AMENDED AGENDA
(AMENDED ITEMS IN BOLD)
KANSAS RACING AND GAMING COMMISSION
10:00 a.m., Friday, October 14, 2016

EAST TOWER CONFERENCE ROOM
EISENHOWER STATE OFFICE BUILDING
700 SW Harrison, Suite 410
Topeka, KS 66603

A. CALL TO ORDER

B. APPROVAL OF AGENDA

C. APPROVAL OF MINUTES

1. Minutes of September 2, 2016
2. Minutes of September 9, 2016

D. CONSENT AGENDA

Items listed on the consent agenda are routine in nature. If requested by a commissioner, an item may be removed from the Consent Agenda and placed under Commission Items for further discussion and consideration.

1. Approvals and revocations for certain lottery facility games and related components
   a. GLI Approval Letters October 2016
2. Internal Control amendment approvals
   a. Boot Hill Casino and Resort internal control amendment approvals
   b. Kansas Star Casino internal control amendment approvals
   c. Hollywood Casino at Kansas Speedway internal control amendment approvals
3. **Disciplinary Review Board Settlements/Waivers**

   Torrance Stegman, KRGC Case number 2016-2002
   Kansas Star Casino, L.L.C., KRGC Case number 2016-2003

   a. **Staff Memo**

E. LOTTERY GAMING FACILITY REPORTS/ITEMS

1. Boot Hill Casino and Resort

a. Monthly Report

2. Kansas Star Casino

a. Monthly Report

3. Hollywood Casino at Kansas Speedway

a. Monthly Report

4. Kansas Crossing Casino

a. Monthly Report

F. COMMISSION ITEMS – OLD BUSINESS

NONE

G. COMMISSION ITEMS – NEW BUSINESS

1. Quarterly reports on staff out-of-state travel, licensing and illegal gambling

Commission Action	*Commission review and discussion*
Staff Presentation	*Don Brownlee, Executive Director*
Staff Recommendation	*No Action Required*

a. Staff Memo

H. PUBLIC COMMENTS

I. STAFF REPORTS

1. Michelle Neis, Enforcement Attorney

a. Voluntary Exclusion Program Report

2. Don Brownlee, Executive Director

J. EXECUTIVE SESSIONS

The Commission conducts executive sessions in accordance with the Kansas Open Meetings Act and all discussions are limited to the specified purposes listed in K.S.A. 75-4319. The Commission utilizes executive sessions to consult with the Commission's attorney, to discuss personnel matters, to protect the confidentiality of necessarily closed information, and to protect the integrity of gaming and finances.

1. Attorney/Client privilege
2. Background reports

K. OTHER BUSINESS/FURTHER COMMISSION ACTION

1. Consideration of proposed gaming licenses and renewals

L. ADJOURNMENT

KANSAS RACING AND GAMING COMMISSION

MINUTES – SEPTEMBER 2, 2016

CALL TO ORDER
(A.)

Chairman Brandon Jones called the September 2, 2016, teleconference to order at 9:33 a.m. The teleconference was held in Conference Room A of the Kansas Racing and Gaming Commission, 700 SW Harrison, Suite 500 in Topeka, KS. Commissioners Dennis McKinney, David Moses and Jan Kessinger were also present via telephone. Others present included Executive Director Don Brownlee, General Counsel Judith Taylor, Director of Administration, Finance, and Audit Brandi White, Director of Security Larry Moreland, Auditor Todd Allen and Recording Secretary Chris Vega.

MOTION, APPROVE AGENDA
(B.)

Commissioner Moses (Kessinger) moved to approve the agenda. Motion carried unanimously.

MOTION, EXECUTIVE SESSIONS
(C.1.)

Chairman Jones moved for the commission to go into executive session for the purpose of (1) confidential data related to the financial affairs of Boyd Gaming and the Kansas Star Casino and (2) attorney/client privilege. Those included in the executive session regarding the confidential data related to the financial affairs of Boyd Gaming and the Kansas Star Casino were the commissioners, executive director, general counsel, director of administration, audit and finance, auditor Todd Allen, and Todd Hirschberg, James Adams and Brian Larson of Boyd Gaming along with local counsel, John Frieden. Those included in the executive session regarding attorney/client privilege were the commissioners, executive director and general counsel. The total time for the executive sessions was anticipated to be one hour. No action is to be taken in executive session, and the subjects discussed are to be limited as previously described. A full record of this motion is to be maintained as part of the permanent record of the Kansas Racing and Gaming Commission. At the conclusion of the executive session, the meeting is to be continued in open session. Commissioner Kessinger (Moses) made a motion to adjourn to executive session. The motion carried unanimously and the meeting was adjourned to executive session at 9:37 a.m.

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RECONVENE	The commission meeting returned to open session at 11:04 a.m. with all members present.
OTHER BUSINESS/FURTHER COMMISSION ACTION; MOTION (D.)	Commissioner McKinney (Kessinger) moved that the commission approve the proposed debt refinancing and place the following findings on the record: (1) the refinancing appears to be beneficial for Boyd Gaming; (2) by making significant savings in interest expense, the refinancing has the potential to strengthen Boyd's subsidiary, Kansas Star; and (3) in the event of default on the loan, there could be harmful effects on the state's gaming operations. Therefore, notice is hereby given that in approving the refinancing proposal, the KRGC waives none of the state's rights under law or under the management agreement to secure games and select a new casino manager in the event of default or bankruptcy. Motion carried unanimously.
ADJOURN (E.)	Chairman Jones declared the meeting adjourned at 11:09 a.m.

SUBMITTED BY:

(Signature on file)
Jan Kessinger
Secretary

APPROVED BY:

(Signature on file)
Brandon Jones
Chairman

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KANSAS RACING AND GAMING COMMISSION

MINUTES – SEPTEMBER 9, 2016

CALL TO ORDER (A.)

Chairman Brandon Jones called the September 9, 2016, meeting to order at 10:00 a.m. The meeting was held in the East Tower Conference Room of the Eisenhower State Office Building, 700 SW Harrison, in Topeka, KS. Commissioners Dennis McKinney, David Moses and Jan Kessinger were also present. Others present included Executive Director Don Brownlee, General Counsel Judith Taylor, Director of IT and Electronic Security Dennis Bachman, Director of Administration, Finance, and Audit Brandi White, Director of Security Larry Moreland, Recording Secretary Chris Vega and other staff.

MOTION, APPROVE AGENDA (B.)

Commissioner McKinney (Moses) moved to approve the agenda. Motion carried unanimously.

MOTION, APPROVE AUGUST 19, 2016 MEETING MINUTES (C.1.)

Commissioner Moses (Kessinger) moved to approve the minutes of the August 19, 2016 meeting. Motion carried unanimously.

INTRODUCTION

Don Brownlee introduced Peter Nikiper. Mr. Nikiper is a representative of BMM Test Labs.

MOTION, APPROVE CONSENT AGENDA (D.1. & D.2.)

Commissioner Kessinger (McKinney) moved to approve the consent agenda. Motion carried unanimously.

LOTTERY GAMING FACILITY REPORTS/ITEMS; BOOT HILL CASINO & RESORT (E.1.a.)

Ryan Deutsch, Assistant General Manager, reported:

- August 2016 admissions were down 5.06% from August 2015.
- August 2016 revenue numbers compared to August 2015:
  - Total gaming revenue up 0.60%
  - Total slot revenue down 0.28%
  - Table games revenue up 7.87%
- Past casino promotions and arena events:
  - Seniors Take 10
  - Stay & Play hotel packages
  - Motorcoach trips
  - Longhorn parties & autographed bat giveaway
  - 3 Card Poker Tournament

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- August 12 – Mercy Me
- August 19 – Pepe Aguilar
- August 25 - Styx

- Upcoming casino promotions and arena events:
  - Fall Concert Series
  - September 16 – Noches Mexicanas
  - September 18 – Montgomery Gentry
  - September 23 – Jay Owenhouse, The Authentic Illusionist
  - October 7 – Make America Rock Again Tour
  - November 5 – Battle on Boot Hill (MMA)
  - November 18 – Martina McBride

LOTTERY GAMING FACILITY REPORTS/ITEMS; KANSAS STAR (E.2.a.)

Dan Ihm, General Manager, was not present at this meeting due to flooding in Mulvane. Mr. Ihm's report is detailed below:

- August 2016 admissions were down 9.5% from August 2015.
- August 2016 revenue numbers compared to August 2015:
  - Total gaming revenue down 4.4%
  - Slot coin-in (handle) down 6.6%
  - Slot hold up .28 points
  - Table game drop down 6.4%
  - Table game hold down .8 points
  - Poker room revenue up 19.9%
- Past events at the Kansas Star Casino Arena:
  - July 22 - Bellator MMA
- Upcoming events at the Kansas Star Casino Events Center:
  - September 9 – Trace Adkins
  - September 16 through 18 – U.S. Team Roping Championship
  - October 1 – Evolution Fighting Championship MMA
  - October 15 – Sara Evans
  - November 11 and 12 – National Finals Steer Roping

LOTTERY GAMING FACILITY REPORTS/ITEMS; HOLLYWOOD CASINO AT KANSAS SPEEDWAY (E.3.a.)

Rick Skinner, General Manager, reported:

- August 2016 revenue numbers compared to August 2015:
  - Total gaming revenue was $11.2 million, a decrease of $430,000.00 or 3.7%
  - Table games revenue was $1.5 million, an increase of $237,000.00 or 19.6%

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- Slot revenue was $9.8 million, a decrease of $667,000.00 or 6.4%
- The month of August featured the usual compliment of marketing promotions including point and entry multipliers and direct mail.
- The Wheel of Fortune Slot Tournament was held on August 2nd and 3rd, with the final on August 5th.

LOTTERY GAMING FACILITY REPORTS/ITEMS; KANSAS CROSSING CASINO (E.4.a.)

Doug Fisher, General Manager, introduced a few people who were in attendance at this meeting:

- Gary Mattson – HR Director of Kansas Crossing Casino
- Chad Bartelson – Security Director of Kansas Crossing Casino
- Bruce Christenson – Managing Partner w/Kansas Crossing Casino
- Greg Schwerdt – Schwerdt Design Group

Mr. Christenson spoke about the construction regarding the enhancement of structural improvements regarding tornado shelter at Kansas Crossing Casino. Mr. Mattson and Mr. Bartelson gave a presentation regarding the enhancement of structural improvements.

COMMISSION ITEMS – OLD BUSINESS; (F.)

There were no old business items.

COMMISSION ITEMS – NEW BUSINESS; (G.1.)

Brandi White, Director of Administration, Finance and Audit, and Kala Loomis, Director of Enforcement and Compliance with the Kansas State Gaming Agency, both presented budgets for fiscal years 2017, 2018, and 2019.

MOTION TO APPROVE BUDGETS FOR FY17, FY18, AND FY 19

Commissioner McKinney (Kessinger) moved to approve budgets for fiscal years 2017, 2018, and 2019 for the Kansas State Gaming Agency. Motion carried unanimously.

Commissioner Kessinger (McKinney) moved to approve budgets for fiscal years 2017, 2018, and 2019 for the Kansas Racing and Gaming Commission. Motion carried unanimously.

PUBLIC COMMENTS (H.)

There were no public comments.

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STAFF REPORTS
(I.1. and I.2.)

Michelle Neis, Enforcement Attorney, reported on the Voluntary Exclusion Program statistics for the month of August 2016.

Executive Director Brownlee reported:

- The KRGC is reviewing Kansas Crossing Casino's internal controls.
- The supervising agent with the KRGC at Kansas Crossing Casino will be starting work on Monday, September 12, 2016.
- The next meeting of the Kansas Racing and Gaming Commission will be October 14, 2016 at 10:00 a.m. in Topeka. Chairman Jones will not be present.

DISCIPLINARY REVIEW PROCEEDINGS
(J.1.)

Michelle Neis, Enforcement Attorney, presented to the commission one KRGC case:

- Kenneth MacDonald – 2016-3014; Prior to this meeting, Mr. MacDonald signed a settlement agreement (pay a $200.00 fine in lieu of an ordered two-day unpaid suspension).

MOTION TO UPHOLD DRB SUMMARY PROCEEDING ORDER

Commissioner Moses (Kessinger) moved to approve the Disciplinary Review Board's Settlement Agreement in the matter of KRGC case 2016-3014. Motion carried unanimously.

MOTION, EXECUTIVE SESSIONS
(K.1., K.2.)

Chairman Jones moved for the commission to go into executive session for the purpose of (1) attorney/client privilege and (2) reviewing the list of confidential backgrounds for licensing. Those included in the executive sessions were the commissioners, executive director, general counsel, and director of security. The total time for the executive sessions was anticipated to be thirty minutes. No action is to be taken in executive session, and the subjects discussed are to be limited as previously described. A full record of this motion is to be maintained as part of the permanent record of the Kansas Racing and Gaming Commission. At the conclusion of the executive session, the meeting is to be continued in open session. Commissioner Moses (Kessinger) made a motion to adjourn to executive session. The motion carried unanimously and the meeting was adjourned to executive session at 11:00 a.m.

RECONVENE

The commission meeting returned to open session at 11:32 a.m. with all members present.

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MOTION TO CONDITIONALLY APPROVE, DENY REQUEST FOR RECONSIDERATION AND APPROVE LICENSE APPLICATIONS
(L.1.)

Commissioner Kessinger (McKinney) moved to *conditionally approve* three license applications, *deny request for reconsideration* two license applications, and *approve* the remaining 106 license applications from the September 9, 2016 list of background reports referred to the commission for action. Motion carried unanimously.

ADJOURN
(M.)

Commissioner Kessinger (McKinney) moved to adjourn the meeting. Motion carried unanimously. The meeting adjourned at 11:34 a.m.

