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BEFORE THE
MISSOURI GAMING COMMISSION

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Meeting
February 24, 2021
9:30 a.m.
3417 Knipp Drive
Jefferson City, Missouri

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BEFORE:

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Mike Leara, Chairman
Daniel P. Finney, III, Commissioner
Brandon Boulware, Commissioner
Pat Conway, Commissioner (via telephonic)
David W. Hane, Commissioner

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Reported by:

23 Patricia A. Stewart, CCR 401
24 Alaris Litigation Services
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A G E N D A

page

- I. Call to Order 3:3
- II. Adoption of Agenda 3:18
- III. Consideration of Minutes 4:13
 - A. January 27, 2021
- IV. Consideration of Licensure Of Fantasy Sports Operator
 - B. Underdog Sports, Inc.
 - 1. Resolution No. 21-009 5:7
- V. Consideration of Waiver of Institutional Investors
 - C. Nomura Asset Management Co., Ltd.
 - 1. Resolution No. 21-010 7:19
 - D. The Vanguard Group, Inc.
 - 1. Resolution No. 21-011 7:19
- VI. Consideration of Ratification of Extension of Licensure
 - E. Landry Holdings, LLC d/b/a Casino Tech
 - 1. Resolution No. 21-012 10:25
- VII. Consideration of Licensure of Certain Level I/Key Applicants
 - F. Resolution No. 21-013 12:17
 - Statement by Mr. Finney 14:14
- VIII. Motion for Closed Meeting under Sections 313.847, RSMo, Investigatory, Proprietary and Application Records and 610.021(1), RSMo, Legal Actions and Matters Subject to Attorney Client Privilege (3) & (13) Personnel, (12) Contracts and (14) Records Protected from Disclosure by Law 17:16

0003

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

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

3 CHAIRMAN LEARA: All right. We'll call to
4 order the February meeting of the Missouri Gaming
5 Commission.

6 Angie, please call the roll.

7 MS. FRANKS: Commissioner Hane.

8 COMMISSIONER HANE: Present.

9 MS. FRANKS: Commissioner Conway.

10 COMMISSIONER CONWAY: Present.

11 MS. FRANKS: Commissioner Boulware.

12 COMMISSIONER BOULWARE: Present.

13 MS. FRANKS: Commissioner Finney.

14 COMMISSIONER FINNEY: Present.

15 MS. FRANKS: Chairman Leara.

16 CHAIRMAN LEARA: Present.

17 We have a quorum.

18 The first item is the adoption of the agenda
19 as written. I move for the adoption. Is there a
20 second?

21 COMMISSIONER BOULWARE: Second.

22 CHAIRMAN LEARA: Second.

23 Angie, please call the roll.

24 MS. FRANKS: Commissioner Hane.

25 COMMISSIONER HANE: Approve.

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1 MS. FRANKS: Commissioner Conway.

