway.

3 COMMISSIONER CONWAY: Approved.

4 MS. FRANKS: Commissioner Boulware.

5 COMMISSIONER BOULWARE: Approved.

6 MS. FRANKS: Chairman Leara.

7 CHAIRMAN LEARA: Approved.

8 MS. FRANKS: By your vote you've adopted the  
9 minutes of the February 26th, April 1st, April 6th,  
10 April 17th and June 8th, 2020 meeting.

11 CHAIRMAN LEARA: Thank you.

12 The next item on the agenda, consideration  
13 of ratification of extension of licensure.

14 Mr. Grewach, if you'd like to explain where  
15 we stand with that.

16 MR. GREWACH: I will. Thank you.

17 Mr. Chairman, Commissioners, due to the  
18 cancellation of our last three meetings that was caused  
19 by the Covid-19 restriction, the Chairman has extended  
20 the license of these four companies pursuant to our  
21 Rule 1.020. That's a rule that requires the Chairman's  
22 action be ratified by the full Commission at its next  
23 regular meeting.

24 CHAIRMAN LEARA: And are these done in one  
25 grouping or are they done individually?

1                   MR. GREWACH: You can do these in one  
2 grouping.

3                   CHAIRMAN LEARA: Okay. Any discussion?

4                   Okay. I will move for the adoption -- or  
5 ratification -- I'm sorry -- of the four license  
6 extensions in Agenda Item No. 4.

7                   Do we have a second?

8                   COMMISSIONER CONWAY: I'll second.

9                   CHAIRMAN LEARA: A second, Mr. Conway.

10                  Any other discussion?

11                  Seeing none, Angie, please call the roll.

12                  MS. FRANKS: Commissioner Hane.

13                  COMMISSIONER HANE: Approved.

14                  MS. FRANKS: Commissioner Conway.

15                  COMMISSIONER CONWAY: Approved.

16                  MS. FRANKS: Commissioner Boulware.

17                  COMMISSIONER BOULWARE: Approved.

18                  MS. FRANKS: Chairman Leara.

19                  CHAIRMAN LEARA: Approved.

20                  MS. FRANKS: By your vote you've adopted  
21 Resolution Nos. 20-006, 20-007, 20-008 and 20-009.

22                  CHAIRMAN LEARA: Thank you.

23                  We'll now move to agenda Item V,  
24 consideration of licensure and petition for change of  
25 control.



1                   And the first up, Mr. Grewach.

2                   MR. GREWACH: Yes.

3                   CHAIRMAN LEARA: So moving right along,  
4 we're at the Twin River.

5                   MR. GREWACH: Yes. I believe the  
6 presentation by Twin River will be conducted by Rob  
7 Cantwell, Michael Monty and Craig Eaton from Twin  
8 River.

9                   CHAIRMAN LEARA: Whichever one of you wishes  
10 to go first is fine. You have the floor.

11                  MR. CANTWELL: Thank you, Mr. Chairman.

12                  Good morning. My name is Rob Cantwell. I'm  
13 here on behalf of Twin River and we are here for a  
14 Class A licensure.

15                  Chairman Leara, Commissioners and staff, we  
16 really appreciate your attention and all of the work  
17 that's gone into this process throughout it, and I'll  
18 introduce Craig Eaton who is General Counsel for Twin  
19 River.

20                  MR. EATON: Thank you, Rob, and Chairman  
21 Leara, fellow Commissioners. Thank you for hosting us  
22 today.

23                  My name is Craig Eaton, Executive Vice  
24 President, General Counsel of TRWH. With me is Michael  
25 Monty, Director of Corporate Finance.

1                   We're very happy to be here today and  
2                   hopefully join the Missouri Gaming community. Thank  
3                   you for having us.

4                   We have a very brief presentation. We know  
5                   that you have a lot on your agenda. We'll keep it  
6                   concise, but we're obviously here to answer any  
7                   questions and certainly go from there.

8                   So if we go to the next slide.

9                   I just wanted to tell you a little bit about  
10                  us because we are new to Missouri. Some unflattering  
11                  pictures of us up there.

12                 But the bottom line is George Papanier is  
13                 our CEO, has a lot of gaming experience, very excited  
14                 about joining the Missouri and Kansas City area. Steve  
15                 Capp, who is our CFO, used to be a CFO of Pinnacle. So  
16                 he has Missouri experience and he's excited to be  
17                 hopefully back in the area pending today. And then a  
18                 few others including myself, but I won't belabor that.

19                 Go to the next slide.

20                 Just to tell you just a little bit about us.  
21                 We've grown quickly over the last six to eight years.  
22                 We started off, in the upper right, at Twin River in  
23                 the northeast in a little state of Rhode Island. Since  
24                 then we acquired in 2014 Hard Rock, Biloxi,  
25                 Mississippi. We then acquired Dover Downs in 2019 in

1 Delaware, which allowed us to go public via a merger.  
2 We then very relatively recently have acquired two  
3 casinos in Black Hawk, Colorado, and then pending we  
4 have hopefully the Kansas City acquisition, and along  
5 with that will come the Vicksburg property in  
6 Mississippi, both being purchased from Eldorado, who  
7 I'd like to say has been great to work with during this  
8 process. Have nothing but good things to say about  
9 Eldorado in working with them during this. It's been  
10 very good.

11                   And then besides that we have a few more in  
12 the pipeline, Mont Bleu in Lake Tahoe and Shreveport,  
13 which is another one that we would hopefully be  
14 purchasing from Eldorado.

15                   Go to the next slide.

16                   I'm not going to belabor this. This is way  
17 too busy, I apologize, but the bottom line -- and you  
18 can look at this later if you'd like.

19                   But the bottom line is 100 percent of what I  
20 explained earlier of our revenue from Rhode Island, and  
21 by the time we are done we're going to be well below  
22 50 percent of our revenue coming from the northeast.  
23 So we're expanding, diversifying and we're growing.

24                   Before I turn it over to Mike, I do want to  
25 thank the investigators who came out to Rhode Island,

1 everyone from the Gaming Commission and everyone who  
2 has worked with us. They've been very professional and  
3 they've been great to work with.

4                   So I want to thank you, and I want to thank  
5 the Commission. I'm going to turn it over to Mike. He  
6 has a few more slides to show you, what we're thinking  
7 back in Kansas City, and again, happy to answer any  
8 questions.

9                   (COMMISSIONER FINNEY ENTERS.)

10                   MR. MONTY: Thank you, Craig. Thanks  
11 everybody.

12                   My name is Michael Monty. I am Director of  
13 Finance for Twin River. I'm going to go briefly over  
14 some of the branding ideas we have, as well as our  
15 vision for the Kansas City property. It's a market we  
16 are really excited about and its particular location  
17 that we're really excited about and our branding vision  
18 for that property tries to encompass that.

19                   The next slide, please.

20                   So we are going to initially keep the Isle  
21 name. We have use of that for several months. But  
22 underway is our rebranding idea, and it's going to be  
23 called Casino KC.

24                   The reason we went that route, there is a  
25 practical reason and geographical locator. There is no

1 confusion about where that casino is located in the  
2 regional market. But we are excited about that city,  
3 and we really wanted to ingrain ourselves into that  
4 city and into the growth of that city in the Midwest,  
5 as well as our desire to grow the F&B amenities there  
6 that will accommodate the food of Kansas City.

7           So that's what our Player's card is going to  
8 look like.

9           The next slide, please.

10           This is what our logo will end up looking  
11 like, and this is what our chips -- you know, all this  
12 pending, but this is what our chips will look like.  
13 And really you have the Kansas City skyline.

14           So tied to this name rebrand is a structural  
15 rebrand, and, you know, with our excitement in the  
16 market, our board has committed \$40 million of capital  
17 to expand that property.

18           The next slide, please.

19           So the boat aesthetically. Right now it  
20 hasn't evolved much in the past few years, maybe  
21 decade, and so there's an opportunity to really spruce  
22 up what that property looks like that will capture the  
23 excitement that we feel about the property.

24           So the next slide, please.

25           So, you know, if you knew what the boat

1 looks like, this looks a lot different. So there's  
2 going to be an aesthetic membrane that is going to be  
3 built out on the outside of the boat. It's going to  
4 connect to the parking garage and allow the customers  
5 to enter the parking garage and move seamlessly into  
6 the property.

7           That expansion will allow an indoor  
8 environment that's off the boat to fill with F&B  
9 amenities and rebranding F&Bs that, you know, we're  
10 examining now and bringing in from different parts of  
11 our portfolio, interested parties who want to go there.  
12 And then that freed-up space from the F&B coming  
13 outside the boat will allow for reinvigoration of the  
14 game floor and game space on the boat, which obviously  
15 has to be on the boat.

16           So we're excited about it, and there's also  
17 an opportunity for additional phases in the years to  
18 come as the property grows. So it will look completely  
19 different, and we're pretty excited.

20           From a timing perspective, you know,  
21 architecturally we're all slated and ready to go.  
22 Pending completion of the transaction we're going to go  
23 to the next phase of permitting, hiring a general  
24 contractor, getting all of the approvals we need to  
25 move forward.

1           The next slide, please.

2           So it's kind of how that's -- how it looks.  
3   If you can see what the boat looks like now versus how  
4   that aesthetic evolves. It's a grounded membrane that  
5   will encompass it.

6           The next slide, please.

7           There's an opportunity, you know, down the  
8   road the way the structure will be built out. There's  
9   opportunities.

10          Obviously you can see the parking.

11          I think that's the last slide. Yep.

12          So back to Craig pending any questions.

13          MR. EATON: Thank you.

14          That's all we have unless you have questions  
15   right now.

16          CHAIRMAN LEARA: Any questions?

17          COMMISSIONER BOULWARE: I have one.

18          This gentleman, Michael Barlow, is he still  
19   employed?

20          MR. EATON: So Mr. Barlow is no longer  
21   employed. He's been terminated, terminated with cause.

22          COMMISSIONER BOULWARE: When did that  
23   happen?

24          MR. EATON: We terminated him with cause  
25   in -- I'm going to get this wrong -- probably about ten

1 months ago now, and then he was indicted December 17th,  
2 I believe, and upon indictment we terminated for cause.

3 COMMISSIONER BOULWARE: What is Pop Shop?

4 MR. EATON: Pop Shop, it's no longer a  
5 company, but it was a fastfood pizza concept. Think  
6 Subway but you make pizza. They may be around  
7 Missouri. I'm not sure. They are in our Biloxi  
8 casino.

9 So the Pop Shop corporate -- or I'm sorry --  
10 Pie Five, which is the fastfood pizza concept, said to  
11 Mr. Barlow and Mr. Juliano and Mr. Papanier, if you  
12 guys know casinos, if you're ever able to get us an  
13 introduction to a casino, we'll pay you a finder's fee  
14 of putting the Pie Five in a casino because we think  
15 this is a good opportunity.

16 So Pop Shop was a company that Mr. Papanier  
17 and myself and Mr. Juliano, who is also up on the  
18 screen, Mr. Barlow, who has been terminated, formed to  
19 if we're able to find something, to really be a broker.

20 The postscript of that is there was never  
21 any revenue. There was never any introduction. It  
22 just didn't work. It was a company that just honestly  
23 went nowhere.

24 But before that company was formed, pursuant  
25 to protocol, we went to the board, TRWH board. We





1                   MR. EATON: We were in a suit because --  
2                   it's complex, but I won't go there.

3                   Contingent value rights are -- they call it  
4                   sucker insurance. If a company really grows, the  
5                   contingent value, which are second lien debtors, can  
6                   get some money.

7                   What happened is we wanted to get rid of  
8                   these CVRs we call them, because they were causing a  
9                   balance sheet issue with us, because you have first  
10                  stockholders and then you have these CVRs. And they're  
11                  kind of stockholders. They're kind of debtors.

12                  So we wanted to pay out some money just for  
13                  them to pay them off because they still had a right in  
14                  case of a sale, a change of control. We went to court  
15                  to get a declaratory judgment to see how much are these  
16                  things worth and whether they're actually worth  
17                  anything.

18                  So as part of that process, we went into a  
19                  suit with CVRs and the shareholders, and then a  
20                  shareholder -- agitating shareholder sued us. And then  
21                  that went nowhere, and we ended up incurring  
22                  \$5.6 million.

23                  So the suit to settle, legal costs. So to  
24                  settle the suit. I'm sorry. It's complex. I'm  
25                  probably making it worse, hard for you to understand.

1                   But the bottom line, that 5.6 million is a  
2 suit against us for our insurance company, because --

3                   COMMISSIONER HANE: They didn't pay?

4                   MR. EATON: -- they didn't way.

5                   So we sued AIG. We won \$5.6 million. AIG  
6 still won't pay because they're appealing. Now we're  
7 in the final stages of that. Interest is running. So  
8 we're hoping fairly soon, because of Covid, it could be  
9 up to about \$7 million plus to recover. So that's  
10 money that we're owed.

11                   COMMISSIONER BOULWARE: But by the insurance  
12 company?

13                   MR. EATON: Correct.

14                   COMMISSIONER BOULWARE: It consists of legal  
15 fees?

16                   MR. EATON: Legal fees in another matter.

17                   COMMISSIONER BOULWARE: What case?

18                   MR. EATON: That was the CVRs case.

19                   COMMISSIONER BOULWARE: What happened in the  
20 CVR case?

21                   MR. EATON: We paid out CVR shareholders a  
22 certain amount of money. I can't remember the exact  
23 amount of money. But the shareholders, you shouldn't  
24 pay the CVRs anything because CVRs aren't worth  
25 anything. They're second-lien instruments.

