

**INDIANA GAMING COMMISSION
BUSINESS MEETING**

9:30 a.m., August 23, 2001
Genesis Convention Center
One Genesis Center Plaza
Gary, Indiana 46402

Present: Commission members: Donald R. Vowels, Chair; Ann Bochnowski, Vice-Chair; Thomas Milcarek, Secretary; Dr. David Ross, Richard Darko, and David Carlton. Robert Swan was not present. Staff: Jack Thar, Billy Hamilton, Cynthia Dean, Jennifer Arnold, Jennifer Chelf, Susan Brodnan, Michelle Marsden, Rhonda Dalton, Major Mark Mason and members of the public.

Call to Order and Roll Call

Chairman Donald Vowels called the meeting to order at approximately 9:50 a.m. local time. A quorum was present.

Approval of the Minutes

Upon motion by Thomas Milcarek, second by Ann Bochnowski, and unanimous vote present, the minutes of the May 29, 2001 business meeting were approved.

Report of the Executive Director

Commissioner Robert Swan has resigned due to an increasingly heavy workload which prevents him from continuing as a Commissioner. His resignation will become effective upon the appointment of his successor. Commissioner Swan was commended for his dedication and service to the Indiana Gaming Commission.

Tracy Sanders, Promotion Coordinator will be leaving the Commission to join the administrative aspect of the Methodist Hospital residency program.

John Spina, the General Manager of the Belterra Riverboat, has been replaced by Tom Boshinski, in an interim capacity. Mr. Boshinski was formerly the Director of Finance at Belterra. Other management changes at Belterra include the Assistant General Manager position as well as the head of Security.

Caesars had requested the Commission review their MBE/WBE performance under the action plan put in place by the Commission at its November 1999 meeting. Caesars made this request based on the position that their numbers and efforts have met or exceeded the requirements of the plan and the spirit of the MBE/WBE provisions of the Riverboat Gaming Act. Due to scheduling conflicts with the opening of its hotel, Caesars requested this item be removed from this agenda and placed on the next agenda.

Belterra's MBE/WBE performance was scheduled to be on this agenda but was removed at their request. Due to a scheduling conflict their President was unable to attend. Belterra also plans to reevaluate the action plan previously submitted to Commission staff.

Refinancing

Casino Aztar

By Resolution 2001-20 the Commission approved a debt restructuring and acquisition for Casino Aztar. This resolution included: 1) an amendment to the Reducing Revolver Credit Facility to extend the maturity date and the amortization table and 2) issue up to \$200M in either Senior or Senior Subordinated notes at 8-7/8%. By letter of July 27, 2001, a waiver was granted to Casino Aztar to purchase \$175M senior subordinated notes at 9%. After consulting with both Chairman Vowels and Commissioner Swan Executive Director Thar approved the request for a waiver. The Commission chose to ratify this action in the minutes.

Action: Upon motion by Dr. David Ross, second by Ann Bochnowski, and unanimous vote of those present, the Commission approved and ratified the waiver granted by Commission staff which permitted Casino Aztar to purchase \$175M in senior subordinated notes at 9%.

Settlement Agreement in Lieu of a Disciplinary Action

In the latter part of 1999, IGC agents were advised that Joseph Domenico, the General Manager of Harrah's East Chicago, had pressured the captain into remaining dockside during the July 4, 1999 weekend. The Indiana Gaming Commission conducted an extensive investigation. Through counsel, Mr. Domenico offered to voluntarily relinquish his Level 1 Occupational License from July 1, 2001 through July 4, 2001 without pay to settle the issue. Mr. Domenico did so with the knowledge that this action was subject to Commission approval. Executive Director Thar accepted this proposal. Mr. Domenico relinquished his license for the agreed upon period and was not allowed to function as the General Manager in Indiana during this time.

Action: Upon motion by Richard Darko, second by Ann Bochnowski, and unanimous vote of those present, the Commission approved the terms of the settlement agreement.

OLD BUSINESS

Amendment of Business Meeting Minutes

Commission Staff discovered inadvertent errors in the Business Meeting Minutes of August 21, 2000 and September 18, 2000. The minutes of the August 21, 2000 business meeting were inadvertently dated "August 22, 2000". The only change to the August 21, 2000 minutes is the correction of the date of the meeting.

Commission Staff discovered two errors in the minutes of the September 18, 2000 business meeting. The minutes approved in the September 18, 2000 meeting were inadvertently dated, August 22, 2000. The minutes of the September 18, 2000 business meeting were corrected as follows:

"Action: Upon motion by Robert Swan, second by David Carlton, the minutes of the August 22 21, 2000 business meeting were approved. Thomas Milcarek abstained from voting due to the fact that he was not present at the meeting."

