

## KANSAS RACING AND GAMING COMMISSION

### MINUTES – MAY 14, 2010

- CALL TO ORDER:  
(A.)
- Chair Sader called the May 14, 2010, meeting to order at 10:05 am at 700 SW Harrison, Auditorium A, Suite 450, Topeka, Kansas. Commissioners Sader, Braun, Falstad, and Schwan were present at the meeting. Commissioner McKechnie participated by phone. Others present included Interim Executive Director Patrick Martin; Deputy Director of Audit/Electronic Security Charles LaBoy; Deputy Director of Security Don Brownlee; Deputy Director of Administration Don Cawby; Director of Communications/Responsible Gaming Mike Deines; Recording Secretary Linda Pendarvis and other staff.
- MOTION, APPROVE  
AGENDA:  
(B.)
- Commissioner Falstad (Schwan) moved to approve the agenda with a suggested change. Motion passed unanimously.
- MOTION, APPROVE  
APRIL 9, 2010, AMENDED  
MEETING MINUTES:  
(C.)
- Commissioner Falstad (Schwan) moved to approve the minutes of the April 9, 2010, commission meeting with suggested amendments. Motion passed unanimously.
- MOTION, APPROVE  
CONSENT AGENDA:  
(D.)
- Commissioner Falstad (Braun) moved to approve the consent agenda, as submitted.
1. Electronic Gaming Machines and Electronic Lottery Facility Games (spreadsheet of machines and games attached)
- Motion passed unanimously.
- KANSAS LOTTERY  
COMMISSION REPORT:  
(E.)
- The commission heard Keith Kocher, director of gaming facilities for the Kansas Lottery, report on the current status of casinos:
- Groundbreaking at the Hollywood Casino and Resort occurred two weeks ago.
  - There has been some management change at the Boot Hill Casino and Resort.
  - Through the end of April, Boot Hill has realized almost \$15 million in gaming revenue with over \$3 million going to the State.
  - The construction of the events center adjacent to the Boot Hill Casino is coming along well.
  - Chisholm Creek withdrew from the South Central Zone, so the Lottery Commission reopened the bidding process. The new deadline for applications to manage a lottery gaming facility is July 22, 2010.
  - There were bills pending in the Legislature that would have changed the investment in the Southeast Zone and modified the revenue percentage for the racetracks. The combined bill

did not pass the senate after losing by one vote.

LOTTERY GAMING  
FACILITY  
REPORTS/ITEMS:  
(F.1.a.)

The commission heard a report from Clark Stewart, president of Butler National Service Corp. d/b/a Boot Hill Casino and Resort:

- Business at the Boot Hill Casino and Resort was up slightly in April over March.
- Mike Tamburelli, former general manager of Boot Hill Casino and Resort, is now employed by the Cherokee Nation in Oklahoma. Mark Kashuda is the new general manager.

LOTTERY GAMING  
FACILITY  
REPORTS/ITEMS:  
(F.2.)

The commission heard a report from Jeff Boerger, president of Kansas Speedway Development Corporation, about matters at the Hollywood Casino at the Kansas Speedway:

- The groundbreaking took place on Friday, April 30. More than 300 people attended. Mr. Boerger showed a video presentation covering the event.

DISCUSSION, KRGC  
COMPLIANCE AUDIT OF  
EUREKA DOWNS FOR  
2009:  
(G.1.)

The commission heard Mr. David Schultz, Chief Audit Officer, discuss the KRGC's compliance audit of Eureka Downs for 2009.

MOTION, KRGC  
COMPLIANCE AUDIT OF  
EUREKA DOWNS FOR  
2009:  
(G.1.)

Commissioner Falstad (Braun) moved to approve the audit as submitted. Motion passed unanimously.

DISCUSSION, KRGC  
COMPLIANCE AUDIT OF  
ANTHONY DOWNS FOR  
2009:  
(G.2.)

The commission heard Mr. Schultz discuss the KRGC's compliance audit of Anthony Downs for 2009. Mr. Shultz originally presented the audit at the April 9, 2010, commission meeting. During that meeting, the commission requested feedback from the licensee. Based on additional information provided by the licensee, commission staff identified \$22,190 which, pursuant to commission order, should be refunded to the starters on a pro rata basis.