1                   We had a different look at that. We felt  
2 they were worth something. We wanted to pay them out  
3 to get them off our books. So we went into court to  
4 get a declaratory judgment, if CVRs are worth  
5 something. So then we paid them.

6                   Then the first lien shareholders said you  
7 shouldn't have paid them because we still don't believe  
8 you should have paid them.

9                   COMMISSIONER HANE: Okay. Is there another  
10 Federal suit that is pending?

11                   MR. EATON: Pending? Hanging by a thread.

12                   It's Chatham versus Twin River Worldwide  
13 Holdings. Almost all counts have been dismissed.  
14 Chatham was one of our major shareholders. They're not  
15 out of our company. They're an agitating shareholder.

16                   For those who have dealt with Chatham,  
17 they're a hedge fund. They have a long history of  
18 being very aggressive. And they tried to say that we  
19 made a tentative offer that was to benefit us, our  
20 shareholders.

21                   A Delaware Chancery Court dismissed almost  
22 all of it on a motion to dismiss. There was one thing  
23 hanging, a minor -- to us a technicality, but it had to  
24 go to chancery court. We settled with Chatham just for  
25 attorney's fees, nuisance value, but the settlement has

1 to get approved by the chancery court.

2 So that settlement hearing is in August, and  
3 it will get approved. They normally do.

4 So in August that case will be gone. We've  
5 always considered that a nuisance suit. We feel the  
6 Delaware Chancery Court really affirmed our feeling on  
7 that.

8 COMMISSIONER HANE: Okay. Thank you.

9 CHAIRMAN LEARA: Is that the action,  
10 Mr. Eaton, you were just speaking of filing in  
11 New Castle County Court?

12 MR. EATON: Yes. Yes.

13 CHAIRMAN LEARA: Okay.

14 Mr. Conway.

15 COMMISSIONER CONWAY: Explain to me just a  
16 little bit about the venture that you're joining in  
17 with on the video lottery terminals.

18 MR. EATON: Yeah. Thank you.

19 So in Rhode Island, the Rhode Island slot  
20 machines are operated by the State, not in other  
21 jurisdictions. They're operated by the State, and the  
22 State chooses operators to come in, and those operators  
23 get paid a percentage of the revenue from the slot  
24 machines. It's in the Constitution of Rhode Island.  
25 And we wanted to have more control over our floor

1 because we weren't one of those operators.

2 We've seen in Mississippi, in other  
3 jurisdictions, that when we have control, we feel we  
4 just do a better job than the State or the  
5 manufacturers.

6 So we asked -- we politically talked to a  
7 lot of people and ended up joining a joint venture with  
8 IGT. And this joint venture is going to allow us to  
9 start with owning 23 percent of the slot machines, and  
10 then it will gradually get to 40 percent in about a  
11 year, year and a half in Rhode Island. We have two  
12 casinos in Rhode Island.

13 And it needs legislation to pass.  
14 Legislation hasn't passed yet because of Covid, and it  
15 hopefully will be by July. But we're very happy to  
16 have a little more control in Rhode Island when we do,  
17 and that's what the partnership was about.

18 COMMISSIONER CONWAY: So the IGT venture  
19 really doesn't have any effect upon the licensing in  
20 Missouri?

21 MR. EATON: It has no effect.

22 CHAIRMAN LEARA: Okay. Any other questions  
23 for Mr. Eaton or Cantwell or Mr. Monty?

24 Seeing none, did you have something that you  
25 wish to followup on, Mr. Cantwell?

1 MR. CANTWELL: No, thank you.

2 CHAIRMAN LEARA: You raised your hand there.

3 Fair enough. Thank you for your time.

4 We'll now open it up to public comment on  
5 the licensure and change of control for Twin River.

6 Anyone here wish to speak on that?

7 Seeing none, Mr. Leitman, would you like to  
8 present your investigative summary?

9 MR. LEITMAN: Mr. Chairman, Commissioners,  
10 good morning.

11 The Missouri Gaming Commission background  
12 staff conducted suitability investigations on three  
13 interrelated companies, one Class A applicant, Twin  
14 River Worldwide Holdings, Inc., and two key business  
15 entities, Twin River Management Group, Inc. and  
16 Standard Rhode Island.

17 These included, but were not limited to,  
18 inquiries with national and international law  
19 enforcement, jurisdictional and other governmental  
20 agencies, including a review of regulatory disciplinary  
21 actions and litigation.

22 The financial analysis was based on  
23 examination of Twin Rivers SEC filings and financial  
24 statements, as well as additional information from the  
25 company and discussion with company staff.

1                   A detailed, comprehensive report was created  
2 that outlines the summary of the transaction as Twin  
3 River acquires IOC-KC from Eldorado and the financial  
4 impact of the proposed acquisition.

5                   In addition, suitability investigations were  
6 conducted on the key persons associated with the  
7 companies. The results of these investigations were  
8 provided to the MGC staff for their review. The  
9 investigatory staff is present if you have any  
10 questions for them. And finally, staff has recommended  
11 approval of this acquisition.

12                   Thank you.

13                   CHAIRMAN LEARA: Any questions for  
14 Mr. Leitman?

15                   Mr. Hane.

16                   COMMISSIONER HANE: Well, I had a couple  
17 questions on some of your key person investigations.

18                   Unless I missed it, did you do basically a  
19 background on Steve Capp?

20                   MR. LEITMAN: Yes. It's still pending.  
21 He's not on the list for today. His financials are not  
22 complete. The background is but the financial half is  
23 not.

24                   COMMISSIONER HANE: Okay. So he's Executive  
25 Vice President and Chief Financial Officer?



1 MR. LEITMAN: Yes.

2 COMMISSIONER HANE: I noticed that there  
3 were some other directors that weren't listed anywhere.  
4 Wilson, Rollins and Downey.

5 MR. LEITMAN: Yes, sir. Those  
6 investigations are still pending. The financial piece  
7 is not complete, so they were not ready for  
8 presentation at this particular meeting. So they'll be  
9 presented hopefully in August, which is I think the  
10 next scheduled meeting. They'll be part of your key  
11 and Level I package then.

12 COMMISSIONER HANE: Okay.

13 CHAIRMAN LEARA: How does that work?

14 MR. LEITMAN: So we license the entity but  
15 the CFO and senior people are not licensed. Over the  
16 years it's been done that way at many points in time  
17 where all of the investigations are not complete;  
18 however, a company may be ready for timing.

19 And once we have the company and the  
20 principal keys, I guess you would say, we have General  
21 Counsel, we have the CEO, and you saw Mr. Kim who is  
22 now the Chairman of the Board and is also a key  
23 component in Standard Rhode Island, or Standard RI, his  
24 background is also finished.

25 So some of the other -- I don't want to say

1 lesser, but some of the other board members were not  
2 completed and available and ready for this particular  
3 meeting.

4 CHAIRMAN LEARA: What would you attribute  
5 the delay to?

6 MR. LEITMAN: Timing, paperwork. Some of  
7 them had more detailed background, more financial  
8 information to analyze. Just timing and getting all of  
9 the information in and progressing through the  
10 background.

11 CHAIRMAN LEARA: So let's play hypothetical  
12 here.

13 What happens in the event that somebody  
14 either withdraws their application for license and  
15 they're a key person in this entity? Do they not  
16 perform as the Chief Financial Officer just within  
17 Missouri or do they operate everywhere else? What  
18 happens?

19 MR. LEITMAN: Preliminary checks have all  
20 been completed on all of these individuals.  
21 Fingerprints, name searches through criminal history,  
22 background information has already been completed.  
23 They've already been issued a temporary license to  
24 operate within our state.

25 What we're holding off on until the

1 presentation comes to you is their active license, the  
2 one that is good for a number of years. Right now  
3 these individuals would all be issued a temporary  
4 effective today to where they could operate based on  
5 the information that we currently have, but their  
6 actual active license would only be for the individuals  
7 listed in the key and the Level I package, which is  
8 Mr. Papanier, Mr. Eaton, I think Mr. Weir. And I'm  
9 wanting to looking at the list. Those are the ones  
10 that come off the top of my head.

11 COMMISSIONER HANE: Pardon me for --

12 CHAIRMAN LEARA: Go right ahead, Mr. Hane.

13 COMMISSIONER HANE: Who issues the  
14 temporary?

15 MR. LEITMAN: The Commission is today  
16 essentially by approving the company.

17 So in other companies, like Lumiere, they  
18 hire a new person as a key or a Level I. After the  
19 name search is done, fingerprints are done, then  
20 they'll be issued a temporary license to operate for  
21 the four, six, eight months that it takes us to do the  
22 complete background package. Then they'll be  
23 introduced to you for a full license.

24 In the case of another company or an  
25 acquisition like this, all of those licenses are

1 sitting here to go as the package with the company.  
2 Once the company receives a license, if you license  
3 them today, then all of these key people we're talking  
4 about will get their temporaries, except the ones on  
5 the list, and they'll go ahead and get their active  
6 license because their background has been completed.

7 CHAIRMAN LEARA: We'll go to Mr. Boulware in  
8 a second.

9 But in the past we have extended some of  
10 these temporary licenses. Isn't that true?

11 MR. LEITMAN: Yes.

12 Actually right now we have one individual  
13 with one of our companies that is on an extension of  
14 his temporary for financial reasons. But, yeah, there  
15 is only one that I know of currently in the hopper, if  
16 you will, that is on an extension.

17 CHAIRMAN LEARA: Okay. Mr. Boulware.

18 COMMISSIONER BOULWARE: Just picking up on  
19 the Chair's hypothetical.

20 What happens if we approve the licensure of  
21 the entity today but after you complete your  
22 investigation of those who only have temporary  
23 licensure as of right now -- I'm not picking on the  
24 CFO. Let's just say CFO though -- you-all decide  
25 should not be approved. Okay? Then what do we do?

1                   MR. LEITMAN: Well, technically all we could  
2 do is make recommendations so you can decide. That  
3 said, once a decision is made, then that individual is  
4 a huge company problem for the company because he can  
5 no longer operate in our state. He can have nothing to  
6 do with the operation in this particular instance.  
7 Even though they're Class A and the owner, he can have  
8 nothing to do with anything within the state of  
9 Missouri because he does not have a license.

10                   And that would be -- Ed may want to address  
11 that further.

12                   MR. GREWACH: I'd actually go further.

13                   Because by rule that person would be a key  
14 person for the entity, and he can only conduct his  
15 duties as a key person for the entity if he holds  
16 either a temporary or permanent license. If that CFO's  
17 license was denied, then he can no longer continue in  
18 that roll period at that point.

19                   COMMISSIONER BOULWARE: By the way, I pulled  
20 CFO out of thin air. I did not pick on the CFO.

21                   COMMISSIONER HANE: So when do you  
22 anticipate these other key people, et cetera, as being  
23 done?

24                   MR. LEITMAN: August, the next general  
25 meeting.

1                   It's getting through their financials. Some  
2 of them have only a few bank accounts. Some of them  
3 have 30, 40 with different investments. So it's a  
4 time-consuming process for our financial investigators.

5                   They're all in the room, the folks who have  
6 Twin River.

7                   Where do you think you are?

8                   MR. HUFFMAN: We will be ready in mid July  
9 to have it on the August docket. It will be close. We  
10 can try.

11                  MR. LEITMAN: I don't do the financial half,  
12 so I have to defer to the financial team.

13                  COMMISSIONER BOULWARE: What's the time  
14 table on their transaction?

15                  MR. LEITMAN: As far as I know, they're due  
16 to close, Mr. Eaton, the second week of July.

17                  MR. EATON: No. July 1st.

18                  MR. LEITMAN: July 1st. Excuse me.

19                  COMMISSIONER BOULWARE: And if we don't  
20 approve, that closing doesn't go forward?

21                  MR. LEITMAN: It can't happen. They don't  
22 have a license to operate in the state of Missouri,  
23 sir.

24                  COMMISSIONER HANE: I'd like a clean bill of  
25 health, ducks in a row, et cetera, of the key persons,

1 the directors.

2 CHAIRMAN LEARA: I actually thought we would  
3 have been brought a complete package on that long  
4 before being put in a box of approving a license that  
5 several key people are temporary.

6 MR. LEITMAN: If it helps at all, we know of  
7 no issues with any of the remaining personnel. It's  
8 just the matter of getting all of the documents, all of  
9 the questions to where we have them in-house and  
10 prepare those final summary reports.

11 The background, the criminal history  
12 background side of it is done on all of the  
13 individuals. It's just the financial piece, looking  
14 through all of their finances, their bank accounts,  
15 their retirement accounts, the 401s, all of those  
16 numbers.

17 CHAIRMAN LEARA: That's a key component.  
18 That's as important as the criminal.

19 MR. LEITMAN: Sir, I'm not arguing at all.

20 CHAIRMAN LEARA: Mr. Conway.

21 COMMISSIONER CONWAY: Mr. Chair, maybe this  
22 is for Ed.

23 And it's just your statement during your  
24 testimony, said we've always done it this way, which I  
25 hope we don't hear often in this room.

1                   CHAIRMAN LEARA: Yeah, I would agree.

2                   COMMISSIONER CONWAY: But why was this type  
3 of item with any other acquisition not approved or it  
4 was just approved because we thought the rest of the  
5 investigation was going to coincide with the sale?

6                   MR. GREWACH: I'm really not prepared to  
7 give you any historical example of that other than  
8 Mr. Leitman's general conversation that this has  
9 happened in the past. Often the closing date of the  
10 entity is driven by financial considerations in their  
11 contract, a drop-dead date for a closing, penalties if  
12 it's not closed by that date.