The minutes of the September 18, 2000 business meeting did not specifically mention the resolution that the Commission approved with respect to the failure of Blue

Chip/Boyd Gaming to disclose a consulting agreement. The following additions were made on Pages 6 and 7 of the September 18, 2000 Business Meeting Minutes:

"Resolution 2000-37. A Resolution approving the settlement agreement presented by Boyd Gaming Commission and Blue Chip Casino, LLC concerning the specific distribution of the voluntary contributions in the amount of \$900,000, and the fine imposed by the Commission in the amount of \$100,000."

" **Action:** Upon motion by Richard Darko, second by Ann Bochnowski, and unanimous vote of those present, the Commission accepted the proposal made by Boyd to resolve the disciplinary matter."

Action: Upon motion by Thomas Milcarek, second by Richard Darko, and unanimous vote of those present, the minutes were amended.

Resolution 2001-27

A Resolution Adopting 68 IAC 2-2-9.5; 68 IAC 14-3-8; and 68 IAC 15-14-1 ET Seq. and Amendments to 68 IAC 2-2-1; 68 IAC 2-3-5; 68 IAC 2-6-6; 68 IAC 3-3-6; 68 IAC 10-2-1; 68 IAC 11-2-7; 68 IAC 11-5-1; 68 IAC 14-2-2; 68 IAC 14-10-2; 68 IAC 14-11-2; 68 IAC 14-12-2; 68 IAC 15-2-3; 68 IAC 15-2-6; 68 IAC 15-4-2; 68 IAC 15-4-3; 68 IAC 15-7-3; 68 IAC 15-8-1; and 68 IAC 15-8-2 as Final Rules.

Action: Upon motion by Thomas Milcarek, second by Ann Bochnowski, and unanimous vote of those present, the Commission approved the above mentioned rules as final rules.

Occupational License Matters

Joseph Pujoe HA-DEN-01-3

Joseph Pujoe applied for an occupational license, level 2, for employment as a security officer with Blue Chip Casino. He worked at Blue Chip until September 30, 2000. He then received a level 2 temporary occupational license to work as a cage cashier for Harrah's Casino on or about January 4, 2001. During his employment with Harrah's it was discovered that Mr. Pujoe committed theft against Harrah's. Mr. Pujoe admitted he intentionally took \$576 in vouchers and personal checks from his drawer.

Action: Upon motion by Dr. David Ross, second by David Carlton, and unanimous vote of those present, the Commission upheld the revocation of the temporary license and denied the application for an occupational license, level 2, submitted by Joseph Pujoe.

Ernest Schultise CA-DEN-01-1

Ernest Schultise applied for an occupational license, level 2 for employment as a count room attendant at Caesars Indiana and was issued a temporary occupational license on or about December 10, 1998. On or about April 9, 1999, Mr. Schultise was promoted to a new position at Caesars and received a level 3 temporary occupational license to work as a bar back. During his employment at Caesars it was discovered that Mr. Schultise committed theft by taking a bucket of tokens that had been left unattended by a patron. The casino terminated his employment on June 1, 2001.

Action: Upon motion by Ann Bochnowski, second by Richard Darko, and unanimous vote of those present, the Commission upheld the revocation of the temporary license and denied the application for an occupational license, level 2 submitted by Mr. Schultise.

Leroy Jackson
TR-DEN-01-1

Leroy Jackson applied for an occupational license, level 2, for employment at Blue Chip Casino and was issued a temporary occupational license on or about April 8, 1998. He was employed by Blue Chip until April 30, 1998. On October 27, 1999 Mr. Jackson received a level 2 temporary occupational license for employment as a dealer at Horseshoe Casino. He worked at Horseshoe until March 6, 2000. On April 18, 2000 Mr. Jackson received a level 2 temporary occupational license to work as a dealer at Trump Casino. During his employment as a dealer at Trump Casino, it was discovered that Mr. Jackson was violating blackjack peeking procedures. Mr. Jack subsequently admitted that when he was dealt an Ace as a hole card, he would automatically check to see if he had a blackjack. If he did have a blackjack he would encourage patrons to place an insurance bet on the hand. If he did not have a blackjack he would continue to deal and not offer insurance bets to the patrons.

Action: Upon motion by David Carlton, second by Thomas Milcarek, and unanimous vote of those present, the Commission upheld the revocation of the temporary license and denied the application for an occupational license, level 2, submitted by Leroy Jackson.

Tora Smith
HH-DEN-01-2

Tora Smith applied for an occupational license, level 2, for employment as a cage cashier at Horseshoe Casino and was issued a temporary occupational license on March 13, 2001. During her employment at Horseshoe Casino it was discovered that she had stolen \$2,500.

