

KANSAS RACING AND GAMING COMMISSION

MINUTES – AUGUST 13, 2010

- CALL TO ORDER:
(A.)
- Commissioner Braun called the August 13, 2010, meeting to order at 10:00 am at 700 SW Harrison, Auditorium A, Suite 450, Topeka, Kansas. Commissioners Braun, Falstad, and Schwan were present at the meeting. Chair Sader and Commissioner McKechnie participated by phone. Others present included Interim Executive Director Patrick Martin; Deputy Director of Security Don Brownlee; Deputy Director of Audit/Electronic Security Charles LaBoy; Deputy Director of Administration Don Cawby; Recording Secretary Linda Pendarvis and other staff.
- MOTION, APPROVE
AMENDED AGENDA:
(B.)
- Commissioner Schwan (Falstad) moved to approve the amended agenda as submitted. Motion passed unanimously.
- MOTION, APPROVE
JULY 9, 2010, MEETING
MINUTES:
(C.)
- Commissioner Falstad (McKechnie) moved to approve the minutes of the July 9, 2010, commission meeting as corrected. Motion passed unanimously.
- MOTION, APPROVE
CONSENT AGENDA:
(D.)
- Commissioner Sader (Falstad) moved to approve the consent agenda as submitted. 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.
- July was a record month at the Boot Hill Casino and Resort at \$3.5 million net revenue.
 - The South Central zone is the most active at the moment. Three applications have been received – Global Gaming Solutions, Peninsula Gaming, and Harrah's. The Lottery Commission will meet to negotiate contracts with those applicants on August 16 and 17. Mr. Kocher's intent is to have the negotiation process completed by September 2. The Lottery Commission will meet on September 8.
- LOTTERY GAMING
FACILITY REPORTS/ITEMS:
(F.1.)
- Clint Patty, general counsel for Butler National Service Corporation d.b.a. Boot Hill Casino and Resort, gave Boot Hill's report:
- The casino is very pleased with the July numbers.
 - Mark Kashuda, the casino's general manager, will attend next month's commission meeting.
- LOTTERY GAMING
FACILITY REPORTS/ITEMS:
(F.2.)
- Jeff Boerger, president of Kansas Speedway Development Corporation, reported on the Hollywood Casino at the Kansas Speedway.
- He distributed the monthly construction report from Turner Construction.
 - Construction continues on schedule; they will be moving about a million cubic yards of dirt.

- He introduced Steven Stokley, new owner's representative for Kansas Entertainment, Penn National Gaming, and Kansas Speedway Development Corp.
- NASCAR has awarded Kansas Speedway a second Sprint Cup date for June 5, 2011, which is anticipated to result in approximately \$100 million in tourism.
- Hollywood Casino has the website www.hollywoodcasinokansas.com and a Facebook posting.

DISCUSSION, SEMI-ANNUAL REPORT OF BINGO OPERATIONS: (G.1.)

The commission received the semi-annual activity report of inspections and investigations by Charitable Bingo. The commission acknowledged receipt of the report.

DISCUSSION, REVISIONS TO GAMING REGULATIONS: (G.2.)

The commission heard Jay Hall, KRGC counsel, present revisions to the following gaming regulations:

- K.A.R. 112-102-8 – Disqualification criteria
- K.A.R. 112-103-2 – License Levels
- K.A.R. 112-103-4 – Application for a license
- K.A.R. 112-103-5 – Applicant identification
- K.A.R. 112-103-15 – License mobility; limitations
- K.A.R. 112-104-1 – Definitions; internal control system
- K.A.R. 112-104-8 – Retention, storage, and destruction of records
- K.A.R. 112-104-13 – Patron deposits
- K.A.R. 112-104-14 – Cage and main bank
- K.A.R. 112-104-15 – Countroom and main bank requirements
- K.A.R. 112-104-16 – Accounting controls for the cage and main bank
- K.A.R. 112-104-32 – Unclaimed winnings
- K.A.R. 112-105-1 – Security department
- K.A.R. 112-105-2 – Security plan
- K.A.R. 112-105-3 – Emergency operations plan
- K.A.R. 112-106-1 – Surveillance system
- K.A.R. 112-106-2 – Surveillance system plan
- K.A.R. 112-106-5 – Surveillance room
- K.A.R. 112-106-6 – Monitoring
- K.A.R. 112-107-3 – Submission for testing and approval
- K.A.R. 112-107-10 – Master list of approved gaming machines
- K.A.R. 112-107-21 – Progressive LFG's
- K.A.R. 112-107-22 – Wide-area progressive system
- K.A.R. 112-108-18 – Tournament chips and tournaments
- K.A.R. 112-110-3 – Central computer system security
- K.A.R. 112-112-3 – Responsible gambling plan
- K.A.R. 112-112-7 – Confidentiality of the self-exclusion list

Mr. Hall requested approval of the amendments to those existing regulations.

MOTION, REVISIONS TO GAMING REGULATIONS: (G.2.)

Commissioner McKechnie (Falstad) moved to approve the amended regulations as presented. Motion passed unanimously.

PUBLIC COMMENTS:
(H.)