13                   And where we've run into circumstances where  
14 we don't have all of the key people, the Commission in  
15 the past having approved transactions and licensures,  
16 and then we've issued temporaries to key persons and  
17 then presented them at a future hearing.

18                   Whether that's the prudent thing to do, of  
19 course, is now before you today, but that is what has  
20 happened in the past, though I can't give you any  
21 specific historical example.

22                   COMMISSIONER CONWAY: For anyone who has  
23 testified earlier, what are the repercussions if this  
24 does not get completed by the 1st of July?

25                   MR. EATON: Thank you.



1                   So just going back to someone -- not picking  
2     on the CFO again. But if he was to be -- which I know  
3     wouldn't happen, but if he was to be found not  
4     suitable, he'd immediately be fired from our company.  
5     I mean, we can't have a CFO that does not have a  
6     license in Missouri. So he would be removed from  
7     everything. He'd be gone, just so you know.

8                   And that would be with everyone else. We're  
9     highly confident -- I know you don't know that. But  
10    anyone who is still in the temp range, we're highly  
11    confident that they are, that they've been licensed all  
12    over the country.

13                  Repercussion. This isn't specific to us,  
14    but I know the Eldorado Caesars' deal would have issues  
15    right away. And for us, you know, we've got the whole  
16    team flying out here tomorrow and we're ready to close,  
17    and we have public reporting issues. We're not  
18    presupposing you were going to approve this but we're  
19    ready. My boss won't be happy with me because I messed  
20    something up.

21                  CHAIRMAN LEARA: There was an issue and you  
22    terminated an employee during all of this whole  
23    acquisition. Right? Mr. Barlow?

24                  MR. EATON: Barlow, yes.

25                  CHAIRMAN LEARA: While that sounds like you

1 handled it appropriately, there is an issue and then we  
2 have an incomplete investigation, so we're kind of --

3 MR. EATON: Yeah, I get it.

4 CHAIRMAN LEARA: -- we're kind of troubled  
5 here with you. That may not be a fault of yours.

6 MR. EATON: Okay.

7 CHAIRMAN LEARA: Mr. Finney.

8 COMMISSIONER FINNEY: I'm not his trouble  
9 respectfully.

10 Is there anybody in your organization that  
11 you would consider to be irreplaceable?

12 MR. EATON: Irreplaceable is a tough one,  
13 but, you know --

14 COMMISSIONER FINNEY: I guess what our  
15 concern would be is if we approve it -- I'm asking for  
16 your honest answer here. If we approve this and  
17 somebody comes up before us who is irreplaceable, a  
18 member of your team that doesn't pass, that would be a  
19 serious concern before I cast a vote on this.

20 MR. EATON: I get that.

21 I would say no one is irreplaceable. George  
22 Papanier, our CEO, is close to that. I don't know if  
23 he has a full one there or not.

24 MR. LEITMAN: Yes, his is finished.

25 MR. EATON: Yes. No one else is

1 irreplaceable. Even him, we would be able fix that,  
2 but Papanier is the key guy in our company.

3 COMMISSIONER FINNEY: Ed, I'm sorry. A  
4 quick question for you.

5 Practically speaking, what is the difference  
6 between approving a company and approving all of the  
7 members or employees of that company, if you understand  
8 my question?

9 MR. GREWACH: Certainly.

10 Because you can see on your agenda those are  
11 two separate resolutions. So the company, you know,  
12 report, you know, reflects the company's financial  
13 litigation, disciplinary, all of the other background  
14 information, and then the individuals likewise have  
15 their individual information.

16 So it's certainly possible to approve a  
17 company but then deny an individual, you know, because  
18 those are really two separate applications. An  
19 individual applies for the key person license. A  
20 company applies for a Class A license. And so  
21 different decisions could be made on those two  
22 applications.

23 COMMISSIONER FINNEY: So I guess technically  
24 the question would ultimately be for me, if we have  
25 concerns about people not being approved, that it would

1 be how distinctional are those individuals from the  
2 entity that we're approving? And that's kind of what  
3 my question would be.

4 I mean, if we're saying that the entity  
5 itself is okay but there are concerns about certain  
6 members potentially, or we just don't know. Separation  
7 I think for me is the issue.

8 And my guess is traditionally the reason  
9 it's been done, Commissioner Conway, is because that  
10 distinction has always been easily made between the  
11 people who make up the company and the company itself.

12 So that's my understanding here, why I don't  
13 have the same concerns. And if that understanding is  
14 incorrect, Ed, please let me know.

15 MR. GREWACH: Well, again, I can't speak to  
16 why prior commissions have in whatever cases they have  
17 approved a company when not all of the key persons were  
18 ready for licensure. That could have been driven in  
19 the commissioners' perspective from the -- most likely  
20 the driving factor would be to meet a closing date.

21 Every one of the transactions that come to  
22 us, they come to us with a contract, and the contract  
23 has a closing date. And we always tell them, you know,  
24 we will do our best to meet your guideline deadline.

25 And we really have in the past, you know, as

1 far as the company is concerned. And a lot of times  
2 it's taken a lot of late nights to meet their  
3 deadlines. We wanted to be open and sensitive to their  
4 fiscal, you know, needs.

5 But that being said, what the thinking was  
6 in prior commissions to proceed in the manner that this  
7 is being presented to you, I can't really speak to  
8 that, you know, if there are five commissioners and  
9 they have five different thought processes on whether  
10 that was appropriate or why it was appropriate. I know  
11 that sounds like a lawyer avoiding a question, but  
12 that's really what it comes down to.

13 But it really is -- I think the question you  
14 all have posed is the one that you have, should you  
15 proceed with these, with approving this licensure and  
16 this change of control without all of the key person  
17 licensure investigations being finished and presented  
18 to you.

19 COMMISSIONER FINNEY: I guess my concern is  
20 that we just don't want to be compromised in, you know,  
21 our ability to deny approval of any licensure. We want  
22 to preserve that. I would want to preserve that  
23 without feeling like we're a cart before the horse  
24 here, and we would be unable to -- from a practical  
25 concern if we'd be unable to rule in that way.



1 months to do this. Okay.

2 CHAIRMAN LEARA: So were all of the  
3 applications, even the ones still pending, were they  
4 all in our hands at the same time or were there any  
5 delays in submission of those applications?

6 MR. LEITMAN: You want to do that, Rob, or  
7 do you want me to?

8 MR. CANTWELL: Sure.

9 So we were involved in all of the  
10 submissions as Missouri counsel for the company. So  
11 under the contract, the definitive agreement signed  
12 with Eldorado, they're required to hit certain  
13 deadlines to move along the process quickly. So we  
14 were obligated to get all our applications in by a  
15 particular date, so I clearly remember that date  
16 because it was stated.

17 CHAIRMAN LEARA: What was that date?

18 MR. CANTWELL: It was I believe in this  
19 range for certain, but it was within 45 days of the  
20 actual definitive agreement being signed. So that  
21 got -- which is, you know, a pretty good process -- a  
22 pretty good timeline for that process, because it does  
23 take a long time for each individual in the company to  
24 get their applications complete.

25 Missouri, unlike a lot of jurisdictions, has

1 a more unique form that requires more data, and so it  
2 does take, especially for high net-worth individuals,  
3 quite a bit more time.

4 But we did get them in, and I believe, you  
5 know, it's up to Mr. Leitman and his team to speak to  
6 it, but I felt like we coordinated properly with the  
7 staff on request.

8 CHAIRMAN LEARA: One second, Mr. Conway.

9 You're stating that they were timely  
10 submissions?

11 MR. CANTWELL: Yes.

12 CHAIRMAN LEARA: What was that timeframe  
13 roughly? Was it in the month of September? Was it  
14 shortly before or after?

15 COMMISSIONER BOULWARE: If this helps,  
16 Mr. Cantwell, I'll tell you the information we have is  
17 the company announced the agreement on July 10, 2019.

18 MR. CANTWELL: I can't be sure. September  
19 sounds correct.

20 MR. EATON: I think it may have been -- I'm  
21 sorry. It may have been late August --

22 CHAIRMAN LEARA: August, September.

23 MR. EATON: -- is when we got everything in.

24 MR. CANTWELL: I know we met with the  
25 deadline in the definitive agreement, which, you know,



1 I question when I saw the definitive agreement because  
2 I know that that process -- I mean, it's kind of like  
3 corralling cats. You have to have all these  
4 individuals with day jobs focus on this other team that  
5 is new to them.

6 CHAIRMAN LEARA: I understand.

7 Mr. Conway.

8 COMMISSIONER CONWAY: Just a final  
9 clarification.

10 All of the criminal aspects in the  
11 investigation of all of these individuals have been  
12 completed and approved?

13 MR. LEITMAN: Yes, sir. Well, not approved.  
14 Complete and ready for submission.

15 COMMISSIONER CONWAY: Ready for us, but we  
16 have no problem in that area?

17 MR. LEITMAN: Yes.

18 COMMISSIONER CONWAY: What we're dealing  
19 with is the complete financial aspect of the ones that  
20 haven't been completed?

21 MR. LEITMAN: Yes.

22 COMMISSIONER CONWAY: Okay.

23 CHAIRMAN LEARA: Okay. One second.

24 Anyone else?

25 Okay. And the background investigations

1 were not done by the Highway Patrol. They were done by  
2 civilian staff. Right?

3 MR. LEITMAN: Yes. All of these were done  
4 by the MGC staff.

5 CHAIRMAN LEARA: Okay.

6 Anyone else?

7 Are you ready to move forward with this?

8 COMMISSIONER BOULWARE: Sure.

9 CHAIRMAN LEARA: All right.

10 Do you have anything else, Mr. Leitman or  
11 Mr. Grewach?

12 MR. LEITMAN: Only to answer your questions,  
13 sir.

14 MR. GREWACH: No.

15 CHAIRMAN LEARA: I suspect we're going to  
16 call that concludes the investigative summary for this  
17 sake, and I'll open for --

18 COMMISSIONER FINNEY: Mr. Chair, I would  
19 offer this distinction for my fellow members to  
20 consider.

21 The way I'm looking at the company is do we  
22 have concerns that the individuals who may or may not  
23 be approved in the future are so integral to the  
24 company that the company's ability to comply with our  
25 regulations would be compromised if we didn't approve

1 those individuals, which we don't really have any  
2 reason to suspect we wouldn't?

3           When I'm looking at this from what I can  
4 tell, you know, I'm separating the corporation between  
5 the individuals. I think that I'm able comfortably to  
6 say, well, we've seen based upon the staff's  
7 recommendation, the presentations, is such that the  
8 company itself I would be inclined to approve and  
9 reserve judgment on any individuals of that company  
10 before approving them until the point we're satisfied  
11 that those investigations have been completed and we're  
12 ready to move forward.

13           So I would -- I guess at this time I'd go  
14 ahead and move for adoption of the resolution pending.

15           CHAIRMAN LEARA: So we have a motion.

16           COMMISSIONER BOULWARE: Can I respond to  
17 that real quick?

18           CHAIRMAN LEARA: Please.

19           COMMISSIONER BOULWARE: I hear you, but the  
20 problem is companies are made up of individuals. They  
21 don't stand on their own.

22           But, you know, the worst-case hypothetical  
23 is we approve the company today and certain key  
24 individuals and then the other key individuals who are  
25 only temporary approved, let's say, are not approved

1 ultimately. And there are several.

2                   So what does that say about the company when  
3 you have multiple key individuals who are not approved?

4                   I mean, you can't -- I'm sorry. You can't  
5 in my view divorce the company from the individuals.

6                   COMMISSIONER FINNEY: Well, I'll go ahead  
7 and respond, I guess, just for the sake of discussion.

8                   I totally agree, first of all, dealing with  
9 what we have right now, everyone is approved. All of  
10 the key players as I understand are approved, although  
11 be it temporarily. Nobody before us that is a member  
12 of the company is not approved.

13                   So I guess as a practical concern we could  
14 say right now that everyone is approved. Is that  
15 correct, Ed?

16                   MR. GREWACH: Not by the Commission. The  
17 ones who aren't on your Resolution No. 20-012.

18                   CHAIRMAN LEARA: Can I interrupt you real  
19 quick, Ed?

20                   I would like -- please state those. Is that  
21 something that we can do without any exposure?

22                   MR. GREWACH: Yes.

23                   CHAIRMAN LEARA: Okay. Please.

24                   One second, Ed.

25                   MR. GREWACH: I found it too.

1                   It's Mr. Eaton --

2                   COMMISSIONER BOULWARE:  If you'd give  
3 titles.

4                   MR. GREWACH:  Titles aren't on this exhibit.  
5 I can give titles.

6                   CHAIRMAN LEARA:  Well, these are the  
7 completed?

8                   MR. GREWACH:  These are the completed four.

9                   CHAIRMAN LEARA:  No.  I'd like to have the  
10 incompleated.

11                   MR. GREWACH:  I'd have to refer back to  
12 Mr. Leitman.

13                   MR. LEITMAN:  Off the top of my head Wanda  
14 Wilson.

15                   CHAIRMAN LEARA:  Please come up.

16                   MR. LEITMAN:  Jay Minas.

17                   CHAIRMAN LEARA:  Wanda Wilson.  What is the  
18 title?

19                   MR. LEITMAN:  Director.

20                   Jay Minas.  Hang on, sir.  I think I have  
21 that.

22                   COMMISSIONER HANE:  He's the Vice President  
23 of Finance?

24                   MR. EATON:  Yes.

25                   MR. CANTWELL:  Correct.

1                   MR. LEITMAN: Mr. Capp, Executive Chief  
2 Financial Officer. Jay Minas, Vice President of  
3 Finance. Mr. Downey is a Director. And Wanda Wilson  
4 is -- I don't know if -- I think Mr. Rollins, I think  
5 he's still yet to be approved. I don't have the final  
6 approved list. Another gentleman is making that  
7 presentation, but he's a Level I.