Action: Upon motion by Richard Darko, second by Ann Bochnowski, and unanimous vote of those present, the Commission upheld the revocation of the temporary license and denied the application for an occupational license, level 2, submitted by Tora Smith.

Euphemia Shaw
MS-DEN-01-1

Euphemia Shaw applied for an occupational license, level 2, for employment as a cage cashier at Harrah's Casino and was issued a temporary occupational license on August 24, 2000. Ms. Shaw worked for Harrah's until March 23, 2001. On or about April 25, 2001, the Commission issued Ms. Shaw a temporary occupational license, level 2 to work as a cage cashier at Majestic Star Casino. During her employment at Majestic Star it was discovered that she had stolen \$599.

Action: Upon motion by Ann Bochnowski, second by Dr. David Ross, and unanimous vote of those present, the Commission upheld the revocation of the temporary license and denied the application for an occupational license, level 2, submitted by Euphemia Shaw.

**Kondo Rancifer
HH-DEN-01-3**

Kondo Rancifer applied for an Occupational License, Level 2 for employment as a dealer at Empress (now Horseshoe) Casino and was issued a temporary occupational license on May 19, 1999. Mr. Rancifer had previously held occupational licenses to work for Trump Casino in Gary and Harrah's Casino in East Chicago. Mr. Rancifer worked for Horseshoe Casino until June 20, 2001 when he was terminated for violating company policy when he was found to be violating gaming procedures while performing his duties as a craps dealer. Mr. Rancifer used the Casino's chips to place bets for patrons, he added the Casino's chips to bets made by patrons, and he paid out chips to patrons when they had not placed bets.

Action: Upon motion by Thomas Milcarek, second by David Carlton, and unanimous vote of those present, the Commission upheld the revocation of the temporary license and denied the application for an occupational license, level 2 submitted by Mr. Rancifer.

Request for a Felony Waiver

**Kevin Martini
GV-FEL-00-1**

Mr. Kevin Martini applied for an occupational license, level 2, to work for Grand Victoria Casino as a bartender and was issued a temporary occupational license on October 8, 1999. Mr. Martini disclosed two convictions for driving under the influence. Upon completion of the background investigation, the Commission discovered that Mr. Martini had been convicted on April 6, 2000 of a Class D felony for operating a vehicle while intoxicated. Although Mr. Martini had not been convicted of this crime at the time he applied, he had already been arrested for the crime and failed to reveal the information about his arrest on his application for an occupational license. On June 27, 2000 Mr. Martini was informed that his occupational license was revoked due to his felony conviction. On or about July 6, 2000 Mr. Martini submitted a request for a waiver of his felony disqualification. On July 27, 2000 the Commission staff sent Mr. Martini a letter informing him that his request for a waiver was denied because of his statutory ineligibility. On or about August 9, 2000 the Commission received a letter from Mr. Martini in which he requested to appeal the denial of his felony waiver. This matter was assigned to Bernard L. Pylitt who had been previously appointed as an Administrative Law Judge. The Commission filed a Verified Statement of Facts and Motion to Dismiss, or in the Alternative, Motion for Summary Judgment. In an order dated May 3, 2001, the ALJ ordered Mr. Martini to file any response or affidavit in opposition to the Commission's motion on or before May 25, 2001. Mr. Martini failed to respond. On May 31, 2001, the ALJ issued his Findings of Fact, Conclusions of Law, and Recommendation in this matter. The ALJ finds that Mr. Martini is statutorily ineligible to receive an occupational license at the present time. The ALJ recommends that the Appeal of the Denial of occupational license be dismissed, that Mr. Martini's application for an occupational license be denied, and that his request for a felony waiver pursuant to IC 4-33-8-11 be denied since he is not eligible pursuant to statute until at least April 6, 2005.

Action: Upon motion by Ann Bochnowski, second by Richard Darko, and unanimous vote of those present, the Commission accepted the ALJ's recommendation that Mr. Martini's application for an occupational license be denied and that his request for a felony waiver pursuant to IC 4-33-8-11 be denied.