Mr. Dan Bird, president of the Anthony Fair Association, addressed the fair association's disagreement with the audit's outcome

MOTION, KRGC  
COMPLIANCE AUDIT OF  
ANTHONY DOWNS FOR  
2009:  
(G.2.)

Commissioner Falstad (Schwan) moved to table the issue until the June 3, 2010, meeting to allow staff to consider Mr. Bird's new allegations and to finalize the audit. Commissioner Braun suggested that staff contact representatives of the various horsemen's associations for input about the refund amounts. Motion passed unanimously.

DISCUSSION, FINANCIAL STATEMENTS OF KANSAS RACING, LLC AND THE RACING ASSOCIATION OF KANSAS EAST FOR THE YEAR ENDED DECEMBER 31, 2009:  
(G.3.)

The commission heard Mr. LaBoy discuss the financial statements of Kansas Racing, LLC and The Racing Association of Kansas East for the year ended December 31, 2009. At the April 9, 2010, commission meeting, a request from TRAK East and Kansas Racing, LLC was received asking for a 60-day extension for submitting their audited financial statements. At that time, the commission granted a 30-day extension. Both entities have changed auditing firms and have supplied the commission with the appropriate engagement letters.

Mr. Howard Grace, of Kansas Racing, LLC addressed the reasons for the delayed audits. Additionally, Mr. Grace stated that he would like to surrender the Kansas Racing, LLC's license. Statutes dictate that the license may not be surrendered and, regardless, Kansas Racing, LLC's license will automatically be revoked on June 28, 2010 (30 days after *sine die*) pursuant to commission order.

MOTION, FINANCIAL STATEMENTS OF KANSAS RACING, LLC AND THE RACING ASSOCIATION OF KANSAS EAST FOR THE YEAR ENDED DECEMBER 31, 2009:  
(G.3.)

Commissioner Schwan (Braun) moved to extend the deadline for the audit until the June 3, 2010, meeting. Motion passed unanimously.

DISCUSSION, APPROVE GTECH SERVICE BATCH 1 AND RELATED WAIVERS:  
(G.4.)

The commission heard Mr. LaBoy discuss the possible approval of GTECH Service Batch 1 and related waivers. The commission approved several waivers at the December 4, 2009, meeting to provide time for GTECH to address issues of non-compliance. Because GTECH has now corrected the outstanding non-compliant issues with its Service Batch 1, staff recommends that the commission approve that Batch and four waivers.

MOTION, APPROVE GTECH SERVICE BATCH 1 AND RELATED WAIVERS:  
(G.4.)

Commissioner Braun (Falstad) moved to approve GTECH Service Batch 1 and related waivers. Motion passed unanimously.

DISCUSSION, BOOT HILL CASINO AND RESORT INTERNAL CONTROL AMENDMENTS AND RELATED FINANCIAL INFORMATION:  
(G.5.)

The commission heard Mr. LaBoy discuss Boot Hill Casino and Resort internal control amendments.

MOTION, BOOT HILL CASINO AND RESORT INTERNAL CONTROL AMENDMENTS AND RELATED FINANCIAL INFORMATION:  
(G.5.)

Commissioner Falstad (Schwan) moved to approve the following amendments:

- BH65 (poker room)
- BH66 (poker room)
- BH70 (additional controller position)

Motion passed unanimously.

CALL FOR PUBLIC COMMENTS:  
(H.)

Chair Sader called for public comments.

- Robert Rodgers, president of KQHRA, voiced his dissatisfaction with the legislative session and the future of horse racing in the State of Kansas.

STAFF REPORT, MARTIN:  
(I.1.)

The commission heard a staff report from Mr. Martin:

- The legislature adjourned without making any modifications to the Expanded Lottery Act.
- The Lottery is rebidding the South Central zone for a third time. Accordingly, staff activity with the review board will increase in the fall.
- Hollywood Casino will be opening in 2012, and staff needs to increase to accommodate the increased work load.

STAFF REPORT, DEINES:  
(I.2.)