2 COMMISSIONER CONWAY: Approve.

3 MS. FRANKS: Commissioner Boulware.

4 COMMISSIONER BOULWARE: Approve.

5 MS. FRANKS: Commissioner Finney.

6 COMMISSIONER FINNEY: Approve.

7 MS. FRANKS: Chairman Leara.

8 CHAIRMAN LEARA: Approve.

9 MS. FRANKS: By your vote you've adopted the
10 minutes of the January 27th -- we've adopted the agenda.

11 COMMISSIONER FINNEY: This is the agenda.

12 MS. FRANKS: Yes, that's what I thought.

13 CHAIRMAN LEARA: The next item is
14 consideration of minutes of January 27th. I move for
15 the adoption.

16 COMMISSIONER HANE: Second.

17 CHAIRMAN LEARA: We have a second.

18 Any discussion?

19 Seeing none, Angie.

20 MS. FRANKS: Commissioner Hane.

21 COMMISSIONER HANE: Approve.

22 MS. FRANKS: Commissioner Conway.

23 COMMISSIONER CONWAY: Approve.

24 MS. FRANKS: Commissioner Boulware.

25 COMMISSIONER BOULWARE: Approve.

0005

1 MS. FRANKS: Commissioner Finney.

2 COMMISSIONER FINNEY: Approve.

3 MS. FRANKS: Chairman Leara.

4 CHAIRMAN LEARA: Approve.

5 MS. FRANKS: By your vote you've adopted the
6 minutes of the January 27th, 2021 meeting.

7 CHAIRMAN LEARA: The next item is
8 consideration of licensure of fantasy sports operator
9 Underdog.

10 Sergeant Holcomb, you have the floor when
11 you're ready.

12 SERGEANT HOLCOMB: Good morning,
13 Mr. Chairman, Commissioners.

14 Underdog Sports, Incorporated submitted an
15 application to the Missouri Gaming Commission on
16 June 1, 2020 for licensure as a fantasy sports contest
17 operator.

18 Missouri Gaming Commission staff, financial
19 investigators with the Missouri Gaming Commission and
20 Missouri State Highway Patrol investigators completed an
21 application review and a verification of statutory
22 compliance with the Missouri Fantasy Consumer Protection
23 Act.

24 The results of the review and statutory
25 verification were provided to the Missouri Gaming

0006

1 Commission staff, and we'd be glad to answer any
2 questions that you might have.

3 CHAIRMAN LEARA: Sergeant, as I understand
4 it, is that a gross receipts tax that the State receives
5 from fantasy sports only; there is no admissions?

6 SERGEANT HOLCOMB: I would refer you to
7 Fantasy Sports Operator Manager Barb Whittle for
8 specifics on that.

9 CHAIRMAN LEARA: Okay. Is Barb here?
10 Just remain there, Barb.

11 MS. WHITTLE: I'm Barbara Whittle, Fantasy
12 Sports Manager.

13 There is an application fee for those that
14 meet the threshold and then there's the tax. There's no
15 admissions.

16 CHAIRMAN LEARA: Right.
17 And the tax is reduced compared to --

18 MS. WHITTLE: From 11 1/2 to 6 percent is
19 where we're at now.

20 CHAIRMAN LEARA: Okay. Thank you, Barb.
21 Any questions for Barb?

22 Any questions for Sergeant Holcomb?
23 Seeing none, thank you, Sergeant.

24 SERGEANT HOLCOMB: Thank you, sir.

25 CHAIRMAN LEARA: I'll move at this time for

0007

1 the approval of Resolution No. 21-009 and ask for a
2 second.

3 COMMISSIONER CONWAY: Second.

4 CHAIRMAN LEARA: We have a second.

5 Any discussion?

6 Seeing none, Angie, please call the roll.

7 MS. FRANKS: Commissioner Hane.

8 COMMISSIONER HANE: Approve.

9 MS. FRANKS: Commissioner Conway.

10 COMMISSIONER CONWAY: Approve.

11 MS. FRANKS: Commissioner Boulware.

12 COMMISSIONER BOULWARE: Approve.

13 MS. FRANKS: Commissioner Finney.

14 COMMISSIONER FINNEY: Approve.

15 MS. FRANKS: Chairman Leara.

16 CHAIRMAN LEARA: Approve.

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

18 Resolution No. 21-009.

19 CHAIRMAN LEARA: The next item on the agenda

20 is consideration of waiver of institutional investors.

21 Terri, you have the floor.

22 MR. HUTCHISON: Thank you.

23 Good morning, Mr. Chairman and Commissioners.

24 Under Tab C and Tab D we have two requests for waiver of

25 licensures by institutional investors.

0008

1 Item C is Nomura Asset Management Company,
2 Limited; Item D, The Vanguard Group, Incorporated.

3 Nomura Asset Management is an investment
4 management subsidiary of the much larger Nomura
5 Group/Nomura Holdings, which is a Japanese-based global
6 financial service group that also has large merchant and
7 investment banking subsidiaries.

8 Nomura Holdings, the parent company, is
9 traded on the Tokyo stock exchange. They are registered
10 with the SEC as an investment advisor. Nomura Asset
11 Management Invests primarily in mid- to large-cap
12 companies.

