

INDIANA GAMING COMMISSION

BUSINESS MEETING

JUNE 28, 2018

ORIGINAL

The Indiana Gaming Commission Business Meeting was stenographically taken down by me, Tonya Esparza, RPR, a Notary Public in and for the County of Marion, State of Indiana, held at the Indiana State Department of Health, Rice Auditorium, 2 North Meridian Street, Indianapolis, Indiana, commencing at the hour of 1:56 p.m., June 28, 2018. The following transcript is a true and accurate transcript of the proceedings held.

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A P P E A R A N C E S

ON BEHALF OF THE GAMING COMMISSION:

Mike McMains, Chairman

Marc Fine, Commissioner

Joseph Svetanoff, Commissioner (telephonic)

Susan Williams, Commissioner

Rich McClain, Commissioner

Sara Tait, Executive Director

Jennifer Reske, Deputy Director

Greg Small, General Counsel

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1 CHAIRMAN McMains: Well, good afternoon,
2 everyone. It's 2:00 o'clock. We're going to
3 start right on time today. We have a busy
4 agenda.

5 And it's my pleasure to welcome all of you
6 and call this meeting of the Indiana Gaming
7 Commission to order.

8 First, Mrs. Tait, would you call the role of
9 the Commissioners.

10 MS. TAIT: Sure.

11 Chairman McMains?

12 CHAIRMAN McMains: Yes.

13 MS. TAIT: Vice chair Fine?

14 MR. FINE: Present.

15 MS. TAIT: Secretary Svetanoff?

16 MR. SVETANOFF: Present.

17 MS. TAIT: Commissioner Williams?

18 MS. WILLIAMS: Present.

19 MS. TAIT: And Commissioner McClain?

20 MR. McCLAIN: Present.

21 CHAIRMAN McMains: Thank you. Let the
22 record reflect that a quorum is present, and
23 we'll continue with our meeting.

24 Fellow Commissioners, have you all had a
25 chance to review the minutes of the previous

1 meeting which occurred on April 24, 2018?

2 MR. McCLAIN: Yes, we have.

3 CHAIRMAN McMANS: Are there any additions
4 or corrections to the minutes?

5 MR. FINE: Move for approval.

6 MR. McCLAIN: Second.

7 CHAIRMAN McMANS: It has been properly
8 moved and seconded that our minutes from the
9 April 24 meeting be approved.

10 Any discussion?

11 Hearing none, all in favor, please signify
12 by saying aye.

13 (Commissioners respond, "Aye.")

14 CHAIRMAN McMANS: All opposed?

15 Motion passed unanimously.

16 All those folks who are here today that may
17 testify in front of the Commission, would you all
18 please stand and remain standing for me?

19 Thank you. I'd like to do two things. I'd
20 like to go around, have each you recite your name
21 for the record, and then I'll administer the
22 oath.

23 Start with this gentleman over here.

24 MR. BOYD: William S. Boyd, Executive
25 Chairman, Boyd Gaming Corporation.

1 MR. SMITH: Keith Smith, CEO, Boyd Gaming.

2 MR. LARSON: Brian Larson, general counsel,
3 Boyd Gaming.

4 MR. THAR: Jack Thar, regulatory counsel for
5 Boyd Gaming.

6 MR. ERICKSON: Lief Erickson, general
7 manager, Blue Chip Casino.

8 MR. CLARK: Murray Clark, counsel for
9 Caesars Entertainment.

10 MS. CARLETTA: Sue Carletta, chief
11 regulatory compliance manager for Caesars
12 Entertainment.

13 MR. FRISSORA: Mark Frissora, president and
14 CEO of Caesars Entertainment.

15 MR. HESSION: Eric Hession, chief financial
16 officer of Caesars Entertainment.

17 MR. NITA: Daniel Nita, regional president
18 of Caesars Entertainment.

19 MR. WILMOTT: Timothy Wilmott, CEO of Penn
20 National Gaming.

21 MR. SMALL: Greg Small, general counsel,
22 Gaming Commission.

23 CHAIRMAN McMAINS: Thank you.

24 All please raise your right hand.

25 Do you solemnly swear upon the penalties of

1 perjury to tell the truth, only the truth, so
2 help you God?

3 (Witnesses sworn.)

4 CHAIRMAN McMANS: Thank you. You may sit.

5 Please let the record reflect that all those
6 who stood and introduced themselves took the oath
7 to be honest today.

8 Mrs. Tait, Executive Director Sara Tait,
9 would you give us an executive director report,
10 please?

11 MS. TAIT: Sure. Good afternoon. Thank
12 you, Mr. Chair.

13 First, I would like to thank the Indiana
14 State Department of Health for graciously letting
15 us have the use of Rice Auditorium. I called
16 them in a complete, utter panic when I could not
17 find any room in state government, and I do not
18 think they understood what to take on when they
19 agreed. So we are so appreciative of them and
20 their staff's time and efforts to assist us.

21 Some housekeeping. Restrooms are located
22 behind secured doors, so we have some staff
23 members, IGC staff members who have passes if you
24 need assistance.

25 And we also anticipate given the length of

1 this meeting that we might take a break, so we
2 will kind of be set up there and happy to help
3 with that process.

4 We have two staff -- new staff members I'd
5 like to introduce. Aly, Aly Servies. She's our
6 newest staff attorney. Aly graduated with a JD
7 and a master's in public health through a joint
8 program in IU McKinney and Fairbanks Public
9 School of Health. Prior to joining IGC, she
10 worked at IU Health.

11 Sara Martin. Sara is our license control
12 counsel. She went to IU Bloomington, and then
13 graduated from law school in 2011 at Ohio State.
14 She was previously with the Indiana Attorney
15 General's office in their litigation division,
16 and also previously worked at Barnes & Thornburg.

17 She has a baby girl on the way in a few
18 weeks, so we're very excited for her for that
19 too.

20 And additionally, I'm pleased to inform you
21 that Katelyn Hannah (ph) -- she's in the
22 bathroom -- was recently promoted to the
23 assistant director of compliance position. So
24 welcome Aly, Sara, and congratulations to Hannah.

25 Since the March meeting, we have added 27

1 individuals to the exclusion list, and we've
2 granted 16 waivers. Our investigations division
3 has completed a reinvestigation of Boyd Gaming.
4 That report is included in your materials.
5 Directors Leek and Brown are present if there are
6 any questions.

7 And on that topic, I'd like to kind of let
8 you know of a new procedure change. As you know,
9 casino owners are reinvestigated every three
10 years. After consulting with our new chairman,
11 we're going to culminate that investigation in
12 the future with public presentations out of -- at
13 this meeting.

14 This will offer our casino companies the
15 opportunities to discuss their accomplishments
16 and roles, but also give our Commissioners the
17 opportunity to engage with company executives in
18 a public forum on topics that may be of interest
19 or concern to them.

20 So this concludes my report, unless there
21 are any questions.

22 CHAIRMAN McMANS: Any questions?

23 MS. TAIT: Also wanted to let everybody
24 know, we're going to throw a curveball here and
25 switch up the order of the agenda. We had a

1 scheduling conflict, so we are going to start
2 with casino disciplinary actions, move to the
3 three transfer of ownership applications, and
4 then we will get back into regular order.

5 So thank you for your understanding and
6 patience as we switch it up, so.

7 CHAIRMAN McMAINS: Thank you, Mrs. Tait.

8 Is there any old business to come before the
9 Commission today?

10 Hearing none, items of new business.

11 Director Tait, would you start us off,
12 please.

13 MS. TAIT: Sure.

14 So as I mentioned, we're going to start with
15 casino disciplinary actions, and I will actually
16 begin.

17 Commissioners, before you is Order 2018-105,
18 which is the settlement agreement between the IGC
19 and Caesars Entertainment. As we all know, it is
20 a privilege to hold a casino license, and the
21 Riverboat Gambling Act created very high
22 standards of integrity for licensees.

23 In early March, Caesars engaged in
24 communications regarding the \$50 million
25 statutory transfer fee and the Horseshoe Southern

1 Indiana construction project in which Caesars is
2 constructing a new land-based facility.

3 While Caesars maintains it was not their
4 intention, Commission staff perceived the
5 communications as an inappropriate effort to
6 influence Commission action by leveraging the
7 southern Indiana project.

8 The overall impacts of these communications
9 could serve to undermine the public's confidence
10 and trust in the integrity of the gaming industry
11 in Indiana.

12 While staff recognizes the seriousness of
13 this matter, Caesars has consistently met the
14 Commission's high standards in the past. The
15 goodwill and the good reputation they have earned
16 over the past two decades as casino licensees in
17 Indiana led us to determine that exploring
18 settlement of this matter was appropriate.

19 As part of the settlement process, staff met
20 with top company executives. They maintained it
21 was not Caesars' intention to act in a way that
22 could be perceived as falling short of the high
23 standards of integrity for licensees, but
24 acknowledge that the communications could
25 reasonably be interpreted as such and express

1 regret.

2 Staff was satisfied with the productive
3 nature of the settlement process and the internal
4 steps that Caesars has taken to address these
5 communications.

6 The executed settlement agreement has been
7 provided in your materials and includes a
8 monetary settlement of \$1 million. This
9 agreement is intended to correct any public
10 perception that such conduct will be tolerated in
11 Indiana.

12 Staff respectfully requests that you approve
13 Order 2018-105. And on behalf of Caesars,
14 Sue Carletta would like to make a brief
15 statement.

16 MS. CARLETTA: Good afternoon, Chairman
17 McMains, members of the Commission, and executive
18 staff.

19 As Sara mentioned, my name is Sue Carletta,
20 and I'm the chief regulatory compliance officer
21 for Caesars Entertainment Corporation.

22 First, let me thank you for allowing me to
23 appear before you today. Caesars and I
24 personally value and respect the long-term
25 relationship that we've had with the Indiana

1 Gaming Commission. As you know, we have a very
2 strong record of compliance here in Indiana, and
3 we strive not to do anything to disturb that
4 positive relationship that we have with the
5 Commission.

6 We recognize and accept full responsibility
7 for the matters that led to the settlement, and
8 we're committed to working diligently to ensure
9 that our communications with the Commission going
10 forward, and the communications with all of our
11 regulators, meet the standards expected of
12 Indiana licensees.

13 We are currently developing our training,
14 our 2018 compliance training program, and I've
15 strengthened the messaging in that program to
16 center around communications with our regulators.
17 And I'm also in the process of implementing a
18 protocol to ensure that there's a compliance
19 review of communications, particularly for
20 nonroutine matters when we're dealing with our
21 gaming regulators.

22 Caesars is committed to ensuring that we
23 move forward in a positive manner, and that we
24 continue with our strong relationship with the
25 Commission, and that we continue our strong

1 compliance record in Indiana.

2 Thank you.

3 CHAIRMAN McMANS: Thank you.

4 Commissioners, any questions for
5 Mrs. Carletta?

6 Thank you.

7 Fellow Commissioners, any questions for the
8 executive director regarding her recommendation?

9 MR. FINE: I'll move for approval of Order
10 2018-105.

11 MS. WILLIAMS: Second.

12 CHAIRMAN McMANS: It's been properly moved
13 and seconded that we approve Order 2018-105.

14 Any further discussion on the motion?

15 Hearing none, all in favor of approval,
16 please signify by saying aye.

17 (Commissioners respond, "Aye.")

18 CHAIRMAN McMANS: All opposed, please say
19 nay?

20 Thank you. The motion passed unanimously.

21 MS. TAIT: So next we will move to the
22 remaining casino disciplinary actions.

23 So Angela Bunton, please come up.

24 MS. BUNTON: Good afternoon, Commissioners
25 and executive staff.

1 You have before you 11 settlement agreements
2 concerning disciplinary actions.

3 Order 2018-106 is a settlement agreement
4 with Ameristar in Chicago, wherein the casino
5 failed to update the Commission of an
6 occupational licensee's transfer of position.
7 Ameristar agreed to a monetary settlement of
8 \$1,500 in lieu of disciplinary action.

9 Order 2018-107 is a settlement with Blue
10 Chip Casino and involves two counts, wherein the
11 casino failed to notify surveillance of a live
12 gaming device credit, violated the rules on live
13 gaming device inventory, and violated the soft
14 count rules. Blue Chip agreed to a monetary
15 settlement of \$7,500 in lieu of disciplinary
16 action.

17 Order 2018-108 is a settlement agreement
18 with French Lick Resort Casino and includes four
19 counts, wherein the casino failed to notify
20 surveillance of a live gaming device fill,
21 violated the rules on electronic gaming devices,
22 allowed an underage person on the casino floor,
23 and violated the currency collection and soft
24 count process. French Lick agreed to a monetary
25 settlement of \$12,500 in lieu of disciplinary

1 action.

2 Order 2018-109 is a settlement agreement
3 with Hollywood Casino and includes five counts,
4 wherein the casino violated the surveillance
5 rules, failed to timely notify the Commission of
6 a termination, violated the rules for promotions,
7 violated the rules of manually paid jackpots, and
8 violated the rules for ensuring assets are
9 safeguarded. Hollywood agreed to a monetary
10 settlement of \$12,500 in lieu of disciplinary
11 action.

12 Order 2018-110 is a settlement agreement
13 with Hoosier Park wherein the casino allowed an
14 underage person on the casino floor. Hoosier
15 Park agreed to a monetary settlement of \$1,500 in
16 lieu of disciplinary action.

17 Order 2018-111 is a settlement agreement
18 with Horseshoe Hammond and includes three counts,
19 wherein the casino allowed an underage person on
20 the casino floor on six separate occasions,
21 violated the rules of the voluntary exclusion
22 program, and violated the rules for playing
23 cards. Horseshoe agreed to a monetary settlement
24 of \$31,500 in lieu of disciplinary action.

25 Order 2018-112 is a settlement agreement

1 with Horseshoe South and includes two counts,
2 wherein the casino allowed an underage person on
3 the casino floor on two separate occasions, and
4 failed to notify surveillance of a live gaming
5 device fill. Horseshoe South agreed to a
6 monetary settlement of \$9,000 in lieu of
7 disciplinary action.

