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CHEROKEE NATION GAMING COMMISSION

15 JANUARY 2021

MEETING DATE / LOCATION:

15 January 2021
WebEx Conference Hosted:
CNGC Conference Room

COMMISSIONERS PRESENT:

John Sparks, Chairman
Stephen Barrick, Vice Chairman
Linda O'Leary, Commissioner
Kendra McGeady, Commissioner
Richard Hull, Commissioner

COMMISSION STAFF:

Jeannie Bunch, Compliance Officer
Kelly Myers, Licensing Manager
Sydney Kimble, Gaming Auditor
Janice Walters Purcell, Executive Director

CHEROKEE NATION ENTERTAINMENT:

Gary Weddell, Gaming Operations
Bear Christensen, Compliance
Monica Richards, Accounting
Melody Cable, CNB Audit
Mitch Moren, CNB Audit
Kyle Culver, Marketing
Tim Mannon, Corporate Gaming

VISITORS:

John Young, Office of the Attorney General
Todd Hembree, Legal
Eddie Robles, Information Technology

CHEROKEE NATION GAMING COMMISSION MEETING MINUTES

15 January 2021

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I. CALL TO ORDER:

Chairman Sparks called the meeting to order at approximately 9:45 a.m.

II. ROLL CALL:

Present: Chairman Sparks
Vice Chairman Barrick
Commissioner O'Leary
Commissioner McGeady
Commissioner Hull

A quorum was established.

III. APPROVAL OF THE AGENDA

Commissioner McGeady made the Motion to approve the agenda, as displayed; Vice Chairman Barrick seconded the Motion.

Chairman Sparks Motioned to Amend Item VII.C.1- from ECM to EGM due to scrivener's error, the correct should be EGM to Electronic Gaming Machine. Commissioner Hull seconded the Motion.

Motion to Amend passed.

Motion to Approve the Agenda as amended passed.

IV. APPROVAL OF MINUTES

Commissioner Hull made a Motion to adopt the Special Meeting Minutes from 18 December 2020; Commission McGeady seconded the Motion.

Motion passed.

V. INTRODUCTION OF GUESTS

None

VI. CNE REPORTS

Commissioner O’Leary Motioned to enter into Executive Session to discuss the entirety of the items listed under subsection VI.A Financial Report and VI.B Facilities Report on the Agenda; Commissioner McGeady seconded the Motion.

Motion Passed.

Exited Regular Session at approximately 10:05 A.M. and entered into Executive Session.

Commissioner Barrick motioned to exit Executive Session and enter into regular session, Commissioner Hull seconded the motion.

Motion Passed.

Returned to Regular Session at 10:30 A.M.

VII. OLD BUSINESS

A. CNGC TICS Update

Executive Director Janice Walters Purcell deferred to Counsel John Young for the update of the TICS.

Counsel John Young stated, “I believe there was one final issue that needs to be excised from the old code; the old Regulation TICS removed from the new ones. Otherwise they’re good to go.”

Question from the Chair, “So do you anticipate by the next regularly scheduled meeting or so, the next meeting or two, that there’ll be a place to present to the Commission for next steps?”

Executive Director Janice Walters Purcell replied, “I think next month, is that correct John?”

Counsel John Young answered, “Correct. They should go ahead and vote to publish them and allow for a period of one month, by Operation of Law if there are no changes, they would become effective within 30 days. The reason I say that is if we kick it out one more month, we may run into an additional extension and this month gives us time to make a few more changes, if there are any.”

Commissioner McGeady asked Counsel John Young to clarify, “If we change the TICS that we need to publish it and allow for public comment? Is that correct?”

Counsel John Young replied, “We made substantial changes based on the previously received comments from outside counsel and from public comment which is largely from CNE. This is two hundred and some odd pages. There was one final technical issue that we need to address. But otherwise to answer your question the Commission would vote to publish them again today, because it would go ahead and incorporate all the changes we’ve made and if there’s any additional changes, the additional days on our end to fix that if we need to. Then by Operation of Law it would go into effect at the end of that thirty (30) days, unless we make some changes.”

Commissioner McGeady thanked Counsel John Young for the clarification on the process.

Chairman Sparks stated, "As a Point of Order, the Agenda indicates that we are just taking an update today, and if we're going to have changes. Mr. Young this would be a procedural question to you in the form of a Point of Order. If those changes are made and presented to the committee before the next meeting then we would be able to see the material before publication, prior to voting on them?"

Executive Director Janice Walters Purcell and Counsel John Young agreed.

B. License Regulation Update

Executive Director Janice Walters Purcell deferred to Counsel John Young.

Counsel John Young stated, "In order with the Commission's order of the last (distorted) and published the Regulation. It has been online now with notice to receive public comments. Comments were due as of January 14, 2021. To my knowledge we've received no comments with respect to the Regulation, by Operation of Law then becomes effective at the end of the comment period. It has been published, there have been no comments so it becomes effective at the end of the comment period."