Settlement Offer on Disciplinary Action

Michael Palm

Complaint Number 2001-OL-HA-1

On March 2, 1999, Mr. Michael Palm was issued a permanent occupational license to work for Harrah's. A disciplinary action was initiated against Mr. Palm after it was discovered that while on duty as a poker supervisor, Mr. Palm sat down at a poker table at Harrah's and began playing poker allegedly at the direction of a patron. Mr. Palm played between 2:25 a.m. and 3:00 a.m. 68 IAC 9-4-5(b) states that no employee of a riverboat licensee may participate in a game conducted on that riverboat which is the subject of a license. Harrah's placed Mr. Palm on suspension for two weeks pending an investigation of the incident. Mr. Palm is currently working at Harrah's as a table games supervisor. After the Commission took disciplinary action against Mr. Palm the matter was forwarded to an Administrative Law Judge, Mr. Bernard L. Pylitt for consideration. The ALJ presided over the matter throughout a pre-hearing conference and exchange of discovery. Negotiations resulted in a settlement agreement. Commission staff and Mr. Palm have agreed that a period of suspension of six months would be approved by Mr. Palm in settlement of this action, three months of the sentence shall be suspended. The remaining three-month period shall be served by Mr. Palm beginning November 1, 2001 with his license to be reinstated on February 1, 2002. Mr. Palm agreed that following the period of suspension his license would be in probationary status for a period of one year. Mr. Palm further agreed that any further violations committed by him before the conclusion of his probationary period would result in the Commission requiring him to serve the remaining three month period of suspension in addition to the Commission initiating disciplinary action against him.

Action: Upon motion by Ann Bochnowski, second by Thomas Milcarek, and unanimous vote of those present, the Commission approved the terms of the settlement agreement.

John Campbell

CA-FEL-2000-2

Mr. John Campbell applied for an Occupational License, Level 2 for employment as a dealer at Caesars and was issued a temporary occupational license on September 21, 1998. During the background investigation, the State Police Background Investigation unit discovered that Mr. Campbell had been convicted of a felony. Mr. Campbell's temporary occupational license was revoked on June 22, 2000. Mr. Campbell submitted a Request for a Felony Disqualification Waiver. On March 2, 2001, the Commission adopted the Findings of Fact and Recommendation that was submitted by Jennifer Chelf, the review officer appointed in this matter and denied Mr. Campbell's request for a Felony Waiver. Mr. Campbell appealed the decision of the Commission and requested a hearing in the matter on or about March 14, 2001. The Commission appointed Bernard L. Pylitt as the Administrative Law Judge in this matter. Judge Pylitt conducted a hearing on this appeal on June 26, 2001 in Lawrenceburg, Indiana. On or about July 13, 2001, Judge Pylitt submitted his Findings of Fact, Conclusions of Law, and Recommendation to the Commission. Judge Pylitt recommended that the denial of Mr. Campbell's Request for a Felony Waiver be upheld.

Action: Upon motion by Dr. David Ross, second by Ann Bochnowski, and unanimous vote of those present, the Commission accepted the recommendation of the Administrative Law Judge and denies Mr. Campbell's request for a felony waiver.

Supplier's License Matters

Resolution 2001-28

A Resolution Concerning The Renewal of Suppliers' Licenses for Atronic Americas, LLC; Bally Gaming, Inc; Gemaco Playing Card Company; Hornblower Marine Services; Kilmartin Industries, Inc., d/b/a Roger Williams Mint; Mikohn Gaming Corporation; Osborne Coinage Company; Paul-Son Gaming Supplies, Inc.; Riverboat Services, Inc.; Spin For Cash Wide Area Progressive Joint Venture; V.S.R. Lock, Inc.

Action: Upon motion by Richard Darko, second by Dr. David Ross, and unanimous vote of those present, the Commission grants the renewal of the suppliers' licenses listed above. The renewed suppliers' licenses will be valid for a period of one (1) year from the date of issuance.

Resolution 2001-29

A Resolution Concerning The Request of Bud Jones Company, Inc. for a Supplier's License.

Action: Upon motion by Richard Darko, second by David Carlton, and unanimous vote of those present, the Commission granted a Supplier's License to The Bud Jones Company, Inc. The Supplier's License will be valid for a period of one (1) year, from August 23, 2001 through August 22, 2002.

Resolution 2001-30

A Resolution Concerning The Request of PDS Financial Corporation to Change the Name of the Supplier Licensee to PDS Gaming Corporation.

Action: Upon motion by David Carlton, second by Thomas Milcarek, and unanimous vote of those present, the Commission grants the request of PDS Financial Corporation to recognize PDS Gaming Corporation as the holder of an Indiana temporary supplier's license. All other conditions placed upon PDS Financial Corporation in Resolution 1998-21 shall remain the same and apply to PDS Gaming Corporation. The temporary supplier's license will remain valid until the date that a permanent supplier's license is issued or until the temporary supplier's license is revoked pursuant to 68 IAC 2-2.

Resolution 2001-31

A Resolution Concerning the Request of Anchor Coin, Inc., to Withdraw the License of VLC, Inc.