SUBMITTED BY:

(Signature on file)
Jan Kessinger
Secretary

APPROVED BY:

(Signature on file)
Brandon Jones
Chairman

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Recommended for Approval

	Manufacturer	File Number	ID Number	Version	Game Name	Function
1	ADVANCED CASINO SYST	SY-73-ADC-16-03	Gearbox.exe	22.51 Build 2	N/A	SYSTEM
2	AINSWORTH GAMING TEC	MO-22-AWG-16-12	Bottom Door Module	30367	A600-H Hardware Platform	HARDWARE
3	AINSWORTH GAMING TEC	MO-22-AWG-16-12	Bottom Door Module Assembly	30394	A600-H Hardware Platform	HARDWARE
4	AINSWORTH GAMING TEC	MO-22-AWG-16-12	SXLR MAIN BOARD	A	SXLR MAIN BOARD	HARDWARE
5	AINSWORTH GAMING TEC	MO-22-AWG-16-13	C002E003	3	SXLR BIOS	OTHER
6	AINSWORTH GAMING TEC	MO-301-AWG-16-11	220105 REV A	220105 REV A	UHS A600-H 21.5 and 27 Bright Group Toppers	HARDWARE
7	AINSWORTH GAMING TEC	MO-39-AWG-16-07	025077-A	025077-A	A600-H LCD Button Deck	HARDWARE
8	AINSWORTH GAMING TEC	MO-73-AWG-16-37	220622-A Rev A	220622-A	N/A	HARDWARE
9	AINSWORTH GAMING TEC	PA-301-AWG-15-01	25070	A	A600-H Hardware Platform	HARDWARE
10	AINSWORTH GAMING TEC	PA-301-AWG-15-01	25071	A	A600-H Hardware Platform	HARDWARE
11	AINSWORTH GAMING TEC	PA-301-AWG-15-01	25075	A	A600-H Hardware Platform	HARDWARE
12	AINSWORTH GAMING TEC	PA-301-AWG-15-01	30372	A	A600-H Hardware Platform	HARDWARE
13	AINSWORTH GAMING TEC	PA-301-AWG-15-01	30373	A	A600-H Hardware Platform	HARDWARE
14	AINSWORTH GAMING TEC	PA-301-AWG-15-01	30375	A	A600-H Hardware Platform	HARDWARE
15	AINSWORTH GAMING TEC	PA-301-AWG-15-01	170122	A	A600-H Hardware Platform	HARDWARE
16	AINSWORTH GAMING TEC	PA-301-AWG-15-01	170123	A	A600-H Hardware Platform	HARDWARE
17	AINSWORTH GAMING TEC	PA-301-AWG-15-01	220641	A	A600-H Hardware Platform	HARDWARE
18	AINSWORTH GAMING TEC	PA-301-AWG-15-01	220647	A	A600-H Hardware Platform	HARDWARE
19	AINSWORTH GAMING TEC	PA-301-AWG-15-01	220680	A	A600-H Hardware Platform	HARDWARE
20	AINSWORTH GAMING TEC	PA-301-AWG-15-01	220682	A	A600-H Hardware Platform	HARDWARE
21	AINSWORTH GAMING TEC	PA-301-AWG-15-01	017796-01 Rev A	Rev A	A600-H Hardware Platform	HARDWARE
22	AINSWORTH GAMING TEC	PA-301-AWG-15-01	025073 Rev A	Rev A	A600-H Hardware Platform	HARDWARE
23	AINSWORTH GAMING TEC	PA-301-AWG-15-01	220106 Rev A	Rev A	A600-H Hardware Platform	HARDWARE
24	AINSWORTH GAMING TEC	PA-301-AWG-15-01	220107 Rev A	Rev A	A600-H Hardware Platform	HARDWARE
25	AINSWORTH GAMING TEC	PA-308-AWG-16-01	A600-H	N/A	N/A	HARDWARE
26	ARISTOCRAT	MO-73-ARI-15-131	ATI_Buffalo_Gold_Collec_10363010.pkg	GEN8	Buffalo Gold Collect	INSTALLER
27	ARISTOCRAT	MO-73-ARI-15-131	ATI_Buffalo_Gold_Collec_10363010.zip	GEN8	Buffalo Gold Collect	INSTALLER
28	ARISTOCRAT	MO-73-ARI-16-102	1.01-63831	GEN7/GEN8	Happy Lantern	PERSONALITY PGM
29	ARISTOCRAT	MO-73-ARI-16-107	1.01-63823	GEN7/GEN8	Indian Moon	PERSONALITY PGM
30	ARISTOCRAT	MO-73-ARI-16-108	1.01-63822	GEN7/GEN8	Eyes of Fortune	PERSONALITY PGM
31	ARISTOCRAT	MO-73-ARI-16-111	1.01-63826	GEN7/GEN8	Lucky Bonsai	PERSONALITY PGM
32	ARISTOCRAT	MO-73-ARI-16-114	1.03-63064	GEN8	Buffalo Grand	PERSONALITY PGM
33	ARISTOCRAT	MO-73-ARI-16-122	GAME_SOA_1_0_3	VERTEX	Sons of Anarchy	OTHER
34	ARISTOCRAT	MO-73-ARI-16-123	WD2_SCH_03	VERTEX	Plug-In	OTHER
35	ARISTOCRAT	MO-73-ARI-16-124	MM-SCH-02	VERTEX	Magic Mike XXL	OTHER
36	ARISTOCRAT	MO-73-ARI-16-127	WD_SCH_03	VERTEX	Plug-In	OTHER
37	ARISTOCRAT	MO-73-ARI-16-65	1.02-63412	GEN7/GEN8	Whales of Cash Legends	PERSONALITY PGM
38	ARISTOCRAT	MO-73-ARI-16-66	1.03-62978	GEN7/GEN8	Pure Gold	PERSONALITY PGM

Recommended for Approval

39	ARISTOCRAT	MO-73-ARI-16-68	GAME_MOS_01	VERTEX	Man of Steel	OTHER
40	ARISTOCRAT	MO-73-ARI-16-73	1.02-62927	GEN8	Man of Steel	PERSONALITY PGM
41	ARISTOCRAT	MO-73-ARI-16-74	1.01-63552	GEN7/GEN8	The Third Prince	PERSONALITY PGM
42	ARISTOCRAT	MO-73-ARI-16-84	Firmware	VF3.5.2	N/A	OTHER
43	ARISTOCRAT	MO-73-ARI-16-84	Vertex	3.5.2	N/A	OTHER
44	ARISTOCRAT	MO-73-ARI-16-97	1.01-63836	GEN7/GEN8	Moon Race	PERSONALITY PGM
45	ARISTOCRAT	SY-73-ARI-16-46	Cash Gateway	TD164550/12.7.1005.16	N/A	SYSTEM
46	ARISTOCRAT	SY-73-ARI-16-48	Non-Cash Gateway	TD165549/12.10.1110.3	N/A	SYSTEM
47	BALLY	MO-22-BAL-16-04	AXDU0TWPK020A01	N/A	ACTIVE COLOR BEZEL FIRMWARE	OTHER
48	BALLY	MO-73-BAL-15-87	BAL_253423A	BAL_253423A	CONTROL LOGIC	PERSONALITY PGM
49	BALLY	MO-73-BAL-15-87	BAL_253425A	BAL_253425A	KARNAK COMMON ART	SOUND/GRAPHICS
50	BALLY	MO-73-BAL-15-87	BAL_253429A	BAL_253429A	KARNAK LANGUAGE PACK (ENGLISH)	SOUND/GRAPHICS
51	BALLY	MO-73-BAL-16-85	BAL_OS366I	BAL_OS366I	OPERATING SYSTEM	MAIN PGM
52	Bally West	LO-38-SHU-11-01	LEGAL OPINION	ULTIMATE TEXAS HOLD'EM PROGRESSIVE	ULTIMATE TEXAS HOLD'EM PROGRESSIVE	TABLE GAME
53	Bally West	LO-52-SHU-08-05	LEGAL OPINION	ULTIMATE TEXAS HOLD'EM PROGRESSIVE	ULTIMATE TEXAS HOLD'EM PROGRESSIVE	TABLE GAME
54	Bally West	MO-73-SHU-16-13	260552F	PBBNA06	Playboy Bonus Blackjack	PERSONALITY PGM
55	Bally West	SY-15-SHU-15-01	SHFL.Progressive.GameManager.Client.Interfaces.dll	2.5.4	GM2 Client Services	SYSTEM
56	Bally West	SY-15-SHU-15-01	SHFL.Progressive.GameManager.Client.Logic.dll	2.5.4	GM2 Client Services	SYSTEM
57	Bally West	SY-15-SHU-15-01	SHFL.Progressive.GameManager.Client.Service.exe	2.5.4	GM2 Client Services	SYSTEM
58	Bally West	SY-15-SHU-15-01	SHFL.Progressive.GameManager.Server.Interfaces.dll	2.5.4	GM2 OWAP Server	SYSTEM
59	Bally West	SY-15-SHU-15-01	SHFL.Progressive.GameManager.Server.Logic.dll	2.5.4	GM2 OWAP Server	SYSTEM
60	Bally West	SY-15-SHU-15-01	SHFL.Progressive.GameManager.Server.Service.exe	2.5.4	GM2 OWAP Server	SYSTEM
61	Bally West	SY-15-SHU-15-01	SHFL.Progressive.WebGM.Business.dll	2.5.4	GM2 Schedule Reports Service	SYSTEM
62	Bally West	SY-15-SHU-15-01	SHFL.Progressive.WebGM.Business.dll	2.5.4	GM2 Web	SYSTEM
63	Bally West	SY-15-SHU-15-01	SHFL.Progressive.WebGM.DAL.dll	2.5.4	GM2 Schedule Reports Service	SYSTEM
64	Bally West	SY-15-SHU-15-01	SHFL.Progressive.WebGM.DAL.dll	2.5.4	GM2 Web	SYSTEM
65	Bally West	SY-15-SHU-15-01	SHFL.Progressive.WebGM.Web.dll	2.5.4	GM2 Web	SYSTEM
66	Bally West	SY-15-SHU-15-01	ShuffleMaster.Progressive.GM.PrintReportsService.exe	2.5.4	GM2 Schedule Reports Service	SYSTEM
67	Bally West	SY-15-SHU-15-01	ShuffleMaster.Progressive.OWAP2.Business.dll	2.5.4	OWAP2 Schedule Reports Service / OWAP2 Web	SYSTEM
68	Bally West	SY-15-SHU-15-01	ShuffleMaster.Progressive.OWAP2.DAL.dll	2.5.4	OWAP2 Configuration Update Service	SYSTEM
69	Bally West	SY-15-SHU-15-01	ShuffleMaster.Progressive.OWAP2.DAL.dll	2.5.4	OWAP2 Schedule Reports Service / OWAP2 Web	SYSTEM

Recommended for Approval

70	Bally West	SY-15-SHU-15-01	ShuffleMaster.Progressive.OWAP2.EmailPrintReportsService.exe	2.5.4	OWAP2 Shcedule Reports Service	SYSTEM
71	Bally West	SY-15-SHU-15-01	ShuffleMaster.Progressive.OWAP2.Web.dll	2.5.4	OWAP2 Web	SYSTEM
72	Bally West	SY-15-SHU-16-01	Nexus Command Table Controller	2.5.4-SP1	EE1768-11	SYSTEM
73	Bally West	SY-22-SHU-14-01	DoorLockMonitor.dll	1.0.0.0	Game Manager 2 Dealer Terminal v2.5.0	SYSTEM
74	Bally West	SY-22-SHU-14-01	DoorLockMonitorService.exe	1.0.0.0	Game Manager 2 Dealer Terminal v2.5.0	SYSTEM
75	Bally West	SY-22-SHU-14-01	GM1874	GM1874	Lockable Enclosure	HARDWARE
76	Everi Games Inc.	MO-171-MMG-16-28	6807	1.0.0-18	MFm_Shamrock	PERSONALITY PGM
77	Everi Games Inc.	MO-171-MMG-16-36	6519	1.0.0-11	MFm_RubyRespin	PERSONALITY PGM
78	Everi Games Inc.	MO-171-MMG-16-39	6305	1.0.0-10	MF_TwinDragon	PERSONALITY PGM
79	Everi Games Inc.	MO-22-MMG-16-17	6467	1.0.0-4	MFm_CherryMania	PERSONALITY PGM
80	Everi Games Inc.	MO-394-MMG-16-13	6734	1.0.0-4	MF_FruitCocktailDeluxe	PERSONALITY PGM
81	Galaxy Gaming Of Mo.	LO-00-GGM-16-02	TABLE GAME ANALYSIS	N/A	BONUS CRAPS	TABLE GAME
82	IGT	MO-04-IGT-08-21	GC014-004BN5-0002	AVP INSTALL	TRIPLE STARS/ TRIPLE LUCKY 7S/ TRIPLE BUTTLERFLY 7	Installer
83	IGT	MO-04-IGT-08-21	GCON014-004BN5-002	AVP CONTENT PKG	TRIPLE STARS/ TRIPLE LUCKY 7S/ TRIPLE BUTTLERFLY 7	Personality PGM
84	IGT	MO-04-IGT-16-19	AF014-MM-PKRSTP-01	AVP FEATURE PACKAGE	SUPER TRIPLE PLAY DRAW POKER	OTHER
85	IGT	MO-04-IGT-16-19	FEAT014-0PCSTP-001	AVP FEATURE PACKAGE	SUPER TRIPLE PLAY DRAW POKER	OTHER
86	IGT	MO-135-IGT-16-03	GAME020B01NC3003	LOBSTERMANIA 2	ASCENT GAME PACKAGE	PERSONALITY PGM
87	IGT	MO-135-IGT-16-03	GI020B01NC30003	LOBSTERMANIA 2	ASCENT INSTALL	INSTALLER
88	IGT	MO-22-IGT-16-102	GAME014-001STP-D03	AVP GAME PACKAGE	SUPER TRIPLE PLAY DRAW POKER	PERSONALITY PGM
89	IGT	MO-22-IGT-16-102	PI014-001STP-D003	AVP INSTALL	SUPER TRIPLE PLAY DRAW POKER	INSTALLER
90	IGT	MO-22-IGT-16-102	PI014-001STP-D003.V02	AVP INSTALL	SUPER TRIPLE PLAY DRAW POKER	INSTALLER
91	IGT	MO-22-IGT-16-104	2403013-01	2403013-01	WELLS GARDNER 40 INCH LCD MONITOR	HARDWARE
92	IGT	MO-22-IGT-16-115	UBA-14-SS-500	2.78-39	JCM UBA-14 BILL VALIDATOR FIRMWARE	BILL VALIDATOR
93	IGT	MO-22-IGT-16-115	UBA-14-SS-500	UBA-14-SS-500	JCM UBA-14 BILL VALIDATOR HARDWARE	BILL VALIDATOR
94	IGT	MO-22-IGT-16-188	GAME020003WR7D02	ASCENT GAME PACKAGE	WILD RESPINS DIAMOND WILDS	PERSONALITY PGM
95	IGT	MO-22-IGT-16-188	GI020003WR7D002	ASCENT INSTALL	WILD RESPINS DIAMOND WILDS	INSTALLER
96	IGT	MO-22-IGT-16-33	AF014-MM-PKR024-02	AVP FEATURE PACKAGE	3 5 10 SPLIT CARD POKER	OTHER
97	IGT	MO-22-IGT-16-33	FEAT014-0PCCCT-002	AVP FEATURE PACKAGE	3 5 10 SPLIT CARD POKER	OTHER
98	IGT	MO-22-IGT-16-33	GAME014-001CCT-D03	AVP GAME PACKAGE	3 5 10 SPLIT CARD POKER	PERSONALITY PGM
99	IGT	MO-22-IGT-16-33	PI014-001CCT-D003	AVP INSTALL	3 5 10 SPLIT CARD POKER	INSTALLER
100	IGT	MO-22-IGT-16-33	PI014-001CCT-D003.V02	AVP INSTALL	3 5 10 SPLIT CARD POKER	INSTALLER
101	IGT	MO-50-IGT-16-19	GAME020001QB8N13	N/A	WHEEL OF FORTUNE JACKPOT PARADISE	PERSONALITY PGM
102	IGT	MO-50-IGT-16-19	GI020001QB8N013	N/A	WHEEL OF FORTUNE JACKPOT PARADISE	Installer
103	INCREDIBLE TECHNOLOG	MO-22-INT-15-19	iVIZION-100 (USA)-SS/SU	2.53-38	JCM IVIZION BILL VALIDATOR FIRMWARE	BILL VALIDATOR
104	INCREDIBLE TECHNOLOG	MO-73-INT-10-05	GURUSA211	GURUSA211	N/A	PRINTER