8 Order 2018-113 is a settlement agreement
9 with Indiana Grand and includes four counts,
10 wherein the casino failed to timely notify the
11 Commission of four terminations, violated the
12 rules for manually paid jackpots and electronic
13 gaming devices, failed to timely notify the
14 Commission agents of a regulatory violation and a
15 jackpot switch, and violated the rules for
16 currency transaction reports. Indiana Grand
17 agreed to a monetary settlement of \$18,500 in
18 lieu of disciplinary action.

19 Order 2018-114 is a settlement agreement
20 with Majestic Star Casino and includes four
21 counts, wherein the casino violated the rules on
22 live gaming device fills, violated the
23 surveillance rules, violated the rules on
24 electronic gaming devices, and failed to timely
25 notify the Commission of a termination. Majestic

1 Star agreed to a monetary settlement of \$10,500
2 in lieu of disciplinary action.

3 Order 2018-115 is a settlement agreement
4 with Rising Star Casino and includes three
5 counts, where the casino violated the rules and
6 their internal controls for the child support
7 arrearage delinquency reporting, violated the
8 rules on progressives for electronic gaming
9 devices and live gaming devices, and violated the
10 surveillance rules. Rising Star agreed to a
11 monetary settlement of \$12,000 in lieu of
12 disciplinary action.

13 Order 2018-116 is a settlement agreement
14 with Tropicana Evansville and includes three
15 counts, wherein the casino failed to timely
16 notify the Commission of two terminations,
17 allowed an underage person on the casino floor in
18 two separate occasions, and violated the rules on
19 live gaming device fills. Tropicana agreed to
20 a monetary settlement of \$10,500 in lieu of the
21 disciplinary action.

22 Staff recommends that you approve Order
23 2018-106 through Order 2018-116.

24 CHAIRMAN McMANS: Thank you, Ms. Dunton.

25 Any questions or comments for Ms. Dunton?

1 Hearing none, what's your pleasure?

2 MR. FINE: Move for approval.

3 MS. WILLIAMS: Second.

4 MR. SVETANOFF: Second.

5 CHAIRMAN McMains: It's been properly moved
6 and seconded that the Commission approve Orders
7 2018-106 through 116.

8 Any further discussion on the motion?

9 Hearing none, all in favor of the motion,
10 please signify by saying aye.

11 (Commissioners respond, "Aye.")

12 CHAIRMAN McMains: Opposed?

13 Thank you. Motion carried unanimously.

14 MS. TAIT: So now we'll move to our transfer
15 of ownership request. And first up will be
16 Caesars Entertainment. And on behalf of Caesars,
17 I would like to welcome Murray Clark.

18 MR. CLARK: Thank you, Executive Director
19 Tait, Mr. Chairman, members of the Commission.

20 For the record, my name is Murray Clark.
21 I'm an attorney with the law firm of Faegre Baker
22 Daniels at 300 North Meridian Street,
23 Indianapolis. With me today is my colleague
24 Libby Cierzniak. We represent Caesars
25 Entertainment and Caesars Resort Collection, LLC,

1 with respect to their petition requesting
2 approval of the acquisition of ownership interest
3 in Centaur Holdings and its subsidiaries.

4 First, allow me to thank today you all, the
5 Commissioners, for the opportunity to present our
6 petition. And also Executive Director Tait,
7 Deputy Director Reske, and all of the Commission
8 staff for their professional attention and
9 approach during this process. We're grateful for
10 this opportunity and are well aware that
11 operating a gaming facility under a license
12 granted by this Commission is indeed a privilege.

13 As I suspect you are all aware, we appeared
14 before the Indiana Horse Racing Commission
15 yesterday and presented our life petition
16 requesting approval of the acquisition of
17 ownership interest in Centaur.

18 After a substantive and very thorough
19 investigation and a meaningful hearing, the Horse
20 Racing Commission unanimously approved our
21 petition with condition language to be worked out
22 in the future. I know that Executive Director
23 Smith, Commissioner Schenkel, and Horse Racing
24 Commission counsel, Robin Babbitt, are here
25 today.

1 It's our intention to -- this morning to
2 likewise establish for this Commission that
3 Caesars satisfies the criteria for approval of
4 the petition as set forth in Indiana law.

5 As you know, Caesars currently successfully
6 operates two casinos in Indiana: Horseshoe
7 Southern at Indiana and Elizabeth, Indiana, along
8 the Ohio River, and also Horseshoe Hammond.

9 Respectfully, we start by submitting that
10 Caesars' suitability to hold a gaming license in
11 Indiana, we believe, is well established. We
12 will use a PowerPoint, I think, this morning for
13 your ease, and hopefully we can get that up. We
14 do have hard copies if you want them, if that
15 would be easier. We'll attempt to follow the
16 sequential page order of the PowerPoint as we go
17 forward with our four witnesses.

18 So let's start off, Mr. Chairman, with your
19 permission, with Mark Frissora, CEO and president
20 of Caesars Entertainment Corporation.

21 CHAIRMAN McMANS: Thank you.

22 MR. FRISSORA: Okay. Good afternoon and
23 thank you, Commissioners and executive staff,
24 Mr. Chairman. Very happy to be here this
25 afternoon and before the Commission to discuss

1 our application for the approval of Caesars'
2 acquisition of Centaur properties.

3 I know that we are going to be -- I'm not
4 going to belabor these slides. I think a lot of
5 you obviously know about Caesars, and we do have
6 a longstanding presence in the state. We feel
7 that if you look at the 20 years' history and the
8 amount of value we try to create, and the more
9 value we will create with this acquisition, I
10 think you'll see as we come away from the
11 presentation, it's going to be very exciting.

12 I know that we also have a great combination
13 of food and beverage offerings, all kinds of
14 celebrity chefs, as well as entertainment. We
15 are number 3 in the world in terms of ticket
16 sales, and the only people ahead of us right now
17 are -- actually not TicketMaster, but it would be
18 Live Nation and AG&E. So we feel we have an
19 awful lot to offer in the area of entertainment
20 as well.

21 Corporate citizenship in Indiana, I think,
22 when you look at the numbers and what they'll
23 become, is great. We feel like we make an awful
24 lot of contribution. I that know on the numbers,
25 just in terms of the gaming taxes, paid 244

1 million. Obviously we feel like that's just a
2 small part of what we actually do.

3 What we do at the property level in terms of
4 giving back to the community is big. And then in
5 terms of the payroll that we have our 3,070 total
6 team members creates total societal contributions
7 of \$454 million. And we remain committed to
8 that, and as it grows with the acquisition,
9 assuming you approve that today here.

10 We think that we have a great culture in our
11 company. If you go out into our properties and
12 you talk to the people, they think of, you know,
13 Caesars as family, and they actually like going
14 oftentimes to work more than they like going
15 home. So I get that oftentimes when I go out to
16 do my own little focus groups.

17 And we feel that culture. We're trying to
18 enhance it and make it better every day. We
19 think with that kind of a local family culture,
20 combined with the business investments and
21 expertise of a large integrated set of resorts,
22 53 of them across five countries, we feel like we
23 have a lot to offer, and the state of Indiana and
24 the future in Indiana is very bright with this
25 consideration today.

1 You take a look at how we span, if you will,
2 the globe, some key things. We've got over
3 39,000 hotel rooms and suites worldwide; 16,000
4 convention meetings per year; 115 million guests
5 per year visit our facilities; and then we have
6 over 600 bars and restaurants that we manage.

7 We feel like we're able to leverage all of
8 that purchasing power in some cases, and as well
9 as all the skill that we have, and be able to
10 bring that all home here in Indiana, which will
11 be one of our -- actually our largest market
12 after this acquisition, besides Nevada. This
13 will now be our largest market, and we consider
14 it our most strategic market as well.

15 So one of the things, one of our mottoes is
16 we inspire grownups to play. And we feel this is
17 appropriate in terms of when you look at
18 everything to do to entertain and make people
19 happy. Part of that is our Total Rewards
20 program, which is second to none in the industry.
21 We feel that with 55 million members, and the way
22 that we do cross-play among our facilities, and
23 the way we reward customers for having fun in our
24 facilities is a very, very powerful part of who
25 we are. We invest in this every single day, and

1 all these customers will now travel obviously,
2 not only to other facilities but to facilities in
3 Indiana. And when we make Centaur a part of the
4 family, all of those customers get much more
5 backing out of this. They end up being able to
6 go everywhere and accrue more points, and the
7 same time will probably get pretty big uplift, we
8 think, in those facilities, uplift from our Total
9 Rewards programs.

10 We find that in every one of our facilities,
11 we get almost what we call a 20 percent
12 cross-play number. So we're hoping that we
13 improve our revenues here and visitation here
14 significantly using the Total Rewards as a
15 central piece to that.

16 So we kind of outpunch our weight in every
17 market. This is -- in the slides, you can see on
18 the left-hand side of it if you're looking at the
19 screen, that in every market except for maybe
20 one, which is Atlantic City, we actually
21 outperform the market itself.

22 And so here in Illinois/Indiana area, it's
23 114 percent. Now, we have a lot of examples of
24 where we go into facilities, take them over, and
25 get significant increases in revenue. And again,

1 that's the power of the network, it's the power
2 of our enterprise, and the loyalty program
3 itself.

4 So the cross-marketing, as I mentioned,
5 allows everyone to basically game at your home
6 casino but also catch all kinds of other
7 opportunities throughout the network. Obviously
8 live racing will be that -- if that's held here
9 in Indiana will be a centerpiece of what we
10 offer. And then you can go to the Eiffel Tower,
11 if you want, in Paris.

12 So there's a lot of different things you can
13 do in our network. And again, I won't bore you
14 with all the things you can do, but if you take a
15 look at Caesars online and you look at the brand
16 and the breadth of what our offerings are, it's
17 significant.

18 And so we've just announced recently, just
19 in the last six months, new properties. In Dubai
20 opening in October through December are two new
21 facilities on the beach. One of them is a
22 Caesars Palace, the other one is a Caesars. And
23 there's also being built right now, almost
24 finished, a wheel that's larger than any wheel in
25 the world. It's larger than the one we have

1 right now we call the High Roller in Las Vegas.
2 So it will be a centerpiece attraction.

3 And obviously we're excited by that, along
4 with Cabo San Lucas, another Caesars Palace will
5 be on the beach.

6 And then South Korea, we're in building in
7 construction Incheon, Korea, a Caesars Palace.

8 And then Buena Vista, California, it's a
9 Harrah's that's going into place in the next six
10 months.

11 So these are just four announcements
12 recently of some of our global expansion. We
13 also have other expansions going on throughout
14 the world over the next 12 to 24 months. All
15 this does is strengthen the network. We get more
16 Total Rewards members in, and with that we get
17 the leverage of having more customers visit our
18 facilities here in Indiana.

19 So I'd like to turn it over now. I think
20 Dan is going to come up. He's our regional
21 president, and he's out of Hammond, Indiana.

22 Dan?

23 MR. NITA: Thank you, Mark.

24 So my name is Dan Nita. I'm the regional
25 president, live in Munster, Indiana. Have been

1 with Caesars for 23 years, the last nine have
2 been up in Hammond overseeing both the Hammond
3 properties as well as Horseshoe Southern,
4 Indiana. If given the opportunity to approve the
5 transaction today, my responsibilities will also
6 be to oversee the two Centaur properties.

7 I'm here today to spend a few moments on how
8 we think about -- how we take care of our
9 employees. Mark described all the great things
10 that we do from a company standpoint and from a
11 marketing standpoint. We recognize that one of
12 the most important aspects and one of the things
13 that differentiates is the amount of emphasis we
14 place on the employee focus. Without these
15 employees, we know that we would not be able to
16 grow and operate at such a high level.

17 To engage these employees, we provide a very
18 enjoyable workplace, work to ensure they're
19 treated fairly, find them terrific benefits and
20 opportunities for advancement.

21 On the slide here behind you just reflects a
22 few of the different things that we're proud of.
23 This is a testament to the surveys that our
24 employees fill out, and we have been voted
25 consistently in the last eight years one of the

1 best places to work within the state of Indiana,
2 including this most recently in May is number 2
3 place to work of all major employers. So we're
4 extremely proud of that fact.

5 Everything we do has a focus on both
6 customer service and employee gaming. So every
7 single week, we survey all of our guests as to
8 how their experience was, how their wait times
9 were, how friendly and helpful the guests were,
10 and we then pull those back on a weekly basis.

11 And then we reward all of our employees for
12 their ability for us to deliver great service to
13 those guests. Just like we have a Total Rewards
14 program for our guests, we have something called
15 Total Return, which is our way that we can give
16 back to our employees, whether it's on an
17 individual contribution basis or as a collective
18 team, the property's able to demonstrate great
19 results.

20 And so since 2009 we have -- our team
21 members have earned over \$140 million in Total
22 Returns. So just provide some perspective, that
23 could be anything from an employee that does a
24 great job with a guest and the guest sends in a
25 letter, and they receive certain number of

1 points, and they can go buy a small piece of
2 electronics.

3 We have other employees that want to
4 accumulate those and take a trip to Europe or
5 take a trip to a sporting event, something that's
6 memorable. If they have the 55-inch TV that's on
7 their wall, that's truly something that reminds
8 them every day about the service that they
9 provided with Caesars Entertainment to make it a
10 better place for everyone to work.

11 We survey our employees on a regular basis,
12 and that's our key to understand to make sure
13 that everything we're doing is with our
14 employees' best interest in mind.

15 We strive to provide strong benefits for our
16 team members. We make sure that in addition to a
17 great workplace, we invest in their health, their
18 professional, and their career development.

19 So we have \$15 million we spend on the
20 employee wellness center. We have wellness
21 centers at each one of our properties to make
22 sure that it makes it easy for those employees
23 and their families to attain medical attention.