Action: Upon motion by Thomas Milcarek, second by David Carlton, and unanimous vote of those present, the Commission granted the request of Anchor Gaming, the parent company of VLC, Inc. for leave to withdraw the supplier's license of VLC, Inc.

**Notice of NonRenewal
2001-LGS-1**

Lodging and Gaming Systems ("LGS") received a temporary supplier's license on May 20, 1996 and a permanent supplier's license on March 17, 1998. On February 16, 2001 in preparation for the March Commission meeting, Commission staff sent a letter to Bob Rule at LGS. This letter informed LGS that its supplier's license was due for renewal in mid-March. The letter informed LGS that the renewal of their supplier's license would be made contingent on the Commission's receipt, by March 26, 2001, a completed supplier's annual renewal request, unpaid background investigation fees; 2001 renewal fees and additional documents requested by Commission staff. The Commission has yet to receive the requested documents or payment from LGS.

Action: Upon motion by Richard Darko, second by Ann Bochnowski, and unanimous vote of those present, the Commission approved the Notice of Non-Renewal for Lodging and Gaming Systems. The Order will become effective fifteen (15) days after it is served.

Bond Reduction

**Request for Bond Reduction
RDI/Caesars Riverboat Casino, LLC**

The following Surety Bonds have been posted by RDI/Caesars to secure the performance by Caesars:

- \$12,000,000 to secure the performance of Caesars to construct a 500 room hotel. The 503 room hotel has been substantially completed, with the indoor swimming pool expected to be completed during the 1st Quarter of 2002. Therefore, the amount of the Surety Bond posted by Caesars allocated to the construction may be reduced by \$11,000,000.
- \$8,200,000 posted to secure the performance by Caesars of its obligation to construct 100 additional hotel rooms and 400 additional parking spaces in lieu of a gondola system across the Ohio river. The requirement of these additions was deleted in the First Amendment to the Development Agreement between Harrison County and Caesars. The Commission, by Resolution 1999-7 reduced the bond obligation from \$8,200,000 to \$4,100,000. The hotel is substantially complete with a 3,000 space parking garage to be open for public use in late August 2001. Therefore the amount of the Surety Bond posted by Caesars allocated to the construction of the additional hotel rooms and parking spaces may be reduced by \$4,100,000.
- \$6,000,000 was posted to secure the performance by Caesars of its obligation was posted to secure the performance by Caesars of its obligation to construct a land based pavilion. The pavilion was completed in late 2000. Therefore, the amount of the Surety Bond posted by Caesars that is allocated to the construction of the pavilion may be reduced by \$6,000,000.
- \$2,600,000 was posted to secure the performance by Caesars of its obligation to construct a water supply, storage, and treatment facility for the town of Elizabeth. Caesars is obligated to use the Elizabeth Water Company to serve its needs for

water and fire protection. The construction is completed and Caesars is purchasing water from the Elizabeth Water Company. Therefore, the amount of the Surety Bond posted by Caesars that is allocated to the construction of new water facilities in Elizabeth may be reduced by \$2,600,000.

- \$2,200,000 was posted to secure the performance by Caesars to pay for costs associated with the expansion of emergency services in Harrison County. The Second Amendment to the Development Agreement indicates that Caesars has satisfied its obligation with respect to emergency services. Therefore, the amount of the Surety Bond posted by Caesars that is allocated to the expansion of emergency services may be reduced by \$2,200,000.

Action: Upon motion by Ann Bochnowski, second by David Carlton, and unanimous vote present the Commission authorizes the American Home Assurance Company of Pennsylvania to reduce the Surety Bond posted by Caesars in the amount of \$25,900,000.

Financing

Resolution 2001-32

A Resolution Concerning Financing by Harrah's Operating Company, Inc. Ms. Kay Fleming, Ice Miller and Josh Hershberg of Harrah's, appeared before the Commission to discuss Harrah's request for approval of the public offering of the Notes and their request of a waiver of the two meeting rule. On June 6, 2001 Harrah's requested a waiver of the financial approval requirements with respect to a Rule 144A interim offering and subsequent approval by the Commission of the registered public offering of Senior Subordinated Notes in the amount of \$500 million at an interest rate of 7.125% for a term of six years. This request was granted by the Executive Director under 68 IAC 5-3-6.

Action: Upon motion by Ann Bochnowski, second by Dr. David Ross, and unanimous vote of those present, the Commission approved the request for a waiver of 68 IAC 5-3-2(b)(3), the two meeting rule and approved Harrah's request to register the six-year Notes in the amount of \$500 million at an interest rate of 7.125% subject to a review and approval of the terms of the final draft and associated documents by Commission staff.

