

Colorado Limited Gaming Control Commission

Minutes of Public Session
April 18, 2024

PUBLIC SESSION

I. Call to Order

Chair Armstrong called the April 18, 2024, meeting of the Colorado Limited Gaming Control Commission to order at 9:20 a.m. MDT in person at the 1707 Cole Blvd., Suite 300 Lakewood, CO 80401, Division of Gaming Office and virtually via Cisco Webex. Commissioners Tipton and Coleman were present in person, and a quorum existed.

Officials & Administrators in Attendance

Kevin Armstrong, Chair
Shawn Coleman, Commissioner
John Tipton, Commissioner
Christopher Schroder, Director
Kirsten Gregg, Chief of Investigations
Allen Hiserodt, Chief of Sports Betting
Kenya Collins, Director of Administration via Cisco Webex
Bradford Jones, Senior Assistant Attorney General
Torrey Samson, Assistant Attorney General
Paul Hogan, Chief Auditor
J. Wolff, Agent in Charge, Central City/Black Hawk
Bradley Nelson, Agent in Charge, Cripple Creek
John Madruga, Agent in Charge, Background Unit
Michael Payne, Table Games Chair
Andrew Leibbrand, Criminal Investigator, Limited Gaming
Spencer Loos, Criminal Investigator, Limited Gaming
Breanne Nolan, Executive Assistant, Secretary to CLGCC

II. Swearing in of Investigators

The Chair appointed Andrew Leibbrand and Spencer Loos, Investigators for the Colorado Division of Gaming effective on their respective dates of hire. Investigators Leibbrand and Loos repeated the Oath of Office that was administered by Chair Sherriff Armstrong.

EXECUTIVE SESSION

The Commission voted unanimously to go into the Executive Session pursuant to sections 24-6-402(3)(a) (III), 44-30-521(1)(a), 44-30-526(1)(d), and 44-30-1507 of the Colorado Revised Statutes to review confidential background licensing reports that were scheduled for consideration in the Public Session.

The Executive Session was called to order at 9:25 a.m. MDT.

PUBLIC SESSION

The Public Session was called back to order by Chair Armstrong at 9:48 a.m. MDT.

III. Approval of Licensing Actions

The Commission voted unanimously to approve the Reissuance of the Vendor Major License for Swish Analytics US Inc. This Vendor Major License will expire two years from its current date of expiration.

The Commission voted unanimously to approve the First Vendor Minor Licenses and the Renewals of the Vendor Minor Licenses listed in the Consent Agenda in the April 2024 public materials. These Vendor Minor Licenses listed in the Consent Agenda will expire two years from their dates of issuance and/or expiration.

IV. Opportunity for the Public to Address the Commission

The Chair gave anyone from the public an opportunity to address the Commission on any item not appearing in the agenda. No one from the public came forward for comment.

V. Consideration of Limited Gaming Financial Statements for February 2024

The Commission voted unanimously to approve the Statement of Gaming Revenues, Gaming Taxes, and Expenditures (unaudited) for the eight months ending on February 29, 2024, and to authorize its distribution.

VI. Consideration of Division Sports Betting Financial Statement for February 2024

The Commission voted unanimously to approve the Statement of Sports Betting Revenues, Taxes, and Expenditures (unaudited) for the eight months ending on February 29, 2024, and to authorize its distribution.

VII. Consideration of the and Settlement Agreement in the Matter of Hedge, Inc.

Torrey Samson, Assistant Attorney General, presented the Stipulation and Settlement Agreement for Hedge, Inc. Discussion was had by the Commission and Assistant Attorney General Samson regarding Hedge, Inc.'s barring from future licensure in Colorado, as an entity.

The Commission voted unanimously to approve and authorize the Chair to sign and issue the Stipulation and Settlement Agreement in Case No. DOG23004277 in the Matter of Hedge, Inc. Vendor Minor License No. 94971638.

VIII. Consideration of Involuntary Exclusion for Andrew Matthew Baca

Bradford Jones, Senior Assistant Attorney General, gave an overview of the action for petition of involuntary exclusion.

