

## KANSAS RACING AND GAMING COMMISSION

### MINUTES – NOVEMBER 18, 2011

- CALL TO ORDER:  
(A.) Chair Falstad called the November 18, 2011, meeting to order at 10:00 am at 700 SW Harrison, Auditorium A, Suite 450, Topeka, Kansas. Commissioners Falstad, Braun, Shultz, Shadwick, and McKinney were present at the meeting. Others present included Executive Director Richard Petersen-Klein; Director of Security Don Brownlee; Director of Administration/Finance Kathy Lewis; Director of Information Technology Bill Smith; Recording Secretary Linda Pendarvis and other staff.
- MOTION, APPROVE  
AGENDA:  
(B.) Commissioner Braun (Shadwick) moved to approve the agenda as submitted. Motion passed unanimously.
- MOTION, APPROVE  
OCTOBER 14, 2011,  
MEETING MINUTES:  
(C.) Commissioner Shultz (Shadwick) moved to approve the minutes of the October 14, 2011, commission meeting as presented. Motion passed unanimously.
- MOTION, APPROVE  
CONSENT AGENDA:  
(D.) Commissioner Shadwick (Braun) moved to approve the consent agenda as submitted. Motion passed unanimously.
- LOTTERY GAMING  
FACILITY  
REPORTS/ITEMS:  
(E.1.) Sharon Stroburg, General Manager of the Boot Hill Casino and Resort, reported that:
- October revenue was 2.5% better than budget and 8.8% over last year. For the past six months they are 7.5% better than budget and about 15% over prior year.
- LOTTERY GAMING  
FACILITY  
REPORTS/ITEMS:  
(E.2.) Bob Sheldon, General Manager for the Hollywood Casino at the Kansas Speedway, reported that:
- About 1,100 slot machines have been installed and connected to the casino's and GTECH's computer systems.
  - Table games should be arriving around the first of December.
  - Roadway surfaces and curb work are substantially complete.
  - Over 100 casino employees have been licensed, and approximately another 80 license applications are pending KRGC approval. They are in the process of extending job offers to over 400 more job applicants.
- LOTTERY GAMING  
FACILITY  
REPORTS/ITEMS:  
(E.3.) Scott Cooper, General Manager for the Kansas Star Casino, reported that:
- Construction continues to be on schedule. The permanent casino facility is on track to hopefully open in early November 2012.
  - Training for the casino's managerial staff will begin on

November 28, 2011. They expect all other employees to begin training by December 5, 2011. A controlled demonstration is scheduled for December 16, 2011; and the primary opening date to the public is set for December 26, 2011.

- About 225 employees are licensed to date. In addition, there are approximately 300 licensing applications pending with the KRGC. They have submitted licensing applications for approximately 85% of the total number of employees they expect to hire initially.

KANSAS LOTTERY  
COMMISSION REPORT:  
(F.)

The commission heard Neysa Thomas, Deputy Executive Director for the Kansas Lottery, report on the current status of casinos.

REVIEW AND FINAL  
APPROVAL OF KANSAS  
STAR INTERNAL  
CONTROL PLAN:  
(G.)

Review and final approval of Kansas Star Internal Control Plan was deferred until later in the meeting during executive session J.1.

PUBLIC COMMENTS:  
(H.)

Chair Falstad called for public comments. There were none.

STAFF REPORT,  
EXECUTIVE DIRECTOR:  
(I.1.)

Mr. Petersen-Klein updated the commission on staff efforts pertaining to current and future projects.

- Kansas Star's internal control plans are currently up for approval, with the exception of the security and surveillance plans, which will be up for approval at the December meeting.
- It is anticipated that all of Hollywood Casino's plans will be up for approval in January.
- The December meeting will be held on Monday, December 12, in Mulvane. The commission will be able to view the facility as part of the consideration process for conditional certification.
- Backgrounding:
  - For the month of November, the agency received over 350 licensing applications from the Kansas Star Casino as of November 16 – more than 145 of which received temporary work permits. The KRGC has received a total of 551 individual licensing applications from Kansas Star including corporate personnel – more than 250 of which have received either permanent or temporary work permits.
  - For the same period, the agency received over 250 licensing applications from the Hollywood Casino – more than 100 of which received temporary work permits. The KRGC has received a total of 380

individual licensing applications from Hollywood, including corporate personnel – more than 200 of which have received either permanent or temporary work permits.