Commissioner Braun called for public comments. There were none.

STAFF REPORT, MARTIN:
(I.1.)

The commission heard a staff report from Mr. Martin:

- Mr. Martin introduced Geraldine Sieve, KRGC's new accounting specialist.
- The Lottery has a compressed schedule for facility manager selection in the South Central gaming zone. In keeping with that, KRGC staff will be busy staffing the Kansas Lottery Gaming Facility Review Board over the next several months.
- Pursuant to commission policy, staff will present quarterly reports on out-of-state travel and disciplinary matters.

STAFF REPORT, DEINES:
(I.2.)

In the absence of Mike Deines, the commission heard Carol Spiker, Responsible Gambling Coordinator, report that:

- There are 11 names on the voluntary exclusion list – nine males and two females ranging in age from 24 to 57. Ms. Spiker provided other demographic data.
- During the month of July, 20 calls were received on the problem gambling helpline. Thirteen percent of the callers were between the ages of 18 and 24.

STAFF REPORT, CAWBY:
(I.3.)

The commission heard a staff report from Mr. Cawby.

- Concerning the budget, last year's figures from Boot Hill have been very helpful in predicting the current year's results. The agency was 18.2% under budget.
- Budget savings were mainly a result of not filling vacant positions, savings in the Review Board process, and holding off on loan payments because of cash flow.
- Gaming expenses were essentially the same in 2009 compared to the prior year.
- A deposit balance of \$114,000 was refunded to casino applicants.

SADER AND McKECHNIE
EXIT TELECONFERENCE:

Commissioners Sader and McKechnie exited the teleconference at 10:40 am.

MOTION, EXECUTIVE
SESSION:
(J.1.)

Commissioner Falstad (Schwan) moved that the commission adjourn into executive session for a period of 45 minutes from 10:40 am to 11:25 am for the purpose of considering 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.

RECONVENE: The commission meeting reconvened at 11:30 am with all remaining members present.

MOTION, DENY LICENSES:
(K.) Commissioner Schwan (Falstad) moved to deny the following:

- g. Boot Hill Casino and Resort employees:
 - i. Weems, Jerold Level 2 license
 - ii. Garcia, Maria Level 3 license
 - iii. Sanchez, Max Level 3 license

Motion passed unanimously.

MOTION, APPROVE LICENSES:
(K.) Commissioner Schwan (Falstad) moved to approve the following backgrounds, certificates or licenses:

- a. KRGC employee:
 - i. Sieve, Geraldine Level 1 background
- b. Penn Hollywood Kansas employee:
 - i. Naumann, Morton Level 1 license
- c. Spielo Manufacturing employee:
 - i. Tompkins, Douglas Level 2 license
- d. Bally Technologies employee:
 - i. Niemic, Brianne Level 3 license
- e. GTECH Corporation employees:
 - i. Beach, William Level 3 license
 - ii. Frawley, Liam Level 3 license
 - iii. Melillo, Pasquale Level 3 license
 - iv. Mlynek, Alan Level 3 license
 - v. Patchen, Jeffrey Level 3 license
- f. Southwest Distributing employees:
 - i. Allen, Toby Level 3 license
 - ii. Charles, Raymond Level 3 license
 - iii. Dome, Robert Level 3 license
 - iv. Falcon, Patrick Level 3 license
 - v. Hamilton, John Level 3 license
 - vi. McElgunn, Francis Level 3 license
 - vii. Melendez, Juan Level 3 license
- g. Boot Hill Casino and Resort employees:
 - i. Baird, Jessica Level 2 license
 - ii. Bieber, Tanya Level 2 license
 - iii. Blankman, Joan Level 2 license
 - iv. Cervantes, Jaime Level 2 license
 - v. Cole, Benjamin Level 2 license
 - vi. Divert, Myrna Level 2 license

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| vii. Esquivel, Paula | Level 2 license |
| viii. Gleason, Dooly | Level 2 license |
| ix. Gomez, Elizabeth | Level 2 license |
| x. Hamilton, Jordan | Level 2 license |
| xi. Harris, Ryan | Level 2 license |
| xii. Heller, Sharon | Level 2 license |
| xiii. Hoang-Lam, Linda | Level 2 license |
| xiv. Lopez, Silvia | Level 2 license |
| xv. Rojas, Sandra | Level 2 license |
| xvi. Rueb, Michael | Level 2 license |
| xvii. Russell, David | Level 2 license |
| xviii. Sanchez, Carlos | Level 2 license |
| xix. Strader, Dustin | Level 2 license |
| xx. Stuckey, Shannan | Level 2 license |
| xxi. Yahom, Prajak | Level 2 license |
| xxii. Young, Rhiannon | Level 2 license |
| xxiii. Cole, Lena | Level 3 license |
| xxiv. Diaz, Manual | Level 3 license |
| xxv. Diaz-Maurin, Elio | Level 3 license |
| xxvi. Rocha, Pablo | Level 3 license |
| xxvii. Solis, Eric | Level 3 license |

Motion passed unanimously.

ADJOURN:

Commissioner Schwan (Falstad) moved to adjourn at 11:31 am. Motion passed unanimously.