J. Wolff, Agent in Charge, Central City Investigations, presented the memo to support recommendation of Involuntary Exclusion for Andrew Matthew Baca. Discussion was had between the Commission, AIC Wolff, and Senior Assistant Attorney General Jones, regarding the charges and incident leading to Andrew Matthew Baca's recommendation for Involuntary Exclusion.

Prior to the call for a motion, Senior Assistant Attorney General Jones recommended that the Commission state which factors, violating section 44-30-1703 of the Colorado Revised Statutes, contributed to Involuntary Exclusion recommendation for Andrew Matthew Baca.

The Commission voted unanimously to approve the Division's petition to involuntarily and permanently exclude Andrew Matthew Baca from gaming in Colorado, based on actions that posed a threat to licensees and public of Colorado, existence of prior convictions in other jurisdictions, and reputation that threatens gaming in Colorado. The Commission directed the Commission's Attorneys General representatives to prepare an order to memorialize the decision which would be reviewed and signed by the Chair.

IX. Consideration of Involuntary Exclusion for Shaun Joseph Benward

Michael Payne, Table Games Chair, presented the memo to support recommendation of Involuntary Exclusion for Shaun Joseph Benward. Discussion was had by the Commission and Mr. Payne regarding the past charges and current case against Shaun Joseph Benward.

Discussion was also had by the Commission and Christopher Schroder, Director, Division of Gaming, regarding the trend in actions and charges against Shaun Joseph Benward in Colorado and multiple jurisdictions, dating back to 2014.

The Commission voted unanimously to approve the Division's petition to involuntarily and permanently exclude Shaun Joseph Benward on the following basis: the individual's presence poses a threat to gaming licensees or members of the public, the individual's reputation adversely affects the Colorado gaming industry, the individual's prior exclusions and ejections from establishments under rules and regulations in other jurisdictions, the individual is a career professional offender of gaming laws throughout the country, and the individual's prior actions from 2014 as well as 2023 with outstanding warrants. The Commission directed the Commission's Attorneys General representatives to prepare an order to memorialize the decision, which would be reviewed and signed by the Chair.

X. Comments from the Division of Gaming regarding the Responsible Gaming Grant Program – iProtekt

Christopher Schroder, Director, Colorado Division of Gaming, commented on an application from iProtekt that was submitted during the 2024 Responsible Gaming Grant Program. He stated after further examination, the Division determined iProtekt had obtained non-profit status and was an eligible organization for grant funding. He invited iProtekt to apply for a responsible gaming grant in the future.

XI. Consideration of Limited Gaming Rules 10, 12, 21 & 28

The Commission voted unanimously to open the rulemaking hearing on Colorado Limited Gaming Rules 10, 12, 21 & 28.

Michael Payne, Table Games Chair, was sworn in and gave the presentation for Gaming Rules 10, 12, 21 & 28.

Discussion was had between the Commission and Mr. Payne regarding identification of betting sensor lens color for different wager amounts, under Rule 12 30-1254(5)(A).

Christopher Schroder, Director, Division of Gaming, was sworn in for comment. He stated that as the rules were written, the Division has no input on color, rather requests there be delineation between sensor color for a wager that was made on the progressive.

Commissioner Tipton stated that, based on comments, the rule be amended to add “color to be determined by the casino.”

The Chair extended an opportunity for the public to testify on behalf of Limited Gaming Rules 10, 12, 21 & 28. No members of the public came forward to testify.

The Commission voted unanimously to close the public comment portion of the rulemaking hearing for Limited Gaming Rules 10, 12, 21 & 28.

The Commission voted unanimously to approve the amendments to Colorado Limited Gaming Rules 10, 12, 21 & 28, as amended with added language, “as determined by the Casino” under Rule 12 30-1254(5)(A) as noted by the Commission and its counsel.

The Commission voted unanimously to close the rulemaking hearing on Colorado Limited Gaming Rules 10, 12, 21 & 28.