- The KRGC continues processing licensing applications from Boot Hill Casino in the normal course of business and issued approximately 50 temporary work permits for the period November 1-16.

STAFF REPORT,  
RESPONSIBLE  
GAMBLING  
COORDINATOR:  
(I.2.)

The commission heard from Carol Spiker, Responsible Gambling Coordinator, who reviewed the voluntary exclusion report.

MOTION, EXECUTIVE  
SESSION:  
(J.1.)

Commissioner Braun (Shadwick) moved that the commission go into a 30-minute executive session from 10:40 am to 11:10 am for the purpose of reviewing the Kansas Star Casino's Internal Control Plan. Those included in the executive session were the five commissioners, Rick Petersen-Klein, Kathy Lewis, Dave Schultz, Brandi White and Jodi Johnstone. 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 meeting reconvened at 11:10 am

MOTION, APPROVE  
KANSAS STAR'S  
INTERNAL CONTROL  
PLAN:  
(J.1.)

Commissioner McKinney (Shultz) moved to approve the Kansas Star Casino's Internal Control Plan related to Regulation Articles 112-104, 107 and 108, including staff-supported waivers, and contingent upon the Facility Manager addressing with the Executive Director prior to the facility opening to the general public, any areas of non-compliance with these Articles noted during the controlled demonstration(s). Motion passed unanimously.

MOTION, EXECUTIVE  
SESSION:  
(J.2.)

Commissioner Shultz (Braun) moved that the commission go into executive session for a period of 45 minutes from 11:15 am until 12:00 noon for the purpose of reviewing confidential background reports. Those included in the executive session were the commissioners, Mr. Petersen-Klein, Mr. Brownlee, 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 12:00 pm with all members present as previously noted.

MOTION, RETURN TO  
EXECUTIVE SESSION:  
(J.2.)

Commissioner Braun (Shultz) moved to return to executive session for 10 minutes, from 12:00 pm until 12:10 pm, for the purpose of completing the background reports. Those included in the executive session were the commissioners, Mr. Petersen-Klein, Mr. Brownlee, 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 12:10 pm with all members present as previously noted.

MOTION, APPROVE  
LICENSES:  
(J.2.)

Commissioner Braun (Shadwick) moved to approve the licenses of:

- a. KRGC New Employee Applications
  - i. Joseph Atchison Enforcement Agent
  - ii. Terry Burgoon Enforcement Agent
  - iii. Tamara Gross Enforcement Agent
  - iv. Robert Holland Enforcement Agent
  - v. Erik Lynnes Enforcement Agent
  - vi. Robin Reitmeyer Enforcement Agent
  - vii. Kirk Vandegrift Enforcement Agent
- b. Advanced Gaming Associates Employee Licenses
  - i. Bradley Bandura Level 3
  - ii. Rob Vender Level 3
- c. Aristocrat Technologies, Inc. Employee Licenses
  - i. Michael Hensley Level 3
  - ii. Subrena Madison Level 3
  - iii. Arthur Moilanen Level 3
  - iv. Cheryl Osotio Level 3
  - v. Frederick Roach Level 3
- d. Bally Technologies, Inc. Employee Licenses
  - i. Kevin Duvall Level 3
  - ii. Andrew Gavitt Level 3
  - iii. Mary Gerald Level 3
  - iv. Charles Onkst Level 3
  - v. Jacqueline Salazar Level 3