Resolution 2001-33

A Resolution Concerning the Financing by Park Place Entertainment Corporation. Ron Gifford, Baker and Daniels; and William Joyce, Corporate Counsel for Park Place appeared before the Commission to discuss a request by Park Place Entertainment Corp. for Commission approval of a public offering of Senior Notes in an amount of \$425 million at an interest rate of 7.5% due 2009 as well as a waiver of the two meeting rule.

On August 14, 2001 Park Place Entertainment Corp. requested a waiver of the financial approval requirements with respect to a Rule 144A interim offering. The Executive Director granted this request after discussion with Chairman Vowels and Commissioner Swan.

Action: Upon motion by Thomas Milcarek, second by David Carlton, and unanimous vote of those present, the Commission approved the request for a waiver of the two (2) meeting rule and approved Park Place Entertainment's request for a public offering of senior notes in an amount of \$425 million at an interest rate of 7.5% due 2009 subject to a review and approval of the terms of the final draft and associated documents by the Commission staff.

Waiving Financial Approval Requirements For Refinancing Of Existing Debt

The Commission discussed the procedure followed by commission staff when requests are made to waive financial approval requirements for the refinancing of existing debt. Executive Director Thar explained that waiving the financial approval requirements allows the company to take advantage of good market conditions. After discussion, there was consensus that Executive Director Thar be allowed to waive the financial approval requirements for the refinancing of existing debt. Specifically,

"John J. Thar, as Executive Director, has the ability to waive the financial approval requirements for the refinancing of existing debt so long as the submitted documents have been reviewed by the Executive Director, in conjunction with Ms. Cynthia L. Dean in her capacity as Chief Legal Counsel, and with counsel of both the Chairman and the Certified Public Accountant of the Commission, or such other Commissioner as may be able to be reached. While that does not guarantee future Commission approval, it does indicate that such a procedure would not be frowned upon for the purpose of the waiver."

Park Place Entertainment Credit Facilities

Mr. Ron Gifford, Baker and Daniels; and Mr. William Joyce, Corporate Counsel for Park Place Entertainment appeared before the Commission to request clarification as to whether or not Commission approval is needed to extend previously approved credit facilities at reduced levels.

By Resolution, the Commission previously approved Park Place Entertainment entering into two credit facilities. The first being a 364-day \$2 Billion credit facility, with the second being a multi-year facility not to exceed \$2 Billion for an aggregate of the two facilities of \$4 Billion. Both of the facilities held provisions for the company to extend them in one year increments. The short-term facility is near expiration. Park Place would like to extend that facility at a reduced level.

The multi-year facility is scheduled to expire in December 2003. The company would like to extend the multi-year facility two years beyond its scheduled expiration date at a reduced level.

Action: When the Commission has previously acted on a prior debt transaction and the action by the company is to reduce the amount or extend the terms of payment, the Commission needs to be notified but the Commission does not need to reapprove the terms of the credit facility.

New Table Games

Resolution 2001-34

Conditional Approval of the Game 21+3

Action: Upon motion by Richard Darko, second by Dr. David Ross, and unanimous vote of those present, the Commission approved the game of 21+3 for a trial period of six (6) months for use on Indiana riverboats. During the trial period, all riverboats who offer the game of 21+3 must have pre-approved rules of the game and must report those matters as directed by the Executive Director or the Executive Director's designee, which matters include, but are not limited to, the following information: the amount of play, the revenue generated by the game of 21+3, and whether the riverboat licensee wishes to continue offering the game of 21+3. The riverboat designee must also document any customer complaints or incidents that are generated by the game of 21+3 and forward those reports to the Commission. At the end of the trial period, the Commission will consider approving the game of 21+3 to be offered on Indiana riverboats on a permanent basis.

Settlement Offers on Disciplinary Actions

Complaint #01-AZ-1 Aztar Indiana Gaming Corp.

Commission staff initiated a disciplinary action, consisting of two counts, against Aztar Indiana.

Count 1 of the action concerns an incident that occurred on January 28, 2001 when an Aztar patron won a \$5,000 slot jackpot and produced a Resident Alien Identification card from the INS that showed him to be twenty (20) years of age. This is in violation of Indiana gaming regulations and Indiana statute regarding minors obtaining access to the riverboat.