24 In addition to that, tuition reimbursement.
25 And one of the things I'm very proud of and one

1 of the things Mark has instituted since his
2 tenure as the CEO is a real strong focus on
3 diversity, both with our females and with our
4 diverse folks from a leadership and above
5 standpoint, something that we're -- resonates
6 very well, and we try to reach out to attract
7 more folks to come to our properties. We've high
8 quality management that will lead the Centaur
9 properties going forward.

10 So I'd like to introduce two new gaming
11 general managers that we will be announcing.
12 We'd like to have Trent McIntosh stand up for a
13 moment? And Ron Baumann.

14 Both of these two individuals have both
15 extensive gaming and racing backgrounds, and we
16 believe that making sure we maintain a
17 world-class gaming operations that Centaur has
18 really established is mission critical for our
19 success. And bringing them in, also have an
20 opportunity to understand how we can best move
21 the integration efforts forward.

22 Commission is very aware of our efforts in
23 terms of how we promote things back to the
24 community, our giving-back programs. We have a
25 few slides here just to showcase one of our

1 properties, our Horseshoe Southern Indiana
2 property does through different foundations.

3 This one foundation was established with a
4 \$5 million grant in 1996. We've contributed over
5 \$185 million. And really it's our focus at that
6 level is to make sure that the folks in the local
7 property understand what the local needs are. So
8 they work with all the different local charities
9 to make sure that we're dedicating our dollars,
10 our time, our efforts, our employees' volunteer
11 time to make sure it's what's best suited for
12 that local community.

13 That reflects the two different foundations
14 there.

15 And then to close, I want to spend a moment
16 just describing our overall broad umbrella of
17 Caesars Foundation. This is the companywide
18 foundation that we've established, and we've been
19 very much focused on working on those national
20 charities that we believe to make a big
21 difference. We very much focus on seniors.
22 We've given out over 60 Meals On Wheels vans over
23 the course of the last decade to make sure that
24 not only are they receiving nutrition, but many
25 cases as we know, that Meals On Wheels driver is

1 the only person that may be visiting that
2 senior's home on a given day. We believe that is
3 important.

4 And then the graphic on the right, Clean the
5 World is something that we want to make sure that
6 our charitable give is things that our employees
7 care about. So if you think about all the
8 housekeepers that we have around the world, one
9 of the things that they see is the half-used
10 shampoo and conditioners and soap, not only from
11 a recycling standpoint but what we do is work
12 with Clean the World, we accumulate all those
13 half-used shampoo bottles, and make sure that
14 those get recycled and sent to parts of the world
15 that don't have the hygiene that we have each and
16 every day.

17 We've given over 46,000 hours volunteer work
18 at the two properties in Indiana over the last
19 three years; collected 20,000 articles of
20 clothing and supplies. And then one of the
21 things that we -- recent phenomena for us, but
22 our employees wanted a hero garden, a garden that
23 they could grow fruits and vegetables. And we've
24 harvested over 500 pounds of produce to support
25 the local food bank, supporting our mission of

1 fighting hunger and feeding hope.

2 So what we do is we find out what are the
3 interests of our frontline employees, and we try
4 to figure out how to harness that, and with the
5 power of the broader organization, figure out how
6 we can make a bigger difference.

7 So to transition now, I would like to
8 introduce Eric Hession, our CFO, to discuss
9 Caesars investments in Indiana.

10 MR. HESSION: Great. Thanks, Dan.

11 Thank you for having us here today.

12 I just want to take a few minutes to
13 highlight the investments that we've made in the
14 state of Indiana over the past few years.

15 Since 2007, we've actually invested over
16 \$600 million in capital into the state. That
17 includes approximately \$500 million in Horseshoe
18 Hammond, which is the original build of that
19 property, as we moved it to the large barge that
20 it consists of today, plus the additional capital
21 since that period, and a little over a hundred
22 million dollars in southern Indiana. Most
23 recently we spent approximately \$14 million in
24 southern Indiana renovating all the hotel rooms
25 associated with that property.

1 In southern Indiana, we're also particularly
2 excited about the ability to move our current
3 riverboat to land. We've allocated a little over
4 \$85 million to that project. We think it's going
5 to be an exceptional outcome for both the state
6 and our customers and our employees, also
7 providing a great return for the company on the
8 investment.

9 We will be moving the barge of the boat to
10 land starting later this year. We expect to
11 break ground in a few months, and then it will be
12 a build throughout next year opening about 18
13 months later. So we're very excited about that
14 opportunity as well.

15 Turning to Centaur and the properties that
16 we're talking about today, we also have a
17 significant investment plan there. From the
18 properties' perspective themselves, the original
19 Centaur plan for this year consisted of
20 approximately \$18 million worth of capital -- or
21 16 million, sorry. We will plan to execute that
22 throughout the remainder of the year, which is
23 approximately 8 million of additional capital.

24 As we assume responsibility and evaluate the
25 needs of the property pending a successful

1 approval today, we would consider modifying that
2 based on the valuations of what the property
3 needs, but right now it's a little earlier to
4 make any changes to their plan. So we're by
5 default assuming that's how we'll execute it.

6 However, on top of that, we have recognized
7 the opportunity to invest significantly in the IT
8 side. We'll be spending approximately
9 \$38 million on information technology. That
10 includes reader boards in all the slot machines,
11 changing out the slot operating systems, putting
12 in a number of new slot machines where we see
13 some opportunities, putting in our Total Rewards
14 network, putting in a new wide area network
15 surrounding the properties, and a lot of IT
16 infrastructure and security systems as well.

17 The reason that we're making this investment
18 early and up front is that, as Mark had mentioned
19 earlier, we think that one of the most compelling
20 opportunities we have is the introduction of
21 Total Rewards, and our goal is to implement that
22 fully, seamlessly, within the first hundred-day
23 period. So we'll be putting considerable efforts
24 to transition everything over so that the
25 customers that are currently members of the

1 Centaur rewards program can seamlessly become
2 members of the Total Rewards program that we have
3 here.

4 We'll also be spending approximately
5 \$3 million rebranding one of the facilities to a
6 Harrah's, and we think that that's going to be a
7 good investment as well. We think it will be
8 well received as it will bring in the brand and
9 association with other properties around the
10 country that are associated with Harrah's.

11 So with that, I'll turn it over to
12 Sue Carletta, our chief compliance officer.

13 Thank you.

14 MS. CARLETTA: Good afternoon, Chairman
15 McMains, members of the Commission, and executive
16 staff.

17 Again, my name is Sue Carletta, and I'm the
18 compliance officer for Caesars Entertainment.
19 I've been with the company now for 13 years in
20 various compliance roles, and in my time with the
21 company, I feel strongly that Caesars has been a
22 leader in the industry in compliance. We have a
23 very robust internal audit and compliance
24 program. And, in fact, we work very closely with
25 our regulators overall on our compliance program

1 in several jurisdictions. They have to actually
2 approve the program, and they review it and audit
3 it on an ongoing basis.

4 This slide up here shows you that we've had
5 historically a strong record of compliance in --
6 at our properties in Indiana. This chart shows
7 that we've had the lowest amount of fines from
8 2014 to 2017. I recognize that in 2018 we've had
9 slightly higher than usual fines at our two
10 properties here in Indiana, and I'm working with
11 the compliance folks at those properties to make
12 sure that we fix whatever's been going wrong
13 there for the first part of 2018.

14 I'm also planning, if the transaction's
15 approved, to create a specific Indiana compliance
16 committee so that I'm working closely with
17 Dan Nita and the GMs of all four properties so
18 that I can make sure that we're implementing our
19 policies consistently and that we're keeping an
20 eye on what's going on in Indiana and staying
21 close to everything from a compliance
22 perspective.

23 The next slide.

24 This next slide talks about our anti-money
25 laundering compliance program. We feel like we

1 have a best-in-class anti-money laundering
2 program. We work very closely with the executive
3 staff of the Commission previously on
4 implementing this program. I know that we've had
5 our AML officer out here a couple of times to
6 present to the executive staff and also sat on a
7 panel in the past to talk about our program.

8 Since we adopted the program in 2014 and
9 implemented a know-your-customer policy, we've
10 exited relationships, or in other words, banned
11 approximately 1100 patrons for money laundering
12 reasons, and more than 150 of those cases that
13 were brought to us to review were from our
14 Indiana properties.

15 So the GMs at our Indiana properties would
16 present us with a case on a particular customer,
17 and we would do our know-your-customer review and
18 determine that there were issues, and we have
19 since banned those individuals.

20 We have extensive training both on our
21 compliance program and on our AML program. And
22 as you can see, we have on here a quote from our
23 CEO, Mr. Frissora: "No business opportunity is
24 ever worth the risk of becoming involved in money
25 laundering or other illegal activity."

1 We also have shown our strong commitment to
2 responsible gaming. We were the first gaming
3 company to address problem gaming in the
4 industry. This -- this chart shows you some of
5 the responsible gaming initiatives that we've
6 implemented over the years.

7 Recently, the Responsible Gaming Council
8 staff has recommended that our RG accreditation
9 be renewed, and we've received the second highest
10 score ever in history, our history, second
11 highest score.

12 We also provided extensive training to our
13 employees on responsible gaming, and at Caesars
14 we are committed to create awareness of problem
15 gambling and provide support to the national and
16 affiliated state programs, gambling councils, and
17 jurisdictional help lines.

18 Caesars is looking forward to closing the
19 Centaur acquisition in mid-July. Hopefully, with
20 your approval, we will be able to do that. We
21 respectfully request for approval of the transfer
22 of the Indiana Grand and Hoosier Park properties
23 and the financing related thereto.

24 We would now like to open up the session to
25 questions if you have any.

1 CHAIRMAN McMAINS: Thank you. Very nice
2 presentations. Thank you all.

3 Commissioners, questions for Caesar?

4 Yes, ma'am.

5 MS. WILLIAMS: I'm curious to know the
6 resulting of what happened in the Gaming
7 Commission -- or the Horse Racing Commission, if
8 there were any considerations, restrictions,
9 conditions, anything that we should know about as
10 we contemplate this?

11 MS. TAIT: Do you want to answer that?

12 MR. CLARK: Thank you, Commissioner
13 Williams.

14 The work we have left with the Horse Racing
15 Commission that is the approval, the unanimous
16 approval, was conditioned upon bringing the
17 language for conditions for the grant of the
18 licenses, and it stems from Executive Director
19 Smith's staff report, where he presented several
20 different condition recommendations that I think
21 it's fair to say that Horse Racing Commission
22 agreed to.

23 And I think it's also fair to say that those
24 conditions are substantive, that they were
25 arrived at, at least in large part, through

1 conversations and collaboration with the
2 horsemen. And, you know, this was a big moment
3 in the history of horse racing in this state.
4 And I commend the Commission and executive
5 director for those conditions.

6 So that is -- that is what's kind of left.
7 I think the horsemen testified as well. They've
8 had a great relationship with the Centaur
9 facilities and the Centaur people, and the work
10 of Centaur has been exemplary and very
11 collaborative with the horsemen.

12 So that's kind of what the conditions are
13 intended, at least in part, to address. And
14 again, I think they are substantive. We have put
15 the Horse Racing Commission on notice that we
16 agreed, certainly conceptually, with the
17 conditions, and I think we can work out the
18 language with Commission attorney, Robin Babbitt.

19 . CHAIRMAN McMANS: Thank you, sir.

20 Would you like to speak, sir?

21 MR. BABBITT: First, I apologize for not
22 wearing a tie, didn't know I'd be speaking today.

23 I'm Robin Babbitt. I'm counsel for the
24 Indiana Horse Racing Commission, outside counsel
25 with respect to this matter.

1 Mr. Clark is right on the money. The
2 Commission staff issued a report on June 15th
3 with a number of proposed conditions and
4 recommendations, which the Commission adopted by
5 way of its motion and approval yesterday.

6 So those conditions will be incorporated in
7 an order within the next week. We will make
8 those conditions available to Mr. Clark and
9 counsel for Caesars so they can see those
10 conditions. They will go out to our Commission,
11 obviously. They will be the ones that will make
12 the final determination. And they will sign off
13 on that and present those conditions to Caesars.

14 But other than the ones that are in the
15 report, there's some basic general conditions
16 which would, for example, recognize the authority
17 of both the Horse Racing Commission and the
18 Gaming Commission with respect to the various
19 statutes.

20 So there are some things that weren't in the
21 report but are just sort of housekeeping, general
22 conditions, and then the specific conditions,
23 which were in the report. So I think Mr. Clark
24 is right on the money with that.

25 CHAIRMAN McMANS: Thank you.

1 MR. FINE: Mr. Babbitt, let me ask, I feel
2 like -- can you give me some flavor for the
3 substance of the conditions?

4 MR. BABBITT: Well, Mr. Clark was absolutely
5 right. This was a historic moment in horse
6 racing. One of the significant conditions is a
7 commitment by Caesars, based upon materials that
8 they submitted to the Commission that were
9 confidential, to pay the 12 percent of adjusted
10 gross revenue to the horsemen through 2022. It's
11 an annual amount that is determined through a
12 negotiating process. The horsemen, because of
13 the importance of predictability and being able
14 to factor in the amount of money that comes in
15 for breed development and purses, it's very
16 important to them to have predictability.

17 Caesars has, in essence, agreed through 2022
18 to keep those payments at 12 percent and are
19 encouraged to keep those amounts thereafter.
20 That would be one.

21 There is a recommendation by the Horse
22 Racing Commission's expert consultant, Doug Reed
23 from RG&E, LLC, in Arizona that at least for the
24 foreseeable future that there be an operational
25 plan which Caesars would present in the

1 Commission on an annual basis which would allow
2 the Commission to see what their plans were for
3 racing for the coming year. It will assist the
4 Commission in keeping a close eye upon how this
5 transition is going.

6 And so those are the sort of -- it's a very
7 good, fair question. The Commission is concerned
8 that there is racing management which is known to
9 the Commission, which is knowledgeable. And
10 Caesars has come up with a proposed plan, which
11 the Commission adopted and will be incorporating
12 in an order.