8                   COMMISSIONER BOULWARE: What's Rollins'  
9 position?

10                  MR. EATON: A board member.

11                  COMMISSIONER BOULWARE: How many members of  
12 the board are there?

13                  MR. EATON: Five.

14                  COMMISSIONER BOULWARE: Five members of the  
15 board, three of whom are incomplete today.

16                  MR. EATON: Papanier is on the board and  
17 Mr. Soohyung Kim is on the board and they're approved.

18                  MR. LEITMAN: They're on today's agenda.  
19 They're not approved.

20                  MR. CANTWELL: Approved for consideration.

21                  CHAIRMAN LEARA: Understood what you meant.

22                  COMMISSIONER HANE: So I had five that were  
23 incomplete and four that were completed. Eaton, Kim,  
24 Papanier and Weir were completed minus Downey, Rollins,  
25 Wilson and Capp who are still --

1                   CHAIRMAN LEARA: So we have four done, five  
2 incomplete. Okay.

3                   COMMISSIONER HANE: We've had a year  
4 basically --

5                   CHAIRMAN LEARA: Ten months.

6                   COMMISSIONER HANE: -- ten months to do  
7 this. Okay.

8                   COMMISSIONER FINNEY: Mr. Chair, I have  
9 another thought.

10                  CHAIRMAN LEARA: Yes, Mr. Finney.

11                  COMMISSIONER FINNEY: Okay.

12                  Respectfully to Commissioner Conway, I  
13 understand you're saying, well, I hope we never hear  
14 the words that these are the things ordinarily done.

15                  Again, I totally concur. Certainly it does  
16 matter. And it's not to say that it should inform our  
17 decision where we should lose our abilities to function  
18 or lose our hammer if we need it. I don't think that  
19 that's being compromised.

20                  In fairness to our applicants, I would say  
21 that there is questions about the process, and I think  
22 that those are very solid questions as to whether or  
23 not we're putting the cart before the horse. In the  
24 past we've gone ahead and done this. Now that's not to  
25 say that's right now, but it is to say it's the way

1 that's been done as precedent.

2 Our applicants have to deal with that  
3 precedent. And if we want to make changes to that  
4 process, that's a valid argument and potential decision  
5 that needs to be made.

6 But as we stand here right now -- as we sit  
7 here right now, there are two questions. No. 1, are we  
8 compromising our ability to regulate this company if we  
9 went ahead and approved the motion that I've put on the  
10 table? Because we may -- which we don't have right  
11 now, but we may have concerns about some of their key  
12 players.

13 And I understand Commissioner Boulware's  
14 concerns that how do we extrapolate those from the  
15 company. All of that being said, I do think we can. I  
16 do think we have the hammer. I don't think we're  
17 giving it up. Precedent does matter. I think we have  
18 to consider that and be fair to the applicants before  
19 us and vote only on the merits of whether or not the  
20 company that is applying for the application meets our  
21 discretion under the regulations, reserve our rulings  
22 based upon those key players when those applicants come  
23 before us and be confident that we're not compromising  
24 our ability to enforce the regulations or our ability  
25 to, as I said, to wield the hammer if we need to.



1                   So with that I'll yield.

2                   CHAIRMAN LEARA: Okay. We have a motion  
3 from Mr. Finney. Before we continue discussion, I'll  
4 ask for a second.

5                   COMMISSIONER CONWAY: I'll second.

6                   CHAIRMAN LEARA: Okay. Mr. Conway has  
7 seconded the motion.

8                   Now we will have discussion.

9                   CHAIRMAN LEARA: Should it be fair to these  
10 individuals? We're not aware of problems on ones that  
11 we haven't come to conclusions on. Is that fair,  
12 Mr. Leitman?

13                   MR. LEITMAN: That is correct, sir.

14                   CHAIRMAN LEARA: However, five out of the  
15 nine key applicants, the backgrounds, are not done?

16                   MR. LEITMAN: That's correct, sir.

17                   CHAIRMAN LEARA: In ten months that's not  
18 acceptable. It's no fault of the company. You filed  
19 everything that you needed to in a timely fashion, and  
20 here we are having to make a decision like this that  
21 I'm uncomfortable with.

22                   I mean, if there was one or two left, that's  
23 fine, but I don't know how we got this in front of us  
24 as incomplete as it is.

25                   Mr. Hane, Mr. Conway, the rest of the



1 They're going to follow up, and I'm sure with your  
2 cooperation that the financials from the individuals  
3 that have not been able to be obtained yet will be more  
4 forthcoming and that we can get that information as  
5 soon as possible.

6 But I think my position right now,  
7 Mr. Chair, is I seconded. I think we should go ahead  
8 and approve this.

9 CHAIRMAN LEARA: Further discussion?

10 MR. GREWACH: Mr. Chairman, if I could for a  
11 second to clarify the record.

12 There are three resolutions. So I assume,  
13 Commissioner Finney, your motion is to approve 20-010,  
14 granting the Class A license?

15 COMMISSIONER FINNEY: Correct. I'm sorry.

16 CHAIRMAN LEARA: Do you have more to say?

17 COMMISSIONER FINNEY: No.

18 CHAIRMAN LEARA: Okay. All right. We have  
19 the motion and a second. We'll call the roll on the  
20 licensure.

21 MS. FRANKS: Commissioner Hane.

22 COMMISSIONER HANE: Not approved.

23 MS. FRANKS: Commissioner Conway.

24 COMMISSIONER CONWAY: Approved.

25 MS. FRANKS: Commissioner Boulware.

1 COMMISSIONER BOULWARE: Not approved.

2 MS. FRANKS: Commissioner Finney.

3 COMMISSIONER FINNEY: Approved.

4 MS. FRANKS: Chairman Leara.

5 CHAIRMAN LEARA: Not approved.

6 MS. FRANKS: Motion fails.

7 MR. CANTWELL: Chairman, I'd like to add one  
8 other thing for consideration.

9 CHAIRMAN LEARA: Mr. Cantwell, go right  
10 ahead.

11 MR. CANTWELL: You know, I've done this for  
12 20 years, and the ten-month timeframe is substantial.

13 And one thing Commissioner Conway mentioned,  
14 but could not have known, is the concept of waiting for  
15 information from the licensees, these individual  
16 licensees. There is no information that we're waiting  
17 for anything from these licensees. They have the data.  
18 It's just a question of, as Sergeant Leitman -- or Dave  
19 Leitman mentioned, the time for his staff or the  
20 financial staff to go through it.

21 So we have been responsive throughout the  
22 process to that which was requested of each individual  
23 applicant.

24 CHAIRMAN LEARA: I don't think there is any  
25 question of that, Mr. Cantwell. I really don't.

1                   Go right ahead, Mr. Boulware.

2                   COMMISSIONER BOULWARE: Yeah. I assume  
3 that's a correct statement. So what he would say is we  
4 need to expedite this process, get it done, because  
5 these folks are being penalized for something that it  
6 sounds like is totally out of their control.

7                   MR. CANTWELL: But to get slightly more into  
8 it, we didn't talk about the repercussions in that  
9 great of detail, but it is a bit of a house of cards  
10 for lack of a better pun. But, you know, no licensee  
11 or applicant can wait until the licensee hearing to  
12 initiate multiple processes both in financial markets,  
13 as well as significant outlays of capital with their  
14 company. The only issue that remains is financial  
15 review.

16                   So in having done this a long time, the  
17 background is where the interesting things come up.  
18 The financial review is literally just looking at  
19 accounts and matching and auditing. So it's  
20 exceedingly rare to find anything there.

21                   And again, even if you license, for  
22 instance, George Papanier today, you still don't lose  
23 control over that applicant to license. Your power  
24 remains through the suitability process. Applications  
25 are always live, so they need to be updated. If

1 anything else comes up, you will have control to -- the  
2 Commissioners will have control to adjust as they need  
3 to.

4           And the only person that I see here before  
5 you is the CFO as a person of sort of the core of the  
6 company. The board members meet infrequently and have  
7 limited interaction on what happens in Missouri.

8           Steve Capp is relevant to Missouri. He was  
9 licensed here previously, so we've already licensed  
10 him. So the one key individual has already been  
11 licensed in our state.

12           But, you know, the industry and every one of  
13 the individuals that is involved in the industry,  
14 they're aware that if there is a suitability issue --  
15 and it wouldn't likely come up before you. It would  
16 likely come to me from staff. They would let me know,  
17 hey, to our shock and everybody's shock we found the  
18 CFO has this in his background or this recently  
19 occurred, and he would be removed from the company  
20 before it even be considered and replaced.

21           And this particular company, Twin River  
22 Worldwide Holdings, is of a size and attractiveness in  
23 the industry that finding replacement people for CFO,  
24 CEO, it's not as heavy as a lift for them. And that's  
25 why I think Craig mentioned that the concept of who is

1 irreplaceable is very limited in this.

2 I appreciate you listening to these  
3 additional thoughts.

4 CHAIRMAN LEARA: Thank you.

5 So the motion has failed. There could be a  
6 motion to reconsider if there is an appetite for that.  
7 If any of that has not changed your mind, Mr. Hane or  
8 Mr. Boulware, then I don't see the need to reconsider.

9 COMMISSIONER FINNEY: I'm going to move to  
10 reconsider.

11 COMMISSIONER CONWAY: You can't.

12 COMMISSIONER FINNEY: I can't. Okay.

13 COMMISSIONER BOULWARE: No. But my hope and  
14 expectation is that the rest of this process is  
15 expedited, and to the extent we're able to do this,  
16 hold a special meeting.

17 CHAIRMAN LEARA: Yeah, immediately.

18 Mr. Leitman.

19 MR. LEITMAN: I Just checked with the  
20 financial investigator. We had a brief investigation.  
21 He has all of the paperwork in and has done the  
22 preliminary reviews. His final report was not done in  
23 time to make the timeline for this agenda but can be  
24 can be finished and added within a week to ten days.

25 I mean, he's essentially done it. He just

1 did not have the paperwork completed and submitted to  
2 make this agenda, which was a few weeks ago, to get it  
3 to your packages.

4 CHAIRMAN LEARA: I know.

5 So here is what I'm going to add. Well, I'm  
6 going to bring before the Commissioners that we could  
7 do an over-the-phone meeting on the 30th and expect  
8 that these five are done completely and accurately.

9 MR. LEITMAN: Absolutely.

10 CHAIRMAN LEARA: Is that acceptable?

11 COMMISSIONER FINNEY: That's fine with me.  
12 I'm fine with that, yes.

13 CHAIRMAN LEARA: I would agree, Mr. Finney.  
14 I agree. However, until we have those reports in front  
15 of us, and we'll call it the 30th.

16 I am sorry. We are not putting any of this  
17 on you as your company. You had it in a timely  
18 fashion. This lies elsewhere.

19 Mr. Finney.

20 COMMISSIONER FINNEY: Mr. Chair, I think for  
21 the purposes of expediting this process, if we can  
22 state with specificity, if possible, any specific  
23 findings that would be of concern to us regarding the  
24 financial reports that we're delaying so that we can  
25 find that information out and give the opportunity to



1 expedite that, so we have all of the information that  
2 we're concerned about for that vote, so we can just put  
3 this thing to rest at that time.

4 Does that sound fair to you?

5 CHAIRMAN LEARA: That's acceptable.

6 COMMISSIONER FINNEY: So I would then  
7 suggest to the Commissioners that the concerns that you  
8 may have, it's hard to know, I understand that, but  
9 areas regarding the financial report that may need  
10 particular emphasis, if anybody on the Commission would  
11 have an idea of that and care to share that, I think it  
12 would be for the benefit of all.

13 MR. LEITMAN: At the present time there are  
14 no areas of concern. It's simply dotting the i's and  
15 crossing the t's and getting the final document, the  
16 final five or six paragraphs in report format to you.

17 COMMISSIONER HANE: Can that be done by the  
18 end of the month?

19 MR. LEITMAN: It will be done by the end of  
20 the month.

21 CHAIRMAN LEARA: Well, we'll have to get it  
22 on the agenda, which requires 24 hours. So essentially  
23 that's by Sunday night.

24 MR. LEITMAN: Monday morning 0800.

25 CHAIRMAN LEARA: Mr. Finney, did you have

1 something else?

2 COMMISSIONER FINNEY: Just to clarify, we're  
3 all familiar with the financial reports. We've gotten  
4 them before. We know the information is traditionally  
5 included. I just want to make sure that there is going  
6 to be no information that is traditionally outside of  
7 what's in that financial report that we're going to say  
8 we don't know this or this isn't complete.

9 Are we saying that as we understand  
10 financial records to be made as they've been made  
11 before by the staff, that once we get that in front of  
12 us, that that will be enough information?

13 MR. LEITMAN: It will be the complete  
14 report, just what you have on the other individuals.

15 COMMISSIONER FINNEY: Is there any concern  
16 for any of the commissioners that all of the  
17 information in that report will be insufficient?

18 MR. LEITMAN: No. It will be accurate.

19 COMMISSIONER FINNEY: That's not a question  
20 for you. It's a question for --

21 CHAIRMAN LEARA: Assuming that report is  
22 complete, I'll accept that as a complete report.

23 COMMISSIONER HANE: If the complete  
24 information is there. We're talking about background  
25 information, criminal history, blah, blah, blah.