XII. Consideration of Colorado Sports Betting Rules 1 & 7 – Exchange Wagering

The Commission voted unanimously to open the rulemaking hearing on Colorado Sports Betting Rules 1 & 7.

Allen Hiserodt, Chief of Sports Betting, and Mia Tsuchimoto, Sports Betting Program Manager, were sworn in and gave the presentation for Sports Betting Rules 1 & 7. Christopher Schroder, Director, Division of Gaming was sworn in for comments.

Discussion was had by the Commission, Director Schroder, Chief Hiserodt, and Assistant Attorney General Torrey Samson, regarding the definition of and background checks for entities as described in Rule 7.6.

The Chair extended an opportunity for the public to testify on behalf of Sports Betting Rules 1 & 7.

Alex Kane, CEO, SportTrade Inc., commended the Division and Commission for bringing rules for exchange wagering forward in Colorado, as an operator that already offers this type of wagering in New Jersey. He also commented that per the Colorado rules, an Internet Sports Betting Operator was required to register market makers prices and may market its activity as exchange wagering or as “betting against friends”, and he believed that this action could have responsible gaming implications.

The Commission voted unanimously to close the public comment portion of the rulemaking hearing for Sports Betting Rules 1 & 7.

The Commission deliberately prior to calling for a motion. Commissioner Tipton stated that he would like the Division to look at including entities in background investigations, in the future. Commissioner Tipton commented that it was time to move forward with approval of these regulations and that he found all comments from Stakeholders and the Division to be valid and constructive.

Senior Assistant Attorney Bradford Jones stated that he was not adding to deliberations, but there would be a stakeholder notification process for viable solution to entity wagering and significantly more information regarding this topic if it were to move forward.

The Commission voted unanimously to approve the amendments to Colorado Sports Betting Rules 1 & 7, as presented.

The Commission voted unanimously to close the rulemaking hearing on Colorado Sports Betting Rules 1 & 7.

XIII. Rulemaking Hearing on Colorado Gaming Rule 14, Gaming Tax

The Commission voted unanimously to open the rulemaking hearing on Colorado Gaming Rules 14, Gaming Tax.

Paul Hogan, Chief Auditor, was sworn in and gave a presentation overviewing the Gaming Tax Setting process.

Paul Hogan submitted into the record, the Statements of Gaming Impacts/Annual Reports for the Colorado Judicial Branch. He noted that these documents were included in the materials as part of the tax setting hearing.

Mark Superka, Vice Chancellor for Finance and Administration, Colorado Community College System, gave a presentation regarding the gaming impacts for the over 114,000 who attend schools within the Community College System.

Discussion was had between the Commission and Mr. Superka regarding the seven percent of out of state students and the programs they participated in. Mr. Superka stated that a majority of out of state students were enrolled in specialty programs at rural schools.

Penfield W. Tate III, Board Chair; Annie Levinsky, Chief of Staff; and Patrick Eidman, Chief Preservation Officer; all gave a presentation regarding the Statement of Gaming Impacts and Annual Report for History Colorado.

Mr. Penfield W. Tate III expressed appreciation for ongoing opportunities and support for funding History Colorado activities that benefitted the citizens of Colorado.

Ms. Annie Levinsky detailed multiple History Colorado projects that were funded in 2023, including the “Hands on History Program” for children through 8th grade and the “Buffalo Soldiers Exhibit” at Fort Garland. She stated that History Colorado served 500,000 people in person at its over 11 museums and historical sites and 2.5 million people digitally through these same exhibits.

Mr. Patrick Eidmann stated that as of FY23, History Colorado (HC) had funded 5,500 projects reaching all 64 counties in Colorado. He explained that HC had a commitment to reach urban and rural communities and that there were a total of 113 grants submitted for a total funding amount of \$10.9 million. He also detailed current projects such as the Historical Grave Hotel in

Idaho Springs serving as affordable living for seniors; the Costilla County School restoration to serve as a community gathering space and internet hub; and the Alpine Tunnel in Palisade. He stated that over \$360 million had been invested in state project and sixty percent of grants were awarded to rural communities for downtown restorations and other capital improvements.