13 So those are the sorts of things that will
14 be in the conditions for the Commission's order,
15 which should be issued before too long.

16 MR. FINE: Thank you.

17 CHAIRMAN McMANS: Any other questions,
18 Greg?

19 MS. TAIT: I have some questions.

20 CHAIRMAN McMANS: Go ahead.

21 MS. TAIT: Let's see. I don't know. Maybe,
22 Sue, this would be a good question for you?

23 MS. CARLETTA: Sure.

24 MS. TAIT: Caesars, if approved, would be
25 holding an unprecedented number of licenses in

1 our state. Some people have said you might be
2 too big to regulate. So can you understand
3 somebody might say that? And how would you
4 respond?

5 MS. CARLETTA: Sure. We clearly understand
6 the significance if the transaction is approved
7 that we'll hold four licenses in the state, and
8 that that's a privilege to hold those licenses.

9 What I would point out, I believe, is that
10 we will then be under the jurisdiction of two
11 gaming regulatory agencies in the state. So
12 we'll have the Indiana Gaming Commission that we
13 will have to answer to. We'll also have the
14 Indiana Horse Racing Commission that we'll answer
15 to.

16 And I think that's significant for us, and I
17 think we've proven that we are committed to
18 compliance, and I feel like, you know, moving
19 forward that we will be obviously respectful of
20 whatever each of the Commissions ask of us and
21 work closely with them moving forward.

22 I also mentioned this Indiana compliance
23 committee that I'm planning to put in place so
24 that we, you know, have a local presence in the
25 state, that we're looking at compliance and

1 reviewing our policies on an ongoing basis, and
2 that we're always in communication with the
3 properties at all times.

4 CHAIRMAN McMANS: Thank you.

5 MR. SMALL: Thank you. First of all, I want
6 to thank the Horse Racing Commission, especially
7 Executive Director Mike Smith and Robin Babbitt.
8 We really appreciate your partnership and
9 collaboration through this process. It's been
10 obviously very important the two agencies work
11 together, and we have a great working
12 relationship, and we appreciate everything you
13 guys have done. Thank you.

14 Commissioners, before you is Order 2018-120.
15 This order contains three items.

16 First, Caesars Resort collection is seeking
17 approval to acquire ownership in Hoosier Park and
18 Indiana Grand through a sale and transfer of
19 ownership with their parent company Centaur.
20 Following the sale, CRC will become the sole
21 owner in control of both Hoosier Park Racing and
22 Casino and Indiana Grand Racing Casino. The
23 acquisition price is \$1.7 billion. CRC is a
24 wholly-owned subsidiary of Caesars Entertainment
25 Corporation.

1 Another subsidiary of Caesars Entertainment
2 Corporation is Caesars Entertainment Operating
3 Company, LLC, the parent company of Indiana
4 Casino owner licensees Hoosier -- excuse me,
5 Horseshoe Hammond and Horseshoe Southern Indiana.

6 It should be noted that the pending
7 transaction does not implicate the so-called
8 two-boat rule found at IC 4-33-6-3.5 as Hoosier
9 Park and Indiana Grand are licensed as gambling,
10 games, and racetracks under IC 4-35. There are
11 not riverboats under 4-33. The two-boat rule is
12 inapplicable in this case.

13 As part of this transaction, Caesars will
14 also undertake debt activity which must be
15 approved by the Commission pursuant IC 4-35-5-7
16 and 68 IAC 5-3-2. Debt transactions are analyzed
17 to ensure the financial health of gambling game
18 licensees, and to ensure that a gambling game
19 license is not leased or hypothecated, and that
20 money is not borrowed or loaned against the
21 license.

22 Here CRC has submitted a complete transfer
23 of ownership application and complete personal
24 disclosure forms and other appropriate
25 applications for all key persons. The Commission

1 has received a financial analysis of the proposed
2 financing transaction from the Commission's
3 outside financial analysts, Dan Roberts, DR
4 Commission Consulting, LLC.

5 The Commission's background financial
6 investigations divisions have also completed a
7 comprehensive investigation of CRC, including key
8 persons. Commission staff has presented the
9 final investigative reports for the Commission to
10 review. Staff did not note any derogatory items
11 during its investigation.

12 Lastly, this sale and transaction triggers a
13 transfer fee of \$50 million imposed on Hoosier
14 Park as the transferor of the Hoosier Park Racing
15 and Casino gambling game license. IC 4-35-5-7(d)
16 in relevant portions states that: "A transfer
17 fee is imposed on an initial licensee who sells
18 or otherwise relinquishes a controlling interest
19 as determined under the rules of the Commission
20 in a gambling game license. The amount of the
21 fee is \$50 million."

22 Initial licensee status under IC 4-35-5-7(d)
23 may only be changed to subsequent licensee status
24 upon the sale or relinquishment of a controlling
25 interest in the license. No sale or

1 relinquishment of a controlling interest in the
2 Hoosier Park license has occurred prior to the
3 current transaction.

4 The sale and transfer of the Hoosier Park
5 license by the initial licensee Hoosier Park,
6 LLC, to CRC triggers the transfer fee under
7 IC 4-35-5-7(d), and the Commission has authority
8 to impose the transfer fee against Hoosier Park,
9 LLC.

10 Staff's recommendation is that the transfer
11 fee applies to Hoosier Park. In contrast, the
12 transfer fee does not apply to Indiana Grand's
13 sale and transfer of the Indiana Grand Racing and
14 Casino gambling game license to CRC because
15 Indiana Grand is a person other than the initial
16 licensee under the applicable statute.

17 Commissioners, for your consideration is the
18 transfer of ownership interest and the gambling
19 game licenses for Hoosier Park and Indiana Grand
20 from Centaur to CRC, and the approval of CRC's
21 debt financing package proposed by CRC related to
22 the acquisition of Centaur. This would also
23 include waiving the so-called two-meeting
24 requirement, of 68 IAC 5-3-2(b)(2) and (b)(3).

25 Any approvals that the Commission would make

1 are contingent upon a number of continuing
2 conditions set forth in the order, including but
3 not limited to Hoosier Park or its affiliates or
4 a third part under obligation to Hoosier Park
5 committing payment of the \$50 million transfer
6 fee.

7 I'm happy to answer any questions.

8 CHAIRMAN McMANS: Thank you, sir.

9 Commissioners, any questions for General
10 Counsel Small?

11 Hearing none, what is your pleasure?

12 MR. FINE: Move for approve.

13 MS. WILLIAMS: Second.

14 CHAIRMAN McMANS: It's been properly moved
15 and seconded that proposed Order Number 2018-120
16 be approved by the Indiana Gaming Commission.

17 Any further discussion on the motion?

18 Hearing none, all in favor of the motion,
19 please signify by saying aye.

20 (Commissioners respond, "Aye.")

21 CHAIRMAN McMANS: All opposed?

22 Motion passes unanimously. Thank you.

23 MR. CLARK: Thank you for your attention.

24 MS. TAIT: Before we move on, I'd like to
25 publicly recognize the Commission's outside legal

1 counsel, Lewis Wagner, headed up by
2 Rich Blaiklock, Ryan Vershay, and Derek Raymond,
3 who provided us with excellent legal counsel
4 regarding this acquisition. Their guidance was
5 instrumental to us and very grateful for all of
6 their efforts in assisting the IGC.

7 And additionally, before we move on, I would
8 like to welcome Rod Ratcliff, who is -- now be
9 former CEO of Centaur Gaming. Almost.

10 MR. SMALL: Almost.

11 MS. TAIT: To address the Commission.

12 MR. BROWN: Is Ron allowed to invite me?

13 MR. RATCLIFF: Good afternoon, Chairman,
14 Commissioners, staff.

15 I just want to take a second publicly to
16 thank you for all the years that we've been back
17 and forth and together. It's been a great
18 relationship. I think we picked the right
19 transaction here, Mark and Tom and Dan and the
20 team, to move both facilities to the next level.
21 I think they get it. They worked real hard with
22 us over the last six months as the transaction
23 has been vetted out and thought out and they --
24 they really do get the complexity of these two
25 operations and how they need to work together.

1 So with that, really like to thank you all
2 and hope to see you soon.

3 Jim Brown would like to say a few words.
4 Thank you.

5 MR. BROWN: I'd like to thank the Commission
6 staff, and I'd like to very briefly reminisce.
7 Take about 30 seconds.

8 But, you know, I've been around Indiana and
9 gaming now for 23 years, and I used to like to
10 use a legislative testimony that I was Indiana's
11 original operating gaming employee. And after
12 about the third time that ex-Executive Director
13 Yelton heard me say this, I walked off the
14 podium, and he said, "Jim, you gotta drop the
15 original gaming employee act. You sound like an
16 old washed-up Catskills comedian." So I'm not
17 allowed to use that any more.

18 But I did during that time get to see our
19 boat in Evansville -- we couldn't turn around
20 because Kentucky owned 90 percent of the river,
21 and we would pull out, pull up to Dress Plaza,
22 pull back and pull in. And I was at the time
23 with ex-Executive Director Thar, and we were
24 getting ready to open the facilities. And he
25 said, "Jim, when are we going out?"

1 And I said, "Jack, we went out. We went up,
2 we went over, we come back, and we went back in."

3 And then we proceeded over to the buffet
4 where a food server dumped an entire Coca-Cola on
5 Deputy Director Jenny Reske's blouse.

6 But during that time, and the entire time,
7 from the first coin going into the first game in
8 Indiana, I've watched and witnessed and
9 participated in an industry that's operated with
10 ethics, integrity, a model at work in bringing
11 economic benefit, improvements to quality of life
12 through taxes, through purchases, through jobs,
13 through many other aspects of how the operators
14 did their jobs over the years, and
15 collaboratively with our regulators, our
16 legislature, our communities, I'm very proud to
17 have been a part of this industry for 23 years
18 now.

19 And I wanted the opportunity to give my
20 opinion about seeing how Indiana's operated its
21 gaming industry, and over the last decade being
22 involved with the racing industry, and their
23 oversight of a billion dollar annual agribusiness
24 economy. What a pleasure it's been, and thank
25 you.

1 MS. RESKE: Thank you.

2 MS. TAIT: Well, we very seldom have the
3 opportunity to meet and work with the people who
4 actually built a gaming company, and this is
5 particularly notable as Centaur was built right
6 here in Indiana. So you have had great success,
7 and we wish you continued success in your next
8 adventures, so.

9 Before we move on to our next transfer of
10 ownership, which would be the Penn acquisition of
11 Pinnacle, I'd like to note that we have had a
12 really great working relationship with Pinnacle
13 for many years. Unfortunately, they were unable
14 to be here today, but the sentiment is mutual.

15 And I'd like to share, if you don't mind,
16 just a small part of CEO Anthony Sanfilippo's
17 farewell letter, which reads in part: "Pinnacle
18 has long enjoyed a prosperous tenure in the
19 Hoosier state, and on behalf of Pinnacle's board
20 of directors and our leadership team, please know
21 how much we value the professionalism and high
22 level of integrity we have experienced in our
23 partnership with the state of Indiana."

24 And we wish all of the Pinnacle team the
25 very best in their future endeavors as well.

1 So next presentation will be from
2 Tim Wilmott, the CEO of Penn National Gaming.

3 Tim?

4 MR. WILMOTT: Good afternoon, Mr. Chairman,
5 Commissioners, Executive Director Tait, and
6 staff. My name, again, is Tim Wilmott, and I'm
7 the chief executive officer of Penn National
8 Gaming.

9 I have a brief overview that I'd like to go
10 through to just give you the highlights of the
11 transaction that is being considered today by you
12 regarding Penn National Gaming's potential
13 acquisition of Pinnacle Entertainment.

14 Right before Christmas last year, we
15 announced our intent to acquire Pinnacle
16 Entertainment, and the structure of the
17 transaction was that each Pinnacle shareholder
18 would receive \$20 in cash consideration and .42
19 of Penn's shares. And in total the value at that
20 time was approximately \$2.8 billion. And as I'll
21 get into the details of the transaction, we do
22 have four properties we're divesting to Boyd
23 Gaming, and we also have certain real estate
24 sales that we have with our landlord, Gaming and
25 Leisure Properties, Incorporated.

1 So net of those proceeds from the divested
2 assets and the sale of the real estate, it's
3 approximately \$1.9 billion transaction. So this
4 was a four-party transaction that was negotiated
5 for a good part of 2017.

6 I mentioned -- and following my presentation
7 will be representatives from Boyd Gaming to give
8 their specifics on their role in the state of
9 Indiana on this transaction.

10 We're divesting four Pinnacle operating
11 entities, two in Missouri. The Ameristar Kansas
12 City and Ameristar St. Charles properties, the
13 Belterra Park Racetrack and Casino in Ohio, and
14 Belterra Resort here in Indiana.

15 The total proceeds for these four divested
16 assets is approximately \$575 million. We also
17 structured the sale of real estate of our
18 Massachusetts property, Plainridge Park, and also
19 the real estate at Belterra Park to Gaming and
20 Leisure properties for approximately
21 \$315 million.

22 We plan to amend the Pinnacle master lease
23 to remove the divested properties, including
24 Belterra here in Indiana and at Plainridge Park,
25 and adjust rent accordingly to receive their

1 approval for this transaction.

2 And concurrently, Boyd is planning to enter
3 a new master lease with Gaming and Leisure
4 Properties for the divested properties, including
5 Belterra here in Indiana.

6 As we think about the strategic rationale of
7 the transaction, certainly it gives us -- and
8 I'll show on my next slide a footprint of the
9 United States where Penn, with the acquired
10 Pinnacle properties, we certainly become a leader
11 in regional gaming across the United States. We
12 provide great geographic diversification.

13 I remember when I joined Penn National in
14 2008, we had one property that represented
15 25 percent of the company's total earnings, that
16 property being in eastern part of West Virginia.

17 Today the combination of these two companies
18 put together, the top three properties will
19 represent less than 20 percent of the total
20 company's earnings. So we don't have any single
21 market that will represent a high risk to the
22 total company's performance.

