

**INDIANA GAMING COMMISSION
REGULAR MEETING**

10:00 a.m., October 17, 1995

**Hammond Civic Center
5825 Sohl Avenue
Hammond, Indiana**

PRESENT: Commission members Alan Klineman, Chair; Ann Marie Bochnowski, Vice-Chair; Donald Vowels, Secretary; Thomas F. Milcarek; David Ross, M.D.; Robert W. Swan; Robert W. Sundwick; Staff members Jack Thar, Floyd Hannon, Kay Fleming, Frank Brady, Janine Hooley, Pam Ayres and an audience.

Call to Order and Roll Call

Chairman Alan Klineman called the meeting to order at approximately 10:16 a.m., indicating that all Indiana Gaming Commission members were present. He announced that after the business meeting the presentation period for the Hammond applicants would begin. He indicated appreciation for the hospitality and courtesies extended by the Hammond and East Chicago officials and pointed to the near perfect weather conditions experienced on the previous day's tour of the Hammond and East Chicago proposed riverboat sites. It is the customary practice of the Commission to visit the locality where the license is to be awarded. Chairman Klineman thanked all those involved.

Approval of the Minutes of the September 8, 1995 and the October 10, 1995 Meetings

The minutes of the September 8, 1995 Indiana Gaming Commission business meeting held in Indianapolis were unanimously approved on motion by Dr. David Ross, second by Tom Milcarek. The October 10, 1995 meeting was a telephonic meeting and the minutes were approved on motion by Bob Swan, second by Dr. David Ross. Commissioner Donald Vowels abstained from voting as he did not participate in the conference call meeting.

Report of the Executive Director

Executive Director Jack Thar reported that as of October 13, 1995, the Commission had received 24 applications for a supplier's license and recommendations for the issuance of temporary licenses to some of the applicants will be made during "New Business."

Updates on the Certificate of Suitability Holders

Gary

As a result of the September 29, 1995 deadline given at the September 8 meeting, an operational agreement between the Barden and Trump organizations was approved and signed. Mr. Thar indicated that an agreement was reached between the developers and the City of Gary to pay \$10,000,000 to the city, rather than deeding over the land and a lease back to the developers. Barden and Trump have chosen the option of a \$5,000,000 payment up front, which payment has been made, and a remaining \$5,000,000 payable 90 days after the opening of the boat. Mr. Thar reported that there was to be no interest due on the second \$5,000,000. The development agreement between the two developers and the City of Gary is still in progress. No problems have been reported, and it is anticipated that this agreement should be finalized by the end of the month. The Corps of Engineer's permit was still being reviewed for signature last week; it is anticipated that the final permit should be issued early this week, if it hasn't been already. Mr. Thar reported that significant progress has been made in Gary since September 8, 1995.

Evansville

The progress made by both Aztar and the City of Evansville continues to be smooth and productive. The litigation brought by Mr. Mottley was resolved in favor of the defendants; the administrative law judge dismissed the suit at the conclusion of the plaintiff's case. Indications are that it will not be appealed and that issue is concluded. It is presently anticipated that the Aztar opening and the movement of the boat are on the same schedule as previously reported. The movement of the boat is in early November and the opening of the boat, in early-to-mid-December. Executive Director Thar indicated that electronic gaming devices, absent EPROMS, were received by Aztar at Jeffboat beginning on October 2, 1995, and were inventoried and Commission registration numbers were placed on the machines.

Rising Sun

Executive Director Thar reported that there is nothing to report in addition to the information reported on September 8, 1995.

Lawrenceburg

There is no additional update to report on Indiana Gaming Company LP. The public notice on the Army Corps of Engineer's permit application has finally been issued.

Preparations for Opening the Casino Boat

The Indiana Gaming Commission staff's primary focus on the opening of the boats (primarily Aztar in Evansville) remains on the preparation of rules, as well as attempting to do as many background investigations on the suppliers as are necessary to get the boat open.

Executive Director Thar introduced new staff person, Janine Hooley, who has been hired as the Director of External Affairs and will be the legislative liaison for the Gaming Commission.

Old Business

No old business.

New Business

Chairman Alan Klineman reported on the four requests to withdraw as applicants for Indiana Riverboat Owner's Licenses. They are the following:

1. Player's Michigan City, Inc. (Michigan City)
2. Eldorado Riverboat, LLC (Floyd County)
3. Jackpot Indiana Riverboat, Inc. (Floyd County)
4. Harrah's Southern Indiana Riverboat Partnership (Clark County)

ACTION: Resolution 1995-30, A Resolution Concerning the Request of Players Michigan City, Inc. To Withdraw its Application for a Riverboat Owner's License, was unanimously approved upon motion by Bob Sundwick, second by Tom Milcarek.

ACTION: Resolution 1995-31, A Resolution Concerning the Request of Eldorado Riverboat Limited Liability Company to Withdraw its Application for a Riverboat Owner's License, was unanimously approved upon motion by Dr. David Ross, second by Don Vowels. (The request was made because the 1993 referendum failed in Floyd County and Eldorado Riverboat, LLC no longer wants to pursue a riverboat license).

ACTION: Resolution 1995-32, A Resolution Concerning the Request of Jackpot Indiana Riverboat, Inc. To Withdraw its Application for a Riverboat Owner's License, was unanimously approved upon motion by Don Vowels, second by Bob Sundwick. (In like manner, Jackpot Indiana Riverboat, Inc. also does not want to pursue a riverboat license since the 1993 referendum failed.)

ACTION: Resolution 1995-33, A Resolution Concerning the Request of Harrah's Southern Indiana Riverboat Partnership, L.P. to Withdraw its Application for a Riverboat Owner's License, was unanimously approved on motion by Bob Swan, second by Tom Milcarek. (Harrah's Southern Indiana Riverboat Partnership, L.P. does not want to pursue another referendum in Clark County and does not want to pursue a riverboat license elsewhere.)