Recommended for Approval

105	INCREDIBLE TECHNOLOG	MO-73-INT-11-19	JCM Ivizion-100	JCM Ivizion-100	N/A	BILL VALIDATOR
106	INCREDIBLE TECHNOLOG	MO-73-INT-11-26	S00152	M950 S00152	N/A	PRINTER
107	INCREDIBLE TECHNOLOG	MO-73-INT-12-61	SCN6607	SCN6607	N/A	BILL VALIDATOR
108	INCREDIBLE TECHNOLOG	MO-73-INT-14-56	6NY400008400	V4.00/V4.00	MEI SCN6607 BILL VALIDATOR FIRMWARE	BILL VALIDATOR
109	INCREDIBLE TECHNOLOG	PA-73-INT-09-07	EPIC950-RS232	EPIC950-RS232	N/A	PRINTER
110	INCREDIBLE TECHNOLOG	PA-73-INT-09-07	full_access_key.bin	MT v1.00.10	N/A	OTHER
111	INCREDIBLE TECHNOLOG	PA-73-INT-09-07	Futurelogic Gen2	Futurelogic Gen2	N/A	PRINTER
112	INCREDIBLE TECHNOLOG	PA-73-INT-13-02	900001104Rxx	900001104Rxx	N/A	HARDWARE
113	INCREDIBLE TECHNOLOG	PA-73-INT-13-02	900001105Rxx	900001105Rxx	N/A	HARDWARE
114	INCREDIBLE TECHNOLOG	PA-73-INT-13-02	900001200Rxx	900001200Rxx	N/A	HARDWARE
115	INCREDIBLE TECHNOLOG	PA-73-INT-13-02	900001201Rxx	900001201Rxx	N/A	HARDWARE
116	INCREDIBLE TECHNOLOG	PA-73-INT-13-02	900006011Rxx	900006011Rxx	N/A	HARDWARE
117	INCREDIBLE TECHNOLOG	PA-73-INT-13-02	900323400Rxx	N/A	N/A	HARDWARE
118	INCREDIBLE TECHNOLOG	PA-73-INT-13-02	9380zz015Rxx	9380zz015Rxx	N/A	HARDWARE
119	INCREDIBLE TECHNOLOG	PA-73-INT-13-02	9380zz023Rxx	9380zz023Rxx	N/A	HARDWARE
120	INCREDIBLE TECHNOLOG	PA-73-INT-13-02	9383zz023Rxx	9383zz023Rxx	N/A	HARDWARE
121	INCREDIBLE TECHNOLOG	PA-73-INT-13-02	U23	Infinity Model U23	Infinity Model U23	MACHINE
122	KONAMI GAMING INC.	MO-73-KON-15-235	KGI_M513MLB021WD00	GAME PROGRAM	Dragon's Law Twin Fever	PERSONALITY PGM
123	KONAMI GAMING INC.	MO-73-KON-15-243	KGI_M512MLB011WD00	GAME PROGRAM	Wonder Rose	PERSONALITY PGM
124	KONAMI GAMING INC.	MO-73-KON-15-248	KGI_M501MLP012WD00	GAME PROGRAM	Radiant Queen	PERSONALITY PGM
125	KONAMI GAMING INC.	MO-73-KON-16-48	KGI_M511MLB031WD01	GAME PROGRAM	CHILI CHILI FIRE	PERSONALITY PGM
126	SDS	SY-22-SDS-16-04	DMGlass.hex	IDMTS06000F1304	N/A	SYSTEM
127	SPE-IGT	MO-14-SPE-13-01	PSA-66-ST2RU	GURSPI023	GEN2 UNIVERSAL PRINTER	MAIN PGM
128	SPE-IGT	MO-286-SPE-13-01	MarketID.dat (Kansas)	2.7	UMR	OTHER
129	SPE-IGT	MO-286-SPE-13-01	PlatformCore.Casino.CFInitKansas.59.8.81.0.iso	2.7	UMR	OTHER
130	SPE-IGT	PA-73-SPE-14-01	2402516-01	N/A	Meter Board	HARDWARE
131	SPE-IGT	PA-73-SPE-14-01	2402679-01	N/A	MOTHERBOARD	HARDWARE
132	SPE-IGT	PA-73-SPE-14-01	2402702-01	N/A	Peripheral Board	HARDWARE
133	SPE-IGT	PA-73-SPE-14-01	2402705-01	N/A	I/O Board	HARDWARE
134	SPE-IGT	PA-73-SPE-14-01	2402751-01	N/A	GEN 4 LED Controller	HARDWARE
135	SPE-IGT	PA-73-SPE-14-01	2723024-xx	N/A	Top Box	HARDWARE
136	SPE-IGT	PA-73-SPE-14-01	Axxis 3D/39	N/A	Axxis	MACHINE
137	SPE-IGT	PA-73-SPE-14-01	LCD39H0603	N/A	39” Monitor	HARDWARE
138	SPE-IGT	PA-73-SPE-14-01	S00129	EPIC 950	ITHACA EPIC 950 PRINTER FIRMWARE	PRINTER
139	SPE-IGT	PA-73-SPE-14-01	SF23-3D-T	N/A	3D 23: LED	HARDWARE
140	SPE-IGT	PA-73-SPE-14-01	SN210-512D3-C5	N/A	N/A	HARDWARE
141	SPE-IGT	PA-73-SPE-14-01	SN650-1GD5-A1	N/A	N/A	HARDWARE
142	SPE-IGT	PA-73-SPE-14-01	ST-P1000PAA-24V	N/A	Power Supply	HARDWARE
143	SPE-IGT	PA-73-SPE-14-01	Touch Deck 200A	N/A	Digital Button Panel	HARDWARE
144	SPE-IGT	PA-73-SPE-16-01	Axxis 3D/39-R	N/A	Axxis	MACHINE
145	WMS	MO-214-WMS-15-03	SBFC-000-1010	1010 H19.053	IRON MAN DELUXE	PERSONALITY PGM

Recommended for Approval

146	WMS	MO-73-WMS-16-15	75416	N/A	N/A	HARDWARE
147	WMS	MO-73-WMS-16-15	A-1455950	A-1455950	N/A	HARDWARE
148	WMS	PA-22-WMS-16-01	1452768	1452768	N/A	HARDWARE
149	WMS	PA-22-WMS-16-01	1454901	1454901	N/A	HARDWARE
150	WMS	PA-22-WMS-16-01	1448971 REV 3	1448971 REV 3	N/A	HARDWARE
151	WMS	PA-22-WMS-16-01	GAMESCAPE CABINET	N/A	N/A	MACHINE

Recommend for Revocation

	Manufacturer	File Number	ID Number	Version	Game Name	Replace With	Remove/ Replace by:
1	ARISTOCRAT	MO-22-ARI-15-04	Firmware	VF3.3.1	N/A	VF3.5.2	13-Nov-16
2	ARISTOCRAT	MO-73-ARI-15-100	1.02-62769	GEN7/GEN8	Indian Moon	1.01-63823	13-Nov-16
3	ARISTOCRAT	MO-73-ARI-15-139	1.02-63365	GEN7/GEN8	Lucky Bonsai	1.01-63826	13-Nov-16
4	ARISTOCRAT	MO-73-ARI-15-84	1.02-63288	GEN7/GEN8	Happy Lantern	1.01-63831	13-Nov-16
5	ARISTOCRAT	MO-73-ARI-15-99	1.02-62763	GEN7/GEN8	Eyes of Fortune	1.01-63822	13-Nov-16
6	ARISTOCRAT	MO-73-ARI-16-05	1.02-63064	GEN8	Buffalo Grand	1.03-63064	13-Nov-16
7	ARISTOCRAT	MO-73-ARI-16-11	1.03-63288	GEN7/GEN8	Happy Lantern	1.01-63831	13-Nov-16
8	ARISTOCRAT	MO-73-ARI-16-36	1.01-63424	GEN7/GEN8	Moon Race	1.01-63836	13-Nov-16
9	ARISTOCRAT	MO-73-ARI-16-45	MM-SCH-01	VERTEX	Magic Mike XXL	MM-SCH-02	13-Nov-16
10	ARISTOCRAT	MO-73-ARI-16-48	WD_SCH_02	VERTEX	The Walking Dead	WD_SCH_03	13-Nov-16
11	ARISTOCRAT	MO-73-ARI-16-49	GAME_SOA_1_0_2	VERTEX	Sons of Anarchy	GAME_SOA_1_0_3	13-Nov-16
12	ARISTOCRAT	MO-73-ARI-16-56	WD2_SCH_02	VERTEX	The Walking Dead II	WD2_SCH_03	13-Nov-16
13	BALLY NORTH	MO-49-BLY-16-02	BAL_OS366E	E	OPERATING SYSTEM	BAL_OS366I	13-Nov-16
14	Bally West	MO-73-SHU-16-06	260552E	PBBNA05	Playboy Bonus Blackjack	260552F	IMMEDIATE
15	IGT	MO-22-IGT-08-317	GC014-004BN5-0001	AVP INSTALL	TRIPLE STARS / TRIPL	GC014-004BN5-0002	IMMEDIATE
16	IGT	MO-22-IGT-08-317	GCON014-004BN5-001	AVP CONTENT PACKAGE	TRIPLE STARS / TRIPL	GCON014-004BN5-002	IMMEDIATE
17	IGT	MO-22-IGT-15-21	GAME020B01NC3002	ASCENT GAME PACKAGE	LOBSTERMANIA 2	GAME020B01NC3003	13-Nov-16
18	IGT	MO-22-IGT-15-21	GI020B01NC30002	ASCENT INSTALL	LOBSTERMANIA 2	GI020B01NC30003	13-Nov-16
19	IGT	MO-22-IGT-16-92	GAME020003WR7D01	ASCENT GAME PACKAGE	WILD RESPINS DIAMOND WILDS	GAME020003WR7D02	13-Nov-16
20	IGT	MO-22-IGT-16-92	GI020003WR7D001	ASCENT INSTALL	WILD RESPINS DIAMOND WILDS	GI020003WR7D002	13-Nov-16
21	IGT	MO-50-IGT-15-22	GAME020001QB8N07	ASCENT GAME PACKAGE	WHEEL OF FORTUNE JACKPOT PARADISE	GAME020001QB8N13	13-Dec-16
22	IGT	MO-50-IGT-15-22	GI020001QB8N007	ASCENT INSTALL	WHEEL OF FORTUNE JACKPOT PARADISE	GI020001QB8N013	13-Dec-16
23	KONAMI GAMING INC.	MO-73-KON-15-238	KGI_M511MLB022WD00	GAME PROGRAM	Chili Chili Fire	KGI_M511MLB031WD01	12-Jan-17

Eisenhower State Office Building
700 SW Harrison, Suite 500
Topeka, KS 66603

Kansas Racing and Gaming Commission

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Don Brownlee, Executive Director

Sam Brownback, Governor

Boot Hill Casino Internal Control Amendments

October 14, 2016

Item #/ (Description)	Regulation Waiver?	Regulation/IC Reference	Staff Recommendation
BH465 – Table Games Progressives	No	KAR 112-108-8, 108-57 / IC 200.170, IC 210.030	Approval
BH468 – Complimentary Services	No	KAR 112-104-9 / IC 260.040	Approval
BH471 – Table Game Wagers	No	KAR 112-108-38 / IC 200.190	Approval

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Kansas Star Casino Internal Control Amendments

October 14, 2016

Item #/ (Description)	**Regulation Waiver?**	**Regulation/IC Reference**	**Staff Recommendation**
KS201 – Slot Sections 1-15	No	KAR 112-104-2, 21, 23; 107-3, 7, 10, 18, 27; 110-2/ Slot Department Sections 1 - 15	Approval
KS211 – Table Games Rules of Games Section 6 Blackjack	No	KAR 112-108-6; 112-108-20 (a) & (c)/ Table Games Rules of Game Section 6 Blackjack	Approval
KS216 – Responsible Gambling Plan	No	KAR 112-112-2, 3, 4, 5, 6, 7, 8, 9/ Kansas Star Casino Responsible Gambling Plan	Approval

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Hollywood Casino Internal Control Amendments

October 14, 2016

Item #/ (Description)	**Regulation Waiver?**	**Regulation/IC Reference**	**Staff Recommendation**
HW89 – Craps Free Craps	No	Rules of the Game – Craps Free Craps	Approval
HW91 – Poker Storage	No	KAR 112-108-26 / Chapter P: 4.04	Approval

Kansas Racing and Gaming Commission

Kansas Racing and Gaming Commission
700 SW Harrison, Suite 500, Topeka, Kansas 66603
(785) 296-5800, Fax (785) 296-0900

STAFF AGENDA MEMORANDUM

DATE OF MEETING: October 14, 2016

AGENDA ITEM: **Disciplinary Review Board Summary Proceeding Orders for:**
2016-2002 Torrance Dwayne Stegman
2016-2003 Kansas Star Casino, LLC

PRESENTER: None – Consent Agenda

ISSUE SUMMARY: Pursuant to K.A.R. 112-114-1 *et seq.*, the KRGC Disciplinary Review Board considered potential gaming regulation violations by licensee Torrance Dwayne Stegman and facility manager Kansas Star Casino, LLC. The licensee, Torrance Stegman, and facility manager, Kansas Star Casino, LLC, stipulated to the Summary Proceeding Orders' Findings of Fact and waived the right to a hearing. A brief summary of the Findings of Fact follows:

2016-2003 Torrance Stegman

On June 11, 2016, Torrance Stegman (a slot technician) failed to transfer the progressive jackpots on two progressive electronic gaming machines (EGMs) before RAM clearing those EGMs, which permanently deleted the entire memory of the machines. Mr. Stegman also failed to complete the required EGM Information Form before RAM clearing the EGMs. Mr. Stegman stipulated to these facts and waived his right to a hearing. See attached Summary Proceeding Order and Hearing Waiver.

2016-2004 Kansas Star Casino, LLC

On June 11, 2016, Kansas Star Casino, LLC (a facility manager) failed to transfer the progressive jackpots on two progressive EGMs, failed to complete the required EGM Information Form, and failed to otherwise record the required information before those EGMs were RAM cleared. Kansas Star Casino, LLC was ordered to transfer the progressive jackpots and has since provided documentation that the jackpots were transferred on a later date. Additionally, Kansas Star Casino, LLC was ordered to amend its internal controls to clarify for each slot form: which form is required, who is required to prepare the form, and when the form is required. Kansas Star Casino, LLC stipulated to these facts and waived the right to a hearing. See attached Summary Proceeding Order and Hearing Waiver.

COMMISSION ACTION REQUIRED/REQUESTED: Accept the Respondents' hearing waivers and uphold the Disciplinary Review Board's Summary Proceeding Orders.

STAFF RECOMMENDATIONS: Staff recommends the Commission accept the hearing waivers filed by Torrance Stegman and Kansas Star Casino, LLC and uphold the Disciplinary Review Board's Summary Proceeding Orders issued in KRGC Case No. 2016-2002 and 2016-2003.

STATE OF KANSAS
KANSAS RACING AND GAMING COMMISSION
700 SW HARRISON, SUITE 500
TOPEKA, KS 66603

IN THE MATTER OF KRGC Case No. 2016-2002

Torrance Dwayne Stegman, Respondent.

SUMMARY PROCEEDING ORDER AND NOTICE OF HEARING AND RIGHT TO WAIVE

The Kansas Racing and Gaming Commission (KRGC), through its Disciplinary Review Board (DRB), hereby gives notice that Torrance Dwayne Stegman (Respondent), a slot technician, has violated KRGC regulation K.A.R. 112-104-41(b)(22), 112-107-21(g)(4), 112-113-1(a)(5); Kansas Star Casino Internal Controls Slots Section 4.G., Slots Section 6.L.4.c.; and the Kansas Star Casino Slot Technician Job Description Slots Section 2 by failing to complete an EGM Information Form and transfer patron contributions from two progressive EGMs before RAM clearing those EGMs:

FINDINGS OF FACT

1. On June 11, 2016, Respondent was on duty as a slot technician at Kansas Star Casino.
2. At approximately 8:15 am, Respondent began a project which included converting two progressive electronic gaming machines (EGMs), seats 1 and 2 from Bank 252, from "A Christmas Story" to "Batgirl and Catwoman."
3. As part of the project, Respondent RAM cleared both progressive EGMs before installing the new "Batgirl and Catwoman" games. When Respondent RAM cleared the EGMs, he deleted the entire memory from both EGMs which included patron contributions and the accumulated credits on the progressive meter.