Indiana Gaming regulations require a riverboat licensee to establish procedures for reporting cash transactions made by a patron that exceed (\$10,000) in a twenty-four hour period. The currency transaction report must be filed with the Internal Revenue Service within 15 days of the transaction with a copy to be filed simultaneously with the Commission. In 1998 the Internal Revenue Service performed a compliance check of Aztar's currency transaction reports. The IRS listed 48 instances where Aztar failed to file a required CTR. Pursuant to Indiana Gaming Regulations Aztar reported the results of the IRS compliance review. As a result, the Commission began its own investigation regarding Aztar's CTR compliance and discovered 30 instances where Aztar's failure to file a required CTR in violation of Indiana gaming regulations regarding the reporting of cash transactions. Mr. James Brown, General Manager and Executive Director John J. Thar, have signed a settlement agreement awaiting Commission approval with respect to the action against Casino Aztar. Commission staff recommends that Aztar pay a fine in the amount of \$11,500; 1) a \$1,500 fine for the minor obtaining access to the riverboat and: 2) \$10,00 fine for the CTR violations and the forfeiture of the \$5,000 jackpot for a total of \$16,500 in fines and forfeiture.

Action: Upon motion by Dr. David Ross, second by Richard Darko, and unanimous vote of those present, the Commission approved the proposed terms of the Settlement Agreement.

Complaint No. 01-AZ-2 Aztar Indiana Gaming Corp.

On June 1, 2001 a nineteen year old boarded the riverboat during the 9:00 p.m. boarding without being asked for identification. Aztar personnel did not become aware of the minor's presence until approximately 11:30 p.m. when she attempted to steal tips from a cocktail server. As a result of this incident, the Indiana Gaming Commission initiated a disciplinary action against Casino Aztar. Mr. James Brown, General Manager and Executive Director John J. Thar have signed a settlement agreement awaiting Commission approval with respect to this action. Commission staff recommends and Aztar will agree to pay a fine in the amount of \$3,000.

Action: Upon motion by Ann Bochnowski, second by David Carlton, and unanimous vote of those present, the Commission approved the proposed terms of the Settlement Agreement.

Complaint No. 01-BT-1 Belterra Casino and Resort

Belterra hired the Highway 50 Band to perform on the riverboat in April 2001. The band performed at Belterra on nine occasions during the month of April. It was discovered during sign in procedures at security that the singer of the band was nineteen years old. The band member was prohibited from obtaining access to the riverboat. As a result of this incident, the Indiana Gaming Commission initiated a disciplinary action against Belterra Casino and Resort. Loren Ostrow, Secretary Pinnacle Entertainment as agent for Belterra Casino and Resort and John J. Thar, Executive Director of the Indiana Gaming Commission have signed a settlement agreement awaiting Commission approval. Commission staff recommends that Belterra pay a fine in the amount of \$13,500; \$1,500 for each of the nine days the band performed on the riverboat with the underage singer.

Action: Upon motion by Ann Bochnowski, second by David Carlton, and unanimous vote of those present, the Commission approved the terms of the settlement agreement.

Complaint No. 01-BT-2 Belterra Casino and Resort

Belterra hired Mr. John Condron to work as an Emergency Medical Technician ("EMT") While Mr. Condron was certified to work as an EMT in Kentucky, he was not certified as an EMT by the Indiana Emergency Medical Services Commission. The Belterra's Captain's Log, documented that Mr. Condron worked alone on the riverboat on forty-six occasions between October 2000 and March 2001. This action was in violation of Indiana gaming regulations. Commission staff recommends and Belterra has agreed to pay a fine in the amount of \$46,000: \$1,000 for each of the forty-six days that Mr. Condron worked on the riverboat of which \$11,000 will be suspended due to remedial actions taken by Belterra since March 2001. Should Belterra violate the provisions of 68 IAC 8-2-2 at anytime from the date of the Settlement Agreement through December 31,2001 the Commission will seek payment of the suspended \$11,000.

As requested by the Commissioners, Jay Boyd local counsel for Belterra submitted the EMT Analysis.

Action: Upon motion by Ann Bochnowski, second by David Carlton, and unanimous vote of those present, the Commissioner approved the terms of the settlement agreement.

Complaint No. 01-BC-2

On July 6, 2001 a nineteen-year-old boarded the riverboat during the 3:00 p.m. boarding. The nineteen-year-old was not asked for identification by any Blue Chip employee prior to boarding the riverboat. A blue chip security officer observed the patron on the gaming floor and approached the patron. The individual stated she was nineteen years old and subsequently escorted off the riverboat. A disciplinary action was initiated against Boyd Gaming. Brian Larsen, Senior Vice President, Secretary and General Counsel as agent of Boyd Gaming Corp. and John J. Thar, Executive Director signed a settlement agreement awaiting Commission approval. Commission staff recommends and Blue Chip will agree to pay a fine in the amount of \$1,500.

Action: Upon motion by David Carlton, second by Dr. David Ross, and unanimous vote of those present, the Commission approved the terms of the settlement agreement.