The commission heard a staff report from Mr. Deines:

- There are now seven individuals on the state-wide self-exclusion list. Short surveys will be sent to those people to follow up with them and to uncover their future needs.
- There were 25 appropriate calls during the month of April on the responsible gambling HelpLine. Casino slots and lottery scratch tickets continue to be the primary games of choice for these people.
- There were 300 visitors to the [www.ksgamblinghelp.com](http://www.ksgamblinghelp.com) website. Of them, 220 were unique visitors.
- Mr. Deines circulated a mock-up of the Spanish language versions of the self-exclusion brochure and the responsible gambling brochure.
- KRGC is working with an advertising agency to revamp the agency website. Staff anticipates website completion by the end of July.

STAFF REPORT, CAWBY:  
(I.3.a.)

The commission heard a staff report from Mr. Cawby:

- The Governor's office and legislature approved the KRGC's budget without modifications.
- We have a conflict with the July 16 meeting. Staff will investigate alternative meeting dates.

MOTION, EXECUTIVE  
SESSION:  
(J.1.)

Commissioner Schwan (Falstad) moved that the commission adjourn into executive session for the purpose of attorney client communication regarding litigation matters for a period of 10 minutes from 11:55am until 12:05 pm. Those included in the executive session were the commission and Mr. Martin. 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 a 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. Motion passed unanimously.

RECONVENE:

The commission meeting reconvened at 12:05 pm with all members present as previously noted.

MOTION, EXECUTIVE  
SESSION:  
(J.2.)

Commissioner Schwan (Braun) moved that the commission take a 5-minute break followed by a 1-hour executive session from 12:15 pm to 1:15 pm to hear confidential background reports. Those included in the executive session were the commission, Mr. Martin, and security staff. 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 a 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. Motion passed unanimously.

McKECHNIE EXITS  
TELECONFERENCE

Commissioner McKechnie exited the teleconference at 12:10 pm.

RECONVENE:

The commission meeting reconvened at 1:15 pm with all members present as previously noted.

MOTION, DENY  
LICENSES:  
(K.)

Commissioner Braun (Schwan) moved to deny the following licenses:

- a. Boot Hill Casino and Resort employees:
  - i. Medina, Victor Level 2
  - ii. Mooney, Marilyn K. Level 2
  - iii. Nosaphangthong, Pannha Level 2
  - iv. Orellana, Magnolia V. Level 2
  - v. Ward, Russell Level 2
  - vi. Brummer, Nikiya D. Level 3
  - vii. Chavez , Bruce Level 3
  - viii. Galindo, Joe Level 3
  - ix. Nieto, Erica Level 3
  - x. Rosales, Darcie Level 3

Motion passed unanimously.

MOTION, APPROVE  
LICENSES:  
(K.1.)

Commissioner Braun (Falstad) moved to approve the following certificates or licenses:

a. GHI Solutions, Inc. (Gaming Supplier), and its employees:

- |                       |         |
|-----------------------|---------|
| i. Winkler, Claudia   | Level 1 |
| ii. Moon, Christopher | Level 3 |
| iii. Weather, Andrew  | Level 3 |

b. Midwest Card and ID Solutions, LL (Gaming Supplier), and its employees:

- |                     |         |
|---------------------|---------|
| i. Johannes, Philip | Level 1 |
| ii. Ourth, Brenden  | Level 1 |

c. Western Beverage, Inc. (Non-Gaming Supplier), and its employees:

- |                         |         |
|-------------------------|---------|
| i. Bogner, John         | Level 1 |
| ii. Bogner, Joseph      | Level 1 |
| iii. Bogner, Shirley    | Level 1 |
| iv. Downing, Steven     | Level 1 |
| v. Ewy, Jon             | Level 1 |
| vi. Hixon, William      | Level 1 |
| vii. Kennedy, James     | Level 1 |
| viii. Ring, Douglas     | Level 1 |
| ix. Ransour, Donald Jr. | Level 1 |
| x. McGee, Steven        | Level 2 |
| xi. Sandoval, Frank     | Level 2 |

d. Bottling Group, LLC (Non-Gaming Supplier), and its employees:

- |                        |         |
|------------------------|---------|
| i. King, Stephen       | Level 1 |
| ii. McCampbell, Amy    | Level 1 |
| iii. Neubauer, Teresa  | Level 1 |
| iv. Pingsterhaus, Mark | Level 1 |
| v. Garcia, Anson       | Level 3 |

e. Boot Hill Casino and Resort employees:

- |                           |         |
|---------------------------|---------|
| i. Barnes, Russell D.     | Level 2 |
| ii. Boyles, Sharon L.     | Level 2 |
| iii. Budnyk, Stephanie A. | Level 2 |
| iv. Feilmeier, Clay A.    | Level 2 |
| v. Finkeldei, Darrell D.  | Level 2 |
| vi. Parker, Bradley E.    | Level 2 |
| vii. Sullivan, Marc A.    | Level 2 |

- |        |                           |         |
|--------|---------------------------|---------|
| viii.  | Taylor, Rashelle J.       | Level 2 |
| ix.    | Wilkerson, Larry L.       | Level 2 |
| x.     | Wilson, Randy J.          | Level 2 |
| xi.    | Canales, Jenifer          | Level 3 |
| xii.   | Dickens, Zachary A.       | Level 3 |
| xiii.  | Fairbanks, Christopher J. | Level 3 |
| xiv.   | Leachman, Maria I.        | Level 3 |
| xv.    | Martinez, Karina L.       | Level 3 |
| xvi.   | Minjarez, Jessica L.      | Level 3 |
| xvii.  | Miramontes, Israel I.     | Level 3 |
| xviii. | Rhodes, Renee L.          | Level 3 |
| xix.   | Wheeler, Benjamin J.      | Level 3 |

Motion passed unanimously. (*Commissioner Schwan abstained on Western Beverage and its employees.*)

ADJOURN: Commissioner Braun (Schwan) moved to adjourn at 1:20 pm.  
Motion passed unanimously.

SUBMITTED BY:

*(Signature on File)*

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William Falstad  
Secretary

APPROVED BY:

*(Signature on File)*

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Carol H. Sader  
Chair



RACING AND GAMING COMMISSION

Mark Parkinson, Governor  
Patrick Martin, Interim Executive Director

Recommended for Approval				5/14/2010	
Manufacturer	File Number	ID Number	Version	Game Name	
1	ARISTOCRAT	MO-22-ARI-05-47	HARDWARE	UBA-10-SS-USA	N/A
2	ARISTOCRAT	MO-66-ARI-05-04	HARDWARE	UBA-11-SS	N/A
3	ARISTOCRAT	MO-73-ARI-09-87	1.01-60805	GEN7	Bonanza Bros.
4	ARISTOCRAT	MO-73-ARI-09-88	1.01-60829	GEN7	Golden Axe Power Pay
5	ARISTOCRAT	PA-73-ARI-09-01	MACHINE	582897	N/A
6	ARISTOCRAT	PA-73-ARI-09-01	HARDWARE	442287_1	N/A
7	ARISTOCRAT	PA-73-ARI-09-01	HARDWARE	442288_1	N/A
8	ARISTOCRAT	PA-73-ARI-09-01	HARDWARE	579270_3	N/A
9	ARISTOCRAT	PA-73-ARI-09-01	HARDWARE	494180	N/A
10	ARISTOCRAT	PA-73-ARI-09-01	HARDWARE	434048	N/A
11	ARISTOCRAT	PA-73-ARI-09-01	HARDWARE	494209	N/A
12	ARISTOCRAT	PA-73-ARI-09-01	HARDWARE	494207	N/A
13	ARISTOCRAT	PA-73-ARI-09-01	HARDWARE	494204	N/A
14	ARISTOCRAT	PA-73-ARI-09-01	HARDWARE	494077_01	N/A
15	ARISTOCRAT	PA-73-ARI-09-01	HARDWARE	432842_x	N/A
16	ARISTOCRAT	MO-22-ARI-10-07	1.01-60845	GEN7WS	Wild Splash
17	ARISTOCRAT	MO-22-ARI-10-08	1.01-60860	GEN7WS	The Buck Stops Here
18	ARISTOCRAT	MO-22-ARI-10-09	1.01-60859	GEN7WS	Lucky Count
19	ARISTOCRAT	PA-73-ARI-09-01	HARDWARE	582586_1	N/A
20	ARISTOCRAT	PA-73-ARI-09-01	BIOS 2.00.0	2.00.0	N/A
21	ARISTOCRAT	MO-73-ARI-10-07	1.01-60892	GEN7WS	Bone-Bonus
22	ARISTOCRAT	MO-73-ARI-10-08	1.01-60862	GEN7WS	Party in Rio
23	ARISTOCRAT	PA-73-ARI-09-01	HARDWARE	579962	N/A
24	ARISTOCRAT	MO-73-ARI-10-16	1.01-60875	GEN7WS	In the Gold
25	ARISTOCRAT	MO-22-ARI-10-16	HARDWARE	580275	N/A
26	ARISTOCRAT	MO-22-ARI-10-19	HARDWARE	442287_9	N/A
27	ARISTOCRAT	MO-22-ARI-10-19	HARDWARE	442288_5	N/A
28	ARISTOCRAT	MO-22-ARI-10-18	1.01-60914	GEN7WS	The Bullet and the Badge
29	BALLY	MO-73-BAL-10-15	AVBBP26SIMPU-05	N/A	STANDARD BIOS 1 GB IMPU BOARD
30	BALLY	MO-73-BAL-10-15	AVOCLEAR0335-01	N/A	RAM CLEAR
31	BALLY	MO-73-BAL-10-44	AVOS00000336-05	5	OPERATING SYSTEM
32	BALLY	MO-73-BAL-09-81	AVGGMM702500-01	N/A	GAME MAKER