13 The Vanguard Group is one of the largest
14 global investment management companies in the world.
15 Vanguard is also the largest issuer of mutual funds in
16 the world. They are registered with the SEC as an
17 investment advisor. Vanguard is not a public company.

18 Nomura currently owns a 9 percent interest in
19 Konami Holdings Corporation, and Vanguard Group
20 currently owns 8.99 percent interest in Penn National
21 Gaming, Inc.

22 Both companies are requesting authority to
23 acquire up to 20 percent in shares of stock in Missouri
24 Gaming Commission licensees as institutional investors.
25 Staff's review indicates both companies qualify as

0009

1 institutional investors.

2 CHAIRMAN LEARA: Terri, is it fair to say
3 that they are not an outlier owning up to 20 percent;
4 there are other institutional investors that own,
5 especially investment groups?

6 MS. HUTCHISON: Yes.

7 CHAIRMAN LEARA: Okay. Thank you.

8 Any questions for Terri Hutchison?

9 Seeing none, I will move at this time for the
10 approval of Resolution 21-010, Nomura Asset Management
11 institutional investors.

12 Do we have a second?

13 COMMISSIONER BOULWARE: Second.

14 CHAIRMAN LEARA: We have a second.

15 Any discussion?

16 Seeing none, Angie.

17 MS. FRANKS: Commissioner Hane.

18 COMMISSIONER HANE: Approve.

19 MS. FRANKS: Commissioner Conway.

20 COMMISSIONER CONWAY: Approve.

21 MS. FRANKS: Commissioner Boulware.

22 COMMISSIONER BOULWARE: Approve.

23 MS. FRANKS: Commissioner Finney.

24 COMMISSIONER FINNEY: Approve.

25 MS. FRANKS: Chairman Leara.

0010

1 CHAIRMAN LEARA: Approve.

2 MS. FRANKS: By your vote you've adopted
3 Resolution No. 21-010.

4 CHAIRMAN LEARA: The next resolution for
5 consideration is Resolution 21-011, The Vanguard Group
6 institutional investors. I move for the approval of the
7 resolution.

8 Do we have a second?

9 COMMISSIONER BOULWARE: Second.

10 CHAIRMAN LEARA: We have a second.

11 Any discussion?

12 Seeing none, Angie, call the roll.

13 MS. FRANKS: Commissioner Hane.

14 COMMISSIONER HANE: Approve.

15 MS. FRANKS: Commissioner Conway.

16 COMMISSIONER CONWAY: Approve.

17 MS. FRANKS: Commissioner Boulware.

18 COMMISSIONER BOULWARE: Approve.

19 MS. FRANKS: Commissioner Finney.

20 COMMISSIONER FINNEY: Approve.

21 MS. FRANKS: Chairman Leara.

22 CHAIRMAN LEARA: Approve.

23 MS. FRANKS: By your vote you've adopted
24 Resolution No. 21-011.

25 CHAIRMAN LEARA: The next item, consideration

0011

1 of ratification of extension of licensure.

2 Carolyn.

3 MS. KERR: Good morning, Chairman,
4 Commissioners.

5 Landry Holdings, LLC d/b/a Casino Tech is a
6 supplier that provides replacement parts and repair
7 services for slot machines, including brands such as
8 Ainsworth, Aristocrat, Bally and others. Their license
9 is due to expire on February 28, 2021.

10 The financial portion of the background
11 investigation is not finished due to staffing changes
12 and some reallocation of duties which resulted in the
13 investigation not being completed in time for this
14 meeting.

15 Pursuant to 11 CSR 45-1.020, Subparagraph 4,
16 the Chairman has granted a 60-day extension. He granted
17 that extension on February 9th, 2021. The same rule
18 requires that the full Commission ratify that action at
19 the next regularly scheduled Commission meeting. We
20 present Resolution 21-012 for that ratification today.

21 CHAIRMAN LEARA: Any questions for Carolyn?

22 Seeing none, I move for the approval of
23 Resolution 21-012, the ratification of the extension and
24 ask for a second.