4. Before Respondent RAM cleared the EGMs, Respondent did not complete an EGM Information Form. Respondent did not document the date and time of the RAM clear, the EGM number, the location, and the number of credits played before the RAM clearing occurred, the current video displays, the previous two video displays, the actual meter readings of the internal hard and soft meters, the reason for the RAM clear, or sign his name as the slot technician who performed the RAM clear.

5. When asked to provide a statement about the incident, Respondent wrote: "So Saturday morning, I came in, installed the software and RAM Cleared [sic] the games, loosing [sic] the progressives and didn't verify first that all appropriate paperwork had been filled out."

6. After discovering the progressive meters had not been transferred, a KRGC agent asked the Kansas Lottery to provide an estimate of the progressive EGM jackpots that should have been transferred. The Kansas Lottery estimated for Seat 1 that $108.10 should have been added to the Level 1 jackpot and that $19.23 should have been added to the Level 2 jackpot. The Kansas Lottery estimated for Seat 2 that $252.66 should have been added to the Level 1 jackpot and $17.22 should have been added to the Level 2 jackpot. In total, approximately $397.21 should have been added to the progressive EGM jackpots.

7. KRGC regulation K.A.R. 112-107-21(g)(4) states that: "any facility manager may transfer a progressive jackpot amount on a stand-alone LFG [lottery facility game]. . . . To be eligible for transfer, the progressive jackpot shall meet the following conditions: (A) Be transferred in its entirety; and (B) be transferred to .

. . (i) the progressive meter for an LFG . . . with the same or greater probability of winning the progressive jackpot, the same or lower wager requirement to be eligible to win the progressive jackpot, and the same type of progressive jackpot. . . ."

8. Pursuant to KRGC regulation K.A.R. 112-107-21(g)(4), Kansas Star Casino implemented Internal Control Slots Section 6 L.4.c. which requires that: ". . . [p]rogressive funds must be transferred in their entirety and be transferred to one or more progressive meters for an EGM . . . with the same or greater probability of winning the jackpot, the same or lower wager requirement, and the same progressive jackpot. . . ."

9. KRGC regulation K.A.R. 112-104-41(b) states that: "the following forms shall be a part of each facility manager's minimum internal controls: . . . (22) a RAM clearing slip, including the following details:

   (A) The date and time that the RAM was cleared;

   (B) an EGM number, the location, and the number of credits played before the RAM clearing occurred;

   (C) the current reel positions or video displays;

   (D) the previous two reel positions or video displays;

   (E) the actual meter readings of the internal hard and soft meters;

   (F) the progressive jackpot display, if linked;

   (G) the reason for RAM clear; and

   (H) all required signatures. . . ."

10. Pursuant to KRGC regulation K.A.R. 112-104-41(b)(22), Kansas Star Casino

implemented Internal Controls Slots Section 4.G. which states: "EGM Information Form (Manually Prepared) . . . . A form used to document machine meter readings prior to a RAM clear. The RAM Clear Checklist will be retained by the Slot Department and will include the following information: date and time of RAM clear, EGM number, the location, and the number of credits played before the RAM clearing occurred, current reel positions or video displays, previous two reel positions or video displays, actual meter readings of the internal hard and soft meters, progressive jackpot display, if linked, reason for RAM clear, and signature of the Slot Technician or above."

11. KRGC regulation K.A.R. 112-113-1(a) states that "any licensee may be sanctioned for . . . (5) failing to follow the . . . facility manager's minimum internal control system. . . ."

12. The Kansas Star Casino Slot Technician Job Description, as part of Kansas Star Casino's Internal Controls Slot Section 2, requires that slot technicians "[m]aintain records as needed."

CONCLUSIONS OF LAW

13. Respondent violated KRGC regulations K.A.R. 112-104-41(b)(22), 112-113-1(a)(5), and Kansas Star Casino Internal Control Slots Section 4.G. when Respondent failed to fill out the required EGM Information Form before RAM clearing the two progressive EGMs. Because Respondent failed to complete the EGM Information Form, Kansas Star Casino does not have a document recording the date and time of the RAM clear, the EGM number, the location, the number of credits played on the EGMs before the RAM clearing occurred, the current video

displays, the previous two video displays, the actual meter readings of the internal hard and soft meters, the reason for the RAM clear, or the signature of the Respondent as the slot technician who performed the RAM clear. Because Respondent was the assigned slot technician to RAM clear the EGMs, Respondent had the duty to document all of this information and failed to do so.

14. By failing to complete the EGM Information Form, Respondent also violated the Kansas Star Casino Slot Technician Job Description Slots Section 2 because Respondent did not maintain records as needed.

15. Because Respondent failed to complete an EGM Information Form as required by KRGC regulation K.A.R. 112-104-41(b)(22) and Kansas Star Casino Internal Control Slots Section 4.G., Respondent was unable to transfer the patron contributions from those EGMs and therefore violated KRGC regulation K.A.R. 112-107-21(g)(4) and Kansas Star Casino Control Slots Section 6 L.4.c. Respondent did not transfer the progressive funds in their entirety and failed to transfer approximately $397.21 which should have been added to the progressive jackpots.

STATEMENT OF POLICY

Under the Kansas Expanded Lottery Act, the Kansas Racing and Gaming Commission is required to oversee the enforcement of state laws, enforcement of internal controls, and the credentialing of employees at Kansas lottery gaming facilities. The Kansas Expanded Lottery Act directed the Kansas Racing and Gaming Commission to adopt rules and regulations to oversee all lottery gaming facility operations. Pursuant to this mandate, the Kansas Racing and Gaming Commission created regulations that subject a licensee to sanctions, including license

suspension or revocation, when the licensee violates any provision of the Kansas Expanded Lottery Act (KELA), KRGC regulations, or a facility manager's internal controls.

By requiring licensees to adhere to KRGC regulations and the facility manager's internal controls, the Kansas Racing and Gaming Commission ensures the integrity of gaming in Kansas. Regulations and internal controls regarding procedures for converting electronic gaming machines ensure each electronic gaming machine complies with all regulatory requirements when patrons play those machines. When a licensee fails to transfer patron contributions from progressive EGMs, patrons' bets are not counted toward the progressive EGMs' jackpots which directly compromises the integrity of that game. Enforcement of these provisions is necessary to ensure the integrity of gaming in the state of Kansas and protect the public interest.

SANCTION

16. In accordance with K.A.R. 112-113-1(c), the DRB may consider certain factors in considering appropriate sanctions, including risk to the public and to the integrity of gaming operations created by the conduct of the licensee; the nature of the violation; culpability of the licensee; any justification or excuse for the conduct; the licensee's history with respect to compliance; and corrective action taken by the licensee. Moreover, K.A.R. 112-113-1(e) states "it shall be no absolute defense that the licensee . . . inadvertently, unintentionally, or unknowingly" committed a regulatory violation and "shall affect only the degree of the sanction to be imposed. . . ."

17. The DRB considers the following factors:

    a. Respondent's actions compromised the integrity of gaming in Kansas. Patrons play progressive EGMs with the expectation that every bet placed

increases the jackpot amount that can be won. Because of the Respondent, patrons' bets on the two progressive EGMs were functionally not counted which lowered the jackpot amounts that patrons could win on those machines. By failing to transfer the progressive jackpots, Respondent directly compromised the integrity of those two progressive EGMs.

b. There is no justification or excuse for the conduct. As the Slot Technician assigned to RAM clear the EGMs, the Respondent had the duty to manually fill out an EGM Information Form. Had the Respondent completed this form, Respondent would have been able to easily transfer the progressive jackpots as required.

c. Respondent took no corrective action. Even after RAM clearing the EGMs, Respondent could have partially completed the EGM Information Form with as much information as possible but he failed to do so. Because of the Respondent, Kansas Star Casino has no EGM Information Form for the conversion of these two progressive EGMs.

d. The DRB has not previously issued a formal sanction to the Respondent. However, because the Respondent has been employed at Kansas Star Casino as a Slot Technician for over two years and his actions directly compromised the integrity of gaming in Kansas, the DRB considers the ordered sanction appropriate.

18. Based on the above-described findings of fact, conclusions of law, statement of policy, and sanction factors the DRB orders the Respondent to serve a two-day unpaid suspension. The two-day suspension shall total 16 hours. The dates of the

two-day unpaid suspension shall be determined by the KRGC supervising enforcement agent for the gaming facility where Respondent is employed.

19. Respondent is entitled to a hearing on the above matter, which Respondent may waive by signing and returning the enclosed Hearing Waiver to the KRGC by mail, email, or fax. (See Notice of Hearing and Right to Waive below.)

20. If Respondent waives the right to a hearing, the two-day unpaid suspension must be served within 30 days of this Order becoming final and effective. Once the suspension is served, Respondent must also send a timesheet showing the suspension occurred to the KRGC by mail, email, or fax to the address listed below within 30 days of this Order becoming final and effective.

21. If Respondent does not serve the ordered two-day unpaid suspension or does not send a timesheet showing the suspension occurred within 30 days of this Order becoming final and effective, Respondent's license will be automatically indefinitely suspended at the end of the business day without further notification or action taken by the Commission until all terms of this Order are fulfilled and the Respondent's license is reinstated by the KRGC.

22. This Order shall become part of Respondent's permanent KRGC licensing file.

ORDER

In accordance with the above-described findings of fact, conclusions of law, statement of policy, and sanction factors,

IT IS HEREBY ORDERED that the Kansas Racing and Gaming Commission suspend Respondent's license for two days.

IT IS SO ORDERED,

Don Brownlee

Don Brownlee, Executive Director
Disciplinary Review Board

NOTICE OF HEARING AND RIGHT TO WAIVE

Respondent is entitled to a hearing on the above matter. This right to a hearing may be waived at Respondent's option. (See instructions below for Waiving Right to a Hearing.)

Hearing - Presentation of Written Evidence:

Unless Respondent waives the right to a hearing, this matter will be presented to the Commission on **Friday, October 14, 2016 at 10:00 a.m.** at the Eisenhower State Office Building, 700 SW Harrison, Suite 410, Topeka, KS 66603. Respondent may request to appear by phone. To appear by phone, Respondent must send a written request (by mail, email, or fax) to the address below no later than October 7, 2016. Once the request to appear by phone is received, Respondent will receive instructions on how to call into the hearing.

Written evidence will be presented along with brief oral arguments by the agency and Respondent. Neither party will present live witness testimony at this time. Respondent has the right to be represented by counsel at the Respondent's expense.

If Respondent does not appear at the hearing in person or by phone, a decision will be made on the evidence presented, and any decision will become final agency action. If Respondent has written evidence to present to the Commission, copies of all relevant written evidence must be sent (by mail, email, or fax) no later than September 30, 2016 to the address below.

Following arguments, the Commission will consider the arguments and evidence presented, and if the Commission determines no further evidence is necessary for a finding, the Commission will issue its Order. The Commission can uphold, overturn, or amend the Disciplinary Review Board's Summary Order. If the Commission determines further evidence is necessary for a finding, the case will be continued to the next commission meeting to allow for a full evidentiary hearing. If the Commission issues an Order without a full evidentiary hearing, the Respondent has an automatic right to a full evidentiary hearing where witness testimony will be taken. The right to a full evidentiary hearing may be waived by Respondent prior to the scheduled hearing (see Waiving Right to a Hearing below).

Full Evidentiary Hearing – Presentation of Witness Testimony:

The full evidentiary hearing with witnesses, if required, will be held at the regularly scheduled Commission meeting on November 18, 2016 at 10:00 a.m. at the Eisenhower State Office Building, 700 SW Harrison, Topeka, KS 66603. (Date and location subject to change).

At this hearing, Respondent has the right to produce additional evidence and witnesses on the Respondent's behalf, the right to cross-examine any witness who may testify against the Respondent, and the right to examine any evidence that may be produced against the Respondent. Respondent may request to appear by phone. To appear by phone, Respondent must send a written request (by mail, email, or fax) to the address below no later than November 10, 2016.

The Commission will issue a final Order either directly after deliberation or within 30 days of the hearing date. This Order will constitute final agency action and is subject to appeal under the Kansas Judicial Review Act. If Respondent does not appear at the hearing in person or by phone, a decision will be made on the evidence presented, and any decision will become final agency action subject to appeal under the Kansas Judicial Review Act. The agency officer to receive service of any petition for judicial review on behalf of the Kansas Racing and Gaming Commission is Judith Taylor, General Counsel, at the address below.

Respondent shall submit any additional exhibits and a witness list no later than November 4, 2016 to Judith Taylor, General Counsel, at the address below.

If a full evidentiary hearing is held, the hearing will be conducted in accordance with KRGC regulations. Regulations may be found at http://www.krgc.ks.gov/index.php/racing-gaming-law/regulations/gaming-regulations/21-government/statute-regulations/30-article-114-rules-of-hearings. (You may also request that a copy of the regulations be sent to you.)

Waiving Right to a Hearing:

Respondent may choose to waive the right to a hearing by signing and returning the enclosed Hearing Waiver (by email, fax, or letter) at the address below. If Respondent chooses to waive the right to a hearing, the above Order becomes final and effective on October 14, 2016 or on the day of waiver, whichever is later. The suspension must be served within 30 days of this Order becoming final.

Send all requests to appear by phone, hearing waivers, written exhibits, witness testimony lists, notices, and petitions for judicial review to:

Judith Taylor
General Counsel
700 SW Harrison, Suite 500
Topeka, KS 66603-3754
(785) 296-0900 (fax)
judy.taylor@krgc.ks.gov

Nothing stated herein precludes Respondent from entering into informal settlement negotiations which could make a hearing unnecessary. To discuss your case, you may contact Michelle Neis, Enforcement Attorney, at 785-296-5800 or by email at michelle.neis@krgc.ks.gov.

CERTIFICATE OF SERVICE

I certify that on this 16th day of September, 2016, I served a copy of the above Summary Proceeding Order and Notice of Hearing and Right to Waive on the following by U.S. Mail, first class postage prepaid, addressed to:

Torrance Dwayne Stegman
5011 West 63rd St. S
Wichita, KS 67215

Margaret Hinck
Commission Representative

cc: KRGC Licensing File
Disciplinary Review Board Members
Kansas Racing and Gaming Commissioners
Joe York, KRGC Supervisory Agent at Kansas Star Casino
Dan Ihm, Kansas Star Casino General Manager
Kansas Star Casino Human Resource Department

STATE OF KANSAS
KANSAS RACING AND GAMING COMMISSION
700 SW HARRISON, SUITE 500
TOPEKA, KS 66603

IN THE MATTER OF KRGC Case No. 2016-2002

Torrance Dwayne Stegman, Respondent.

HEARING WAIVER

I, Torrance Stegman (Print name), stipulate to the Facts and Conclusions of Law as set forth in the Summary Proceeding Order and Notice of Hearing and Right to Waive issued to me and therefore waive my right to a hearing. I agree to serve a two-day unpaid suspension as ordered by the Disciplinary Review Board.

Torrance Dwayne Stegman
License No. 2005131

9/21/16
Date

STATE OF KANSAS
KANSAS RACING AND GAMING COMMISSION
700 SW HARRISON, SUITE 500
TOPEKA, KS 66603

IN THE MATTER OF KRGC Case No. 2016-2003

Kansas Star Casino, LLC, Respondent.