23 We certainly believe our properties are best
24 in class and so are Pinnacle's, and we'll have in
25 almost every market the best physical asset in

1 the markets we'll be operating in.

2 And it certainly does accelerate and enhance
3 the experience for our team members as well as
4 our customers. We're going to have 39 properties
5 with the combination of these two businesses put
6 together. We believe there will be tremendous
7 opportunities as we marry the rewards programs of
8 Marquee Rewards with the My Choice program and
9 have over five million customers to take
10 advantage of luxury properties, for example, in
11 Colorado, in Louisiana, on the strip in Las Vegas
12 and elsewhere, to take advantage of customers
13 playing locally with us, enhancing their
14 relationship with us, and also seeing
15 opportunities to seek other forms of
16 entertainment and other forms of gaming across
17 the United States.

18 This map shows in blue the Penn National
19 properties, and in red the Pinnacle properties.
20 And you can see, with very few exceptions, we're
21 going to be in most of the markets that operate
22 commercial gaming here in the United States.
23 With over 50,000 slot machines, just slightly
24 less than 10,000 hotel rooms, and over 30,000
25 employees, we put these two companies together.

1 We intend to finance the deal through a
2 number of different mechanisms. We have debt
3 financing committed through term loan issues
4 approximately totaling \$1.25 billion. We're
5 going to be issuing newly issued shares of Penn
6 to the Pinnacle shareholders. Both our
7 shareholders and Pinnacle shareholders approved
8 this transaction back late in March. And, in
9 fact, when we close the transaction, if we are
10 approved, Pinnacle shareholders will represent
11 about 22 percent of the ownership of the newly
12 combined company at the time of close.

13 I mentioned we're going to get \$575 million
14 of proceeds from the divested operations to Boyd
15 Gaming, approximately 315 million from the sale
16 of the real estate to Gaming and Leisure
17 properties, and we'll use cash on the balance
18 sheets of both Penn and Pinnacle to close this
19 transaction as well.

20 We have received an amendment to our
21 existing credit facility to increase its capacity
22 for secured debt, again, subject to regulatory
23 approval as well.

24 And this is my last slide. Benefits to the
25 state of Indiana. We certainly believe the new

1 company put together will be stronger
2 financially, will have leverage included the rent
3 that we pay our landlord of under six, and
4 quickly with the cash flows we'll be generating
5 from the newly combined company, we'll be able to
6 delever quickly to the low fives, which gives us
7 great opportunity to continue to invest at our
8 properties and continue to look at other growth
9 opportunities across the United States and
10 beyond.

11 On a combined basis, we're going to be
12 generating approximately -- this is post
13 synergies -- about 1.65 billion annually in
14 EBITDAR and about \$650 million annually in
15 EBITDA.

16 We certainly -- I mentioned before the
17 benefits of the combined database of five million
18 customers, and we're going to try to facilitate
19 as best we can opportunities to visit the
20 Cincinnati market, to visit the Chicagoland
21 market from customers from our other properties
22 as we consider the events that we can coordinate
23 through sporting and entertainment offerings in
24 those two cities.

25 We also believe having a destination

1 property on the strip in Las Vegas will certainly
2 be an advantage to customers that are currently
3 visiting the Ameristar property in East Chicago.

4 We do not expect any significant changes at
5 the property level in either the Hollywood Casino
6 or the Ameristar Casino. And right now, I had a
7 chance to see some pictures recently and visit
8 the East Chicago property earlier this year. But
9 August they should have completed the
10 approximately \$25 million program to take their
11 high-limit facilities on land and do a complete
12 refurbishment of the riverboat casino.

13 And also down in Hollywood in Lawrenceburg,
14 we're going to be kicking off a \$2 million
15 restaurant renovation. On the casino floor, our
16 Celebrity Grill will become The Eatery with a
17 celebrity chef out of the city of Chicago doing
18 all the work down there for us to create
19 something new and exciting in Lawrenceburg,
20 Indiana, as well.

21 Before I open it up to questions you may
22 have, my team wanted me to express their
23 gratitude and thanks to the staff of the Indiana
24 Gaming Commission who worked very quickly with us
25 to understand this transaction, provide us

1 feedback, and get us to a point today where we're
2 getting your consideration for approval.

3 Thank you.

4 CHAIRMAN McMAINS: Thank you, sir.

5 Commissioners, any questions?

6 Counsel?

7 MS. TAIT: Next, if there are no questions,
8 we were going to do the Boyd presentation as
9 they're kind of sub part of this transaction, so.

10 MR. WILMOTT: Thank you.

11 MS. TAIT: Jack, are you introducing
12 everyone at Boyd?

13 MR. THAR: I am.

14 MS. TAIT: Okay. So, Jack, please.

15 MR. THAR: Mr. Chairman, members of the
16 Commission, executive staff, my name is
17 Jack Thar. I'm the outside regulatory counsel
18 for the state of Indiana for Boyd Gaming
19 Corporation.

20 I've been given the pleasure of introducing
21 the members of their executive team that are
22 present here today.

23 First, William S. Boyd, commonly known as
24 Bill Boyd, who is the executive director and
25 co-founder of Boyd Gaming. Marianne Johnson,

1 vice president -- excuse me, vice chair and
2 executive vice president, chief diversity
3 officer. Mr. Keith Smith, president and chief
4 executive officer. And Brian Larson, the
5 executive vice president, general counsel and
6 secretary.

7 So as to try to speed this up, I don't want
8 to say anything more other than Mr. Bill Boyd is
9 going to lead this off. He's a person, in my
10 opinion, is a true legend in gaming, so.

11 MR. BOYD: Good afternoon, Mr. Chairman,
12 members of the Commission and staff. I'm
13 William S. Boyd, the executive chairman of Boyd
14 Gaming Corporation.

15 I wanted to take a few minutes today to tell
16 you a little bit about the history of our
17 company. Boyd Gaming is one of the largest and
18 most experienced casino companies in the United
19 States. We were founded on January 1st, 1975,
20 when my dad and I opened the California Hotel and
21 Casino in downtown Las Vegas. Before then I had
22 been a practicing attorney, but I left the law to
23 go into business full-time with my dad.

24 My dad, Sam Boyd, had been in the business
25 for some 30 years. He started as a dealer in

1 Las Vegas in 1941, and then later become general
2 manager of several properties in Las Vegas before
3 we opened the California Hotel.

4 We had a very tough first year but found our
5 niche by marketing the California to Hawaiian
6 visitors. My family had lived in Hawaii in the
7 1930s where my dad worked, so it was a natural
8 market for him.

9 We opened our next property, Sam's Town,
10 Las Vegas in 1979. It was the first casino
11 resort really designed specifically for Las Vegas
12 residents, and it helped create today's Las Vegas
13 local market.

14 We got our first opportunity to operate on
15 the Las Vegas strip in 1983 when we took over the
16 gaming operations of the Stardust Hotel at the
17 request of the Nevada Gaming Control Board. At
18 the time the Stardust was about to be shut down
19 by the Control Board because of skimming. Nevada
20 regulators needed someone that they could trust
21 and ensure the integrity and transparency, and
22 ensure, of course, that the state receive its
23 full share of taxes.

24 I'm also very proud that we saved 2,000 jobs
25 by agreeing to operate the gaming at the

1 Stardust. And we also helped bring an end to the
2 days of organized crime in Las Vegas.

3 Today, two years -- pardon me, two years
4 later we bought the Stardust outright, and also
5 the Fremont, well-known property in downtown
6 Las Vegas.

7 About eight years later in 1993, my dad
8 passed away, and I succeeded him as Boyd Gaming
9 CEO. A few months later we went public on the
10 New York Stock Exchange, but going public gave us
11 the capital that we needed to participate in the
12 national expansion of the casino industry. The
13 early 1990s were a time of tremendous growth for
14 our industry, and Boyd Gaming was at the front of
15 it.

16 We began in May 1994 in Tunica, Mississippi,
17 for the opening of our second Sam's Town
18 property, Sam's Town Tunica. This was our first
19 property outside the state of Nevada, but by the
20 end of the summer, we had opened two more
21 properties: One, a tribal casino in
22 Philadelphia, Mississippi, called the Silver
23 Star; and the Treasure Chest in Kenner,
24 Louisiana, suburb of New Orleans.

25 Over the next 25 years, Boyd Gaming grew

1 from four properties in Nevada to 24 properties
2 across seven states.

3 Now I would like to turn things over to
4 Keith Smith, our president and chief executive
5 officer.

6 Thank you.

7 CHAIRMAN McMANS: Thank you.

8 MR. SMITH: Thank you, Bill.

9 Good afternoon, Mr. Chairman, members of the
10 Commission, executive staff. My name is Keith
11 Smith, president and chief executive officer of
12 Boyd Gaming Corporation.

13 As Bill indicated, today we've grown to be
14 24 properties spread across seven states with
15 more than 30,000 slot machines, over 600 table
16 games, 9300 hotels rooms, and 20,000 team
17 members. We also recently acquired a slot route
18 operation in the state of Illinois.

19 We have an industry-leading BConnected
20 customer loyalty card program that allows us to
21 kind of unite all the different brands that are
22 underneath Boyd Gaming as well as allow our
23 customers to play between properties or earn
24 points between properties.

25 As important as anything, I think we have

1 the strongest, and frankly, most stable
2 experience management team in the business today.

3 Just quickly. Bill Boyd has been our
4 chairman for the last 43 years. I don't think
5 there's any other company in our industry who can
6 talk or speak to that. I've been with the
7 company for 28 years myself, and been the CEO for
8 over 10 years now, and have been in the industry
9 more than 35 years.

10 Our vice chair, executive vice president,
11 chief diversity officer, Marianne, 41 years in
12 the business.

13 Brian Larson, who will be up next, our EVP
14 and general counsel, 25 years with the company.

15 Josh Hirsberg, the most junior member of our
16 team, 10 years.

17 Willie Boyd, 41 years.

18 Our two operating executives: Steve
19 Thompson, been with the company for 35 years,
20 Steve handles everything in Nevada; and Ted
21 Bogich. Ted actually ran our Blue Chip operation
22 up in Michigan City, Indiana, for a number of
23 years, so I know the staff is familiar with Ted.
24 He runs all of our operations outside of the
25 state of Nevada. He's been with us for 14 years.

1 If you were to add that up, that's north of
2 230 years of experience, which once again, I
3 challenge anybody else in the industry to match.
4 We're quite proud of that.

5 But we're not done growing. You know, I
6 said we had 24 properties in seven states today.
7 With the approval of this transaction, with the
8 approval of our acquisition of Valley Forge in
9 the state of Pennsylvania, and the completion of
10 our project or tribal gaming opportunity in
11 Sacramento, California, we'll end up with 30
12 casino properties spread across 11 states. We'll
13 have more than 38 -- almost 39,000 slot machines,
14 850 tables, and more than 11,000 hotel rooms,
15 more than 300 bars and restaurants, and 27,000
16 team members. We expect our Wilton Rancheria
17 project, tribal gaming opportunity to open
18 sometime in 2020.

19 So we've grown quite significantly over the
20 last number of years, and we expect to continue
21 to grow, especially with the approval of this
22 acquisition.

23 Here's a quick map kind of showing where
24 we're located. From the west coast, the Wilton
25 Rancheria project, actually just south of

1 Sacramento, to Las Vegas, where we have 12
2 property, to the midwest and south where, with
3 the approval of this transaction and the Valley
4 Forge transaction, we will end up with 17
5 properties spread from northern Iowa all the way
6 down to the gulf coast in Mississippi and
7 Louisiana.

8 As I said, we've grown quite significantly
9 over the years, mainly through acquisitions, and
10 we have a very -- a very strong, disciplined
11 approach to acquisitions. They have to have
12 certain dynamics, and certainly these assets,
13 they were acquired for Penn as part of this
14 transition, and the Belterra Resort here in
15 Indiana, clearly fit those. They have to fit a
16 certain size and scale.

17 With this acquisition we end up in three of
18 the top 30 MSAs in the country, so that's
19 important. They significantly expand our
20 customer base in our company. We have
21 cross-market opportunities. They're all high
22 quality, well-maintained assets. Clearly the
23 Belterra Resort here in southern Indiana is a
24 high quality asset, and we're looking forward to
25 be able to have that become part of our

1 portfolio, and will be the first golf course that
2 we own as a company. A lot of different assets.
3 We have two horse racetracks in the state of
4 Louisiana, but it will be our first golf course.
5 So we're looking forward to that, I think some of
6 our executives are more than others.

7 And it is most importantly highly accretive
8 to our earnings and our free cash flow, and it
9 does expand our free cash flow by approximately
10 \$40 million. This allows to us continue a trek
11 we've been on for the last three to five years of
12 deleveraging the company, to a point now we're
13 leveraged at about five times, and we'll be below
14 five by the end of the year, and comfortably
15 within, frankly, our goal of four to five times
16 next year.

17 Financially, what's the impact to the
18 company? Once again, the acquisition of these
19 assets, directly in line with our long-term
20 strategic growth plan, accretive to earnings,
21 have attractive margins, they're well run. We
22 believe there's some upside opportunity, and as I
23 said just a moment ago, from the leverage
24 standpoint, fit comfortably within our leverage
25 profile.

1 Financing. At the end of the day, we intend
2 to use availability in our existing company
3 strategy lines, as well as proceeds from a
4 recently completed \$700 million senior unsecured
5 notes issuance to fund these transactions. So
6 the acquisition of both the Belterra and all four
7 Pinnacle properties is set.

8 With that, I'm going to turn the rest of the
9 presentation over to Brian Larson, our EVP and
10 general counsel, and I will come back up at the
11 completion of his remarks for any questions the
12 Commission may have.

13 Thank you.

14 MR. LARSON: Mr. Chairman, commissioners,
15 and executive staff, it's a pleasure to be here
16 this morning. As it says up there, I'm Brian
17 Larson, executive vice president, general
18 counsel, secretary, of the company. I've been
19 with the company 25 years now. Most of my time
20 today is going to be focused on the company
21 culture.