Question from the Chair, "So, it's fair to say it's self-effective?"

Counsel John Young stated, "If no comments are received it becomes effective by Operation of Law. We then have to publish it with rest of the Regulations."

Chairman Sparks states, "So everything's done we just need to proceed to other matters."

Counsel John Young agreed.

VIII. NEW BUSINESS

A. Permits & Licenses

1. Employees

Kelly Myers stated, "The first item that we have to present to the Commission is fifty-two (52) temporary permits, including our two new Commissioners as listed."

Commissioner Barrick made a Motion to Approve fifty-two (52) temporary permits as requested by staff; Chairman Sparks seconded the Motion.

Commissioner Hull and Commissioner McGeady abstained on voting.

The Motion passed with two abstentions.

Kelly Myers stated, "For the record we have twenty-six (26) suitability determinations, twenty-nine (29) license orders, and two hundred and one (201) renewals that are ready for February 2021 as listed are requesting permission for approval.

Commissioner Hull made a Motion to Approve the twenty-six (26) suitability determinations, twenty-nine (29) license orders, and two hundred and one (201) renewals as requested by staff; Commissioner McGeady seconded the Motion.

Motion passed.

2. Vendor & Vendor Representatives

Kelly Myers stated, “This month for vendors we have two (2) new companies that are ready for Commission approval with twenty-seven (27) individuals. We also have five (5) companies that are ready for Commission renewal for February 2021. As well as twenty-six (26) individual vendor representatives that are ready for renewal for February 2021. I am requesting Commission approval as listed.”

Commissioner Hull made a Motion to Approve the vendors’ permits and licenses as requested by staff; Commissioner McGeady seconded the Motion.

Motion passed.

Executive Director Janice Walters Purcell asked Kelly Myers “Under where it says class A vendor company, there is two (2), I don’t show any more than two (2).”

Kelly clarified, “Yes that’s the next page over those 2, and then the next page which is twenty-seven (27) class A individuals.”

Chairman Sparks stated, “Point of Order, I’m showing under the class A vendors, oh yeah, yeah, yeah, you’ve got it up on the screen. Executive Director is that responsive to your question?”

Executive Director Janice Walters Purcell stated, “Yes.”

B. License Classifications

Kelly Myers stated, “This month we have four (4) new and updated license classifications that are ready for submission, the submitted license classifications have all received Executive Director Approval as noted on the Memo. The first is for Gaming Commission Staff, and then the other 3 are for Gaming Operations, and I’m recommending to affirm these approvals as listed.”

- Special Projects Analyst-PMO
- VP Facility Maintenance & Construction CNE-PMO
- VP Finance CNE-PMO
- VP Strategy & Business Development CNE-PMO

Commissioner Barrick Motioned to Approve the request/recommendation by the professional staff; Commissioner Hull seconded the Motion.

Executive Director Janice Walters Purcell asked, “These were given Executive Director Approval, so are we voting to affirm that Approval?”

Chairman Sparks clarified, “Yes, so the staff recommendation is to affirm the Executive Director Approval that was previously given.”

Executive Director Janice Walters Purcell thanked Chairman Sparks for the clarification.

Motion passed.

C. Game & System Approvals

Jeannie Bunch appearing for Tiffany Cochran

1. EGM Memorandum

Jeannie Bunch stated, “Good morning. For approval request this month there are sixteen (16) new electronic themes:

- 1 Scientific Games
- 4 Ainsworth
- 1 Everi
- 6 Gaming Arts
- 1 Novomatic
- 1 Aristocrat

4 new main programs and components:

- 3 Ainsworth
- 1 VGT

And there are four (4) Executive Director Approval items that are listed, three (3) Aristocrat and one (1) VGT as highlighted. We are requesting Commissioner Approval for the new electronic themes and also Affirmation of Executive Director Approval as well.”

Commissioner McGeady made a Motion to approve the professional staff request as detailed in the Memorandum; Commissioner Hull seconded the Motion.

The Chair recognizes himself, “The items that are highlighted are time sensitive and so that’s why the Executive Director was able to provide the initial approval so we don’t have any delays but then it comes up here. So that’s the only distinction and that may be self-evident but I just wanted to reemphasize that.”

Motion passed.

D. CNE Bi-Annual Gaming Funds Verification

Sydney Kimble deferred to Melody Cable.

Melody Cable stated, “We completed CNB audit services, completed the Bi-Annual Gaming Funds Verification back in the end of September, beginning of October. I don’t know if you guys have any questions about that. It was pretty straightforward, it was (distorted) verification validation of cash vaults, cashier bank, etc.”

Chairman Sparks made a Point of Order and asked, “Are you requesting action or are you just providing information to the Commission?”

Melody Cable stated, “I am request no action; this is informational.”