SUMMARY PROCEEDING ORDER AND NOTICE OF HEARING AND RIGHT TO WAIVE

The Kansas Racing and Gaming Commission (KRGC), through its Disciplinary Review Board (DRB), hereby gives notice that Kansas Star Casino, LLC (Respondent), a lottery gaming facility manager, has violated KRGC regulations K.A.R. 112-104-41(b)(22), 112-107-21(g)(4), 112-107-21(i), 112-113-1(a)(5); and Kansas Star Casino Internal Controls Slots Section 4.G., Slots Section 6.L.4.c. by failing to properly document and transfer progressive jackpot amounts from two progressive EGMs after those EGMs were RAM cleared:

FINDINGS OF FACT

1. Respondent is certified by the KRGC as a lottery gaming facility manager.
2. The Findings of Fact from the Summary Proceeding Order and Notice of Hearing and Right to Waive (Summary Order) issued to Torrance Dwayne Stegman in KRGC Case No. 2016-2002 are incorporated herein by reference. (See attachment).
3. KRGC regulation K.A.R. 112-104-41(b) states that: "the following forms shall be a part of each facility manager's minimum internal controls: . . . (22) a RAM clearing slip, including the following details:
   (A) The date and time that the RAM was cleared;
   (B) an EGM number, the location, and the number of credits played before the

RAM clearing occurred;

(C) the current reel positions or video displays;

(D) the previous two reel positions or video displays;

(E) the actual meter readings of the internal hard and soft meters;

(F) the progressive jackpot display, if linked;

(G) the reason for RAM clear; and

(H) all required signatures. . . ."

4. Pursuant to KRGC regulation K.A.R. 112-104-41(b)(22), Respondent implemented Kansas Star Casino Internal Control Slots Section 4.G. which states: "EGM Information Form (Manually Prepared) . . . . A form used to document machine meter readings prior to a RAM clear. The RAM Clear Checklist will be retained by the Slot Department and will include the following information: date and time of RAM clear, EGM number, the location, and the number of credits played before the RAM clearing occurred, current reel positions or video displays, previous two reel positions or video displays, actual meter readings of the internal hard and soft meters, progressive jackpot display, if linked, reason for RAM clear, and signature of the Slot Technician or above."

5. KRGC regulation K.A.R. 112-107-21(g)(4) states that: "any facility manager may transfer a progressive jackpot amount on a stand-alone LFG [lottery facility game] . . . To be eligible for transfer, the progressive jackpot shall meet the following conditions: (A) Be transferred in its entirety; and (B) be transferred to . . . (i) the progressive meter for an LFG . . . with the same or greater probability of winning the progressive jackpot, the same or lower wager requirement to be

eligible to win the progressive jackpot, and the same type of progressive jackpot. . . ."

6. KRGC regulation K.A.R. 112-107-21(i) requires that: ". . . each LFG offering a progressive jackpot that is removed from the gaming floor shall be returned or replaced on the gaming floor within five gaming days. The amount on the progressive meter or meters on the returned or replacement LFG shall not be less than the amount on the progressive meter or meters at the time of removal. If an LFG offering a progressive jackpot is not returned or replaced, any progressive meter amount at the time of removal shall, within five days of the LFG's removal, be added to an LFG offering a progressive jackpot approved by the executive director. . . ."

7. Pursuant to KRGC regulation K.A.R. 112-107-21(g)(4) and K.A.R. 112-107-21(i), Respondent implemented Kansas Star Casino Internal Control Slots Section 6 L.4. which requires that: ". . . Progressive jackpot displays will not be turned back unless one of the following circumstances occurs: . . . c. The progressive jackpot has been transferred to another progressive EGM. . . . Progressive funds must be transferred in their entirety and be transferred to one or more progressive meters for an EGM . . . with the same or greater probability of winning the jackpot, the same or lower wager requirement, and the same progressive jackpot. . . . *any progressive amount transferred from one machine to another, must be completed within 5 days of removal* of the game(s) from which funds are being transferred." (Emphasis added.)

8. KRGC regulation K.A.R. 112-113-1(a) states that "any . . . certificate holder . . .

may be sanctioned for violating any provision of the act, these regulations, or any other law that directly or indirectly affects the integrity of gaming in Kansas, including a violation of any of the following: . . . (5) failing to follow the commission's minimum internal control standards or the facility manager's minimum internal control system. . . ."

9. On June 11, 2016, at approximately 8:15 am, one of Respondent's slot technicians, Torrance Stegman, began a project to convert two progressive electronic gaming machines (EGMs), Seats 1 and 2 of Bank 252, from "A Christmas Story" to "Batgirl and Catwoman."

10. To convert the progressive EGMs, Mr. Stegman had to RAM clear the EGMs before installing the new "Batgirl and Catwoman" games. When Mr. Stegman RAM cleared the EGMs, he deleted the entire memory from both EGMs which included the progressive jackpot amounts.

11. Before Mr. Stegman RAM cleared those EGMs, he did not prepare an EGM Information Form and none of Respondent's employees otherwise documented the information required by the EGM Information Form, which included the progressive jackpot amounts.

12. When asked about the incident, Mr. Stegman told the KRGC agent that the procedure for documenting meters is usually performed by the slot technicians who power the machines down. In his written statement, Mr. Stegman stated he had assumed the "Grave Shift had already done the closeout paperwork along with writing the meters down on the appropriate sheets, since they [the EGMs] were already powered down. . . . So Saturday morning, I came in, installed the

software and RAM Cleared [sic] the games, loosing [sic] the progressives and didn't verify first that all appropriate paperwork had been filled out."

13. After discovering the progressive jackpot amounts had not been documented or transferred, a KRGC agent asked the Kansas Lottery to provide an estimate of the progressive jackpot amounts that should have been transferred. The Kansas Lottery estimated for Seat 1 that $108.10 should have been added to the Level 1 jackpot and that $19.23 should have been added to the Level 2 jackpot. The Kansas Lottery estimated for Seat 2 that $252.66 should have been added to the Level 1 jackpot and $17.22 should have been added to the Level 2 jackpot. In total, approximately $397.21 should have been added to the progressive EGM jackpots. (See attached Kansas Lottery estimate.)

CONCLUSIONS OF LAW

14. The Conclusions of Law from the above-referenced Summary Order are incorporated herein by reference. (See attachment.)

15. Respondent and all of its employee-licensees are required by K.A.R. 112-100-4 to know and comply with the Kansas Expanded Lottery Act (KELA) as well as KRGC regulations *relating to the certificate or license held.* Thus, Respondent, as a lottery gaming facility manager certificate holder, must know and comply with KELA provisions that pertain to lottery gaming facilities (but not racetrack gaming facilities), as well as all articles of KRGC administrative regulations that relate to lottery gaming facilities (i.e., K.A.R. 112-100-1, *et seq.*). Respondent's key gaming employees, which include all Level I licensees, must likewise know these same KELA and regulatory provisions because they are Respondent's

managers, supervisors, policy makers, and discretionary decision makers (see K.A.R. 112-103-2(a)). Level II and III licensees are required to know and comply with KELA provisions and KRGC regulations that relate to their specific jobs (e.g., a slot technician must know and comply with Article 107 – Electronic gaming machine requirements, as well as generally applicable regulations such as Article 100 – General Provisions and Definitions; Article 103 – Employee Licensing; electronic gaming machine related provisions within Article 104 – Minimum Internal Control System; Article 112 – Responsible Gambling; Article 113 – Sanctions; Article 114 – Hearings; and other articles or portions thereof which relate to the duties of a slot technician or to a licensee generally.)

16. K.A.R. 112-113-1(a)(5) provides that the Respondent (as a lottery gaming facility manager certificate holder) and its employees (as licensees) can be sanctioned for violating the facility manager's internal controls. A facility manager's internal controls set forth Respondent's administrative, accounting, and operational processes, procedures, rules, duties, and responsibilities that employees must follow to comply with the requirements of KELA, KRGC regulations, and the facility manager's contract with the state of Kansas. These internal controls are designed to provide effective and particularized rules to ensure the integrity of the operation of lottery facility games at each lottery gaming facility.

17. K.A.R. 112-104-41(b)(22) and Kansas Star Casino Internal Control Slots Section 4.G. require a specific form, the EGM Information Form, to be manually prepared by the slot technician who RAM clears the EGMs before the RAM clearing occurs. This required form exists so that certain information, including the

progressive jackpot amounts, is guaranteed to be documented. None of the Respondent's slot employees completed an EGM Information Form or otherwise recorded any of the required information listed in K.A.R. 112-104-41(b)(22) and Kansas Star Casino Internal Control Slots Section 4.G. before Seats 1 and 2 of Bank 252 were RAM cleared, thereby violating KRGC regulations and Kansas Star Casino internal controls.

18. Further, the slot technician who RAM cleared the EGMs (Mr. Stegman) stated that the slot technician who powers down the EGMs normally records that information even though KRGC regulations and Kansas Star Casino internal controls require the slot technician who RAM clears the EGM to manually prepare the EGM Information Form. If Mr. Stegman is correct that slot technicians who do not RAM clear the EGMs regularly prepare EGM Information Forms, then KRGC regulations and Kansas Star Casino internal controls are being violated on a reoccurring basis. If Mr. Stegman is incorrect and slot technicians who do not RAM clear the EGMs are not preparing the EGM Information Forms, then Respondent has failed to properly train Mr. Stegman on the procedures for RAM clearing and converting a progressive EGM. In either scenario, Respondent as the facility manager has failed to ensure its employees know and comply with KRGC regulations and Kansas Star Casino internal controls.

19. K.A.R. 112-107-21(g)(4) and Kansas Star Casino Internal Control Slots Section 6 L.4.c. require that progressive funds must be transferred in their entirety when progressive EGMs are converted. In this case, because Respondent failed to document the progressive jackpot amounts before the "A Christmas Story" EGMs

were RAM cleared, Respondent also failed to transfer the progressive funds in their entirety to the new "Batgirl and Catwoman" games in violation of KRGC regulations and Kansas Star Casino internal controls.

20. K.A.R. 112-107-21(i) requires that any lottery facility game with a progressive jackpot that is removed from the gaming floor must be returned or replaced within five gaming days with the same or greater progressive jackpot amount. Kansas Star Casino Internal Controls Slots Section 6.L.4.c specifically requires that any progressive jackpot amount that is transferred from one EGM to another must be completed within 5 days. When Respondent's slot technician RAM cleared the EGMs, he permanently deleted the entire memory of both games thereby removing the games from the gaming floor. As the facility manager, Respondent then had a duty to ensure that the progressive jackpot amounts were transferred in their entirety within five days. As of this date, Respondent has yet to transfer the progressive jackpot amounts totaling approximately $397.21 that were deleted from Seats 1 and 2 of Bank 252 on June 11, 2016 in violation of KRGC regulations and Kansas Star Casino Internal Controls.

STATEMENT OF POLICY

Under the Kansas Expanded Lottery Act, the Kansas Racing and Gaming Commission is required to oversee the enforcement of state laws, enforcement of internal controls, and the credentialing of employees at Kansas lottery gaming facilities. The Kansas Expanded Lottery Act directed the Kansas Racing and Gaming Commission to adopt rules and regulations to oversee all lottery gaming facility operations. Pursuant to this mandate, the Kansas Racing and Gaming Commission created regulations that subject a lottery gaming facility to sanctions when

the lottery gaming facility's employees violate any provision of KRGC regulations or the facility manager's internal controls.

By requiring lottery gaming facilities to adhere to KRGC regulations and the facility manager's internal controls the Kansas Racing and Gaming Commission ensures the integrity of gaming in Kansas. Regulations and internal controls regarding procedures for converting and removing EGMs ensure each EGM complies with all regulatory requirements when patrons play those machines. When a lottery gaming facility's slot personnel fail to document and transfer progressive jackpot amounts when converting EGMs, patrons' bets are not counted toward the progressive jackpots which directly compromises the integrity of those EGMs. Enforcement of these provisions is necessary to ensure the integrity of gaming in the state of Kansas and protect the public interest.

SANCTION

21. In accordance with K.A.R. 112-113-1(c), the DRB may consider certain factors in considering appropriate sanctions, including risk to the public and to the integrity of gaming operations created by the conduct of the certificate holder; the nature of the violation; culpability of the certificate holder; any justification or excuse for the conduct; the certificate holder's history with respect to compliance; and any corrective action taken. Moreover, K.A.R. 112-113-1(e) states "it shall be no absolute defense that the licensee [or] certificate holder . . . inadvertently, unintentionally, or unknowingly" committed a regulatory violation and "shall affect only the degree of the sanction to be imposed. . . ."

22. The DRB considers the following factors:

    a. Respondent's actions compromised the integrity of gaming in Kansas and

violated the public's trust. Patrons play progressive EGMs with the expectation that every bet placed increases the jackpot amount that can be won. Because of the Respondent, patrons' bets on the two progressive EGMs were functionally not counted which lowered the jackpot amounts that patrons could win on those machines. By failing to transfer the progressive jackpots, Respondent directly compromised the integrity of gaming in Kansas.

b. There is no justification or excuse for the conduct.

c. Respondent took no corrective action. Respondent could have attempted to determine the progressive jackpot amounts and transferred those jackpot amounts to the new EGMs but failed to do so.

d. Because Respondent has not previously committed a regulatory violation of this nature, the DRB is not ordering a more stringent sanction. Should Respondent fail to properly document or transfer progressive jackpot amounts in the future, the DRB will issue a more stringent sanction.

23. Based on the above-described findings of fact, conclusions of law, statement of policy, and sanction factors the DRB orders the Respondent to increase the progressive jackpots on Seats 1 and 2 of Bank 252 by the following amounts:

a. Seat 1:

i. Level 1 jackpot: $252.66

ii. Level 2 jackpot: $17.22

b. Seat 2:

i. Level 1 jackpot: $108.10

ii. Level 2 jackpot: $19.23

24. The DRB further orders the Respondent to amend the Kansas Star Casino internal controls to clarify the following for each slot form:

a. Which form is required for which process;

b. Who is required to prepare the form; and

c. When the form is required to be prepared.

25. The amended internal controls shall be submitted to the Kansas Racing and Gaming Commission's Audit Division for approval. A copy of the amended internal controls shall also be sent to the following address by mail, email, or fax:

Michelle Neis, Enforcement Attorney
700 SW Harrison, Suite 500
Topeka, KS 66603
michelle.neis@krgc.ks.gov
(785)296-0900 (fax)

26. Respondent is entitled to a hearing on the above matter, which Respondent may waive by signing and returning the enclosed Hearing Waiver to the KRGC by mail, email, or fax. (See Notice of Hearing and Right to Waive below.)

27. If Respondent waives the right to a hearing, the terms of this Order must be fulfilled within 30 days of this Order becoming final and effective.

28. If Respondent does not comply with the terms of this Order within 30 days of this Order becoming final and effective, Respondent's certificate will be automatically indefinitely suspended at the end of the business day without further notification or action taken by the Commission until all terms of this Order are fulfilled and the Respondent's certificate is reinstated by the KRGC.

29. This Order shall become part of the Respondent's permanent KRGC licensing

file.

ORDER

In accordance with the above-described findings of fact, conclusions of law, statement of policy, and sanction factors,

IT IS HEREBY ORDERED that the Respondent increase the progressive jackpot amounts on Seats 1 and 2 of Bank 252 and amend its internal controls as detailed above.

IT IS SO ORDERED,

Don Brownlee, Executive Director
Disciplinary Review Board

NOTICE OF HEARING AND RIGHT TO WAIVE

Respondent is entitled to a hearing on the above matter. This right to a hearing may be waived at Respondent's option. (See instructions below for Waiving Right to a Hearing.)

Hearing - Presentation of Written Evidence:

Unless Respondent waives the right to a hearing, this matter will be presented to the Commission on **Friday, October 14, 2016 at 10:00 a.m.** at the Eisenhower State Office Building, 700 SW Harrison, Suite 410, Topeka, KS 66603.

Written evidence will be presented along with brief oral arguments by the agency and Respondent. Neither party will present live witness testimony at this time. Respondent is not required to be represented by counsel at this hearing, but may choose to do so at the Respondent's expense. If Respondent does not appear at the hearing, a decision will be made on the evidence presented, and any decision will become final agency action. If Respondent has written evidence to present to the Commission, copies of all relevant written evidence must be sent (by mail, email, or fax) no later than October 7, 2016 to the address below.