22 Boyd has a strong and very unique corporate
23 culture that has been molded in the 43 years of
24 operations that both Keith and Bill talked about
25 earlier. In addition to the many years of

1 experience of our senior management, the -- much
2 of that has been, as he said, either with Boyd
3 all or much of their careers. Keith, as an
4 example, has had a long experience otherwise, but
5 they also have -- are highly visible. And by
6 that, I mean they walk around a lot. They meet
7 with their employees. Bill goes up to the
8 properties and talks to the employees. And we
9 have an open-door policy for all of our people so
10 employees can interact with senior management.

11 We also have commitment to promoting from
12 within, and that has worked really well because
13 we have great training. We focus on training.
14 And we have -- we also have succession plannings
15 that we spend a lot of time on so people are
16 ready to move up, as is the case here in Indiana.

17 Also we have a very large commitment to
18 integrity. I think every company talks about
19 integrity. Nobody says they don't have any
20 integrity. You never hear that. You always hear
21 how much. It is one of the most important things
22 in our company.

23 Some of the things we have, we have
24 anonymous hotline, which is pretty common today.
25 We have mandatory anti-harassment training, and

1 not only are you supposed to do it, we actually
2 have everyone do it, and we make sure they do it
3 all the way up to Bill. Some people, some
4 executives don't do that in companies. We do.
5 We also have an anti-fraternization policy that
6 is strictly enforced, and a little bit later I'll
7 talk more about our strong commitment to
8 diversity as well.

9 Our mission statement, which is here as you
10 can see, we take very seriously. In addition to
11 emphasizing things like competence and maximizing
12 shareholder value, which obviously we take
13 seriously, but integrity is a cornerstone of the
14 company, as I've said. And also highlighted down
15 in the bottom, you see supporting and enhancing
16 our communities. Every community which we do
17 business, we get behind. And also, I know gaming
18 companies extremely -- do it extremely well. And
19 we, for us, it is one of the most important
20 things we do.

21 You'll see other things up there like
22 friendliness and service and teamwork and having
23 opportunities for all of our team members. This
24 mission statement embodies what we do and what
25 we've done for the last 43 years.

1 Our commitment to diversity. This is our
2 diversity policy up there, and it gives --
3 engrained in virtually everything we do. We
4 believe that the diversity strengthens our
5 company, it also strengthens the company we do --
6 or the communities that we do business in, and
7 our people, our team members.

8 This shows our diverse workforce with
9 respect to ethnic diversity and gender diversity,
10 but probably even more important, and this is
11 probably pretty standard in the industry,
12 27 percent, more than 27 percent of our board of
13 directors, are women. And with respect to our
14 general managers in the company, we have 7 of our
15 19 general managers are women right now or about
16 37 percent.

17 And last, what I'd like to talk about is the
18 statutes or the rules that we are under. The
19 first one that is there -- and you can read those
20 for yourself. I'm not going to go through those.
21 But we acknowledge that we have a \$2 million
22 change of control fee that we will pay on or
23 before we close the transaction.

24 And the other one that you'll see in your
25 materials is the statute regarding ownership of

1 no more than two riverboats, and we also will
2 comply with that when we close this transaction.

3 So with that, I'd like to turn it over --
4 turn it back to Keith to field any questions that
5 you may have.

6 CHAIRMAN McMANS: Thank you.

7 Commissioner Svetanoff, are you with us?

8 MR. SVETANOFF: Yes, I am.

9 CHAIRMAN McMANS: Any questions, sir, you'd
10 like to pose?

11 MR. SVETANOFF: No, just taking it all in.

12 CHAIRMAN McMANS: All right. Thank you. I
13 wanted to confirm you were there. Commissioner
14 Williams had to step out, and we wanted to
15 maintain for the record that we have a quorum
16 available for a vote here.

17 Any other questions by our staff or
18 Commission?

19 MS. RESKE: No.

20 CHAIRMAN McMANS: Hearing none,
21 Mr. Counsel?

22 MR. SMALL: Thank you, Chairman McMans.

23 We are going to take the Boyd order first,
24 and that would be Order Number 121.

25 Commissioners, before you is Boyd Gaming

1 Commission's [sic] transfer of ownership
2 application for Belterra Resort, Indiana, the
3 ownership and operator of the Belterra Casino
4 Resort located in Florence, Indiana.

5 In December of 2017, Boyd Gaming Company had
6 entered into an agreement to acquire a number of
7 casino properties from Pinnacle, including
8 Belterra, via divested share by Penn Gaming.
9 This was accomplished via a three-party agreement
10 involving Boyd, Pinnacle, and Penn.

11 Boyd is presently the parent company of
12 Indiana casino owner's licensee Blue Chip Casino,
13 LLC, operating as Blue Chip Casino Hotel and Spa
14 in Michigan City, Indiana. In this transaction,
15 Belterra would become a wholly-owned subsidiary
16 of Boyd. Boyd will acquire a controlling
17 interest in the Belterra Casino owner's license.
18 The officers, directors, and key person's of Boyd
19 will remain the same; likewise, Belterra will
20 continue to operate the same property level
21 management place and same corporate structure.

22 In a 2016 transaction, Pinnacle spun off its
23 real estate assets and entered into a lease
24 agreement with real estate investment trust,
25 Gaming and Leisure Properties, Inc., also known

1 as GLPI. GLPI is a publicly held company and
2 currently holds a supplier's license issued by
3 the Commission. Indiana Pinnacle properties
4 Belterra and Ameristar were included in that
5 deal. GLPI currently owns the real estate of
6 Belterra through the reach.

7 As part of the instant transaction, GLPI
8 will enter into a master lease with Boyd for
9 certain Pinnacle properties and various gaming
10 jurisdictions including Belterra. Belterra will
11 continue to be responsible for casino gambling
12 operations.

13 As the Commission may recall, financing for
14 this transaction was previously approved by the
15 Commission on March 8th, 2018, through
16 Order 2018-60. You will not be asked to approve
17 further financing in the current order.

18 Boyd has submitted a complete transfer of
19 ownership application, and submitted complete
20 personal disclosure forms and other appropriate
21 applications for all Boyd key persons. The
22 Commission's background and financial
23 investigations divisions have completed a
24 comprehensive investigation of Boyd, including
25 its key persons. Commission's staff has

1 presented the final investigative reports to the
2 Commissioners for review. Staff did not find any
3 derogatory information during its investigation.

4 Additionally, as Mr. Larson stated,
5 IC 4-33-4-2-1(d) requires Boyd to pay a
6 \$2 million transfer fee for acquiring a
7 controlling interest in a second casino owner's
8 license.

9 For your consideration is the transfer of
10 ownership interest in the casino owner's license
11 for Belterra from Pinnacle to Boyd. This
12 approval is contingent upon a number of
13 continuing conditions set forth in the order,
14 including but not limited to Boyd submitting
15 payment of the \$2 million transfer fee.

16 Further, the Order will impose certain
17 notice requirements on Boyd and GLPI. These are
18 the same as previously approved by the Commission
19 and GLPI has been subject to in Order 2016-79.

20 If the Commissioners have any questions, I'm
21 happy to answer them.

22 CHAIRMAN McMANS: Thank you, counsel.

23 Commissioners, any questions?

24 MS. TAIT: Just like to note that I failed
25 and was supposed to recognize that there were

1 representatives of GLPI present, if there are any
2 questions on behalf of the Commission. So I was
3 supposed to do that. So they are here if there
4 are any questions.

5 CHAIRMAN McMANS: I hear no questions from
6 the Commissioners.

7 Commissioners, what is your pleasure on this
8 proposed order?

9 MR. FINE: Move for approval of Order
10 2018-121.

11 MR. McCLAIN: Second.

12 CHAIRMAN McMANS: It has been properly
13 moved and seconded that the Commission approve
14 Order 2018-21.

15 MR. FINE: 121.

16 CHAIRMAN McMANS: Sorry. Thank you, 121.

17 Any further discussion on the motion?

18 All in favor of the motion, please signify
19 by saying aye.

20 (Commissioners respond, "Aye.")

21 CHAIRMAN McMANS: Thank you, sir.

22 All opposed?

23 Thank you. The motion passes unanimously.

24 MR. SMALL: Next we'll move to the
25 transaction that is Order Number 122,

1 Commissioners.

2 Before you is Penn National Gaming's
3 transfer of ownership application for Ameristar
4 Casino East Chicago, LLC, operating as Ameristar
5 Casino located in East Chicago, Indiana.

6 In December 2017, Penn announced its
7 acquisition of Pinnacle. Penn will acquire
8 Pinnacle casinos in several jurisdictions,
9 including Ameristar here in Indiana, and
10 obviously there's a divested share as well.

11 Penn is presently the parent company of
12 Indiana casino owner's licensee Indiana Gaming
13 Company, LLC, operating as Hollywood Casino
14 Lawrenceburg located in Lawrenceburg, Indiana.

15 In this transaction, Pinnacle will become a
16 wholly-owned subsidiary of Penn with the
17 exception of the divested properties. Penn will
18 acquire a controlling interest in the Ameristar
19 Casino owner's license. The officers, directors,
20 and key persons of Penn will remain the same.

21 Likewise, Ameristar will continue to operate
22 with the same property level management in place
23 and the same corporate structure. The Ameristar
24 real property assets are currently owned by the
25 real estate investment trust, GLPI. Here Penn

1 will continue with a lease with GLPI, and GLPI
2 will continue to hold the real estate assets.
3 Further, Ameristar will continue to be
4 responsible for casino gaming operations.

5 As part of this transaction, Penn will
6 undertake debt activity which must be approved by
7 the Commission pursuant and to IC 4-33-4-2-1 and
8 68 IAC 5-3-2. Debt transactions are analyzed to
9 ensure the financial health of casino licensees,
10 and to ensure that a casino owner's license is
11 not leased or hypothecated, and that money is not
12 borrowed or loaned against a casino owner's
13 license.

14 Penn has submitted a complete transfer of
15 ownership interest application, and submitted
16 complete personal disclosure forms and other
17 appropriate applications for Penn and all key
18 persons. The Commission's background and
19 financial investigations divisions have completed
20 a comprehensive investigation of Penn, including
21 key persons. Commission staff has presented the
22 final investigative reports to the Commissioners
23 for review.

24 The Commission's financial investigations
25 division has also completed a background

1 investigation of the debt activity related to
2 this transaction and provided an analysis of that
3 activity for the Commissioner's review. Staff
4 did not note any derogatory information during
5 its investigation.

6 Additionally, much like the Boyd
7 transaction, IC 4-33-4-2-1(d) requires Penn to
8 pay a \$2 million transfer fee for acquiring a
9 controlling interest in a second casino owner's
10 license.

11 For your consideration, this transfer of the
12 owner's interest and the casino owner's license
13 for Ameristar from Pinnacle to Penn and approval
14 of the debt financing package proposed by Penn
15 related to Penn's acquisition of Pinnacle, this
16 includes waiving the so-called two-meeting
17 requirement of 68 IAC 5-3-2(b)(2) -- or excuse
18 me, (b)(2) and (b)(3).

19 This approval is contingent upon a number of
20 conditions set forth in the order, including but
21 not limited to Penn submitting payment of the
22 \$2 million transfer fee.

23 Further, the order will impose certain
24 notice requirements on Penn and GLPI. These are
25 the same as previously approved in the

1 Boyd/Belterra order.

2 And I'm happy to answer any questions.

3 CHAIRMAN McMAINS: Thank you, sir.

4 Commissioners, any questions for general
5 counsel?

6 Hearing none, what is your pleasure?

7 MR. FINE: Move for approval of Order
8 2018-122.

9 MR. McCLAIN: Second.

10 CHAIRMAN McMAINS: It has been properly
11 moved and seconded to approve Order 2018-122.

12 Any further discussion on the motion?

13 Hearing none, all in favor of the motion,
14 please signify by saying aye.

15 (Commissioners respond, "Aye.")

16 CHAIRMAN McMAINS: Opposed?

17 Motion passes unanimously. Thank you.

18 MS. TAIT: Okay. We have taken a pole, and
19 we've decided we want to plow through.

20 MR. LARSON: I want to say thank you for
21 this consideration very much. Appreciate it.
22 Thanks for the staff as well.

23 CHAIRMAN McMAINS: So we're going to
24 continue on without a break, but if anybody
25 needs -- feels like they need to slip out for a

1 moment, you're not up next, feel free to -- feel
2 free.

3 MS. TAIT: All right. So next up we have
4 (inaudible) with Stephanie Gardner.

5 (Loud audience chatter.)

6 CHAIRMAN McMANS: We are still in order.

7 MS. GARDNER: Good afternoon, Commissioners
8 and executive staff.

9 (Inaudible, audience chatter) orders
10 requiring the voluntary exclusion. (Inaudible)
11 Gaming area of the facility under the
12 jurisdiction of the Commission and will forfeit
13 any jackpot or thing of value won as a result of
14 the wager.

15 Under Orders 2018-65 through 2018-83, a sum
16 of \$25,988.11 was forfeited by John Does 21
17 through 39. These winnings were collected at
18 Ameristar, Belterra, Blue Chip, Hoosier Park,
19 Hoosier Hammond, Indiana Grand, and Majestic
20 Star. These winnings were held as required by
21 Commission regulations.

22 Commission staff recommends that you approve
23 the remittance of these earnings for John Does 21
24 through 39.

25 CHAIRMAN McMANS: Thank you.

1 Any questions, Commissioners?

2 Hearing none, what is your pleasure?

3 MR. FINE: Move for approval of Orders
4 2018-65 through 2018-83.

5 MR. McCLAIN: Second.

6 CHAIRMAN McMANS: It has been properly
7 moved and seconded to approve the motion.

8 Any further discussion on the motion?

9 Hearing none, all in favor of, please
10 signify by saying aye.

11 (Commissioners respond, "Aye.")