1                   CHAIRMAN LEARA: As always, we may have  
2 questions.

3                   I think Mr. Leitman is willing to have a  
4 complete report before us before the 30th.

5                   MR. LEITMAN: Yes, sir.

6                   CHAIRMAN LEARA: That's where that stands.  
7 We'll move on.

8                   You wanted to chime in? Ed, do you have  
9 something?

10                  MR. GREWACH: You asked the question do we  
11 need to address the other resolutions, but they all  
12 have to be addressed at the same meeting.

13                  CHAIRMAN LEARA: Okay. So we'll move to the  
14 next agenda, Item No. 6 then.

15                  COMMISSIONER HANE: Mr. Eaton, is this going  
16 to work out for --

17                  MR. EATON: Thank you, the Commission, for  
18 your thoughtfulness and we understand.

19                  CHAIRMAN LEARA: We will schedule a meeting  
20 for the 30th, 9:30, 10:00 in the morning, somewhere in  
21 there.

22                  MR. EATON: Okay.

23                  CHAIRMAN LEARA: Unless something is  
24 pressing, you can make it by phone or you can come here  
25 if you want.

1                   MR. EATON: Thank for your consideration.  
2 We appreciate it.

3                   CHAIRMAN LEARA: Thank you.

4                   Now the next agenda item, VI, licensure of  
5 Tropicana St. Louis presentation,

6                   Mr. Marsh, welcome back.

7                   MR. MARSH: Good morning. Chairman Leara, I  
8 appreciate being here today, Commissioners, staff.

9                   Before we get going, I would like to just  
10 take a few minutes and introduce the team that we have  
11 with us today. We actually have Ed Quatmann, our Chief  
12 Legal Counsel from Eldorado Resorts with us this  
13 morning, and then I also have the team from Lumiere  
14 Place with me. And you guys need to stand up.

15                   We have Dan Brinkman, our Director of  
16 Finance. We've got Mark Hughes, our Director of  
17 Security. We also have Matt Aazzi, our Director of  
18 Legal and Compliance, as well as an individual that  
19 works for us, our purchasing manager, Nicolas  
20 Pettibone. We'll talk about him in a few minutes.

21                   So thanks guys.

22                   We also have representation from the City of  
23 St. Louis. To my left is Otis Williams. He's the  
24 Executive Director of St. Louis Development  
25 Corporation. We also have Judge Jimmie Edwards, the

1 Director of Public Safety, and the Honorable Lyda  
2 Krewson, Mayor. Thanks for being here.

3 Last, but not least, Master Sergeant Bruce  
4 Becker. Today is his day off. And he called me. I'm  
5 actually going to show up at your meeting.

6 And the reason why I wanted to talk about  
7 this is that two years ago Bruce joined the team with  
8 us, and since then from a regulatory standpoint him and  
9 the team of troopers that we have have been fantastic  
10 to work with. They are definitely keeping us  
11 regulatory compliant and doing everything we need to  
12 do. It's really refreshing. Bruce takes a very good  
13 approach at everything we do, and we've had just an  
14 incredible working relationship with him in his time  
15 for the last two years.

16 So with that said, as you know, Lumiere  
17 Place is owned by Eldorado Resorts, the Class A  
18 licensee in Missouri. Eldorado Resorts also owns  
19 Isle of Capri in Boonville and Isle of Capri in  
20 Kansas City, which was the last agenda item on the  
21 table.

22 Additionally Eldorado Resorts owns and  
23 operates 20 other properties across the country,  
24 totaling 24,000 slot machines, 670 table games and over  
25 11,000 hotel rooms.

1                   Tropicana St. Louis, LLC owns and operates  
2                   Lumiere Place Casino and Hotels. We have as of  
3                   December 31st 762 team members, 494 hotel rooms,  
4                   1,344 slot positions and 56 table games, which includes  
5                   poker.

6                   The picture on the left-hand side we're  
7                   going to call the High Limit Tables area, the second is  
8                   Morton's the Steakhouse, and the picture to the right  
9                   is our new sports bar. It doesn't quite look like a  
10                  sports bar but we're hoping for things in the future  
11                  and that will be a great addition.

12                  Keeping this short and to the point today,  
13                  we thought that it would be a good idea to just briefly  
14                  talk about what we've done to the property over the  
15                  course of the last four years. I got here in January  
16                  of 2016 and haven't looked back.

17                  It's been an honor for me to be part of the  
18                  Lumiere team. This team has worked extremely hard on a  
19                  lot of different levels, and for me it's really worked  
20                  out well for the last four years.

21                  So the other piece that's important is both  
22                  Tropicana Entertainment, as well as Eldorado Resorts.  
23                  Any time we come with an idea from a capital  
24                  standpoint, there is great discussion if we can prove  
25                  out a return on investment. There has never been any

1 delay or hesitation to allow us to do these projects.

2                   So it's been very unique. It's a great  
3 relationship.

4                   One of the first things we did in 2016 is we  
5 completely remodeled Hotel Lumiere. We are currently  
6 working on the Four Seasons Hotel as well. So we're  
7 going to do a complete remodel of every room and  
8 whatnot. We should be finished by 2021.

9                   We formed a relationship with Gerard Craft.  
10 Those of you from St. Louis should know the Gerard  
11 Craft name, Cinder House. And we built a very, very  
12 nice restaurant. That carries his name, as well as his  
13 product.

14                   If you haven't visited, you've got to visit.  
15 I'm a little biased. I think that the Cinder House is  
16 the best. I know that might not be the case everywhere  
17 else, but we do believe that's the case.

18                   Then we have a great partnership with  
19 Morton's. And this restaurant is down here. Now, for  
20 those that -- I don't know if you had a chance to see  
21 where the Morton's is located. Yeah.

22                   Then the sports bar.

23                   We also completely refurbished our  
24 surveillance system over the last four years. We just  
25 completed it here in 2019.

1                   Our Burger Bar was a location on the  
2 property in the buffet that we weren't using, so we  
3 brought that to life at the peak before Covid. We were  
4 actually producing between 9 and 10,000 hamburgers a  
5 month. So a very popular restaurant.

6                   The rest of it is fairly minor in scope.  
7 However, we do now have a Top Golf Swing Suite located  
8 on the 8th floor of Four Seasons as well.

9                   The main point is once again Eldorado  
10 Resorts has absolutely allowed us to move forward on  
11 all these projects, no hesitation.

12                   Very quickly. The top left is the interior  
13 of Morton's. The top right is Cinder House, up on the  
14 8th floor. The bottom left is a brand new poker room  
15 that we built in 2017. And then the bottom right hand  
16 is the new high limit room that we have.

17                   So this slide is extremely important to the  
18 fabric of the property and for me personally.

19                   We absolutely have a culture of diversity,  
20 and it's something that we talk about on a weekly if  
21 not daily basis. And some of the things that we do  
22 from a hiring standpoint, we work very closely with the  
23 Urban League of St. Louis, St. Louis Community  
24 Colleges, military.com. We also use the St. Louis  
25 Diversity Awareness Partnership.



1           I don't know if you're familiar with SLATE  
2 or not. It's the St. Louis Agency on Training and  
3 Employment. We also work with Hiring Our Heroes, which  
4 is an organization assisting veterans transitioning out  
5 of service and back into beyond military life.

6           We work very closely with the St. Patrick's  
7 Center, which is the largest provider of housing and  
8 employment for the homeless.

9           And finally we also work very closely with  
10 Missouri Career Center, partnering for ongoing  
11 recruitment efforts and skilled building assistance.

12           So I can answer any questions on the stats  
13 if you'd like. There is always room for improvement.

14           But from a father of six daughters and three  
15 granddaughters, I've learned a lot through the years on  
16 what diversity is all about, and it is truly part of my  
17 fabric and it's truly something that we embrace on a  
18 daily basis.

19           CHAIRMAN LEARA: Mr. Marsh, thank you.

20           Any questions for Mr. Marsh?

21           We'll move along then.

22           Mr. Marsh, thank you.

23           MR. MARSH: Not quite finished yet.

24           CHAIRMAN LEARA: I'm sorry.

25           Go right ahead. I apologize. I thought you

1 were wrapping up.

2 MR. MARSH: I only have, like, four more  
3 slides.

4 The next slide is another area that we focus  
5 very closely on, and I had mentioned Nick Pettibone is  
6 here with us today, our purchasing manager.

7 So our diversity spend for minority and  
8 women-owned business.

9 This is an area that we stay over 40 percent  
10 on a regular basis. We work very, very hard to make  
11 sure that if there is a new vendor that comes into  
12 play, that we're addressing that if they are, in fact,  
13 minority or women owned, we go with them if they have  
14 the right skill set and the right product.

15 I give a shout-out to Nick. This is an  
16 area, a project, that he does on a daily basis, doing a  
17 great job for us.

18 I can go through the list on the charitable  
19 contributions.

20 If you'd just focus on the bottom right-hand  
21 photo. This is a learning center that we are working  
22 with in one of the worst parts within the city.

23 And so what that celebration was, was that  
24 we actually purchased I think 20 Chromebooks and other  
25 laptops and other office equipment and whatnot to

1 actually facilitate this.

2                   This learning center is a center where kids,  
3 that when they come out of school that day, don't have  
4 a place to go, we actually bring them to the learning  
5 center. We work with them doing their homework.

6                   We actually work with adult males to help do  
7 applications for jobs and whatnot, and we've done  
8 multiple job fairs out of the learning center.

9                   So it's an example of taking a very small  
10 section of the city and putting a lot of money in it  
11 and actually making a real difference for the people  
12 that we touch. So it's one of the highlights that we  
13 do. We are all over the board with helping give back  
14 to the city.

15                   So moving into a topic that is always on  
16 everyone's mind and has been brought up in the past,  
17 is, you know, Lumiere Place is in a very unique  
18 location, and we get the opportunity to deal with  
19 probably a little bit more than what you would  
20 typically deal with in a normal casino.

21                   So what this slide shows is just some of the  
22 things that we've done, what I call going on offense.  
23 So I'll just run through it very quickly.

24                   We've upgraded our security dispatch center  
25 to actually have a second monitor room, so we actually

1 have security individuals that are not in surveillance,  
2 actually monitoring outside activity through our camera  
3 system.

4           We purchased two of the mobile SkyCop units.  
5 This was a recommendation from the City. The City also  
6 has a handful of these. They're very mobile. They're  
7 very ominous, you know. They're there. And we  
8 actually can tie those cameras into the Real Time Crime  
9 Center, which has been a goal and something we've been  
10 working on.

11           The ATVs have been purchased to help  
12 supplement what we do with our supplemental police  
13 officers, which is the City's finest. We actually have  
14 those officers on duty every Friday, Saturday and  
15 Sunday night. They come on at eleven o'clock and they  
16 work until 2:00 to 3:00 in the morning.

17           Those ATVs actually help them be a lot more  
18 mobile through Laclede's Landing, as well as our  
19 property.

20           The fourth bullet is interesting because in  
21 order for us to fund the TCF officers, we had to figure  
22 out how to combine efforts between Laclede's Landing,  
23 the larger community improvement district for the City  
24 which we are part of, and then our improvement  
25 district.

1                   So what we've done is we have an agreement  
2 that says that X amount of money is going to be spent  
3 on surveillance, on security and policing, and that has  
4 allowed us to actually have more bang for the buck, and  
5 it's a better coordinated effort between the whole area  
6 on this. And that money is in the range of about  
7 \$250,000 of additional spend on security.

8                   Then we -- so the City has the Real Time  
9 Crime Center, as you are aware, from St. Louis. And  
10 the way you federate your cameras into the Real Time  
11 Crime Center, you have to be on the City's system. So  
12 we went ahead and purchased a second surveillance  
13 system -- the brand is Genetic -- in order for us to  
14 actually do this.

15                   We just got that piece installed about two  
16 months ago, and we are finally beginning the process of  
17 federating cameras in. So within the next two to three  
18 weeks we'll actually have the City of St. Louis looking  
19 through our license plate cameras that are on the  
20 outside of the building.

21                   I also thought it was important for the  
22 Commission to understand how committed we are at the  
23 property level in making sure that the property is  
24 safe. And what this shows you is the annual spend that  
25 we're committed to do each year to make sure that we

1 have enough security officers.

2                   So the very first column on the left is we  
3 spent about 2.5 million just in the commission-licensed  
4 officers, our security officers on the property.

5                   Will spend a quarter of a million dollars in  
6 contracted security, which is kind of the next layer,  
7 so we are in our parking lots. That group is there  
8 24/7.

9                   The Riverside CID, our community improvement  
10 district, it's about \$440,000 of additional spend. So  
11 we're north of \$3 million every year.

12                   And if you put it into perspective, our  
13 Atlantic City property, this same group of spend is  
14 about 5.7 million. They cover six city blocks,  
15 34 restaurants, 4,000 hotel rooms, et cetera. If that  
16 property was here, we'd probably be 8 or 9 million.

17                   So our effort in this is not going to stop.  
18 Eldorado Resorts, Tom Reeg and the whole team, have  
19 made it clear to me that whatever I need from a  
20 security standpoint I get. And so it's very  
21 refreshing, because a lot of times you'll go in and  
22 actually start pulling back on your security. It's not  
23 the case with us.

24                   So with that said, we actually have Otis  
25 Williams. I think you're going to go first.

1                   CHAIRMAN LEARA: Mr. Williams, welcome.

2                   MR. WILLIAMS: Thank you very much, and good  
3 morning to the Chair and to the Commission. I'm happy  
4 to be here again. I think I've been coming down here  
5 for a number of years for the relicensing of various  
6 casinos from the City.