Chairman Sparks made a Point of Order and asks, “Information was received by the Commission. As I noted earlier in meetings, in matters like this. Commissioners are absolutely encouraged to reach out to folks who are providing any information like this, ask any questions you would like

ahead of time, it keeps these meetings going. Thank you for that and we will consider the matter/information received, thank you.”

E. IHP Transfer Request

Jeannie Bunch stated, “I have reviewed the transfer request for the amount listed in the memo and recommend they be approved for transfer.”

Commissioner Barrick made a Motion to Approve the request and recommendation; Commissioner Hull seconded the Motion.

Executive Director Janice Walters Purcell asked Jeannie Bunch to explain, “For the new Commissioners about the in-house progressive transfer and why that is important and how it happens.”

Jeannie Bunch stated, “So when the property chooses to remove these from a gaming machine on the floor they retire these funds and they request them transferred and retired toward promotional funds so and later times when each property, they’re tracked by property to where they go back to the individual property players who played on those EGMs and they use them for promotional items where they might offer cash drawings, prizes of different sorts, cars or campers or ATVs and things like that. But these are so those funds go back to the particular patrons who contributed to those EGMs.”

Executive Director Janice Walters Purcell asked, “Are those only progressive machines?”

Jeannie Bunch affirmed.

Monica Richards stated, “You did a great job explaining but just to elaborate little bit more. When you put those progressive machines on the floor the casino fund them with what we call a seed, which is a base amount, and then any incremental increase, is actually funded by the player. So when it does come off the floor anything incremental from that seed we keep in our liability account because it is funds that were contributed by players and so we return them back to the public.”

Chairman Sparks thanked Jeannie Bunch and Monica Richards for those explanations.

Motion passed.

IX. EXECUTIVE DIRECTOR’S REPORT

Executive Director Janice Walters Purcell stated, “I just wanted to report that we have several people out for COVID and we are still doing staggered schedules. So, we are currently understaffed. Sydney has been great. She has contributed a lot and Audit has been partaking in the learning experience of Cards and Tables so that it can help them in their audits. And we would like to thank Hard Rock for doing that.”

Executive Director Janice Walters Purcell stated, “I know that there are two new Commissioners and previously CNGC had mailed out the TICS and the comments and I just wanted to know if they wanted us to mail those to them as well?”

Commissioner McGeady and Commissioner Hull would request the TICS and comments be mailed.

Chairman Sparks stated, "Commissioners also if you have any questions, please feel free to contact John Young. I think he can provide not only substance but form on what the TICS are doing, how they evolve to the point and I think that's be a great place to start. If there's any other questions, I'm sure he could direct you to the appropriate staff to answer those questions but please I would suggest that be the first call."

Executive Director Janice Walters Purcell stated, "I will email John Young's contact information to everyone. Thank you John Young."

Counsel John Young thanked Chairman Sparks for his kind words.

Chairman Sparks stated, "If I may Executive Director just add one more thing at this time? There have been some open meeting/open record requests that are submitted to the Commission from time to time and in the future just on the length. We may take those up under Executive Session to, not for particular action, well we can't take any action under Executive Session, just to notify the commissioners of any such request that have been received. Much like we discuss the requests received by the National Indian Gaming Commission and others. Again that's just informative, so you'll know what's going on at the home office and why."

Executive Director Janice Walters Purcell stated, "Ok, thank you, I will put those on the next meeting."

Chairman Sparks stated, "We probably need to make sure we have the appropriate Executive Session designation on that a well for the basis of that. So, with that I think I'm going to give back the floor to the Executive Director under the report time. Anything else Executive Director?"

Executive Director Janice Walters Purcell responded in the negative.

Chairman Sparks stated, "Alright, then with that, does anyone else have any questions for the Executive Director?"

Counsel John Young stated, "I do have to address the Commission on one issue, it may be more appropriate for New Business, but it's an announcement to some changes as a result of the McGirt decision."

Chairman Sparks asked Counsel John Young to proceed.

Counsel John Young stated, "As the commissioners are aware, that Supreme Court decision in the McGirt case a little over a year ago, the repercussions of it are slowly creeping towards the Cherokee Nation, right now it's really only effectively touched upon the Creek Nation's reservation. It is creeping towards us. We do anticipate there will be some changes in our criminal code which reflect on gaming as a topic. Not necessarily changes to the Gaming Compact but changes which would make, which would touch upon illegal gambling within the reservation as gaming not being regulated by this body. I wanted to let you be aware of that because in the coming month, maybe the next two months. You will see this topic come up more and more. Just

suffice to say, it's going to be related to the jurisdiction changes coming after the McGirt decision. Make sure everything is being regulated under this body and not some other tribal body, or any other body.”

X. OPEN SESSION

Chairman Sparks opened the floor to anybody who would like to be recognized.

None

XI. ADJOURNMENT

Commissioner Hull made a Motion to adjourn; Commissioner McGeady seconded the Motion.

Motion passed. Meeting was adjourned at approximately 10:45 a.m.

Approval of Minutes:



Chairman Sparks

February 12, 2021

Date