Following arguments, the Commission will consider the arguments and evidence presented, and if the Commission determines no further evidence is necessary for a finding, the Commission will issue its Order. The Commission can uphold, overturn, or amend the Disciplinary Review Board's Summary Order. If the Commission determines further evidence is necessary for a finding, the case will be continued to the next commission meeting to allow for a full evidentiary hearing. If the Commission issues an Order without a full evidentiary hearing, Respondent has an automatic right to a full evidentiary hearing where witness testimony will be taken. The right to a full evidentiary hearing may be waived by Respondent prior to the scheduled hearing (see Waiving Right to a Hearing below).

Full Evidentiary Hearing – Presentation of Witness Testimony:

The full evidentiary hearing with witnesses, if required, will be held at the regularly scheduled Commission meeting on November 18, 2016 at 10:00 a.m. at the Eisenhower State Office Building, 700 SW Harrison, Suite 410, Topeka, KS 66603 (date and location subject to change), unless the right to a full evidentiary hearing has been waived. At the full evidentiary hearing, Respondent must be represented by counsel licensed to practice law in the state of Kansas at the Respondent's expense in accordance with KRGC regulation K.A.R. 112-114-6(b).

At this hearing, Respondent has the right to produce additional evidence and witnesses on the Respondent's behalf, the right to cross-examine any witness who may testify against the Respondent, and the right to examine any evidence that may be produced against the Respondent. The Commission will issue a final Order either directly after deliberation or within 30 days of the hearing date. This Order will constitute final agency action and is subject to appeal under the Kansas Judicial Review Act. If Respondent does not appear, a decision will be made on the evidence presented, and any decision will become final agency action subject to appeal under the Kansas Judicial Review Act. The agency officer to receive service of any

petition for judicial review on behalf of the Kansas Racing and Gaming Commission is Judith Taylor, General Counsel, at the address below.

Respondent shall submit any additional exhibits and a witness list no later than November 10, 2016 to Judith Taylor, General Counsel, at the address below.

If a full evidentiary hearing is held, the hearing will be conducted in accordance with KRGC regulations. Regulations may be found at http://www.krgc.ks.gov/index.php/racing-gaming-law/regulations/gaming-regulations/21-government/statute-regulations/30-article-114-rules-of-hearings. (Respondent may also request that a copy of the regulations be sent.)

Waiving Right to a Hearing:

Respondent may waive the right to either hearing by a representative signing and returning the enclosed Hearing Waiver (by fax, mail, or email) to the address below. If Respondent waives the right to a hearing, the above Order becomes final and effective on October 14, 2016 or on the day of waiver, whichever is later.

Send all hearing waivers, written exhibits, witness testimony lists, notices, and petitions for judicial review to:

Judith Taylor
General Counsel
700 SW Harrison, Suite 500
Topeka, KS 66603-3754
(785) 296-0900 (fax)
judy.taylor@krgc.ks.gov

CERTIFICATE OF SERVICE

I certify that on this 29th day of **September, 2016**, I served a copy of the above Summary Proceeding Order and Notice of Hearing and Right to Waive by email and U.S. Mail, first class postage prepaid, to the following addresses:

James Adams
Vice President – Legal Affairs
Peninsula Gaming, LLC
600 Star Brewery Dr., Suite 110
Dubuque, IA 52001
james.adams@peninsulagaming.com

John C. Frieden
Frieden, Unrein & Forbes LLP
1414 SW Ashworth Place, Suite 201
Topeka, KS 66604
jfrieden@fuflaw.com

Commission Representative

cc: KRGC Licensing File
Disciplinary Review Board Members
Joe York, KRGC Supervisory Agent at Hollywood Casino
Dan Ihm, Kansas Star Casino General Manager

STATE OF KANSAS
KANSAS RACING AND GAMING COMMISSION
700 SW HARRISON, SUITE 500
TOPEKA, KS 66603

IN THE MATTER OF KRGC Case No. 2016-2002

Torrance Dwayne Stegman, Respondent.

SUMMARY PROCEEDING ORDER AND
NOTICE OF HEARING AND RIGHT TO WAIVE

The Kansas Racing and Gaming Commission (KRGC), through its Disciplinary Review Board (DRB), hereby gives notice that Torrance Dwayne Stegman (Respondent), a slot technician, has violated KRGC regulation K.A.R. 112-104-41(b)(22), 112-107-21(g)(4), 112-113-1(a)(5); Kansas Star Casino Internal Controls Slots Section 4.G., Slots Section 6.L.4.c.; and the Kansas Star Casino Slot Technician Job Description Slots Section 2 by failing to complete an EGM Information Form and transfer patron contributions from two progressive EGMs before RAM clearing those EGMs:

FINDINGS OF FACT

1. On June 11, 2016, Respondent was on duty as a slot technician at Kansas Star Casino.
2. At approximately 8:15 am, Respondent began a project which included converting two progressive electronic gaming machines (EGMs), seats 1 and 2 from Bank 252, from "A Christmas Story" to "Batgirl and Catwoman."
3. As part of the project, Respondent RAM cleared both progressive EGMs before installing the new "Batgirl and Catwoman" games. When Respondent RAM cleared the EGMs, he deleted the entire memory from both EGMs which included patron contributions and the accumulated credits on the progressive meter.

4. Before Respondent RAM cleared the EGMs, Respondent did not complete an EGM Information Form. Respondent did not document the date and time of the RAM clear, the EGM number, the location, and the number of credits played before the RAM clearing occurred, the current video displays, the previous two video displays, the actual meter readings of the internal hard and soft meters, the reason for the RAM clear, or sign his name as the slot technician who performed the RAM clear.

5. When asked to provide a statement about the incident, Respondent wrote: "So Saturday morning, I came in, installed the software and RAM Cleared [sic] the games, loosing [sic] the progressives and didn't verify first that all appropriate paperwork had been filled out."

6. After discovering the progressive meters had not been transferred, a KRGC agent asked the Kansas Lottery to provide an estimate of the progressive EGM jackpots that should have been transferred. The Kansas Lottery estimated for Seat 1 that $108.10 should have been added to the Level 1 jackpot and that $19.23 should have been added to the Level 2 jackpot. The Kansas Lottery estimated for Seat 2 that $252.66 should have been added to the Level 1 jackpot and $17.22 should have been added to the Level 2 jackpot. In total, approximately $397.21 should have been added to the progressive EGM jackpots.

7. KRGC regulation K.A.R. 112-107-21(g)(4) states that: "any facility manager may transfer a progressive jackpot amount on a stand-alone LFG [lottery facility game]. . . . To be eligible for transfer, the progressive jackpot shall meet the following conditions: (A) Be transferred in its entirety; and (B) be transferred to .

. . (i) the progressive meter for an LFG . . . with the same or greater probability of winning the progressive jackpot, the same or lower wager requirement to be eligible to win the progressive jackpot, and the same type of progressive jackpot. . . ."

8. Pursuant to KRGC regulation K.A.R. 112-107-21(g)(4), Kansas Star Casino implemented Internal Control Slots Section 6 L.4.c. which requires that: ". . . [p]rogressive funds must be transferred in their entirety and be transferred to one or more progressive meters for an EGM . . . with the same or greater probability of winning the jackpot, the same or lower wager requirement, and the same progressive jackpot. . . ."

9. KRGC regulation K.A.R. 112-104-41(b) states that: "the following forms shall be a part of each facility manager's minimum internal controls: . . . (22) a RAM clearing slip, including the following details:

   (A) The date and time that the RAM was cleared;

   (B) an EGM number, the location, and the number of credits played before the RAM clearing occurred;

   (C) the current reel positions or video displays;

   (D) the previous two reel positions or video displays;

   (E) the actual meter readings of the internal hard and soft meters;

   (F) the progressive jackpot display, if linked;

   (G) the reason for RAM clear; and

   (H) all required signatures. . . ."

10. Pursuant to KRGC regulation K.A.R. 112-104-41(b)(22), Kansas Star Casino

implemented Internal Controls Slots Section 4.G. which states: "EGM Information Form (Manually Prepared) . . . . A form used to document machine meter readings prior to a RAM clear. The RAM Clear Checklist will be retained by the Slot Department and will include the following information: date and time of RAM clear, EGM number, the location, and the number of credits played before the RAM clearing occurred, current reel positions or video displays, previous two reel positions or video displays, actual meter readings of the internal hard and soft meters, progressive jackpot display, if linked, reason for RAM clear, and signature of the Slot Technician or above."

11. KRGC regulation K.A.R. 112-113-1(a) states that "any licensee may be sanctioned for . . . (5) failing to follow the . . . facility manager's minimum internal control system. . . ."

12. The Kansas Star Casino Slot Technician Job Description, as part of Kansas Star Casino's Internal Controls Slot Section 2, requires that slot technicians "[m]aintain records as needed."

CONCLUSIONS OF LAW

13. Respondent violated KRGC regulations K.A.R. 112-104-41(b)(22), 112-113-1(a)(5), and Kansas Star Casino Internal Control Slots Section 4.G. when Respondent failed to fill out the required EGM Information Form before RAM clearing the two progressive EGMs. Because Respondent failed to complete the EGM Information Form, Kansas Star Casino does not have a document recording the date and time of the RAM clear, the EGM number, the location, the number of credits played on the EGMs before the RAM clearing occurred, the current video

displays, the previous two video displays, the actual meter readings of the internal hard and soft meters, the reason for the RAM clear, or the signature of the Respondent as the slot technician who performed the RAM clear. Because Respondent was the assigned slot technician to RAM clear the EGMs, Respondent had the duty to document all of this information and failed to do so.

14. By failing to complete the EGM Information Form, Respondent also violated the Kansas Star Casino Slot Technician Job Description Slots Section 2 because Respondent did not maintain records as needed.

15. Because Respondent failed to complete an EGM Information Form as required by KRGC regulation K.A.R. 112-104-41(b)(22) and Kansas Star Casino Internal Control Slots Section 4.G., Respondent was unable to transfer the patron contributions from those EGMs and therefore violated KRGC regulation K.A.R. 112-107-21(g)(4) and Kansas Star Casino Control Slots Section 6 L.4.c. Respondent did not transfer the progressive funds in their entirety and failed to transfer approximately $397.21 which should have been added to the progressive jackpots.

STATEMENT OF POLICY

Under the Kansas Expanded Lottery Act, the Kansas Racing and Gaming Commission is required to oversee the enforcement of state laws, enforcement of internal controls, and the credentialing of employees at Kansas lottery gaming facilities. The Kansas Expanded Lottery Act directed the Kansas Racing and Gaming Commission to adopt rules and regulations to oversee all lottery gaming facility operations. Pursuant to this mandate, the Kansas Racing and Gaming Commission created regulations that subject a licensee to sanctions, including license

suspension or revocation, when the licensee violates any provision of the Kansas Expanded Lottery Act (KELA), KRGC regulations, or a facility manager's internal controls.

By requiring licensees to adhere to KRGC regulations and the facility manager's internal controls, the Kansas Racing and Gaming Commission ensures the integrity of gaming in Kansas. Regulations and internal controls regarding procedures for converting electronic gaming machines ensure each electronic gaming machine complies with all regulatory requirements when patrons play those machines. When a licensee fails to transfer patron contributions from progressive EGMs, patrons' bets are not counted toward the progressive EGMs' jackpots which directly compromises the integrity of that game. Enforcement of these provisions is necessary to ensure the integrity of gaming in the state of Kansas and protect the public interest.

SANCTION

16. In accordance with K.A.R. 112-113-1(c), the DRB may consider certain factors in considering appropriate sanctions, including risk to the public and to the integrity of gaming operations created by the conduct of the licensee; the nature of the violation; culpability of the licensee; any justification or excuse for the conduct; the licensee's history with respect to compliance; and corrective action taken by the licensee. Moreover, K.A.R. 112-113-1(e) states "it shall be no absolute defense that the licensee . . . inadvertently, unintentionally, or unknowingly" committed a regulatory violation and "shall affect only the degree of the sanction to be imposed. . . ."

17. The DRB considers the following factors:

    a. Respondent's actions compromised the integrity of gaming in Kansas. Patrons play progressive EGMs with the expectation that every bet placed

increases the jackpot amount that can be won. Because of the Respondent, patrons' bets on the two progressive EGMs were functionally not counted which lowered the jackpot amounts that patrons could win on those machines. By failing to transfer the progressive jackpots, Respondent directly compromised the integrity of those two progressive EGMs.

b. There is no justification or excuse for the conduct. As the Slot Technician assigned to RAM clear the EGMs, the Respondent had the duty to manually fill out an EGM Information Form. Had the Respondent completed this form, Respondent would have been able to easily transfer the progressive jackpots as required.

c. Respondent took no corrective action. Even after RAM clearing the EGMs, Respondent could have partially completed the EGM Information Form with as much information as possible but he failed to do so. Because of the Respondent, Kansas Star Casino has no EGM Information Form for the conversion of these two progressive EGMs.

d. The DRB has not previously issued a formal sanction to the Respondent. However, because the Respondent has been employed at Kansas Star Casino as a Slot Technician for over two years and his actions directly compromised the integrity of gaming in Kansas, the DRB considers the ordered sanction appropriate.

18. Based on the above-described findings of fact, conclusions of law, statement of policy, and sanction factors the DRB orders the Respondent to serve a two-day unpaid suspension. The two-day suspension shall total 16 hours. The dates of the

two-day unpaid suspension shall be determined by the KRGC supervising enforcement agent for the gaming facility where Respondent is employed.

19. Respondent is entitled to a hearing on the above matter, which Respondent may waive by signing and returning the enclosed Hearing Waiver to the KRGC by mail, email, or fax. (See Notice of Hearing and Right to Waive below.)

20. If Respondent waives the right to a hearing, the two-day unpaid suspension must be served within 30 days of this Order becoming final and effective. Once the suspension is served, Respondent must also send a timesheet showing the suspension occurred to the KRGC by mail, email, or fax to the address listed below within 30 days of this Order becoming final and effective.

21. If Respondent does not serve the ordered two-day unpaid suspension or does not send a timesheet showing the suspension occurred within 30 days of this Order becoming final and effective, Respondent's license will be automatically indefinitely suspended at the end of the business day without further notification or action taken by the Commission until all terms of this Order are fulfilled and the Respondent's license is reinstated by the KRGC.

22. This Order shall become part of Respondent's permanent KRGC licensing file.

ORDER

In accordance with the above-described findings of fact, conclusions of law, statement of policy, and sanction factors,

IT IS HEREBY ORDERED that the Kansas Racing and Gaming Commission suspend Respondent's license for two days.

IT IS SO ORDERED,

Don Brownlee

Don Brownlee, Executive Director
Disciplinary Review Board

NOTICE OF HEARING AND RIGHT TO WAIVE

Respondent is entitled to a hearing on the above matter. This right to a hearing may be waived at Respondent's option. (See instructions below for Waiving Right to a Hearing.)

Hearing - Presentation of Written Evidence:

Unless Respondent waives the right to a hearing, this matter will be presented to the Commission on Friday, October 14, 2016 at 10:00 a.m. at the Eisenhower State Office Building, 700 SW Harrison, Suite 410, Topeka, KS 66603. Respondent may request to appear by phone. To appear by phone, Respondent must send a written request (by mail, email, or fax) to the address below no later than October 7, 2016. Once the request to appear by phone is received, Respondent will receive instructions on how to call into the hearing.

Written evidence will be presented along with brief oral arguments by the agency and Respondent. Neither party will present live witness testimony at this time. Respondent has the right to be represented by counsel at the Respondent's expense.