7                   So I'm happy to be here today. Fortunately,  
8 I have the mayor, as well as Jimmie, who is the public  
9 safety director, along with me. We felt it important  
10 to convey to the Commission how important this facility  
11 is and the great partnership we have with Brian, as  
12 everybody, and his time at Lumiere and with the whole  
13 operation they have there.

14                   Brian is very integral to our community and  
15 has integrated himself into the day-to-day activities  
16 of the City. In fact, he serves on our downtown STL,  
17 which is a local chamber for the downtown area, is on  
18 the Economic Development Committee with me, and we talk  
19 about the various issues and problems, and so we're  
20 working through those.

21                   So I'm here today to say that normally I  
22 wouldn't have the mayor or the public safety director  
23 behind me, and just to tell you that we are very  
24 committed to this property and that we are very much in  
25 lockstep with them to try to take care of any of the

1 problems we might have.

2 But this property provides a great asset to  
3 us and the City and we hope for relicensure.

4 So I would like to invite the mayor to come  
5 forward.

6 CHAIRMAN LEARA: Mayor Krewson, welcome.

7 MAYOR KREWSON: Good morning.

8 Thank you Commissioners, Chairman. We  
9 really appreciate the chance to be here with you this  
10 morning, really just to express how important Lumiere  
11 is to our entire region, City of St. Louis and to  
12 downtown.

13 We've got a close working relationship with  
14 Brian that has been I think very good over the last few  
15 years, and we are committed as a city to providing what  
16 Brian needs so that he can run a good operation and to  
17 us, so that we can have a good place there as well,  
18 which is an amenity to the tourist industry that we  
19 have in St. Louis. It's been hard hit by Covid, as  
20 everyone's has.

21 But certainly the casino is a very important  
22 asset to our ability to host conventions and, of  
23 course, as well as for our own residents who live in  
24 the area, very important, and we're committed to doing  
25 whatever we need to do to keep Brian happy.



1 CHAIRMAN LEARA: Questions for the mayor?

2 Thank you.

3 COMMISSIONER HANE: Thank you for being  
4 here.

5 MAYOR KREWSON: Thank you. I appreciate it.

6 MR. MARSH: Thank you for consideration for  
7 relicensing, and if there are any questions for me.

8 CHAIRMAN LEARA: Public comment.

9 Anyone wish to speak on the relicensure?

10 Seeing none, the compliance review by  
11 Cheryl.

12 When you're ready.

13 MS. BONNER: Good morning, Mr. Chairman,  
14 Commissioners.

15 In 2019 the Missouri Gaming Commission staff  
16 conducted a 100 percent audit of the MBE/WBE records  
17 for the Class B licensee Lumiere Place Casino, with the  
18 exception of the fourth quarter of 2019.

19 The results of our audit and specific  
20 details related to those findings are included in the  
21 summary report in your possession, and I'll be happy to  
22 answer any questions.

23 CHAIRMAN LEARA: Any questions for Cheryl?

24 Seeing none, thank you.

25 MS. BONNER: Thank you.

1                   CHAIRMAN LEARA: Corporal Masters,  
2     investigative summary.

3                   Proceed when you're ready.

4                   CORPORAL MASTERS: Mr. Chairman,  
5     Commissioners, good morning.

6                   COMMISSIONER FINNEY: Good morning.

7                   CORPORAL MASTERS: Tropicana St. Louis, LLC,  
8     doing business as Lumiere Place Casinos & Hotels,  
9     submitted a renewal application to the MGC on  
10    October 2, 2019 for the renewal of its Class B  
11    riverboat gaming license which was set to expire on  
12    March 31st, 2020.

13                  Due to the Covid-19 pandemic an extension  
14    was granted, and Lumiere's Class B renewal application  
15    is being presented for your consideration.

16                  Investigators with the Missouri State  
17    Highway Patrol, along with MGC financial analysts,  
18    conducted an investigation into the suitability of  
19    Lumiere to continue to operate as a Class B licensee.

20                  This investigation included, but was not  
21    limited to, feedback from local and state governmental  
22    agencies, a financial analysis, a review of  
23    disciplinary actions, litigation and business credit  
24    profiles, as well as a review of key persons associated  
25    with the company. There were no issues, concerns or

1 negative information discovered.

2           The findings of this investigation were  
3 provided to the MCG staff, and the investigating  
4 officers are present to answer any questions you might  
5 have.

6           Thank you.

7           CHAIRMAN LEARA: Questions for the corporal?

8           Seeing none, thank you.

9           CORPORAL MASTERS: Thank you, sir.

10          CHAIRMAN LEARA: Staff recommendation.

11          MR. GREWACH: Staff recommends it is  
12 approved, Mr. Chairman.

13          CHAIRMAN LEARA: So we have Resolution  
14 No. 20-013 before us for a motion to approve.

15          COMMISSIONER BOULWARE: So approved.

16          CHAIRMAN LEARA: We have a motion. Do we  
17 have a second?

18          COMMISSIONER FINNEY: Second.

19          CHAIRMAN LEARA: Second, Mr. Finney.

20          Any other discussion?

21          Seeing none, Angie, please call the roll.

22          MS. FRANKS: Commissioner Hane.

23          COMMISSIONER HANE: Approved.

24          MS. FRANKS: Commissioner Conway.

25          COMMISSIONER CONWAY: Approved.

1 MS. FRANKS: Commissioner Boulware.

2 COMMISSIONER BOULWARE: Approved.

3 MS. FRANKS: Commissioner Finney.

4 COMMISSIONER FINNEY: Approved.

5 MS. FRANKS: Chairman Leara.

6 CHAIRMAN LEARA: Approved.

7 MS. FRANKS: By your vote you've adopted  
8 Resolution No. 20-013.

9 CHAIRMAN LEARA: Next item, relicensure of  
10 certain suppliers.

11 Mr. Seaton, you're first.

12 SERGEANT SEATON: Mr. Chairman,  
13 Commissioners, good morning.

14 COMMISSIONER FINNEY: Good morning.

15 SERGEANT SEATON: Under Tabs L and M you  
16 will find the investigative summary report for two  
17 interrelated supplier companies, Ainsworth Game  
18 Technology Limited based in New South Wales, Australia,  
19 and their 100 percent wholly owned Ainsworth Game  
20 Technology, Incorporated, which is based in Las Vegas,  
21 Nevada.

22 That report summarizes the relicensing  
23 investigation findings of the Missouri State Highway  
24 Patrol investigators and the MGC financial analysts  
25 assigned to the case.

1           The investigation consisted of financial  
2 reviews, feedback from Missouri gaming facility  
3 operators, national and international jurisdictional  
4 inquiries, a review of disciplinary actions,  
5 litigation, business credit profiles and a review of  
6 the key persons associated with each company.

7           The results of these investigations were  
8 provided to the MGC staff for their review, and I would  
9 be happy to entertain any questions you might have.

10           CHAIRMAN LEARA: Questions for Mr. Seaton,  
11 Master Sergeant Seaton?

12           On the supplier licenses, how long are those  
13 terms? Are those two years?

14           SERGEANT SEATON: Yes.

15           CHAIRMAN LEARA: And I guess your report for  
16 both --

17           SERGEANT SEATON: Yes.

18           CHAIRMAN LEARA: -- licenses, it's a  
19 combined report?

20           COMMISSIONER HANE: So we're just talking  
21 about Ainsworth right now?

22           CHAIRMAN LEARA: Ainsworth Gaming Technology  
23 Limited.

24           COMMISSIONER HANE: All right.

25           CHAIRMAN LEARA: Angie, do we vote on these

1 before we move on to the next licensee?

2 MS. FRANKS: Yes.

3 CHAIRMAN LEARA: Okay. Ainsworth Game  
4 Technology, Resolution No. 20-014. Look for a motion  
5 to approve.

6 COMMISSIONER HANE: A motion.

7 CHAIRMAN LEARA: We have a motion.

8 Do we have a second?

9 COMMISSIONER CONWAY: A second.

10 CHAIRMAN LEARA: Any other discussion?

11 Seeing none, Angie, please call the roll.

12 MS. FRANKS: Commissioner Hane.

13 COMMISSIONER HANE: Approved.

14 MS. FRANKS: Commissioner Conway.

15 COMMISSIONER CONWAY: Approved.

16 MS. FRANKS: Commissioner Boulware.

17 COMMISSIONER BOULWARE: Approved.

18 MS. FRANKS: Commissioner Finney.

19 COMMISSIONER FINNEY: Approved.

20 MS. FRANKS: Chairman Leara.

21 CHAIRMAN LEARA: Approved.

22 MS. FRANKS: By your vote you've adopted  
23 Resolution No. 20-014.

24 CHAIRMAN LEARA: The next is looking for the  
25 approval on Resolution No. 20-2015 for Ainsworth Game

1 Technology, Incorporated.

2 Do we have a motion?

3 COMMISSIONER FINNEY: So moved.

4 CHAIRMAN LEARA: We have a motion,  
5 Mr. Finney.

6 A second.

7 COMMISSIONER CONWAY: A second.

8 CHAIRMAN LEARA: A second, Mr. Conway.

9 No other discussion.

10 Angie, please call the roll.

11 MS. FRANKS: Commissioner Hane.

12 COMMISSIONER HANE: Approved.

13 MS. FRANKS: Commissioner Conway.

14 COMMISSIONER CONWAY: Approved.

15 MS. FRANKS: Commissioner Boulware.

16 COMMISSIONER BOULWARE: Approved.

17 MS. FRANKS: Commissioner Finney.

18 COMMISSIONER FINNEY: Approved.

19 MS. FRANKS: Chairman Leara.

20 CHAIRMAN LEARA: Approved.

21 MS. FRANKS: By your vote you've adopted

22 Resolution No. 20-015.

23 CHAIRMAN LEARA: Thank you, Mr. Seaton.

24 Next up, Sergeant Holcomb for Everi Games.

25 Proceed when you're ready.

1                   SERGEANT HOLCOMB: Good morning, Chairman,  
2 Commissioners.

3                   Under Tab N you'll find the investigative  
4 summary report for the relicensing of Everi Games,  
5 Incorporated, which is the supplier licensee. It's  
6 located in Las Vegas, Nevada.

7                   The investigation was conducted by Highway  
8 Patrol investigators, as well as Missouri Gaming  
9 Commission financial investigators, and that included  
10 financial reviews, feedback from Missouri gaming  
11 facility operators, jurisdictional inquiries, a review  
12 of disciplinary actions, litigation, business credit  
13 profiles and a review of the key persons associated  
14 with the company.

15                   The results of the investigation were  
16 presented to the Missouri Gaming Commission staff, and  
17 I'd be glad to answer any questions you have.

18                   CHAIRMAN LEARA: Any questions for  
19 Sergeant Holcomb?

20                   COMMISSIONER HANE: Do we know anything  
21 about Labay?

22                   SERGEANT HOLCOMB: Mr. Labay was appointed,  
23 but to my knowledge I've not been made aware that his  
24 application has been submitted yet.

25                   COMMISSIONER HANE: I have in my note here



1 an asterisk that indicates pending key person  
2 application and regulatory approval on Mr. Labay, who  
3 is the Executive Vice President and CFO/Treasurer.

4 SERGEANT HOLCOMB: Correct. So he was named  
5 to that position, and I've not been made aware of  
6 whether his application has come in or not.

7 COMMISSIONER HANE: Okay.

8 SERGEANT HOLCOMB: So that's why that  
9 asterisk noted, because he's not currently a licensee.  
10 He would have a temporary licensure because the company  
11 exists. And so he can be affiliated with it is my  
12 understanding, but I don't know what the status of his  
13 application is.

14 COMMISSIONER HANE: Since the company, this  
15 is relicensure, basically we're just talking about this  
16 one guy.

17 CHAIRMAN LEARA: Well, but just to go back  
18 to the previous issues, once again, is he a recent  
19 hire? He is a recent hire.

20 So what is the normal timeframe, Ed, that  
21 they are required to submit an application?

22 MR. GREWACH: Well, we don't have a formal  
23 timeframe. We expect as soon as possible, do the  
24 preliminary criminal background check that Mr. Leitman  
25 previously described.

1                   Again, for an existing licensee we issue the  
2 temporary, do the full investigation, submit it to you  
3 on a future meeting date.

4                   CHAIRMAN LEARA: Mr. Boulware.

5                   COMMISSIONER BOULWARE: There is mention of  
6 a Washington State gambling Commission fine in November  
7 2018 of \$105,000, and that number just kind of jumps  
8 out at me.

9                   Any more information on --

10                  SERGEANT HOLCOMB: Any what?

11                  COMMISSIONER BOULWARE: Any more information  
12 on what was going on here?

13                  SERGEANT HOLCOMB: What page was that on?

14                  COMMISSIONER BOULWARE: Twelve.

15                  SERGEANT HOLCOMB: Just that those games  
16 were not approved and then that fine was part of the  
17 settlement agreement.

18                  COMMISSIONER BOULWARE: Okay.

19                  CHAIRMAN LEARA: Okay. Let's go back to Ed.

20                  We have a key person that needs to be  
21 licensed in this company. Correct?

22                  MR. GREWACH: Correct.

23                  CHAIRMAN LEARA: Are we used to a normal  
24 timeframe of having those documents and the report  
25 being done? Bring me up to speed on that.

1 MR. GREWACH: Sure.

2 For an existing company we will get new key  
3 persons from time to time, and this one just happened  
4 to be hired or appointed in the middle or towards the  
5 end of this relicensing investigation.

6 But in the life of an existing licensee, a  
7 new key person gets hired. We then get -- you know,  
8 expect their application, do the process we talked  
9 about before and then do the temporary.