Complaint No. 01-MS-1 Majestic Star Casino

On August 13, 2001 Commission staff initiated a disciplinary action, consisting of three counts, against Majestic Star Casino. Count 1 of the complaint concerned the fact that an employee failed to notify Majestic Star Casino of a planned theft. On May 1, 2000 Majestic Star received a report from a cage employee that a surveillance employee who indicated that they, along with another surveillance employee, were planning to steal money from the Casino had approached her. Without advising Commission agents, Majestic Star questioned two suspects on May 2, 2000. The two suspects were terminated on May 4, 2000. Commission agents were not notified by Majestic Star and remained unaware of the situation until approximately May 4, 2000. Majestic Star failed to notify the Indiana Gaming Commission that two of its employees were violating the license requirements of 68 IAC 2-3-5(c)(14) by engaging in behavior that evidences bad reputation and unfit character to hold a license. Count 2 of the complaint concerned the fact that Majestic Star's Surveillance Department used a system of changing tapes that created significant lapses in recorded surveillance coverage. The casino was not properly guarding its assets and not providing the level of complete surveillance required by 68 IAC 12. The two employees suspected of plotting to steal from the cage were interrogated in violation of 68 IAC 12-1-6(c)(5) when they were questioned in a room that did not have the capability to monitor and record the questioning. Count 3 of the complaint concerned the fact that on July 7, 2000 Majestic Star terminated its Director of Surveillance and then moved its Director of Security to the position of Interim Director of Surveillance and moved the second in command of Security to the position of Interim Security Director without the prior consent or approval of the Commission and without proper licensure. These personnel changes created the situation that the Majestic Star Security and Surveillance Departments were not adequately overseen between July 7, 2000 and July 11, 2000 when the Commission discovered the situation. Due to the inadequate staffing of the Security and Surveillance Departments, two departments with the primary responsibility of asset security, Executive Director Thar ordered the Majestic Star to close the casino until a reasonable solution was provided. The casino was closed at 12:00 p.m. on July 11, 2000 and reopened at 4:00 p.m. on July 11, 2000. Subject to Commission approval, Commission staff and Majestic Star agree that

Majestic Star will pay a fine in the amount of \$7,500 for each of the first two counts for a total fine of \$15,000. There is no fine associated with Count 3 due to the fact that the casino was closed for a period of four hours.

Action: Upon motion by Ann Bochnowski, second by Dr. David Ross, and unanimous vote of those present, the Commission approved the terms of the settlement agreement.

Resolution 2001-35

A Resolution Concerning the Request of RSR, LLC to Transfer an Ownership Interest. Patrick Daly requested that he be allowed to sell 8% interest in RSR, LLC to FJH, LLC. A limited background investigation was conducted due to the fact that the ownership change is less than 5%. Lisa Hays Murray, counsel for FJH; Patrick Daly, Michael Firsel and Sheldon Holzman appeared before the Commission.

Action: Upon motion by Richard Darko, second by David Carlton, and unanimous vote of those present, the Commission granted Mr. Daly's request, as a shareholder of RSR, LLC for approval to transfer an ownership interest in the amount of 8% of RSR, LLC thereby transferring an ownership interest of 1.6% in Grand Victoria Casino & Resort, L.P. to FJH, LLC.

Consideration of License Renewal

Resolution 2001-36

A Resolution Concerning the Renewal of the Riverboat Owner's License held by Grand Victoria Casino and Resort, LLC. Mr. Larry Buck, General Manager; and Mark Hemmerle, General Counsel of Grand Victoria appeared before the Commission with respect to renewal of the riverboat owner's license issued to Grand Victoria Casino and Resort, LLC.

Action: Upon motion by Mr. Thomas Milcarek, second by Ann Bochnowski, and unanimous vote of those present, the Commission made a preliminary determination to renew the Riverboat Owner's License issued to Grand Victoria Casino and Resort, LLC. The license will remain valid until the Commission reconvenes to hold a public hearing.

Next Meeting

The next business meeting of the Indiana Gaming Commission will be announced at a later date.

Adjournment

Upon motion by Thomas Milcarek, second by Ann Bochnowski, and unanimous vote of those present, the meeting was adjourned.

Minutes

Karen M. Price & Associates transcribed the August 23, 2001 Business Meeting. Consequently, the transcript is the complete record of the meeting. Anyone wishing to see the transcript can review it in the Commission office or obtain a copy of the transcript from Karen M. Price & Associates, 7863 Broadway, Suite 118, Merrillville, Indiana 46410, (219) 756-0702.

Rhonda K. Dalton, Executive Secretary of the Indiana Gaming Commission Staff, prepared these minutes.

Respectfully submitted,


Rhonda K. Dalton

THE INDIANA GAMING COMMISSION


Donald Vowels, Chair


Thomas Milcarek, Secretary