If Respondent does not appear at the hearing in person or by phone, a decision will be made on the evidence presented, and any decision will become final agency action. If Respondent has written evidence to present to the Commission, copies of all relevant written evidence must be sent (by mail, email, or fax) no later than September 30, 2016 to the address below.

Following arguments, the Commission will consider the arguments and evidence presented, and if the Commission determines no further evidence is necessary for a finding, the Commission will issue its Order. The Commission can uphold, overturn, or amend the Disciplinary Review Board's Summary Order. If the Commission determines further evidence is necessary for a finding, the case will be continued to the next commission meeting to allow for a full evidentiary hearing. If the Commission issues an Order without a full evidentiary hearing, the Respondent has an automatic right to a full evidentiary hearing where witness testimony will be taken. The right to a full evidentiary hearing may be waived by Respondent prior to the scheduled hearing (see Waiving Right to a Hearing below).

Full Evidentiary Hearing – Presentation of Witness Testimony:

The full evidentiary hearing with witnesses, if required, will be held at the regularly scheduled Commission meeting on November 18, 2016 at 10:00 a.m. at the Eisenhower State Office Building, 700 SW Harrison, Topeka, KS 66603. (Date and location subject to change).

At this hearing, Respondent has the right to produce additional evidence and witnesses on the Respondent's behalf, the right to cross-examine any witness who may testify against the Respondent, and the right to examine any evidence that may be produced against the Respondent. Respondent may request to appear by phone. To appear by phone, Respondent must send a written request (by mail, email, or fax) to the address below no later than November 10, 2016.

The Commission will issue a final Order either directly after deliberation or within 30 days of the hearing date. This Order will constitute final agency action and is subject to appeal under the Kansas Judicial Review Act. If Respondent does not appear at the hearing in person or by phone, a decision will be made on the evidence presented, and any decision will become final agency action subject to appeal under the Kansas Judicial Review Act. The agency officer to receive service of any petition for judicial review on behalf of the Kansas Racing and Gaming Commission is Judith Taylor, General Counsel, at the address below.

Respondent shall submit any additional exhibits and a witness list no later than November 4, 2016 to Judith Taylor, General Counsel, at the address below.

If a full evidentiary hearing is held, the hearing will be conducted in accordance with KRGC regulations. Regulations may be found at http://www.krgc.ks.gov/index.php/racing-gaming-law/regulations/gaming-regulations/21-government/statute-regulations/30-article-114-rules-of-hearings. (You may also request that a copy of the regulations be sent to you.)

Waiving Right to a Hearing:

Respondent may choose to waive the right to a hearing by signing and returning the enclosed Hearing Waiver (by email, fax, or letter) at the address below. If Respondent chooses to waive the right to a hearing, the above Order becomes final and effective on October 14, 2016 or on the day of waiver, whichever is later. The suspension must be served within 30 days of this Order becoming final.

Send all requests to appear by phone, hearing waivers, written exhibits, witness testimony lists, notices, and petitions for judicial review to:

Judith Taylor
General Counsel
700 SW Harrison, Suite 500
Topeka, KS 66603-3754
(785) 296-0900 (fax)
judy.taylor@krgc.ks.gov

Nothing stated herein precludes Respondent from entering into informal settlement negotiations which could make a hearing unnecessary. To discuss your case, you may contact Michelle Neis, Enforcement Attorney, at 785-296-5800 or by email at michelle.neis@krgc.ks.gov.

CERTIFICATE OF SERVICE

I certify that on this 16th day of September, 2016, I served a copy of the above Summary Proceeding Order and Notice of Hearing and Right to Waive on the following by U.S. Mail, first class postage prepaid, addressed to:

Torrance Dwayne Stegman
5011 West 63rd St. S
Wichita, KS 67215

Margaret Henck
Commission Representative

cc: KRGC Licensing File
Disciplinary Review Board Members
Kansas Racing and Gaming Commissioners
Joe York, KRGC Supervisory Agent at Kansas Star Casino
Dan Ihm, Kansas Star Casino General Manager
Kansas Star Casino Human Resource Department

6/13/2016

12242 252-01

	Beg	End	Diff	Rate	Amount			
Level 1								
6/8/2016	921,607.50	921,636.50	29.00	0.20%	0.06			
					0.06			
Base Level					588.81	Last slot read - No prog hit between slot read and ram clear of machine		
					588.87	500.00	88.87	Player Cont

	Beg	End	Diff	Rate	Amount			
Level 2								
6/8/2016	921,607.50	921,636.50	29.00	0.50%	0.15			
					0.15			
Base Level					94.08	Last slot read - No prog hit between slot read and ram clear of machine		
					94.23	75.00	19.23	Player Cont

	Beg	End	Diff	Rate	Amount			
Level 3								
6/8/2016	921,607.50	921,636.50	29.00	0.50%	0.15			
					0.15			
Base Level					44.08	Last slot read - No prog hit between slot read and ram clear of machine		
					44.23	25.00	19.23	Player Cont

6/13/2016

12243 252-00

	Beg	End	Diff	Rate	Amount			
Level 1								
6/8/2016	957,529.50	957,741.00	211.50	0.20%	0.42			
					0.42			
Base Level					701.75	Last slot read - No prog hit between slot read and ram clear of machine		
					702.17	500.00	202.17	Player Cont

	Beg	End	Diff	Rate	Amount			
Level 2								
6/8/2016	957,529.50	957,741.00	211.50	0.50%	1.06			
					1.06			
Base Level					124.43	Last slot read - No prog hit between slot read and ram clear of machine		
					125.49	75.00	50.49	Player Cont

	Beg	End	Diff	Rate	Amount			
Level 3								
6/8/2016	957,529.50	957,741.00	211.50	0.50%	1.06			
					1.06			
Base Level					41.16	Last slot read - No prog hit between slot read and ram clear of machine		
					42.22	25.00	17.22	Player Cont

STATE OF KANSAS
KANSAS RACING AND GAMING COMMISSION
700 SW HARRISON, SUITE 500
TOPEKA, KS 66603

IN THE MATTER OF KRGC Case No. 2016-2003

Kansas Star Casino, LLC, Respondent.

HEARING WAIVER

I, _____, on behalf of the Respondent, stipulate to the Facts
(Print name)
and Conclusions of Law as set forth in the Summary Proceeding Order and Notice of Hearing and Right to Waive (Summary Order) issued to Kansas Star Casino LLC and therefore waive the right to a hearing. Respondent agrees to fulfill the terms of the Summary Order issued by the Disciplinary Review Board.

_____ _____
Kansas Star Casino LLC Representative Date

License No. _____

STATE OF KANSAS
KANSAS RACING AND GAMING COMMISSION
700 SW HARRISON, SUITE 500
TOPEKA, KS 66603

IN THE MATTER OF KRGC Case No. 2016-2003

Kansas Star Casino, LLC, Respondent.

HEARING WAIVER

I, Michelle Rasmusson, on behalf of the Respondent, stipulate to the Facts
(Print name)
and Conclusions of Law as set forth in the Summary Proceeding Order and Notice of Hearing and Right to Waive (Summary Order) issued to Kansas Star Casino LLC and therefore waive the right to a hearing. Respondent agrees to fulfill the terms of the Summary Order issued by the Disciplinary Review Board.

Michelle Rasmusson
Kansas Star Casino LLC Representative

October 7, 2016
Date

License No. 5000154

BOOT HILL CASINO & RESORT
REPORT PRESENTED TO
THE KANSAS RACING AND GAMING COMMISSION
October 14, 2016

BY: Diane Giardine

1) For the month of September 2016, BHCR experienced an increase in Total Gaming Revenue of 12.38% over prior year September 2015. Total Slot revenue was up 12.17% while Table Games revenue was up 14.15%.

Promotions & Events

- Fall Concert Series
  - Kick Off Labor Day Weekend with Freddy Fox & the Hot Rods
- Seniors Take 10
- Quick Draw Blackjack Tournaments
- Sizzlin Hot Seats
- Tier Point Multipliers
- New Slot Machine Launches
- Earn & Win Promotions
- Longhorn Parties & Autograph Bat Giveaway
- Laugh Out Loud Comedy Show
- 4X4 Off Road Giveaway
- Pink Power Hot Seats & Donation
- F&B Promotions
- Stay & Play Hotel Packages
- Motorcoach Trips

United Wireless Events

- September 18 – Montgomery Gentry
- September 23 – Jay Owenhouse – The Authentic Illusionist
- October 7 – Make America Rock Again Tour
- November 5 – Battle on Boot Hill – MMA
- November 18 – Martina McBride

KANSAS STAR CASINO
REPORT PRESENTED TO
THE KANSAS RACING AND GAMING COMMISSION

October 14, 2016

BY: DAN IHM –GENERAL MANAGER

Operational Notes

- **Sept admissions down 10.8% from Sept 2015.**

Past Arena Events

- **Sept 9 – Trace Adkins**
- **Sept 15-18 – USTRC Championships**
- **Oct 1 - EFC Event**

Upcoming Arena Events

- **Oct 15 – Sara Evans**
- **Nov 5 – Cattle Baron's Ball**
- **Nov 9-13 – National Finals Steer Roping**
- **Nov 19 – Miss Kansas USA/Miss Kansas Teen USA**
- **Dec 16 – Scotty McCreary**

September Revenue #'s

- **Total Gross Gaming Revenue down 0.8% from Sept 2015.**
- **Slot Coin-In (Handle) down 4% from Sept 2015.**
- **Slot hold up 0.22 pts vs. Sept 2015.**
- **Table Game drop down 2% from Sept 2015.**
- **Table Game hold is up 1.2pts vs. Sept 2015.**
- **Poker Room revenue up 36% from Sept 2015.**

HOLLYWOOD CASINO AT KANSAS SPEEDWAY
REPORT PRESENTED TO
THE KANSAS RACING AND GAMING COMMISSION
October 14, 2016

BY: RICK SKINNER – VICE PRESIDENT & GENERAL MANAGER

Total Gaming Revenue for September 2016 was $11.6M which was an increase of $408K, or 3.6% compared to September 2015.

Slot Revenue was $10.2M which was up $495K, or 5.1% above prior year.

Table Games Revenue came in at $1.4M, which was a decrease of $87K, or -5.9%, compared to last year.

NASCAR is in town this weekend. The ARCA race will be held tonight, the Kansas Lottery 300 Xfinity series on Saturday afternoon, and the Hollywood Casino 400 Sprint Cup series will be on Sunday afternoon starting around 1:15pm.

As part of the festivities, we will be giving away the 2016 Ford MVP Edition truck tonight to the grand prize winner of our Hollywood Casino 400 promotion.

KANSAS CROSSING CASINO & HOTEL
REPORT PRESENTED TO THE KANSAS RACING AND GAMING COMMISSION
OCTOBER 14, 2016

A. SITE LOCATION

Project: Kansas Crossing Casino & Hotel
Location: 1285 South Hwy 69
Pittsburg, KS 66762

B. CONSTRUCTION

a. General Update

b. Kansas Crossing Casino – Current Status Report

i. The exterior sheathing installation is in progress.
ii. The roofing installation is in progress.
iii. MEP installations are in progress and are approximately 35% complete.
iv. The offsite utilities are approximately 90% complete. Sewer and water is expected to complete by 10/31.
v. The light pole base and wiring installation is approximately 85% complete.
vi. The fireproofing installation is in progress and expected to complete on 10/6.
vii. The footing installation for the safer rooms is in progress.
viii. Professional Engineering Consultants (surveyor) is on site certifying the elevation of the parking areas.
ix. Permanent power and gas utilities have been run to the transformer locations.

c. Hampton Inn & Suites – Current Status Report

i. The E.I.F.S. board and liquid membrane installation is in progress.
ii. The brick veneer installation is in progress.
iii. The MEP installations are in progress.

d. Kansas Crossing Casino - Planned Activity

i. Interior framing installation to resume and complete by 10/21.
ii. Complete east side exterior wall framing by 10/12.
iii. Curb and gutter installation is scheduled to begin 10/10.
iv. CMU block wall installation for "safer" rooms is scheduled to begin on 10/8 and complete on 10/21.
v. The roof top air conditioning unit installation is scheduled to begin on 10/10.

vi. The entrance drive off US 69 has been approved and scheduled to begin 10/10 and complete by late November.
vii. Begin exterior sheathing waterproofing installation by 10/21.

e. Hampton Inn & Suites – Planned Activity

i. Continue with MEP installations.
ii. Complete brick stone cap installation on 10/7.
iii. Begin widow installation on 10/10.
iv. Complete parapet roof flashing on 10/7.
v. Begin porte' cochere truss installation on 10/10. Complete by 10/12.
vi. Install elevator beams on 10/10.

f. Special Inspection Reports

i. Kansas Crossing Casino

1. No new special inspection reports have been submitted since the previous Site Visit Report.

ii. Hampton Inn & Suites

1. No new special inspection reports have been submitted since the previous Site Visit Report.

g. Progress Photos and Visual Construction Update

i. Kansas Crossing Casino Construction Status and Photo Update (as of September 30, 2016);

Front elevation views of the Kansas Crossing Casino and Hampton Inn Hotel.

View of the north east casino entrance. The roofing and exterior sheathing installation is in progress.

View of the north elevation of the casino. The MEPT installations are approximately 35% complete.

The fireproofing installation is in progress and expected to be complete by 10/6.

The footing installation for the “safer” rooms is in progress. The CMU block installation is expected to start on 10/8 and be complete on 10/21.

Certification of the parking lot base elevations is in progress by Professional Engineering Consultants. The curb and gutter installation is expected to begin on 10/10.

ii. Hampton Inn & Suites Construction Status Photo Update (as of September 30, 2016);

View of west elevation showing Deihl E.I.F.S. board and liquid membrane installation.

View of east elevation.

Views of the west elevation.

View of east elevation at south end.

View of south elevation looking northeast.

View from Casino entry drive looking towards the Kansas Crossing hotel.

The brick veneer installation is in progress.

View of the first floor corridor.

View of the second floor corridor.

View of the third floor corridor.

View of the fourth floor corridor.

Typical status of a first floor guest room.

Typical status of a second floor guest room.

Typical status of a third floor guest room.

Typical status of a fourth floor guest room.

C. HIRING UPDATE

Submitted by:

Doug Fisher, General Manager.
Kansas Crossing Casino

END OF REPORT

Kansas Racing and Gaming Commission
700 SW Harrison, Suite 500, Topeka, Kansas 66603
(785) 296-5800, Fax (785) 296-0900

STAFF AGENDA MEMORANDUM

MEETING DATE: October 14, 2016

AGENDA ITEM: Quarterly Reports on (1) staff out-of-state travel, (2) licensing and (3) illegal gambling

PRESENTER: Don Brownlee

To ensure that it is being consistent and efficient, the commission has requested quarterly updates on out-of-state travel, licensing matters, and illegal gambling efforts.

I. OUT-OF-STATE TRAVEL

The quarterly out-of-state travel report includes the employees who traveled and the purpose of the trip and the total expenses incurred for the trip. Because the Commission maintains its background investigation details as highly confidential, the quarterly travel report does not include out-of-state trips for investigative or targeted purposes.

For the fourth quarter (July through September) of the State's FY 2017, commission staff out-of-state travel includes:

Purpose of Trip	Traveler	Dates	Destination	Registration	Total
G2E Conference	Mike Greer	9/26/16-9/30/16	Las Vegas, NV	$0	$1,432.14
G2E Conference	John Connett	9/26/16-9/30/16	Las Vegas, NV	$0	$1,388.24

II. LICENSING

Objectives of the commission include conducting timely, but thorough, background investigations on all gaming employees, management contractors, manufacturers and distributors seeking licensure at lottery gaming facilities located in this state. Background investigations are conducted to protect the public interest by maintaining a legitimate and viable gaming industry assuring honesty, good character and integrity of racing and gaming facility operators, employees, and vendors. Following is the licensing report for the July through September 2016 quarter. The three previous quarters are included for comparison purposes.