10 And then you'll see when you get to Item P,  
11 Roman numeral IX on the agenda, you'll see a number of  
12 key persons for existing companies that have gone  
13 through the same path, you know.

14 They have at one point in time, you know,  
15 been appointed to a position as that's defined by  
16 regulation as a key person. We're now done with the  
17 investigation, and they'll come up to licensure.

18 So for this person whose name I forget --

19 SERGEANT HOLCOMB: Labay.

20 MR. GREWACH: -- that's what has happened.

21 CHAIRMAN LEARA: The point is they were  
22 hired after the application process had occurred?

23 MR. GREWACH: Yes.

24 CHAIRMAN LEARA: Not on the initial  
25 relicensure application?

1 MR. GREWACH: Correct.

2 CHAIRMAN LEARA: Is there an application  
3 that -- a formal application?

4 MR. GREWACH: There is. It's required to be  
5 filed 120 days before the expiration of their current  
6 term.

7 CHAIRMAN LEARA: That was filed subsequently  
8 when this person was hired?

9 MR. GREWACH: Correct.

10 CHAIRMAN LEARA: And we are waiting for this  
11 which will appear before us again?

12 MR. GREWACH: Yes.

13 CHAIRMAN LEARA: Sergeant, have a timeframe  
14 in mind?

15 SERGEANT HOLLOWAY: Yes. Once his  
16 application comes in we'll get the investigation and it  
17 will be part of the individual applications that are  
18 presented to you in a subsequent meeting.

19 CHAIRMAN LEARA: All right. Thank you.

20 Any other discussion on Everi?

21 All right. Sergeant, thank you.

22 Do we have a motion for the approval of  
23 Resolution 20-016?

24 COMMISSIONER BOULWARE: So moved.

25 CHAIRMAN LEARA: We have a motion.

1 A second?

2 COMMISSIONER HANE: A second.

3 CHAIRMAN LEARA: We have a second, Mr. Hane.

4 No other discussion.

5 Angie, please call the roll.

6 MS. FRANKS: Commissioner Hane.

7 COMMISSIONER HANE: Approved.

8 MS. FRANKS: Commissioner Conway.

9 COMMISSIONER CONWAY: Approved.

10 MS. FRANKS: Commissioner Boulware.

11 COMMISSIONER BOULWARE: Approved.

12 MS. FRANKS: Commissioner Finney.

13 COMMISSIONER FINNEY: Approved.

14 MS. FRANKS: Chairman Leara.

15 CHAIRMAN LEARA: Approved.

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

17 Resolution 20-016.

18 CHAIRMAN LEARA: The next item, No. 8,

19 consideration of licensure of certain supplier, Genesis

20 Gaming Solutions.

21 Mr. Leitman.

22 MR. LEITMAN: Yes, sir.

23 Good morning again.

24 COMMISSIONER FINNEY: Good morning.

25 MR. LEITMAN: The Missouri Gaming Commission

1 background staff conducted a licensing investigation of  
2 Genesis Gaming Solutions, Inc.

3 Genesis has been operating in the state of  
4 Missouri for many years supplying products to the  
5 casino industry that did not require a license. They  
6 now plan to expand their product offerings.

7 The investigation consisted of  
8 jurisdictional inquiries, feedback from affected gaming  
9 company clients, a review of disciplinary actions,  
10 litigation, financial statements, an evaluation of  
11 financial metrics and business credit profiles, as well  
12 as a review of the key persons associated with the  
13 company.

14 The results of this investigation were  
15 provided to the MGC staff for their review, and you  
16 possess a summary report which outlines our  
17 investigative findings.

18 And in this particular case it's a new  
19 licensee, as was the Class A earlier, and all three of  
20 the current keys are on your list. They are also  
21 submitted in the key person package, Mr. Schoppe,  
22 Mr. Garza and Mr. Knust.

23 You'll notice that there is -- the only  
24 issue that is outstanding is the purchase of John  
25 Knust, one of the founding brothers of the company. He

1 passed away during the course of the investigation.

2 His wife is selling -- transferring those  
3 particular shares, settling the estate, but that is not  
4 completed yet. It's due to be finished sometime in  
5 August or September.

6 CHAIRMAN LEARA: Okay. Questions for  
7 Mr. Leitman?

8 Mr. Conway, did you have something for  
9 Mr. Leitman?

10 COMMISSIONER CONWAY: No.

11 CHAIRMAN LEARA: Okay. Thank you.

12 We'll move for the approval of Resolution  
13 20-017.

14 Is there a motion?

15 COMMISSIONER BOULWARE: So moved.

16 COMMISSIONER FINNEY: Second.

17 CHAIRMAN LEARA: Second, Mr. Finney.

18 No other discussion.

19 Angie, please call the roll.

20 MS. FRANKS: Commissioner Hane.

21 COMMISSIONER HANE: Approved.

22 MS. FRANKS: Commissioner Conway.

23 COMMISSIONER CONWAY: Approved.

24 MS. FRANKS: Commissioner Boulware.

25 COMMISSIONER BOULWARE: Approved.

1 MS. FRANKS: Commissioner Finney.

2 COMMISSIONER FINNEY: Approved.

3 MS. FRANKS: Chairman Leara.

4 CHAIRMAN LEARA: Approved.

5 MS. FRANKS: By your vote you've adopted  
6 Resolution 20-017.

7 CHAIRMAN LEARA: Item No. 9 on the agenda,  
8 Sergeant McTheeney, consideration of licensure of  
9 key/Level I applicants.

10 SERGEANT MCTHEENEY: Mr. Chairman and  
11 Commissioners, good morning.

12 COMMISSIONER FINNEY: Good morning.

13 COMMISSIONER HANE: Good morning.

14 SERGEANT MCTHEENEY: Investigators with the  
15 Missouri State Highway Patrol, along with financial  
16 investigators from the Missouri Gaming Commission,  
17 conducted comprehensive background investigations on  
18 multiple key and Level I applicants.

19 The investigations include, but were not  
20 limited to, criminal, financial and general character  
21 inquiries which are made in the jurisdictions where the  
22 applicants live, work and frequent.

23 The following applicants are being presented  
24 for your consideration: Harold Christopher Rowland,  
25 Argosy Riverside Casino, as General Manager and Vice



1 President; Courtney Richard Mather, Caesars  
2 Entertainment Corporation, as Director; Bret D. Yunker,  
3 Eldorado Resorts, Incorporated as Chief Financial  
4 Officer; Richard P. Garza with Genesis Gaming  
5 Solutions, Incorporated, as Secretary; Randall L.  
6 Knust, Sr., Genesis Gaming Solutions, Incorporated, as  
7 President; Alton E. Schoppe, Genesis Gaming Solutions,  
8 Incorporated, as Director; Samantha Fay Ravich,  
9 International Game Technology PLC, as an Independent  
10 Director; Dominik Racic, Novo Swiss AG, as a member of  
11 the management board; Bartholomaeus Czapkiewicz,  
12 Novomatic AG, as Chief Systems Officer; Brandon Moore  
13 with Gaming and Leisure Properties, Incorporated, as  
14 Senior Vice President, General Counsel and Secretary.

15           Investigative findings were provided to the  
16 Missouri Gaming Commission for their review, and most  
17 of the investigators are available to answer any  
18 questions you may have.

19           Thank you.

20           CHAIRMAN LEARA: Okay. Any questions for  
21 Sergeant McTheeney?

22           Mr. Finney.

23           COMMISSIONER FINNEY: Thank you.

24           Brandon Moore, Sergeant, you are  
25 recommending approval for him?

1                   SERGEANT MCTHEENEY: I'm sorry?

2                   COMMISSIONER FINNEY: Are you not  
3 recommending approval?

4                   SERGEANT MCTHEENEY: That will have to come  
5 from the staff. I can tell you the officers on that if  
6 you wish to speak to them.

7                   COMMISSIONER FINNEY: The reason I bring him  
8 up is because he was involved in a Missouri State  
9 Highway Patrol investigation, if I remember that  
10 correctly, a year ago, made some troubling findings,  
11 and I'm just curious if we're no longer concerned about  
12 that.

13                   Did you take that into consideration when  
14 you did your review?

15                   SERGEANT MCTHEENEY: The investigator was  
16 Dave Leitman from the Missouri Gaming Commission, and  
17 the financial investigator was Larry Stitz, so I would  
18 defer to them on any questions like that.

19                   MR. LEITMAN: There are excerpts in your  
20 packet. There are excerpts from that particular  
21 Commission meeting included in the package narrative.

22                   But from a background point of view,  
23 assuming that that's already been adjudicated, his  
24 background is fine, meaning the financial, the criminal  
25 history and things like that.

1                   The previous engagement with the discussion  
2 here before the Commission is available, and part of  
3 those excerpts were included as -- I guess as a  
4 reminder that that did occur, but it was previously  
5 adjudicated and there has been nothing since then, if  
6 that's the response to your question. Maybe I didn't  
7 respond.

8                   COMMISSIONER FINNEY: You did.

9                   There was an issue of lack of candor, if I  
10 remember correctly, of him coming forward and saying  
11 things that were not accurate that causes me real  
12 concern and reservation about approving him. That's my  
13 position.

14                  CHAIRMAN LEARA: Anything further?

15                  COMMISSIONER HANE: I saw it in there and  
16 just made a note to ask, you know, what is our history  
17 with Mr. Moore. The Commission's history is laid out  
18 here.

19                  MR. LEITMAN: It's factual. It did occur.  
20 It's in the admission and excerpts were included for  
21 your consideration. It's a fact that it occurred.

22                  COMMISSIONER FINNEY: So my thought on that  
23 is I know that the Missouri State Highway Patrol did an  
24 investigation that involved findings of fact, that  
25 there was a lack of candor with the Commission.

1                   I would presume that if the Missouri State  
2 Highway Patrol had some concerns about those issues and  
3 a recommendation to approve, that we would hear about  
4 it.

5                   MR. LEITMAN: I had lengthy discussions with  
6 Sergeant Seaton who conducted the investigation you're  
7 talking about. And through the course of this  
8 investigation, I mean, that was historical. That was  
9 already completed. We went through and those  
10 suggestions were considered.

11                   But had violations of our rules and  
12 regulations or the law been determined, charges would  
13 have been referred. There's a lack of absolute  
14 evidence.

15                   And Master Sergeant Seaton is here if you  
16 wanted to address them directly to him. He's in the  
17 building.

18                   CHAIRMAN LEARA: May I?

19                   COMMISSIONER FINNEY: Yes. Go ahead, sir.

20                   CHAIRMAN LEARA: I think that there was a  
21 final conclusion on that. There was no finding of  
22 guilt. Is that correct?

23                   MR. LEITMAN: That is correct, sir.

24                   COMMISSIONER FINNEY: Okay. Anybody from  
25 the Missouri State Highway Patrol have any concern,

1 Sergeant, that you know of about the approval of  
2 Mr. Moore?

3 MR. LEITMAN: Not that you haven't already  
4 seen or been party to.

5 COMMISSIONER FINNEY: Okay. Thank you.

6 CHAIRMAN LEARA: Further discussion?

7 Seeing none, Sergeant McTheeney, thank you.

8 SERGEANT MCTHEENEY: Thank you.

9 CHAIRMAN LEARA: So we have Resolution  
10 No. 20-018, look for a motion to approve.

11 COMMISSIONER FINNEY: So moved.

12 CHAIRMAN LEARA: Mr. Finney.

13 Do we have a second?

14 I would second.

15 Angie, please call the roll.

16 MS. FRANKS: Commissioner Hane.

17 COMMISSIONER HANE: Approved.

18 MS. FRANKS: Commissioner Conway.

19 COMMISSIONER CONWAY: Approved.

20 MS. FRANKS: Commissioner Boulware.

21 COMMISSIONER BOULWARE: Approved.

22 MS. FRANKS: Commissioner Finney.

23 COMMISSIONER FINNEY: Approved.

24 MS. FRANKS: Chairman Leara.

25 CHAIRMAN LEARA: Approved.

1 MS. FRANKS: By your vote you've adopted  
2 Resolution No. 20-018.

3 CHAIRMAN LEARA: Thank you.

4 The next item, X, consideration of approval  
5 of petition for change of control, Eldorado.

6 Mr. Quatmann, you have the floor.

7 MR. QUATMANN: Good morning, Chairman,  
8 Commissioners. My name is Ed Quatmann. I'm the Chief  
9 Legal Officer for Eldorado. I appreciate the  
10 opportunity to appear here before you today in support  
11 of our joint petition for change and control.

12 I know you've had a few presentations this  
13 morning. I hope you'll indulge me one more time. I  
14 will move quickly for it because I know we've spent a  
15 fair amount of time on these topics, but I thought it  
16 be would be important to as we're appearing here today.

17 As background in connection with Eldorado's  
18 acquisition of Tropicana Entertainment, we entered into  
19 an agreement to restructure with the MGC. That was in  
20 October of 2018.

21 Under the terms of that agreement we were  
22 permitted to restructure our transaction with GLPI to  
23 enable us to borrow \$246 million from GLPI. That line  
24 was secured by mortgage on Lumiere Place for twelve  
25 months, and the line must be repaid within two years.

1 So it will be two years in October of this year.

2 Eldorado had agreed to repay that loan by  
3 contributing to GLPI real estate associated with  
4 specific Eldorado properties, and they were  
5 specifically identified in the loan document in a  
6 sale/leaseback transaction.

7 Subsequent to that Eldorado has identified  
8 significant adverse tax consequences to Eldorado in  
9 contributing the real estate to be contributed as  
10 contemplated by the law.