Discussion was had between the Commission and Mr. Eidmann regarding affordable housing grants and how gaming communities could try to implement them.

The Chair extended an opportunity for members of the public to testify on behalf of Gaming Rule 14, Gaming Tax. No members of the public came forward to testify.

The Commission voted unanimously to close and continue the hearing on Gaming Rule 14, Gaming Tax, until approximately 9:55 a.m. on Thursday, May 23, 2024, at the Lakewood Division of Gaming Office and via Cisco Webex.

XIV. Fiscal Year 2025 Budget Requests

Matt Packard, Chief, Colorado State Patrol presented the area impact and budget requests for Colorado State Patrol (CSP). He distributed copies of the CSP annual report to the Commissioners and detailed that most of the intervention in gaming towns was spent on traffic incidents. He explained that in 2023, there was a nineteen percent reduction in fatalities on state roads when compared to 2022 and that in gaming towns/areas, there was only 1 fatality in 2023 and there were 5 in 2022. He stated that in total, there were 20 CSP uniformed members in gaming areas as well as 1 full time support person.

Discussion was had between the Commission and Chief Packard regarding the increase in personal services outlined in the budget request. Chief Packard and Terri Enderly, Budget Director, Colorado Department of Public Safety, explained that this \$127,000 increase was due to rises in IT and employee benefits costs.

Chair Armstrong stated that he appreciated the partnership with Colorado State Patrol in Gilpin County and that a collaboration between the two organizations helped create and implement an active shooter policy over the past year.

The Commission voted unanimously to approve the Fiscal Year 2025 budget request of the Colorado State Patrol in the amount of \$4,792,146.

Chris Brunette, Fire and Life Safety Section Chief, presented the fiscal year 2025 budget request for the Division of Fire Prevention and Control (DFPC) on behalf of Director Mike Morgan. He stated that the DFPC provided oversight to gaming communities for inspection of fire systems and fire suppression, and ensured those systems were installed and maintained properly. He explained that the DFPC also provided trainings in local jurisdictions. Chief Brunette stated that the Division consisted of two fire investigation teams and saw a minimal increase of 2.7% to cover common policy cost increases and a 3% salary increase.

Discussion was had between the Commission and Chief Brunette on the process of fire inspections for Black Hawk, Central City, and Cripple Creek. It was explained that DFPC aided in inspections in Black Hawk and Central City but the cities had final determination; whereas, in Cripple Creek, DFPC has sole authority to approve or deny fire inspections.

The Commission voted unanimously to approve the Fiscal Year 2025 budget request of the Division of Fire Prevention and Control in the amount of \$237,875.

XV. Consideration of Organizational Matters

The Commission voted unanimously to approve the minutes from the February 15, 2024, and March 29, 2024, Public Sessions of Colorado Limited Gaming Control Commission, as presented.

Christopher Schroder, Director Division of Gaming, stated that due to scheduling conflicts, the May meeting of the Colorado Limited Gaming Control Commission (CLGCC) would be moved to Thursday, May 23, 2024, at 9:15 a.m. at the Lakewood Division of Gaming Office and via Cisco Webex. He also stated that there would soon be an opening for the registered voter member of the CLGCC, and that the Division was currently interviewing for the Certified Public Accountant and corporate business members of the Commission.

Bradford Jones, Senior Assistant Attorney General, stated that the election for Vice-Chair of the Commission would occur at the May 23rd meeting.

XVI. Opportunity for the Industry Members to Address the Commission

The Chair extended an opportunity for any members of the gaming industry to address the Commission regarding any current issues or events. No members of the gaming industry came forward.

XIII. Adjournment

The Commission voted unanimously to adjourn the April 14, 2024, meeting of the Colorado Limited Gaming Control Commission at 12:11 p.m. MDT.

Breanne Nolan, Secretary to the Colorado Limited Gaming Control Commission