- vi. George Young Level 3
- e. Cummins-Allison Corp. Employee License
  - i. Wayne Cooper Level 2
- f. GTECH/Spielo Employee Licenses
  - i. Constatin Baciuc Level 2
  - ii. Bradley Steele Level 3 (*renewal*)
- g. IGT Employee Licenses
  - i. Michael Coppess Level 3
  - ii. Andrew Flood Level 3
  - iii. Felix Hipolito Level 3
  - iv. Tomasito Lauguico Level 3
  - v. Winston Tongil Level 3
- h. Multimedia Games Employee Licenses
  - i. Russell Burton Level 2
  - ii. Brian Chavez Level 2
  - iii. Jeremy Harrison Level 2
  - iv. Tony Mooney Level 2
  - v. Brandon Russell Level 2
  - vi. Danny Taylor Level 2
  - vii. Glen Williams Level 2
  - viii. Jason Conover Level 3
  - ix. Joseph Jones Level 3
  - x. Joshua Netherton Level 3
  - xi. Richard O'Brien Level 3
  - xii. James Provence Level 3
  - xiii. David Smith Level 3
- i. Western Beverage, Inc. Employee License
  - i. Albert Crone Level 3
- j. Boot Hill Casino and Resort Employee Licenses
  - i. Jeffrey Barton Level 1
  - ii. Nicanora Casey Level 2
  - iii. Shanon Casey Level 2
  - iv. Alicia Daniels Level 2
  - v. Wilson Henao Level 2
  - vi. Lan Hoang Level 2
  - vii. Alexander Houze Level 2
  - viii. Thomas Jones II Level 2
  - ix. Evan Kaiser Level 2
  - x. Maria Macias Level 2
  - xi. Deborah Mendoza Level 2
  - xii. Brent Mutter Level 2
  - xiii. Brent Nau Level 2

xiv.	Sandra Norton	Level 2	
xv.	Shanna Pack	Level 2	
xvi.	Leslie Riederer	Level 2	
xvii.	Raul Rincon	Level 2	
xviii.	Skylar Rodriguez	Level 2	
xix.	Lien Tran	Level 2	
xx.	Wilvia Walsh	Level 2	
xxi.	Spencer Wasson	Level 2	
xxii.	Rogie Wiswell	Level 2	
xxiii.	Guadalupe Zuniga	Level 2	
xxiv.	Elizabeth Albert	Level 2	<i>(renewal)</i>
xxv.	Robert Bridle	Level 2	<i>(renewal)</i>
xxvi.	Toni Dome	Level 2	<i>(renewal)</i>
xxvii.	Ashley Drennan	Level 2	<i>(renewal)</i>
xxviii.	Joshua Furr	Level 2	<i>(renewal)</i>
xxix.	Quade Ham	Level 2	<i>(renewal)</i>
xxx.	Scott Kerns	Level 2	<i>(renewal)</i>
xxxi.	Sylvia Ochoa	Level 2	<i>(renewal)</i>
xxxii.	Erika Pyle	Level 2	<i>(renewal)</i>
xxxiii.	Pavel Barrera	Level 3	
xxxiv.	Ismael Guzman	Level 3	
xxxv.	Chris Hammer	Level 3	
xxxvi.	Antonio Ibarra	Level 3	
xxxvii.	Matthew Kreger	Level 3	
xxxviii.	Brandy Leroux	Level 3	
xxxix.	Karina Lopez	Level 3	
xl.	Rafael Martinez	Level 3	
xli.	Maria Megero-Mendilu	Level 3	
xlii.	Danielle Pratt	Level 3	
xliii.	Manuel Rivas	Level 3	
xliv.	Damaris Sanchez-Naranjo	Level 3	
xlv.	Maritza Flores	Level 3	<i>(renewal)</i>
xlvi.	Justin Hawkins	Level 3	<i>(renewal)</i>
xlvii.	Arturo Tena-Ruiz	Level 3	<i>(renewal)</i>
xlviii.	Guadalupe Zuniga	Level 3	<i>(renewal)</i>
k.	Hollywood Casino at the Kansas Speedway Employee Licenses		
i.	Matthew Barash	Level 2	
ii.	Beth Brown	Level 2	
iii.	Norman Chardst	Level 2	
iv.	Gary Godwin	Level 2	
v.	Raymond Hoffman	Level 2	

- vi. Allen Horton Level 2
- vii. Patrick Inderlied Level 2
- viii. Cheryl Nester Level 2
- ix. James Pratt Level 2
- x. Danielle Reyes Level 2
- xi. Laurel Tran Level 2
- xii. Janelle Wehr Level 2
- l. Kansas Star Casino Employee Licenses
  - i. Michael Allen Level 1
  - ii. Chad Bartelson Level 1
  - iii. Daniel Ast Level 2
  - iv. Grant Burris Level 2
  - v. Francisco Bustos Level 2
  - vi. Stephen Doeden Level 2
  - vii. Jackie Fredrick Level 2
  - viii. Randall Green Level 2
  - ix. Paul Isham Level 2
  - x. Juliet Schlehuber Level 2
  - xi. Deborah Bennett Level 3
  - xii. Michael Palm Level 3

Motion passed unanimously.

