

**INDIANA GAMING COMMISSION  
REGULAR MEETING**

9:00 a.m., June 19, 1995

Auditorium  
Indiana Government Center South

**PRESENT:** Commission members Alan Klineman, Chair; Ann Marie Bochnowski, Vice-Chair; Donald Vowels, Secretary; Thomas F. Milcarek; David Ross, M.D.; Staff members Jack Thar, Floyd Hannon, Kay Fleming, Frank Brady, Michelle Marsden, Joanne Yeager, Jill Copenhaver, Holly Clark, Pam Ayres and an audience.

**Call to Order and Roll Call**

Chairman Alan Klineman called the meeting to order at approximately 9:31 a.m., indicating that all sitting Indiana Gaming Commission members were present with the exception of Bob Sundwick, who will be arriving after the business meeting. A quorum is present. Chairman Klineman noted that the riverboat applicant presentations for Dearborn County following the business meeting today and continuing for the next several days will be video-taped for Mr. Sundwick and for Dr. David Ross, who will also not be in attendance for all the presentations. They both intend to fully participate in the decision-making process concerning the Certificates of Suitability to be awarded in the southeastern corner of the state.

**Approval of the Minutes of the May 15, 1995 Meeting**

The minutes of the May 15, 1995 Indiana Gaming Commission regular business meeting were unanimously approved on motion by Tom Milcarek, second by Dr. David Ross.

**Report of the Executive Director**

Executive Director Jack Thar reported on the legal action taken by Boomtown Belle and SES, Boat, L.P., both applicants for Dearborn County, Indiana. On Friday, June 16, following a suit brought against the Indiana Gaming Commission, the Marion County Superior Court issued a ruling that the recent legislative amendment to the riverboat gambling act which limits the number of riverboats per county along the Ohio River to one-boat-per-county be applied by the IGC now. The plaintiffs, Boomtown Belle and SES Boat, advised

on Friday they will not appeal the decision. The issue has been concluded.

The Indiana Gaming Commission has recently added two new staff. Director Thar introduced new Executive Administrator Jill Copenhaver and new Receptionist Holly Clark, both of whom are transfers from the Indiana Department of Revenue. He was sad to announce that Staff Attorney Joanne Yeager will be leaving on June 28 to become Director of External Affairs for the Indiana Department of Workforce Development. She will be missed.

Director Thar indicated that at an Indiana Gaming Commission conference call meeting held on June 7 (a quorum was present and open to the public), the proposed rules published in the Indiana Register on June 1, 1994, and two additional, proposed resolutions were discussed, in order to meet a July 1, 1995, Indiana Register deadline. At the June 7 meeting, Resolution 1995-13, A Resolution Adopting Amendments to Article 1, Rule 1; Article 2, Rules 1, 2, 3 and 5; and Adopting Article 1, Rule 4, Article 4, Rule 1, Article 5, Rules 1 and 2; and Article 13, Rule 1, was unanimously adopted on motion by Ann Bochnowski, second by Tom Milcarek. Resolution 1995-14, A Resolution Adopting the Final Publication of 68 IAC 1-1-15.1; 68 IAC 1-1-95.1; 68 IAC 1-2; 68 IAC 1-3; 68 IAC 1-5; 68 IAC 1-7; 68 IAC 1-8; 68 IAC 1-9; 68 IAC 2-3-1.5; 68 IAC 2-7; 68 IAC 8-2; and 68 IAC 9, was unanimously adopted and will be published as final rules in the July 1, 1995 Indiana Register. The Commission will accept any written public comment submitted by Friday, July 14, 1995, and will hold a hearing to accept oral public comment on July 27, 1995, at 1:00 p.m. in the Auditorium of the Government Center South.

Resolution 1995-13 will expire 30 days from the date and time the Secretary of State accepts the rules listed in Section 3 of the resolution for filing. Resolution 1995-14 will expire on the date that the rules are fully promulgated pursuant to IC 4-22-2.

Indiana Gaming Commission Deputy Director Floyd Hannon explained to the Commission the status of the investigation involving Casino Development Corporation and its owners, David Faestel and Catherine Faestel. They are part owners of Pinnacle, an applicant for Ohio County. Deputy Director Hannon reported that the differences of opinion between the Commission and the Casino Development Corporation have revolved around a federal tax assessment placed against Mr. Faestel with respect to a business that he owned. This was for an alleged failure to pay FICA and other taxes. The Internal Revenue Service sold some of Mr. Faestel's business products to satisfy part of the assessment. However, before that sale some of his creditors filed a Chapter 7 bankruptcy action,

seeking to place the company in involuntary bankruptcy. The creditors were then paid off with the proceeds of a sale of the business, but that left a \$40,000 federal tax lien against him, which the IRS sought to satisfy by putting a lien on the house owned by Catherine Faestel. Mr. Hannon indicated that that lien is still in effect, but both the lien and the underlying assessment are being challenged by Mr. and Mrs. Faestel.