12 CHAIRMAN McMANS: Opposed?

13 MS. TAIT: Secretary Svetanoff, did you say
14 aye?

15 MR. SVETANOFF: Yes, I did. I'm sorry.
16 Aye.

17 CHAIRMAN McMANS: Thank you. Motion passes
18 unanimously.

19 MS. TAIT: Okay. Next up we will have
20 Dustin Moley.

21 MR. MOLOY: Good afternoon.

22 Members of the Commission, you have before
23 you Order 2018-84 concerning Bonnie Frederick's
24 petition for petition for removal from the
25 exclusion list.

1 On November 3rd, 2015, while at the French
2 Lick Casino, Miss Frederick was observed via
3 video surveillance taking unlawful possession of
4 \$880 of another patron's US currency. As a
5 result of this incident, on February 1st, 2016,
6 Executive Director Sara Tait placed Ms. Frederick
7 on the statewide exclusion list.

8 On January 1st, 2018, Ms. Frederick executed
9 a settlement agreement with Commission staff,
10 which was then approved through Order 2018-23,
11 allowing Ms. Frederick to petition to be removed
12 from the exclusion list any time after
13 February 1st, 2017.

14 On March 21st, 2018, Commission staff
15 received Ms. Frederick's petition to be removed
16 from the exclusion list, and on March 29th, 2018,
17 a telephonic hearing was conducted. During this
18 hearing, Ms. Frederick took full responsibility
19 for her actions and cooperated throughout the
20 entire removal process. Ms. Frederick expressed
21 deep remorse and explained how she has learned to
22 handle a similar situation in the future.

23 Since the incident, Ms. Frederick has paid
24 full restitution and has satisfied the terms of
25 her probation, which resulted in the relating

1 criminal charge being dismissed. Ms. Frederick
2 has no other criminal record.

3 Finally, Ms. Frederick has made no attempt
4 to enter an Indiana casino or a casino in any
5 other jurisdiction since being placed on the
6 exclusion list.

7 Based on the totality of the factors above,
8 I concluded that Ms. Frederick has met the
9 required standard of clear and convincing
10 evidence as reflected in my findings of fact and
11 recommendation. Adopting my findings would have
12 the effect of granting Ms. Frederick's petition
13 for removal, and I respectfully recommend the
14 Commission adopt my findings at this time.

15 Thank you.

16 CHAIRMAN McMANS: Thank you, counselor.

17 Commissioners, any questions for Mr. Moloy?
18 Hearing none, what is your pleasure?

19 MR. FINE: Move for approval --

20 MR. SVETANOFF: Motion to approve.

21 CHAIRMAN McMANS: Motion for approval.

22 MR. FINE: Second.

23 CHAIRMAN McMANS: Duly seconded.

24 Is there any discussion on the motion?

25 I have a question for staff. I gather the

1 staff is comfortable that this lady will not be a
2 problem in our gaming facilities going forward.

3 Is that -- is that correct, sir?

4 MR. MOLOY: Yes, Mr. Chairman.

5 CHAIRMAN McMANS: Thank you.

6 All in favor of the motion, please signify
7 by saying aye.

8 (Commissioners respond, "Aye.")

9 CHAIRMAN McMANS: All opposed?

10 Motion passes unanimously. Thank you.

11 MS. TAIT: On supplier matters, Dustin,
12 you're still up.

13 MR. MOLOY: All right. Moving right along.

14 Commissioners, you have before you
15 Order 2018-85. Pursuant to Indiana Code Section
16 4-33-7-8 and 68 IAC Section 2-2-8, supplier's
17 license must be renewed annually along with a
18 payment of \$7500 renewal fee.

19 Each of the following licensees has
20 submitted a timely request for renewal along with
21 the required payment: Konami Gaming, Inc.; Everi
22 Payments, Inc.; Ainsworth Game Technology; United
23 States Playing Card Company; House Advantage,
24 LLC; Novomatic Americas Sales, LLC; NRT
25 Technology Corp; and VICI Properties, Inc.

1 At this time Commission staff respectfully
2 recommends the approval of Order 2018-85 to
3 renewal the supplier licenses of those listed.

4 CHAIRMAN McMANS: Thank you, Mr. Moley.
5 Commissioners, any questions for Mr. Moley?
6 Hearing none, what is your pleasure?

7 MR. FINE: Move for approval of 2018-85.

8 MR. McCLAIN: Second.

9 CHAIRMAN McMANS: It's been properly moved
10 and seconded for approval of Order Number
11 2018-85.

12 Any further discussion on the motion?

13 Hearing none, all in favor of the motion,
14 please signify by saying aye.

15 (Commissioners respond, "Aye.")

16 CHAIRMAN McMANS: All opposed?

17 Motion carried unanimously. Thank you.

18 Thank you, sir.

19 MS. TAIT: Angie with supplier disciplinary
20 actions.

21 MS. BUNTON: Good afternoon.

22 Again, you have before you seven settlement
23 agreements concerning disciplinary actions
24 against licensed suppliers.

25 Orders 2018-86, 2018-87, and 2018-91 are

1 settlement agreements with Aristocrat
2 Technologies, Bally Gaming, and Gaming Partners
3 International, wherein the suppliers violated the
4 rules of shipping electronic gaming device
5 software and/or playing cards. Aristocrat,
6 Bally, GPI all agreed to monetary settlement of
7 \$1,500 in lieu of disciplinary action.

8 Order 2018-88 is a settlement agreement with
9 Cummins-Allison Corporation, wherein the supplier
10 violated occupational licensing rules.
11 Cummins-Allison agreed to monetary settlement of
12 1,500 in lieu of disciplinary action.

13 Order 2018-89 is a settlement with Data
14 Financial, wherein the supplier violated the
15 rules for transferring ownership of a supplier
16 licensee. Data Financial agreed to a monetary
17 settlement of \$10,000 in lieu of disciplinary
18 action.

19 Order 2018-90 is a settlement agreement with
20 Genesis Gaming Solutions, wherein the supplier
21 failed to timely notify of a termination.
22 Genesis agreed to a monetary settlement of \$1,000
23 in lieu of disciplinary action.

24 Order 2018-93 is a settlement agreement with
25 TCS John Huxley, wherein the supplier failed to

1 submit level 1 license applications in a timely
2 manner. TCS agreed to a monetary settlement of
3 \$7,500 in lieu of a disciplinary action.

4 Commission staff recommends that you approve
5 Order 2018 through -- 86 through Order 2018-93.

6 CHAIRMAN McMains: And you amended 92;
7 correct?

8 MS. BUNTON: Yes, minus the 92. Sorry.

9 CHAIRMAN McMains: Any questions for
10 Ms. Bunton?

11 Hearing none, what's your pleasure,
12 Commissioners?

13 MR. SVETANOFF: Motion to approve.

14 MR. FINE: Second.

15 CHAIRMAN McMains: It's been properly moved
16 and seconded to approve proposed Order 2018-86
17 through 91 and 93.

18 Any further discussions on the motion?

19 Hearing none, all in favor of the motions,
20 please signify by saying aye.

21 (Commissioners respond, "Aye.")

22 CHAIRMAN McMains: Thank you. Opposed?

23 Motion passes unanimously.

24 Thank you, ma'am.

25 MS. TAIT: All right. Moving on to

1 occupational licenses. We have Aly Servies.

2 Aly?

3 MS. SERVIES: Good afternoon, Commissioners.

4 You have before you Orders 2018-94, 2018-95,
5 and 2018-96 concerning settlement agreements
6 between Commission staff and occupational
7 licensees.

8 Each of these licensees failed to comply
9 with Indiana Administrative Code Title 68
10 Sections 2-3-9 and 9.1. In lieu of disciplinary
11 action, Commission staff offered each of these
12 licensees a settlement agreement that would have
13 them agree to an unpaid, voluntary relinquishment
14 of their occupational license for a period of
15 regularly scheduled working days with no vacation
16 or other paid time off to be used.

17 Each of these licensees has agreed to the
18 terms of the settlement agreement.

19 Approval of orders 2018-94 through 2018-96
20 would have the effect of approving the settlement
21 agreements entered into by the parties.

22 Therefore, Commission staff respectfully
23 recommends approval of the orders at this time.

24 CHAIRMAN McMANS: Thank you, counselor.

25 Can you give us some brief background on

1 each of these three, what were the violations?

2 MS. SERVIES: Of course. The first one for
3 Order 2018-94, the licensee was not in full
4 compliance with state and federal tax law, and
5 therefore was not in good standing with the
6 Indiana Department of Revenue.

7 For Order Number 2018-95, the licensee
8 submitted a three-year reinvestigation
9 application to the Commission, and during the
10 background investigation the Commission
11 determined that licensee failed to disclose a
12 2015 charge of driving -- a charge.

13 MR. SMALL: We can simply say failure to
14 disclose a required --

15 MS. SERVIES: Failure to disclose a required
16 disclosure.

17 Same with order 2018-96.

18 CHAIRMAN McMANS: Thank you.

19 Any further questions, Commissioners?

20 Commissioners, what's your pleasure on these
21 proposed orders?

22 MR. FINE: Move for approval.

23 MR. McCLAIN: Second.

24 CHAIRMAN McMANS: It's been moved and
25 seconded to approve proposed Orders 2018-94

1 through 96.

2 Any further discussions on the motion?

3 Hearing none, all in favor, please signify
4 by saying aye.

5 (Commissioners respond, "Aye.")

6 CHAIRMAN McMANS: All opposed say nay?

7 Thank you. The motion carries unanimously.

8 MS. SERVIES: Thank you, Commissioners and
9 staff.

10 MS. TAIT: That was your hazing and welcome
11 to the Gaming Commission.

12 MS. SERVIES: Thank you. That was better
13 than I thought it was going to be.

14 MS. TAIT: So moving on to the next set.

15 MS. SERVIES: Okay. Commissioners, you have
16 before you order 2018-97 and Order 2018-98, which
17 deny applications for occupational licenses to
18 work in Indiana casinos.

19 Pursuant to Indiana Code Section 4-33-8-3,
20 an occupational license may not be issued to an
21 individual unless he or she has met the standards
22 adopted by the Commission for holding an
23 occupational license. An applicant for a level 2
24 or level 3 occupational license must include the
25 applicant's criminal history in his or her

1 application. Any misrepresentation or omission
2 made with respect to the application may be
3 grounds for denial of the application pursuant to
4 Indiana Administrative Code Title 68 Section
5 2-3-4-(b) (2).

6 As part of the routine background
7 investigation into each applicant, the Commission
8 staff discovered that the applicants represented
9 in Orders 2018-97 and 2018-98 failed to meet the
10 established standards for licensure. The
11 applicants were give an opportunity to withdraw
12 their application from consideration for
13 permanent licensure.

14 Detailed information regarding each
15 applicant's investigation is contained in
16 confidential information provided to the
17 Commission. Because the applicants failed to
18 meet the standard of licensure, staff recommends
19 the application for permanent licensure be denied
20 by the Commission by approving Orders 2018-97 and
21 2018-98.

22 Thank you.

23 CHAIRMAN McMANS: Thank you.

24 Any questions for Ms. Servies?

25 Commissioners, what is your pleasure?

1 MR. SVETANOFF: Motion to approve.

2 MR. FINE: Second.

3 CHAIRMAN McMANS: It's been properly moved
4 and seconded to approve proposed Orders 2018-97
5 and 98.

6 Any further discussion on the motion?

7 Hearing none, all in favor of the motion,
8 please signify by saying aye.

9 (Commissioners respond, "Aye.")

10 CHAIRMAN McMANS: Opposed?

11 Motion passes unanimously. Thank you.

12 MS. SERVIES: Thank you.

13 You have before you Orders 2018-99 and
14 2018-100, which deny applications for
15 occupational licenses to work in Indiana casinos.

16 Pursuant to Indiana Code Section 4-33-8-3,
17 an occupational license may not be issued to an
18 individual unless he or she has met the standards
19 adopted by the Commission for holding an
20 occupational license. Any misrepresentation or
21 omission made with respect to the application may
22 be grounds for denial of the application pursuant
23 to Indiana Administrative Code Title 68 Section
24 2-3-4(b)(2).

25 As part of the routine background

1 investigation into each applicant, the Commission
2 staff discovered that the applicants represented
3 in Orders 2018-99 and 2018-100 failed to meet the
4 established standards for licensure based on
5 issues related to prior employment at Indiana
6 casinos, and by making material
7 misrepresentations in their current applications
8 for occupational licenses.

9 Based on these findings, Commission staff
10 denied these applicants a temporary license.
11 These applicants were given an opportunity to
12 withdraw their application from consideration for
13 permanent licensure. Detailed information
14 regarding each applicants' investigation is
15 contained in confidential materials provided to
16 the Commission.

17 Because the applicants failed to meet the
18 standards of licensure, staff recommends the
19 applications for permanent licensure be denied by
20 the Commission by approving Orders 2018-99 and
21 2018-100.

22 Thank you.

23 CHAIRMAN McMains: Thank you, counselor.

24 Any questions for Ms. Servies?

25 Hearing none, what's your pleasure,

1 Commissioners?

2 MR. FINE: Move for approval of 2018-99 and
3 2018-100.

4 MR. McCLAIN: Second.

5 CHAIRMAN McMANS: It has been properly
6 moved and seconded to approve Orders 2018-99 and
7 100.

8 Any further discussion on the motion?

9 Hearing none, all in favor of the motion,
10 please signify by saying aye.

11 (Commissioners respond, "Aye.")

12 CHAIRMAN McMANS: I think that's unanimous.

13 Anybody opposed, please say nay?

14 All right. Thank you. Passes unanimously.

15 MS. SERVIES: Thank you.

16 CHAIRMAN McMANS: Hold on, counselor.

17 And moving on to paid fantasy sports
18 matters, Dustin Moloy.

19 MR. MOLOY: All right. Commissioners, you
20 have before you Order 2018-101, Order 2018-102,
21 Order 2018-103, regarding the annual renewal of
22 the paid fantasy sports game operator's license
23 for DraftKings, Inc., FanDuel, Inc., and
24 FantasyDraft, LLC, respectively.