MOTION, DENY LICENSE:  
(J.2.)

Commissioner Braun (Shadwick) moved to deny the licenses of:

- i. Noe Garcia Level 2
- ii. Harry Turner Level 2
- iii. Jeffrey Mader-Cauble Level 2
- iv. Steve Staten Level 2

Motion passed unanimously.

MOTION, DENY LICENSE  
SUBJECT TO ACTION:  
(J.2.)

Commissioner Braun (Shadwick) further moved to conditionally deny approval of the license of:

- i. Preston Johannes

Condition: Upon the applicant filing all tax returns listed as unfiled in the applicant's background report and satisfying any liabilities related thereto, if any, the applicant will be allowed to reapply within the one-year exclusion period. Motion passed unanimously.

MOTION TO APPROVE  
LICENSE SUBJECT TO  
CONDITIONS:  
(J.2.)

Commissioner Braun (Shultz) moved to conditionally approve the license of:

- i. Janeth Vargas

Condition: Verification of applicant's U.S. citizenship and, if a non-citizen, the status of the applicant's work permit, such that the applicant's license shall expire the earlier of two years or the

expiration of the applicant's work permit, if any. Motion passed unanimously.

MOTION, EXECUTIVE  
SESSION:

Commissioner Shadwick (Braun) moved to go into executive session for 30 minutes, from 12:15 pm until 12:45 pm, for the purpose of discussing personnel. Those included in the executive session were the commissioners and Mr. Petersen-Klein. 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 12:45 pm with all members present as previously noted.

MOTION, ASSISTANT  
ATTORNEY GENERAL:

Commissioner Shultz (McKinney) moved that the Executive Director is hereby directed to seek appointment by the Kansas Attorney General's office of an Assistant Attorney General to provide counsel to the Kansas Racing and Gaming Commission ("KRGC") and KRGC staff as soon as possible. The duties of said Assistant Attorney General will include but not be limited to the enforcement of regulations and laws dictated by the Kansas Expanded Lottery Act and the KRGC, and advising the Commission and commissioners, and such other duties as dictated by the KRGC and the Executive Director.

Said search for a qualified attorney to be conducted out of the Kansas Racing and Gaming Commission's office, with potential candidates to be interviewed jointly by individuals from the Kansas Attorney General's office, the KRGC Executive Director, and at least one commissioner from the KRGC appointed by the Commission Chair. The Executive Director is further directed to communicate with and coordinate the search for an Assistant Attorney General with the Kansas Attorney General's office and a KRGC commissioner appointed by the Commission Chair. The Assistant Attorney General candidate who is to be offered the position shall be approved by the Kansas Attorney General's office, the KRGC Executive Director, and the KRGC Commission as a whole.

Motion passed unanimously.

MOTION FOR  
RESOLUTION:

Commissioner Shultz (Shadwick) moved that the following resolution be approved and presented directly to the Kansas Attorney General's office for the purpose of requesting the Kansas Attorney General to appoint an Assistant Attorney General to be housed in, paid by, and tasked by the Kansas Racing and Gaming Commission pursuant to the foregoing motion, which resolution shall read as

follows:

The Kansas Racing and Gaming Commission (“KRGCC”) hereby makes a formal request of the Kansas Attorney General for the appointment of an Assistant Attorney General for the purpose of providing counsel to the KRGCC as soon as possible. The KRGCC further requests that the Kansas Attorney General coordinate the search for said Assistant Attorney General in cooperation with the Executive Director of the KRGCC and one commissioner designated by the Commission Chair. The KRGCC further requests that the qualified candidate for said Assistant Attorney General position deemed to be the most appropriate candidate be approved by the Kansas Attorney General, the KRGCC Executive Director, and the KRGCC commission in whole.

Motion passed unanimously.

Commissioner Falstad subsequently appointed Commissioner Shultz to work with the Executive Director and the Kansas Attorney General on the appointment of an Assistant Attorney General to provide counsel to the KRGCC.

ADJOURN:  
(L.)

Commissioner Braun (Shadwick) moved to adjourn at 12:50 pm.  
Motion passed unanimously.

SUBMITTED BY:

*(Signature on File)*

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Timothy A. Shultz  
Secretary

APPROVED BY:

*(Signature on File)*

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William Falstad  
Chair