Executive Director Jack Thar reported on the June 12, 1995, Indiana Gaming Commission conference call business meeting (a quorum was present and was also open to the public) held to discuss the request for the approval of the petition to change the name of Trump Hotels and Casino Resorts, Inc. to Trump Indiana, Inc. and the subsequent request for approval to transfer ownership of the Certificate of Suitability from Trump Hotels and Casino Resorts, Inc. to Trump Hotels & Casino Resorts Holding, L.P. Chairman Klineman had explained at the June 12 meeting that the original proposal by Trump in the Gary project showed an equity investment of approximately \$30,000,000 by Trump -- the remaining financial accommodations showed borrowing for the equipment, for the boat, for some of the other constructions, etc.; but also, the original entity was owned solely by Trump. Mr. Klineman had further indicated that now that Trump is becoming part of a larger group, the Commission had some concerns as to whether or not the investment would be as secure as the original filing indicated and also had some additional concerns about the time lines contained in the securities findings and those that existed in all previous proposals. After considerable discussion, **Resolution 1995-15, A Resolution Concerning the Request of Trump Indiana, Inc. to Transfer Ownership of its Capital Stock to Trump Hotels & Casino Resorts Holdings, L.P.**, was unanimously approved on motion by Bob Sundwick, second by Ann Bochnowski.

Executive Director Thar reported that Mr. Trump had guaranteed to the Commission that cash he had had available would still be available for the public offering issue. On June 14, Donald Trump had sent a letter to the Indiana Gaming Commission indicating that he would personally make available cash for the completion of the project and included a requested time line. Mr. Trump's letter will be a permanent part of the application.

Mr. Thar concluded his report.

#### Old Business

No old business.

### New Business

- A. Request of Harrah's Indiana Investment Corporation to Withdraw its Application for a Riverboat Owner's License in Dearborn County (Lawrenceburg), Indiana

Chairman Alan Klineman explained that attached to Resolution 1995-16, A Resolution Concerning the Request of Promus to Withdraw the Application of Harrah's Indiana Investment Corp. for a Riverboat Owner's License, is a June 7, 1995, letter from Harrah's indicating they are withdrawing their application because of their desire to pursue other opportunities including that of the development of a casino with the Pokagon Band of Potawatomi Indians. Chairman Klineman indicated that Promus has paid all monies asked of them and the resolution simply indicates that upon passing to grant their request, Harrah's application is withdrawn, effective June 19, 1995. Upon motion by Ann Bochnowski, second by Tom Milcarek, Resolution 1995-16 was unanimously approved.

- B. Request of Mirage Riverboats of Indiana to Withdraw its Application for a Riverboat Owner's License in Lake County (Hammond), Indiana

Resolution 1995-17, A Resolution Concerning the Request of Mirage Riverboats of Indiana, Ind. to Withdraw its Application for a Riverboat Owner's License, is essentially identical to the previous resolution. Chairman Klineman indicated that attached is a June 9, 1995, letter from Mirage Resorts requesting their withdrawal from the application process due to ever-increasing competitive involvement in various gaming avenues. They wish to concentrate their efforts on their core business, land-based casino gaming. Mr. Klineman read from "Section 2. Request to Withdraw" (and on) "the application of Mirage Riverboats of Indiana, Inc. for an Indiana Riverboat Gambling License received on June 12, 1995, is hereby granted, effective June 19, 1995." Mirage Riverboats understands it will forfeit its application and other fees paid to date. Upon motion by Dr. Ross, second by Don Vowels, Resolution 1995-17 was unanimously adopted.

### Other Business

The only other business before the Commission was the public hearing portion for Dearborn County. Chairman Alan Klineman announced it would commence after the conclusion of the business meeting.

### Next Meeting

(It was later announced that the next business meeting of the

Indiana Gaming Commission will be on Friday, June 30, 1995, at 9:00 a.m., in the Westin Hotel, across West Washington Street from the Indiana Government Center South. The final discussion process for the issuance of the riverboat Certificates of Suitability for Ohio, Switzerland, and Dearborn Counties will follow.)

**Adjourn**

The business portion of the Indiana Gaming Commission adjourned at approximately 10:00 a.m., with the Dearborn County riverboat applicants' presentations to follow.