33	BALLY	MO-73-BAL-09-83	300289B	N/A	BLAZING DOLLARS
34	IGT	MO-22-IGT-10-53	GUU0010502	N/A	FUTURE LOGIC GEN-2 UNIVERSAL USB PRINTER
35	IGT	MO-22-IGT-10-76	eKey000007	AVP	UNIVERSAL SYSTEM SETUP eKey
36	IGT	MO-22-IGT-08-24	HARDWARE	P/N 699707XXW	AVP STEPPER AND COMPONENTS
37	KONAMI GAMING INC.	MO-07-KON-10-09	SEEF103G23	GAME PROGRAM	Secrets of Egypt
38	KONAMI GAMING INC.	MO-07-KON-10-09	SEEF103G23	GAME PROGRAM	Secrets of Egypt
39	KONAMI GAMING INC.	MO-07-KON-10-09	SEEF103G23-CF	SOUND/GRAPHICS	Secrets of Egypt
40	KONAMI GAMING INC.	MO-22-KON-10-02	66B290198211	2.90/2.11	N/A
41	KONAMI GAMING INC.	MO-07-KON-10-14	PROV104G12	GAME PROGRAM	Pirate's Rose
42	KONAMI GAMING INC.	MO-07-KON-10-14	PROV104G12-CF	ND/GRAPHICS	Pirate's Rose
43	KONAMI GAMING INC.	MO-286-KON-10- 01	RCCC209KR-CF	RAM CLEAR	N/A
44	SDS	SY-171-SDS-10-01	\sds floor	11.1.4	N/A
45	SDS	SY-171-SDS-10-02	big.jar	11.4	N/A
46	SDS	SY-171-SDS-10-01	\sds ui	11.1.4	N/A
47	SDS	SY-73-SDS-10-09	H908301C.BIN	300.01.03	N/A
48	SDS	SY-171-SDS-10-02	bigsvc.jar	11.4	N/A
49	SDS	SY-171-SDS-10-02	bigui.jar	11.4	N/A
50	WMS	MO-22-WMS-10- 41	DB77-000-1020	1020/H13.10	HOT HOT SUPER RESPIN: CHINA MOON

Recommend Conditional Revocation *					
	Manufacturer	File Number	ID Number	Version	Game Name
1	Bally	MO-22-BAL-09-03	AVO00000326-00		* Bally OS not to be used with Paltronics Progressive Controllers

Recommend Revocation					
	Manufacturer	File Number	ID Number	Version	Game Name
1	WMS	MO-22-WMS-09-13	SB77-000-1040	1040-/H9.22	HOT HOT SUPER RESPIN: CHINA MOON