25 COMMISSIONER CONWAY: Second.

0012

1 CHAIRMAN LEARA: Second, Mr. Conway.

2 Any discussion?

3 Seeing none, Angie, call the roll.

4 MS. FRANKS: Commissioner Hane.

5 COMMISSIONER HANE: Approve.

6 MS. FRANKS: Commissioner Conway.

7 COMMISSIONER CONWAY: Approve.

8 MS. FRANKS: Commissioner Boulware.

9 COMMISSIONER BOULWARE: Approve.

10 MS. FRANKS: Commissioner Finney.

11 COMMISSIONER FINNEY: Approve.

12 MS. FRANKS: Chairman Leara.

13 CHAIRMAN LEARA: Approve.

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

15 Resolution No. 21-012.

16 CHAIRMAN LEARA: Thank you, Carolyn.

17 The next item on the agenda is consideration

18 of licensure of certain Level I and Key applications.

19 Sergeant Seaton, you have the floor.

20 SERGEANT SEATON: Mr. Chairman and

21 Commissioners, good morning.

22 The Missouri State Highway Patrol

23 investigators and Missouri Gaming Commission financial

24 investigators conducted comprehensive background

25 investigations on key and Level I applicants.

0013

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

5 The following applicants are being presented
6 for your consideration: Mark Foster Labay, Everi
7 Payments, Incorporated, Executive Vice President, Chief
8 Financial Officer and Treasurer; and Maria T. Vullo,
9 Scientific Games Corporation, Director.

10 Investigative findings were provided to the
11 Missouri Gaming Commission staff for their review, and
12 all investigators are available to answer any questions
13 you might have.

14 Thank you.

15 CHAIRMAN LEARA: Any questions for
16 Sergeant Seaton?

17 Seeing none, thank you.

18 I move for the adoption of Resolution 21-013
19 and look for a second.

20 COMMISSIONER BOULWARE: Second.

21 CHAIRMAN LEARA: Second.

22 Any discussion?

23 Seeing none, Angie, please call the roll.

24 MS. FRANKS: Commissioner Hane.

25 COMMISSIONER HANE: Approve.

0014

1 MS. FRANKS: Commissioner Conway.

2 COMMISSIONER CONWAY: Approve.

3 MS. FRANKS: Commissioner Boulware.

4 COMMISSIONER BOULWARE: Approve.

5 MS. FRANKS: Commissioner Finney.

6 COMMISSIONER FINNEY: Approve.

7 MS. FRANKS: Chairman Leara.

8 CHAIRMAN LEARA: Approve.

9 MS. FRANKS: By your vote you've adopted
10 Resolution No. 21-013.

11 CHAIRMAN LEARA: Before I make a motion for
12 the next agenda item, Mr. Finney wishes to have the
13 floor.

14 COMMISSIONER FINNEY: All right. Thank you,
15 Mr. Chairman.

16 So there's a couple things I would like to
17 discuss. I won't take too long. I know we all have
18 jobs to get back to.

19 But there was some news obviously that we
20 spent a lot of money to conduct an investigation, close
21 to \$400,000, and the allegations were against members of
22 the staff. All right?

23 And they were for similar things that
24 we've -- actually the Highway Patrol has investigated
25 similar allegations against GLPI, and we spent a lot of

0015

1 money on those investigations for you guys.

2 And the allegations were not something that
3 will get a slap on the wrist. They're very serious.
4 Okay? They're the type of things you get fired for, the
5 type of things people get thrown in prison for, and we
6 spent \$400,000 on this investigation.

7 And what's it based on? Who brought these?
8 The Chairman won't tell me. The Chairman won't tell me
9 who brought these allegations. Well, as far as I'm
10 concerned, whoever doesn't come forward and tells me are
11 a coward. Do you understand me?

12 CHAIRMAN LEARA: All right, Mr. Finney. Are
13 you finished?

14 COMMISSIONER FINNEY: No, I'm not, Chairman.
15 The allegations that were brought forward
16 were of such a nature that this Commission decided that
17 we should spend \$400,000 on an investigation without
18 speaking to the person who made these allegations. As
19 far as I can tell, they were based upon statements of an
20 individual who doesn't exist.