SUBMITTED BY:

(Signature on File)

William Falstad
Secretary

APPROVED BY:

(Signature on File)

Carol H. Sader
Chair



Kansas Racing and Gaming Commission
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Lottery Facility Game Approvals and Revocations

August 13, 2010

Recommended for Approval					
Manufacturer	File Number	ID Number	Version	Game Name	
1	ARISTOCRAT	MO-22-ARI-08-21	HARDWARE	p/n 590065	N/A
2	BALLY	MO-158-BAL-08-06	HARDWARE	206842	PSA-66-ST2RU
3	BALLY	MO-166-BAL-09-04	ASGDJB7317UI-00	N/A	Double Blazing 7's
4	BALLY	MO-166-BAL-09-06	300304A	N/A	BLACK AND WHITE 5X PAY
5	BALLY	PA-73-BAL-09-02	HARDWARE	207443	N/A
6	BALLY	PA-73-BAL-09-02	AXDU0ABZL020-03	3	N/A
7	BALLY	MO-73-BAL-10-11	GUR001209	N/A	N/A
8	BALLY	MO-73-BAL-10-18	HARDWARE	208781-10003	CASH SPIN
9	BALLY	MO-73-BAL-10-18	HARDWARE	213065	CASH SPIN
10	BALLY	MO-73-BAL-10-18	HARDWARE	214019-LH	CASH SPIN
11	BALLY	MO-73-BAL-10-36	300513B	N/A	CASH SPIN
12	BALLY	MO-22-BAL-10-07	HARDWARE	216305-LH	N/A
13	BALLY	MO-22-BAL-10-07	HARDWARE	212947-LH	N/A
14	BALLY NORTH	MO-73-BLY-10-29	20636B	B	MONEY MULTIPLIER - FANTASTIC FRUITS
15	IGT	MO-22-IGT-10-01	GI014-002GO8-0001	AVP INSTALL	TOP DOLLAR MULTIPLAY
16	IGT	MO-22-IGT-10-01	GAME014-002GO8-001	AVP GAME PKG	TOP DOLLAR MULTIPLAY
17	IGT	MO-22-IGT-10-123	GI014-000101-D003	AVP INSTALL	STINKIN' RICH
18	IGT	MO-22-IGT-10-123	GAME014-000101-D03	AVP GAME PACKAGE	STINKIN' RICH
19	IGT	MO-22-IGT-10-138	GT014-004-00K01-04	AVP INSTALL	SUPER HYPER PAYS
20	IGT	MO-22-IGT-10-138	TYPE014-004-00K01-04	AVP TYPE PKG	SUPER HYPER PAYS
21	IGT	MO-22-IGT-10-149	CPF057A2	IPC	Joker's Wild MLP
22	IGT	MO-22-IGT-10-163	HARDWARE	N/A	ASSEMBLY PCB COMPONENT
23	IGT	MO-22-IGT-10-163	HARDWARE	N/A	ASSEMBLY PCB COMPONENT
24	KONAMI GAMING INC.	MO-22-KON-10-05	GOFF104G23	GAME PROGRAM	Gold Frenzy
25	KONAMI GAMING INC.	MO-22-KON-10-05	GOFF104G23	GAME PROGRAM	Gold Frenzy
26	KONAMI GAMING INC.	MO-22-KON-10-05	GOFF104G23-CF	SOUND/GRAPHICS	Gold Frenzy
27	KONAMI GAMING INC.	MO-22-KON-10-09	UBA-10(USA)-SS ID-003	1.92-20	N/A
28	KONAMI GAMING INC.	MO-22-KON-10-10	HARDWARE	SCM6607YE	N/A



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29	MIKOHN	SY-22-MIK-03-01	CS000200	V1.72MDLITE	N/A
30	WEM	MO-22-WEM-10-01	66B30019811_WM	3.00/2.11	N/A
31	WMS	MO-73-WMS-10-20	DC09-000-1040	1040/H13.10	GOLDEN MOAI
32	WMS	MO-22-WMS-10-92	SC14-000-1050	1050/H9.25	TRIPLE AMERICAN SPIRIT
33	WMS	MO-73-WMS-10-28	SC12-000-1060	1060/H9.25	TRIPLE CHARMS
34	WMS	MO-22-WMS-10-95	SC13-000-1060	1060/H9.25	ROCKSTAR SEVENS
35	WMS	MO-22-WMS-10-98	SE10-000-1040	1040/H13.20	THE LORD OF THE RINGS
36	WMS	MO-22-WMS-10-98	HARDWARE	75212	LORD OF THE RINGS
37	WMS	MO-22-WMS-10-98	HARDWARE	75213	LORD OF THE RINGS
38	WMS	MO-73-WMS-10-29	SSSG-000-1663	1663/H13.20	OPERATING SYSTEM SOFTWARE
39	WMS	MO-22-WMS-10-116	DC60-000-1010C0	1010/H13.12	LUCK O' LANTERN
40	WMS	MO-22-WMS-10-117	DC59-000-1010C0	1010/H13.12	THE FLYING DUCHESS