Executive Director Jack Thar explained that Grand Casinos, Inc.'s withdrawal request followed the printing of the October 17 Indiana Gaming Commission meeting agenda and therefore was placed separately on the agenda.

ACTION: Resolution 1995-34, A Resolution Concerning the Request of Grand Casinos, Inc. To Withdraw its Application for a Riverboat Owner's License, was unanimously approved on motion by Bob Swan, second by Bob Sundwick.

Request of New Albany Landing Company, LLC to Change Ownership

Executive Director Jack Thar explained that New Albany Landing Company, LLC was originally 100% owned by one individual, Plato Fufous. This riverboat application was amended to change the dock site from Floyd County to Harrison County some time ago. Subsequently, there have been negotiations between Mr. Fufous and Players; Players has submitted an extensive amendment to the existing application, which for all practical purposes is a new application, showing Players as the 100% owner. They are requesting that the amendments showing them as the 100% owner in a new project for Harrison County be approved by the Commission.

Resolution 1995-35 explains the following:

1. Aspen Casino Corporation ("Aspen") filed an application for a riverboat owner's license in Harrison County in the name of New Albany Landing Company, LLC ("New Albany Landing").
2. On September 29, 1995, the Commission received a letter requesting approval of a transfer of the ownership of the applicant, New Albany Landing, to Players International, Inc. ("Players"). Players also submitted amendments to the application filed by New Albany Landing which takes the form of a new application, and the agreement between Players and Aspen setting forth the terms of the transfer.

Resolution 1995-35 defines the scope and the definitions and in Section 3, sets forth the action on the request for amendment, which Mr. Thar read:

"The amendment of the New Albany Landing Company, LLC application requested by Players International, wherein the ownership of the applicant will be transferred from Aspen Casino Corporation to Players International submitted on September 29, 1995, is hereby: (a space for "granted" or "denied" is included at this point)."

Executive Director Thar explained that this amendment will not slow down the process for Harrison or Crawford Counties. No time lines had been set by staff or the Commission. At the September 8, 1995, business meeting staff indicated that final deadlines for the changing of any applications in Crawford, Harrison, Perry, or Switzerland Counties would be accepted at a date not yet set but after the results of the referendum. In terms of the timeliness of this request, Mr. Thar reported that it is not the same type of issue that the Commission has faced before. The only difference in this particular request is that it is the first time that an application was basically owned by one person. He indicated that from a competition standpoint, the application of New

Albany Landing Company, LLC will be more competitive.

ACTION: Resolution 1995-35, A Resolution Concerning the Request of New Albany Landing Company, LLC to Transfer Ownership of the Applicant to Players International, was unanimously adopted with the word “granted” added on motion by Ann Bochnowski, second by Don Vowels.

Deputy Director Floyd Hannon reported that preliminary investigations have been completed on Olde Philadelphia Mint, a group out of Haverstown, Pennsylvania, that makes tokens and chips, and The Bud Jones Company, Inc., out of Las Vegas, Nevada, that makes a variety of materials for gaming activities. Mr. Hannon recommended that the Indiana Gaming Commission grant temporary suppliers’ licenses to both.

ACTION: Resolution 1995-36, A Resolution Granting Temporary Supplier’s Licenses to Olde Philadelphia Mint, and the Bud Jones Company, Inc., was unanimously approved as adopted on motion by Bob Sundwick, second by Don Vowels.

Deputy Director Floyd Hannon reported that IEP, Ltd., a supplier of surveillance equipment to riverboats and casinos, has been contacted; Aztar Indiana Gaming Corporation in Evansville wishes to purchase its surveillance systems from IEP. Because of the short time span involved before the riverboat opens, the complete investigation of this supplier cannot be completed before the opening. Surveillance equipment must be operational. The Indiana State Police, Gaming Enforcement Section, has begun the background investigation on IEP. Aztar is aware that the preliminary investigation has not been completed on IEP and has agreed that the surveillance equipment will be removed if the Commission determines that it is not suitable for licensure. IEP has submitted a complete application and the \$5,000 application fee to the Commission.

If **Resolution 1995-37** is approved, Executive Director Jack Thar will be granted the authority to issue a temporary supplier’s license to IEP, Ltd., upon an indication, based upon a partial preliminary background investigation conducted by the Indiana State Police, Gaming Enforcement Section, that the complete preliminary investigation will likely determine that IEP will meet the criteria for licensure as a supplier set forth in IC 4-33-7-3. The temporary supplier’s license will remain valid until the date that the permanent supplier’s license is issued or until the temporary supplier’s license is revoked pursuant to 68 IAC 2-2 or other conditions set forth in the resolution.

ACTION: Resolution 1995-37, A Resolution Granting the Executive Director the Authority to Grant IEP, Ltd. A Temporary Supplier’s License, was unanimously approved on motion by Bob Swan, second by Don Vowels.

Other Business

Executive Director Jack Thar announced there is no **“Other Business”** beyond **Resolution 1995-37**.

Next Meeting

Chairman Alan Klineman reported that the next regular business meeting of the Indiana Gaming Commission will be announced at the end of the East Chicago applicant presentation at the end of the week. (It was later announced that the next business meeting will be on Friday, November 17, 1995, at the auditorium of the Indiana Government Center South, 402 West Washington Street, Indianapolis. The time will be announced at a later date but will most probably be at either 9:00 a.m. or 11:00 a.m.-Indianapolis time.)

Adjourn

The business meeting of the Indiana Gaming Commission adjourned at approximately 10:55 a.m. to be followed with the City of Hammond presentation.