21 Let's talk about where that \$400,000 was
22 going to go or where it comes from. Let's talk about
23 where it comes from first. Okay?

24 A couple years ago we had before us a
25 gentleman who was before us for a revocation of his

0016

1 license. He was a custodian, and he was before us
2 because he had suffered a criminal investigation. I'm
3 sorry. He was convicted of a crime. The crime he was
4 convicted of was stealing water. Get that, stealing
5 water. Okay?

6 And he's before us because we had to make a
7 decision because of his criminal conviction as to
8 whether we were going to revoke his license and take
9 away his livelihood.

10 So we asked him some questions, and we
11 discovered that the reason he had stolen this water was
12 because he couldn't afford to pay for it, and the reason
13 he couldn't pay for it was because his wife was going
14 through chemotherapy and the bills were too expensive.
15 So we had to make a decision.

16 And he decided to bust open his water meter
17 to steal water, and he was here before us, and we had
18 the decision on whether we were going to revoke his job.

19 Now, the money that went to pay for that
20 investigation, it came out of that man's pocket. That's
21 where it came out from, because that's who pays for the
22 investigation.

23 Let's talk about where that money was
24 supposed to go.

25 All right. Now, there's been reports in the

0017

1 news about unknown numbers, undisclosed numbers of
2 people dying in Veteran homes. How many, we don't know.
3 All right? But what we do know is that people in these
4 poor homes, okay, these veterans that have nothing left,
5 they go to these ten-by-ten rooms and they've sat there
6 and haven't been able to leave for ten months in these
7 bedbug-infested beds, ten-by-ten rooms, eating soggy
8 eggs, soggy bacon and burnt toast, not able to leave.

9 And we took money that was supposed to go to
10 them, and we invested that money, \$400,000, into an
11 investigation against the staff based upon statements of
12 an individual that we still don't know who made those
13 statements.

14 That's all.

15 CHAIRMAN LEARA: All right.

16 At this time I will make a motion for a
17 closed meeting under Sections 313.847 of the Revised
18 Statutes of Missouri, investigatory, proprietary and
19 application records and 610.021, Subsection 1, of the
20 Revised Statutes of Missouri, legal actions and matters
21 subject to attorney-client privilege, Sections 3 and 13
22 personnel, 12 contracts and 14 records protected from
23 disclosure by law, and ask for a second.

24 COMMISSIONER BOULWARE: Second.

25 CHAIRMAN LEARA: We have a second.

0018

1 No discussion.

2 Angie, please call the roll.

3 MS. FRANKS: Commissioner Hane.

4 COMMISSIONER HANE: Approve.

5 MS. FRANKS: Commissioner Conway.

6 COMMISSIONER CONWAY: Approve.

7 MS. FRANKS: Commissioner Boulware.

8 COMMISSIONER BOULWARE: Approve.

9 MS. FRANKS: Commissioner Finney.

10 COMMISSIONER FINNEY: Not approve.

11 MS. FRANKS: Chairman Leara.

12 CHAIRMAN LEARA: Approve.

13 We'll go into closed session. We are going
14 in closed.

15 WHEREIN, the meeting concluded at 9:45 a.m.

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CERTIFICATE OF REPORTER

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I, Patricia A. Stewart, CCR, a Certified

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Court Reporter in the State of Missouri, do hereby

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certify that the foregoing testimony was taken by me to

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the best of my ability and thereafter reduced to

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typewriting under my direction; that I am neither

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counsel for, related to, nor employed by any of the

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parties to the action in which this testimony was taken,

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nor financially or otherwise interested in the outcome

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of the action.

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Patricia A. Stewart

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CCR 401

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MISSOURI GAMING COMMISSION
Second Open Session Minutes
February 24, 2021

The Missouri Gaming Commission (the “Commission”) went into the second open session at approximately 10:23 a.m. on February 24, 2021, at the Missouri Gaming Commission, 3417 Knipp Drive, Jefferson City, Missouri.

Chairman Leara moved to adjourn the open session meeting. Commissioner Hane 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 second open session meeting ended at 10:24 a.m.