	Jul-Sep 2016	Apr-Jun 2016	Jan-Mar 2016	Oct-Dec 2015
VENDORS, SUPPLIERS, MANAGERS:				
Corporate permanent licenses approved	5	1	1	3
Corporate temporary licenses approved*	3	1	4	39
Corporate employee licenses approved	88	74	74	94
Corporate renewal licenses approved	3	3	1	6
Corporate employee licenses renewed	68	36	69	97
Corporate employee licenses denied	0	5	1	1
BOOT HILL CASINO EMPLOYEE LICENSES				
Permanent license approvals	28	9	31	20
Temporary license approvals*	24	11	11	18
Renewal license approvals	21	19	40	24
Licenses denied	1	1	1	0
HOLLYWOOD CASINO EMPLOYEE LICENSES				
Permanent license approvals	53	57	67	59
Temporary license approvals*	51	81	69	52
Renewal license approvals	39	28	38	95
Licenses denied	5	2	5	1
KANSAS STAR CASINO EMPLOYEE LICENSES				
Permanent license approvals	84	71	92	69
Temporary license approvals*	65	96	70	112
Renewal license approvals	80	65	119	76
Licenses denied	1	1	0	1
KANASAS CROSSING CASINO EMPLOYEE LICENSES				
Permanent license approvals	0	NA	NA	NA
Temporary license approvals*	3	NA	NA	NA
Renewal license approvals	0	NA	NA	NA
Licenses denied	0	NA	NA	NA

*Temporary licenses approved will still need to be permanently approved in future quarter(s) once all back grounding activities are completed.

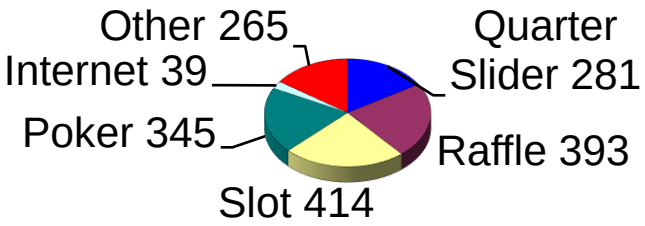
III. ILLEGAL GAMBLING

Following passage of expanded gaming in Kansas, the Commission became the state's go-to agency for illegal gambling questions and complaints. That role requires the KRGC to employ educational, administrative and law enforcement methods to maintain the integrity of gaming in Kansas and to help curtail illegal gambling that occurs in bars, restaurants, convenience stores and other venues throughout Kansas.

Since 2008, the Commission has received 1,737 total illegal gambling-related questions or complaints from the general public. During the third quarter of 2016, the Commission received forty-seven (47) calls and emails from the general public, down seven (7) from the previous quarter and up twenty-five (25) from the third quarter of 2015.

Of the forty-seven calls and emails received in Q-3, nine (9) involved poker runs and illegal poker rooms; eight (8) pertained to reports of various illegal gambling devices found in bars, restaurants and convenience stores; nine (9) involved raffles; four (4) involved quarter sliders; two (2) involved internet activities; and fifteen (15) calls involved miscellaneous inquiries regarding roulette, pull tabs, bingo, sports betting, video lottery, video races (dog, horse, pig), musical chairs contests, dominoes and other entertainment ventures where the legality of the activity was questioned.

Breakdown of illegal gambling inquiries and complaints to-date:



The above chart does not reflect calls and activity related to the following:

- Reports made to KRGC agents by other law enforcement officers around the state.
- Discussions with local law enforcement and district and county attorneys regarding the legal aspects of illegal gambling and the services that KRGC can provide.
- Time spent by agents and legal counsel to assist in active local investigations and prosecutions.
- Time spent pursuing seizures and forfeitures of illegal gambling devices.
- Inquiries from the public that are answered through access to KRGC's Illegal Gambling Frequently Asked Questions (FAQs) web page. KRGC updated the FAQs portion of the webpage in late January 2014. During the thirty-two months since KRGC began tracking the new page, there have been a total of 6,176 unique page views. A total of 632 unique page views were made during the third quarter of 2016. The Illegal Gambling FAQs page can be found here: http://www.krgc.ks.gov/index.php/racing-gaming-

law/illegal-gambling/faq-s-2 . It may also be accessed from the KRGC main page (www.krgc.ks.gov) by selecting Public Info/Illegal Gambling FAQ's from the drop down menu option.

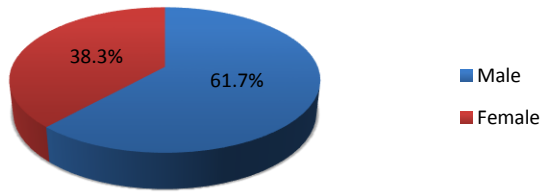
During the third quarter of 2016, the KRGC:

- seized 82 illegal gambling machines
- assisted local law enforcement agencies by performing forensics on ninety-five (95) illegal gambling machines;
- assisted three (3) Kansas law enforcement agencies with illegal gambling issues
- destroyed thirteen (13) illegal gambling machines

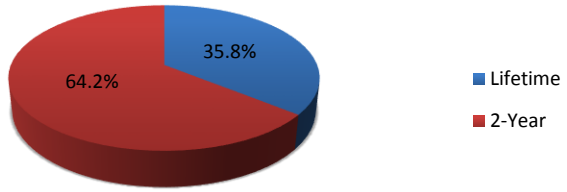
Voluntary Exclusion Program
January 2010 – September 2016

Voluntary Exclusions = 1421
Violation Incidents = 125 (101 individuals)

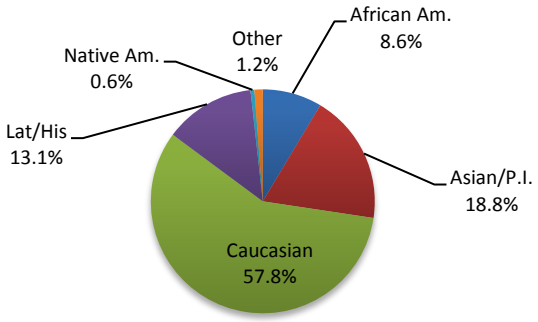
VEP Gender



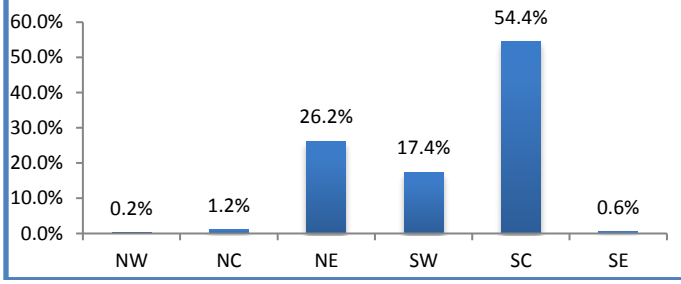
Exclusion Period



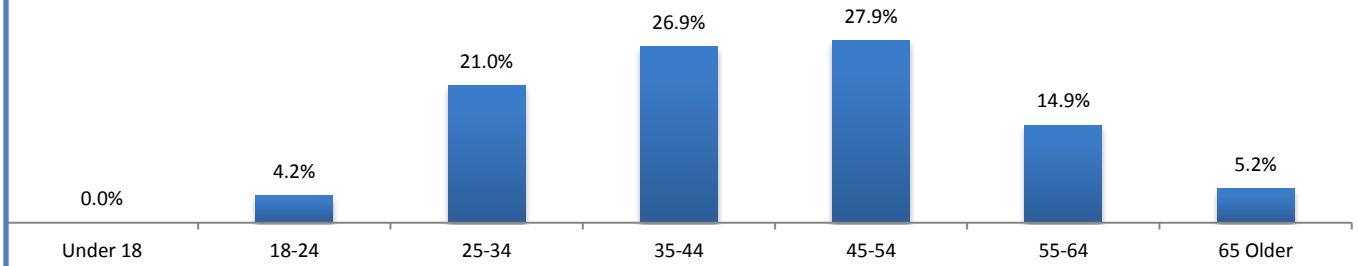
Ethnicity



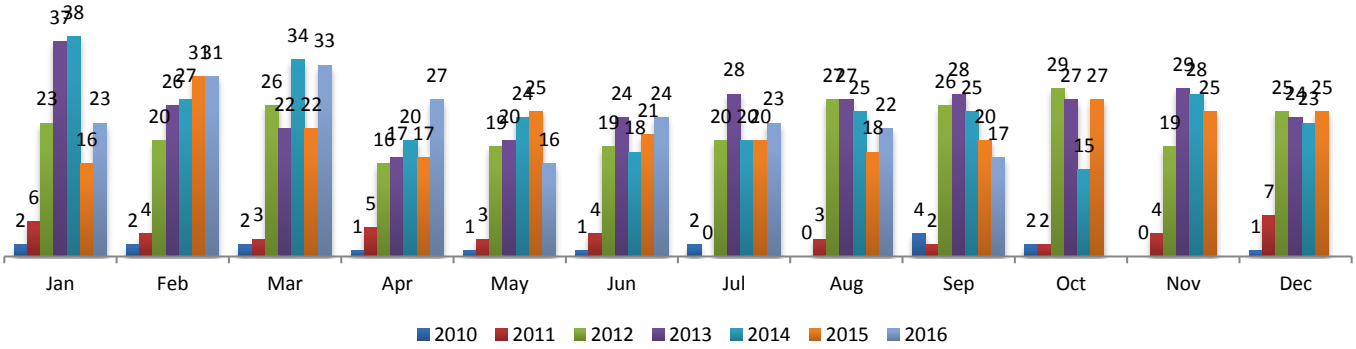
Lottery Region



Age of VEP



VEP Enrollments by Year



10.07.2016

All Departments		Cash Fund Balances as of September 30, 2016											
DeptID	All	ELARF			Backgrounds			Illegal Gambling			Racing		
All Funds		Beg. Balance	3,397,015		Beg. Balance	326,624		Beg. Balance	17,780		Beg. Balance	74,135	
		Revenue	2,031,718		Revenue	56,846		Revenue	-		Revenue	4	
		Expenses	1,239,040		Expenses	45,878		Expenses	178		Expenses	1,550	
		End Balance	4,189,692		End Balance	337,592		End Balance	17,601		End Balance	72,590	
Fund													
BudgetUnit		**Grand Total**											
		All Funding Sources											
		YTD FY2016 ACTUALS	YTD FY2017 ACTUALS	$ VARIANCE	% VARIANCE	September FY2016 ACTUALS	September FY2017 ACTUALS	$ VARIANCE	% VARIANCE	YTD FY2017 BUDGET	YTD FY2017 ACTUALS	$ VARIANCE	% VARIANCE
51000	Payroll	1,165,751	1,091,892	-73,860	-6%	334,838	312,581	-22,257	-7%	1,546,468	1,091,892	-454,576	-29%
10	Shrinkage	0	0	0	0%	0	0	0	0%	-31,435	0	31,435	-100%
Net Salaries and Wages		**1,165,751**	**1,091,892**	-73,860	-6%	**334,838**	**312,581**	-22,257	-7%	**1,515,033**	**1,091,892**	-423,141	-28%
52000	Communication	10,711	15,173	4,462	42%	3,084	7,802	4,717	153%	22,890	15,173	-7,717	-34%
52100	Freight and Express	136	39	-97	-71%	8	0	-8	-100%	338	39	-298	-88%
52200	Printing and Advertising	39	0	-39	-100%	0	0	0	0%	400	0	-400	-100%
52300	Rents	54,965	53,569	-1,396	-3%	421	352	-70	-17%	58,825	53,569	-5,256	-9%
52400	Repair/Servicing/Mainten	1,316	6,495	5,178	393%	116	1,045	928	798%	13,754	6,495	-7,259	-53%
52510	InState Travel and Subsistence	10,960	9,306	-1,654	-15%	5,545	2,695	-2,849	-51%	25,836	9,306	-16,530	-64%
52520	Out of State Travel and Subsistence	11,325	5,733	-5,591	-49%	186	1,013	827	445%	16,573	5,733	-10,839	-65%
52530	International Travel and Subsistence	4,668	0	-4,668	-100%	4,325	0	-4,325	-100%	0	0	0	0%
52600	Fees-Other Services	66,494	73,505	7,011	11%	18,540	43,928	25,388	137%	77,873	73,505	-4,368	-6%
52700	Fee-Professional Services	5,298	729	-4,568	-86%	39	339	300	769%	31,675	729	-30,946	-98%
52900	Other Contractual Services	3,316	858	-2,459	-74%	559	129	-430	-77%	4,011	858	-3,153	-79%
Subtotal Contractual Services		**169,227**	**165,408**	-3,819	-2%	**32,825**	**57,303**	24,478	75%	**252,173**	**165,408**	-86,766	-34%
53200	Food for Human Consumption	124	0	-124	-100%	0	0	0	0%	0	0	0	0%
53400	Maint Constr Material Supply	1,035	30	-1,005	-97%	0	0	0	0%	850	30	-820	-96%
53500	Vehicle Part Supply Accessory	1,495	895	-600	-40%	907	459	-448	-49%	6,464	895	-5,569	-86%
53600	Pro Science Supply Material	0	0	0	0%	0	0	0	0%	5,150	0	-5,150	-100%
53700	Office and Data Supplies	5,727	402	-5,325	-93%	2,545	150	-2,395	-94%	18,725	402	-18,323	-98%
53900	Other Supplies and Materials	93	197	103	111%	42	0	-42	-100%	1,839	197	-1,642	-89%
Subtotal Commodities		**8,475**	**1,524**	-6,951	-82%	**3,494**	**610**	-2,885	-83%	**33,028**	**1,524**	-31,503	-95%
54000	**TOTAL Capital Outlay**	**15,806**	**12,955**	-2,851	-18%	990	0	-990	-100%	**33,708**	**12,955**	-20,754	-62%
55960	Vol Retirement Incentive	1,568	523	-1,046	-67%	523	0	-523	-100%	1,749	523	-1,226	-70%
56000	Debt Service - Principal	0	0	0	0%	0	0	0	0%	0	0	0	0%
56100	Payments for Interest and Service	0	0	0	0%	0	0	0	0%	0	0	0	0%
Subtotal VRIP and Debt Service		**1,568**	**523**	-1,046	-67%	**523**	**0**	-523	-100%	**1,749**	**523**	-1,226	-70%
Grand Total		**1,360,827**	**1,272,301**	-88,526	-7%	**372,670**	**370,494**	-2,176	-1%	**1,835,691**	**1,272,301**	-563,390	-31%

*This report has not been audited by the State of Kansas and is intended solely for the use of the Executive Director of the Kansas Racing and Gaming Commission.

October 2016 - September 2017

Kansas Racing and Gaming Commission Planner

Oct 2016

S	M	T	W	T	F	S
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Nov 2016

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Dec 2016

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Jan 2017

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Feb 2017

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OCTOBER

14 Commission Meeting

NOVEMBER

18 Commission Meeting

DECEMBER

16 Commission Meeting

JANUARY

13 Commission Meeting

FEBRUARY

17 Commission Meeting

MARCH

17 Commission Meeting

APRIL

14 Commission Meeting

MAY

19 Commission Meeting

JUNE

16 Commission Meeting

JULY

14 Commission Meeting

AUGUST

18 Commission Meeting

SEPTEMBER

15 Commission Meeting

Apr 2017

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May 2017

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Jul 2017

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Aug 2017

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Sep 2017

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