25 All three of these entities' licenses are

1 set to expire on June 28th, 2018, and all three
2 have filed the proper paperwork to renew and have
3 paid their annual renewal fees. Accordingly, at
4 this time, Commission staff respectfully requests
5 the approval of Orders 2018-101 through 2018-103
6 renewing the paid fantasy sports game operator's
7 license for a period of one year.

8 CHAIRMAN McMANS: Thank you.

9 Any questions for Mr. Moloy?

10 Hearing none, what is your pleasure?

11 MR. FINE: Move for approval for Order
12 2018-101 through 103.

13 MR. McCLAIN: Second.

14 CHAIRMAN McMANS: It's been properly moved
15 and seconded to approve proposed Order 2018-101
16 through 103.

17 Any further discussion on the motion?

18 Hearing none, all in favor of the motion,
19 please signify by saying aye.

20 (Commissioners respond, "Aye.")

21 CHAIRMAN McMANS: Any opposed?

22 Motion passes unanimously.

23 Thank you, Mr. Moloy.

24 MS. TAIT: All right. Aly, if you'll join
25 us back up for athletic division issues.

1 MS. SERVIES: Commissioners, you have before
2 you Order 2018-104 concerning a settlement
3 agreement between Commission staff and
4 professional mixed martial artist licensee
5 Thomas Gifford.

6 On April 21st, 2018, Mr. Gifford
7 participated in a mixed martial arts bout at the
8 Kokomo Events Center in Kokomo, Indiana. He was
9 found to be in violation of Indiana
10 Administrative Code Title 68, Section 24-3-37,
11 and in lieu of disciplinary action, Commission
12 staff offered to settle the matter with
13 Mr. Gifford for a fine of \$250. Commission staff
14 and Mr. Gifford agreed on the terms of the
15 settlement, and the agreement was executed on
16 May 17, 2018.

17 Order 2018-104 would approve the settlement
18 agreement entered into by the parties, and
19 Commission staff respectfully recommends that you
20 approve the order at this time.

21 CHAIRMAN McMANS: Thank you, ma'am.

22 Any questions for Ms. Servies?

23 Hearing none, Commissioners, what is your
24 pleasure?

25 MR. FINE: Move for approval of 2018-104.

1 MR. McCLAIN: Second.

2 CHAIRMAN McMANS: It's been properly moved
3 and seconded to approve proposed order of
4 2018-104.

5 All those in favor of the motion, please
6 signify by saying aye.

7 (Commission responds, "Aye.")

8 CHAIRMAN McMANS: Any opposed?

9 Motion passes unanimously. Thank you.

10 MR. FINE: Did he win the match?

11 MS. SERVIES: He did.

12 MS. TAIT: Moving on to casino renewals,
13 Dustin, you're back up.

14 MR. MOLOY: Back again.

15 Commissioners, you have before you
16 Order 2018-117 regarding the annual renewal of
17 the casino owner's licenses for Horseshoe
18 Hammond, LLC; and order 2018-118 regarding the
19 annual renewal of the casino owner's license for
20 Majestic Star, LLC, and Majestic Star II Casino,
21 LLC, operating as Majestic Star I and Majestic
22 Star II respectively.

23 Horseshoe Hammond and Majestic Star I and II
24 have filed the proper paperwork and paid the
25 respective annual renewal fees. The Horseshoe

1 Hammond license was set to expire on June 19th,
2 2018, and the Majestic Star I and II licenses
3 were set to expire on June 2nd, 2018.

4 Executive Director Tait issued interim
5 licenses to these licenses to cover the period
6 between their expiration date and this business
7 meeting.

8 Additionally, by Orders 2017-104 and Order
9 2017-105, the Commission approved the power of
10 attorney for Horseshoe Hammond and Majestic Star
11 I and II respectively. The approval expired upon
12 the renewal of the casino owner's license. For
13 that reason, all casinos must request renewal of
14 the Commission's approval of the written power of
15 attorney concurrently with request for renewal,
16 or present the Commission with a new written
17 power of attorney naming a new
18 trustee-in-waiting.

19 The licensees stated their intent to
20 maintain their existing trustee-in-waiting and
21 have not presented the Commission with any
22 modifications to the power of attorney.

23 At this time, Commission staff respectfully
24 requests approval of Orders 2018-117 and Order
25 2018-118 renewing the casino owners' licenses for

1 a period of one year.

2 CHAIRMAN McMANS: Thank you, Mr. Moley.

3 Any questions for Mr. Moley?

4 Hearing none, what's the pleasure of the
5 Commission?

6 MR. FINE: Move for approval of 2018-117 and
7 2018-18.

8 MR. McCLAIN: Second.

9 CHAIRMAN McMANS: It's been properly moved
10 and seconded to approve Orders 2018-117 and 118.

11 Is there any further discussion on the
12 motion?

13 Hearing none, all in favor of the motion,
14 please signify by saying aye.

15 (Commissioners respond, "Aye.")

16 CHAIRMAN McMANS: All opposed?

17 Motion passes unanimously.

18 MR. MOLOY: Thank you.

19 CHAIRMAN McMANS: Thank you, Mr. Moley.

20 MS. TAIT: Okay. Last but certainly not
21 least, we will have a quick presentation from
22 Lief Erickson, the general manager regarding some
23 relocation of gaming devices.

24 So welcome.

25 MR. ERICKSON: Commissioners, Mr. Chairman,

1 executive staff, thank you for this opportunity
2 to present Blue Chip's proposal for some limited
3 land-based gaming. Hopefully you all have a copy
4 of this very colorful presentation.

5 So what you see on the front is two interior
6 shots of the game, that's Blue Chip's Sports Bar
7 and Restaurant, and one shot of the front.

8 The next page has the architect's drawing of
9 what the revisions to the bar will look like with
10 eight video poker machines inserted into it.
11 Initially we went with nine. Upon further
12 review, we thought more space between the
13 machines would be a better experience, so we had
14 one removed and took it down to eight games.

15 The next page, this is located in our
16 pavilion, previously designated land-based
17 operations. It is a 21-and-over venue and has
18 been since its inception. It currently is the
19 combined responsibility of the bartender and
20 hostess --

21 (Interruption in the proceedings.)

22 CHAIRMAN McMANS: Go ahead, sir.

23 MR. ERICKSON: Keep going on. Okay.

24 Currently combined the responsibility of the
25 bartender and hostess to ensure those entering

1 the venue are --

2 (Interruption in the proceedings.)

3 MR. ERICKSON: Okay. So the combined
4 responsibility of the bartender and hostess to
5 ensure those entering the facility are 21 and
6 over.

7 There are currently nongaming positions, but
8 requested that these positions become gaming
9 level 3 occupational licenses because they will
10 not be directly involved in any of the gaming
11 operation. The bartender will remain responsible
12 for verifying the age of any patron attempting to
13 play the electronic gaming devices.

14 The video poker machines will be available
15 for play only during the hours of operation,
16 which are generally 8:00 a.m. to 10:00 or
17 11:00 p.m., Monday through Friday, and 11:30 a.m.
18 until 10:00 or 11:00 p.m. on Friday and Saturday.
19 Closing time is adjusted depending on business
20 volume levels.

21 Most important is that these games will be
22 placed out of service every night at the close of
23 the venue so there can be no one attempting to
24 play them during the hours that the venue is not
25 in operation.

1 These will be eight IGT20 Game Kings
2 offering action gaming, superstar poker, which
3 includes video poker, Keno, and multi-play
4 function. There will be a six- to eight-week
5 cabinet build-out, because basically what we're
6 going to do is install cabinets in front of the
7 existing bar and then change the bar top.
8 Installation should take just one week, and
9 during that time we'll move the restaurant's
10 operations to the adjacent venue.

11 The project costs, instruction, and
12 installation, 68,000, and the purchase of the
13 games are 77,000.

14 Machine testing, including the TITO test,
15 buyer technicians, verified by on-site IGC
16 agents, and any agents will also verify the
17 software, the DNM, and other settings prior to
18 releasing the games for play.

19 There will be continuous surveillance
20 coverage, continuous surveillance camera coverage
21 of all eight machines that will be 24/7.

22 Local regulators, on-site gaming, and ATC
23 will make sure we're in compliance with all
24 regulations. And then, of course, with the
25 building code for the La Porte County and health

1 department.

2 Hand-paid jackpots will be processed by an
3 existing member of the slot department. TITO
4 redemption will take place at the self-redemption
5 kiosk located inside the venue. The location of
6 this TITO ticket redemption will be in a back far
7 corner well away from the opening. That kiosk
8 will also offer ATM functionality, and access to
9 it will be limited to those 21 and over.

10 The bill validator and self-redemption kiosk
11 drops will occur during the hours that the game
12 is closed. There is a gate over the front of the
13 outlet. That gate will be closed so there will
14 be no public -- any opportunity to have access.
15 We'll drop the bill validators twice a week under
16 the oversight of surveillance with one security
17 officer and one drop team member, and then the
18 kiosk drop will occur daily under the oversight
19 of a similar situation.

20 And we hope that you will honor this
21 request. Any questions?

22 CHAIRMAN McMANS: Any questions?

23 MS. TAIT: I'd just like to make a brief
24 acknowledgment, if I may, before you walk away.

25 Lief, in just two days, will be leaving

1 after 30 years with Boyd Gaming and retiring as
2 the general manager at Blue Chip. So he has been
3 an exceptional general manager, one of our
4 favorite people to work with because he's so
5 compliance-minded. And we wish you the best of
6 luck. This your well-deserved retirement.

7 MR. ERICKSON: Thank you. The feeling is
8 mutual.

9 CHAIRMAN McMANS: Congratulations, sir.
10 Thank you.

11 MS. TAIT: There's no questions?

12 Dennis Mullen to present the order to the
13 Commissioners.

14 MR. MULLEN: My pleasure.

15 MS. TAIT: Do we have confirmation from
16 Secretary Svetanoff?

17 MR. SVETANOFF: Yes.

18 CHAIRMAN McMANS: Thank you, sir. The
19 quorum is still present.

20 MR. SVETANOFF: I'm hanging in here barely.

21 MS. RESKE: Us too.

22 MR. MULLEN: Well, thank you again very
23 much, Mr. Erickson, for that presentation.

24 Good afternoon, Chairman and Commissions,
25 executive staff. Welcome back, Commissioner

1 Svetanoff.

2 Commissioners, you have before you Order
3 2018-119. If granted, this order would provide
4 the Blue Chip Casino with the Commission approval
5 that is required to undertake the relocation of
6 electronic gaming devices to the game facility as
7 described by Mr. Erickson just now.

8 The request submitted by Blue Chip on
9 May 10, 2018, is made pursuant to Indiana Code
10 Section 4-33-6-24 which provides the condition
11 must be met before a casino may relocate any
12 casino operation. In its request, Blue Chip has
13 demonstrated compliance with these requirements,
14 the details of which are contained in your
15 Commission documents.

16 As an additional requirement imposed
17 pursuant to Subsection D of Section 24, staff
18 recommends you delegate plan approval authority
19 to Executive Director Tait. This condition is
20 included in the draft order before you. This
21 will ensure that as the project progresses,
22 Commission staff will have authority to review
23 and approve numerous technical aspects of the
24 plan that may be premature of today's meeting,
25 including the time frame of the movement of the

1 electronic gaming devices to the game, the exact
2 number of gaming devices that will be moved, Blue
3 Chip's surveillance and occupational licensing
4 plan, updated internal controls, and any IT
5 upgrades if necessary, just to name a few.

6 Following the reviews of documents submitted
7 by Blue Chip, Commission staff now recommends you
8 grant Blue Chip's request by approving Order
9 Number 2018-119, and I'm happy to answer any
10 questions at this time.

11 CHAIRMAN McMANS: Thank you, Mr. Mullen.

12 Any questions for Mr. Mullen?

13 Commissioners, what's your pleasure?

14 MR. FINE: Move for approval of 2018-119.

15 MR. McCLAIN: Second.

16 CHAIRMAN McMANS: It's been properly moved
17 and seconded to approve Order 2018-119.

18 Is there any further discussion on the
19 motion?

20 Hearing none, Commissioners, all those in
21 favor, please signify by saying aye.

22 (Commissioners respond, "Aye.")

23 CHAIRMAN McMANS: All opposed?

24 Hearing none, motion passes unanimously.

25 Is there any other new business to come

1 before the Commission today?

2 No?

3 Hearing none, Commissioners, what is your
4 pleasure?

5 MR. FINE: Move for adjournment.

6 CHAIRMAN McMAINS: It's been moved we
7 adjourn.

8 MR. McCLAIN: Second.

9 CHAIRMAN McMAINS: It's been properly
10 seconded.

11 All in favor of the motion, please signify
12 by saying aye.

13 (Commissioners respond, "Aye.")

14 CHAIRMAN McMAINS: Thank you, ladies and
15 gentlemen. We're adjourned.

16 (Hearing adjourned at 4:05 p.m.)
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1 STATE OF INDIANA)
 2) SS:
 3 COUNTY OF MARION)

4 I, Tonya Esparza, a Notary Public and
 5 Stenographic Reporter within and for the County of
 6 Marion, State of Indiana at large, do hereby
 7 certify that the Indiana Gaming Commission Business
 8 meeting held on June 28, 2018, commencing at
 9 1:56 p.m., at the Indiana State Department of Health,
 10 Rice Auditorium, 2 North Meridian Street,
 11 Indianapolis, Indiana, was taken down in stenograph
 12 notes and afterwards reduced to typewriting under my
 13 direction, and that the typewritten transcript is a
 14 true record of the proceedings had.

15 IN WITNESS WHEREOF, I have hereunto set my hand
 16 and affixed my notarial seal this 8th day of
 17 July, 2018.

18 

19 _____
 20 N O T A R Y P U B L I C

21
 22
 23 My Commission Expires:
 24 May 23, 2025

25 County of Residence:
 Marion County