11 The estimate of that amount is \$26.7 million  
12 in taxes, taxes that would be paid to the, if I recall,  
13 government, and in our case the State of Iowa. Where  
14 we would be contributing would be in Iowa. We think  
15 that money could be put to better use.

16 So on the next slide we came to the MGC  
17 staff in January of this area to respectfully request  
18 that the MGC consider an amendment to the agreement to  
19 restructure that would allow us to avoid this  
20 unexpected significant tax consequence and provide, we  
21 think, a significant benefit for Lumiere Place at the  
22 same time.

23 We, together with MGC staff and the  
24 Commission, in closed session have engaged in lengthy  
25 and we think very constructive dialogue about this. We

1 believe that the petition that we have before you today  
2 is a win-win, and we think that it reflects the  
3 collaborative and constructive process in which we've  
4 engaged to get to this point today. We're very  
5 appreciative of all of the time since January that has  
6 gone into it.

7           On the next slide, just a quick highlight on  
8 what the amendment to the agreement to restructure  
9 would provide.

10           It would allow Eldorado to repay the GLPI  
11 line by contributing to GLPI the real estate associated  
12 with Lumiere Place. That would avoid the significant  
13 adverse tax consequence against it.

14           So Eldorado with GLPI would enter into a  
15 sale/leaseback transaction under a new, separate,  
16 stand-alone, single property lease fundamentally  
17 different from what we had come to and spoke to in  
18 October of '18.

19           The new lease would have terms that are  
20 addressed in the conversations and the concerns that  
21 we've had, and in return Eldorado would commit to spend  
22 a substantial portion of the tax savings on capital  
23 improvements to the safety and security of Lumiere  
24 Place as you heard in Brian's presentation a little bit  
25 earlier, clearly a focus of that property.



1                   And this is an opportunity for us to take  
2 some of these tax savings and redeploy them in a way  
3 that would really benefit that property.

4                   Eldorado would do so over the course of five  
5 years upon an agreed-upon schedule, and we would come  
6 back and report regularly on our spending of that  
7 money.

8                   On the next slide, just a few highlights on  
9 this new single property lease.

10                  It would only have one property in it. It  
11 would be the real estate associated with Lumiere Place.  
12 We would not be permitted to add any additional  
13 properties to that lease. The lease would allow us to  
14 make capital improvements to that property as we see  
15 fit. It would allow us to engage in subleases of that  
16 real estate, of that property, as we see fit.

17                  And we've spent a fair amount of time also  
18 making sure that we would have the ability to transfer  
19 our interest in that property to another casino company  
20 that would limit GLPI's ability to have influence or  
21 sway, so long as we are meeting the requirements in the  
22 agreement.

23                  And we have spent some time based on the  
24 feedback we received from staff and the Commission to  
25 make sure that that is, in fact, the way that it works

1 and we've addressed those concerns.

2                   So it's very unique and fundamentally  
3 different from what we had previously presented in  
4 2018.

5                   On the next slide I wanted to provide a  
6 little detail on the 12 1/2 million that we would  
7 commit to spend over five years.

8                   So we sat down with Brian and his team, and  
9 we put together a list of what we thought the  
10 priorities would be. We list them here in order of  
11 priority. I won't read through them. You see them on  
12 the page.

13                   But we think that -- and more importantly  
14 Brian thinks -- that this will go a long way addressing  
15 safety and security at the property.

16                   On the next page, in addition, we would  
17 agree to front-load how we spend the money so that the  
18 benefits are realized quickly.

19                   So we would look to spend 3 1/2 million in  
20 the first year. In Years 2 and 3 we'd spend 6 million,  
21 and in Years 4 and 5 we would spend 3 million, and it  
22 would all be broken out. And we would report regularly  
23 on spending, and this would be incremental to the  
24 regular capital that we spend at the property. Again,  
25 an opportunity borne out of the tax savings that we

1 would be recognizing from this petition.

2 On the next slide, why do we want to do  
3 this?

4 Well, we think this is a terrific  
5 opportunity for the property. It gives us a chance to  
6 sit down with the property, go through their wish list  
7 for safety enhancement and improvements. We think it  
8 will be a significant improvement to the visitors'  
9 perception of that property, an opportunity to spark  
10 downtown development, shows our patrons and our  
11 employees that we're committed to that property and to  
12 their safety.

13 And as Brian walked through earlier, there  
14 are some terrific brands at Four Seasons, Morton's,  
15 Cinder House, Top Golf. The Caesars merger is pending.

16 So an opportunity for those brands to sit in  
17 a first-place operation, feel safe, and also give us an  
18 opportunity going forward pending the Caesars merger  
19 closing to potentially rebrand that property once we've  
20 changed the perceptions of how safety and security is  
21 there.

22 So with that, again, I want to express my  
23 sincere thanks. We have spent a tremendous amount of  
24 your time and of staff's time in discussing this  
25 matter, and we are extremely appreciative of that and

1 happy to answer any questions that you may have.

2 CHAIRMAN LEARA: Any questions for  
3 Mr. Quatmann?

4 Seeing none, thank you.

5 MR. QUATMANN: Thank you.

6 CHAIRMAN LEARA: We'll move to GLPI and Marc  
7 Ellinger and Brandon and Melissa.

8 MR. ELLINGER: I don't need to come to the  
9 podium.

10 I'm Marc Ellinger, local counsel on behalf  
11 of Gaming and Leisure Properties, Inc. We support  
12 everything Eldorado just said, support the joint  
13 petition and certainly happen to answer any questions,  
14 and from GLPI are also happy to answer any questions  
15 that the Commission may have.

16 CHAIRMAN LEARA: Any questions?

17 Thank you.

18 MR. ELLINGER: Thank you.

19 CHAIRMAN LEARA: Public comment.

20 Anyone wishing to comment on the resolution?

21 Seeing none, Resolution No. 20-019 is now  
22 open for a motion to approve.

23 I'll make that motion. Look for a second.

24 COMMISSIONER BOULWARE: Second.

25 CHAIRMAN LEARA: We have a second.

1 Any other discussion?

2 COMMISSIONER FINNEY: Mr. Chair, real quick,  
3 and this may be for Ed to weigh in.

4 There's a Resolution 18-049 that was passed  
5 back in September of 2018, and that had to do with the  
6 previous agreement if I understand correctly.

7 MR. GREWACH: Correct.

8 COMMISSIONER FINNEY: So if this were  
9 approved today, does that have any bearing on that  
10 resolution? I'm just --

11 MR. GREWACH: It does not. The previous  
12 resolution said that GLPI could not acquire Lumiere  
13 without the prior consent of the Commission. This  
14 resolution would constitute that consent, and there  
15 would be no inconsistency between those two resolutions  
16 if you approve Resolution No. 20-019.

17 COMMISSIONER FINNEY: Mr. Chair, I've spoken  
18 ad nauseam on this, but just for the record, my concern  
19 with respect to this arrangement is that it will  
20 concentrate the control of the market beyond a level  
21 that I'm comfortable with and by GLPI.

22 So obviously nothing personal against GLPI  
23 in respect to your interest, but from a broader  
24 perspective I think it just concentrates the monopoly  
25 board, for lack of a better analogy, in a way that

1 would be detrimental to the game.

2                   So I've said plenty on that before, and I  
3 just want to put that on the record.

4                   CHAIRMAN LEARA: Thank you, Mr. Finney.

5                   Mr. Boulware.

6                   COMMISSIONER BOULWARE: Just quickly.

7                   I just want to -- I'm ultimately going to  
8 vote to approve. The reason being, I understand there  
9 was a resolution passed in September 2018. I think  
10 that predates my time on the Commission. But  
11 regardless, it looks like the industry is facing  
12 challenges now that it was not facing in 2018, and  
13 hopefully those challenges can be overcome and I expect  
14 it would be.

15                   With respect to any concerns about GLPI's  
16 ownership of casino properties in the St. Louis area, I  
17 appreciate those concerns. I also appreciate that  
18 having spent a lot of time engaged in antitrust  
19 litigation, I also appreciate that in order to really  
20 come to terms with whether there's an anticompetitive  
21 situation created, you have to depend on the experts,  
22 and we just don't have anything in front of us, of  
23 course, that suggests there is a real anticompetitive  
24 environment that would be created.

25                   But if there is, the good news is the

1 Commission has the ability to address those concerns  
2 going forward. And then lastly I'll just note that  
3 there was no opposition to this, which matters to me.

4 CHAIRMAN LEARA: Okay. Further discussion?

5 I assume Mr. Conway will return.

6 There he is.

7 Mr. Conway, we are discussing the motion for  
8 Resolution 20-019. I don't know if you have anything  
9 you wish to comment on.

10 COMMISSIONER CONWAY: No.

11 CHAIRMAN LEARA: Okay.

12 I'm sorry, Angie. Did we have a motion and  
13 a second?

14 MS. FRANKS: Yes, we have a motion and a  
15 second.

16 CHAIRMAN LEARA: No further discussion?

17 COMMISSIONER FINNEY: Just one question,  
18 Mr. Boulware.

19 You said that we would have an option to  
20 revisit this if it became a concern with antitrust.  
21 What is your understanding of the mechanism of how that  
22 would work?

23 COMMISSIONER BOULWARE: Well, through the  
24 relicensure process, any change of control might --  
25 maybe this is the wrong assumption to make. I don't

1 think the situation as it currently stands in terms of  
2 who owns the property, who actually is operating the  
3 casinos, that that's going to remain static  
4 indefinitely. It could. But if it does, it does, and  
5 I don't think there are anticompetitive concerns  
6 currently.

7                   So the bottom line, should things change,  
8 should they apply for a change, then that comes before  
9 the Commission, and we have an opportunity to address  
10 any issues then.

11                   COMMISSIONER FINNEY: Okay. Just so I  
12 understand, that would be contingent upon an  
13 application for change of control?

14                   MR. GREWACH: Correct. This would not come  
15 before you again unless there was some change of the  
16 status quo as Commissioner Boulware has commented.

17                   CHAIRMAN LEARA: Relicensure?

18                   MR. GREWACH: Relicensure, yeah. Some  
19 action that would come before you at some future date.

20                   COMMISSIONER FINNEY: And that action is  
21 guaranteed to come before us or would be contingent  
22 upon a change of control or an application for some  
23 future action that's not guaranteed to happen?

24                   MR. GREWACH: The relicensure will happen  
25 every four years, and then a change of control would



1 happen upon the sale of any one of these four  
2 properties.

3 COMMISSIONER FINNEY: Okay. Thank you.

4 CHAIRMAN LEARA: Anything further?

5 Seeing none, Angie, please call the roll.

6 MS. FRANKS: Commissioner Hane.

7 COMMISSIONER HANE: Approved.

8 MS. FRANKS: Commissioner Conway.

9 COMMISSIONER CONWAY: Approved.

10 MS. FRANKS: Commissioner Boulware.

11 COMMISSIONER BOULWARE: Approved.

12 MS. FRANKS: Commissioner Finney.

13 COMMISSIONER FINNEY: Not approved.

14 MS. FRANKS: Chairman Leara.

15 CHAIRMAN LEARA: Approved.

16 MS. FRANKS: By your vote you've adopted  
17 Resolution 20-019.

18 CHAIRMAN LEARA: The next item, I will make  
19 a motion for closed meeting under Sections 313.947 and  
20 3-- I'm going to stop right there for a moment.

21 There was a statement but I want to make  
22 it -- I think I want to formalize it, if need be, that  
23 we are going to meet on the 30th either by phone, Zoom  
24 or in person for a previous not approved motion.

25 Do I need to do anything?

1 MS. FRANKS: No.

2 CHAIRMAN LEARA: All right. Fair enough.

3 So I will continue. Thank you.

4 -- and Section 313.945, Revised Statutes of  
5 Missouri, investigatory, proprietary and application  
6 records, and Section 610.021, Subsection 1, Revised  
7 Statutes of Missouri, legal actions and matters subject  
8 to attorney-client privilege, Section 3 and 13  
9 personnel, Section 12 contracts, and Section 14 records  
10 protected from disclosure by law and ask for a second.

11 COMMISSIONER CONWAY: I'll second.

12 CHAIRMAN LEARA: Mr. Conway seconds.

13 Any discussion on the motion?

14 Seeing none, Angie, please call the roll.

15 MS. FRANKS: Commissioner Hane.

16 COMMISSIONER HANE: Approved.

17 MS. FRANKS: Commissioner Conway.

18 COMMISSIONER CONWAY: Approved.

19 MS. FRANKS: Commissioner Boulware.

20 COMMISSIONER BOULWARE: Approved.

21 MS. FRANKS: Commissioner Finney.

22 COMMISSIONER FINNEY: Approved.

23 MS. FRANKS: Chairman Leara.

24 CHAIRMAN LEARA: Approved.

25 We are now -- I guess that would adjourn

1 this, so stand in recess. Thank you.

2 (A RECESS WAS TAKEN.)

3 WHEREIN, the meeting concluded at 11:50 a.m.

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Patricia A. Stewart

CCR 401

**MISSOURI GAMING COMMISSION**  
**Second Open Session Minutes**  
**June 24, 2020**

The Missouri Gaming Commission (the “Commission”) went into the second open session at approximately 1:15 p.m. on June 24, 2020, at the Missouri Gaming Commission, 3417 Knipp Drive, Jefferson City, Missouri.

**Chairman Leara moved to adjourn the second open session meeting. Commissioner Finney seconded the motion and after a roll call vote was taken, Hane – yes, Conway – yes, Boulware – yes, Finney – yes, and Leara – yes, the motion passed unanimously.**

The meeting ended at 1:20 p.m.