

INDIANA GAMING COMMISSION
Business Meeting
10:00 a.m., September 12, 2003
11999 Avenue of the Emperors
Elizabeth, IN 47117-7753

Call to Order and Roll Call: Chairman Vowels called the meeting to order at approximately 10:15 a.m. There are six commissioners at this time. A quorum was present.

Present: Commission Members: Donald R. Vowels, Chair; Thomas Milcarek, Secretary; Dale Gettelfinger; Marya Rose; and I. Maurice Ndukwu. Ann Bochnowski, Vice-Chair was absent. Staff: Glenn R. Lawrence, Cynthia L. Dean, Jennifer Arnold, Jennifer Chelf, Susan Brodnan, Roger Shinness, Jill Wulf, Major Mark Mason, and members of the public.

Approval of the Minutes

Upon motion by Dale Gettelfinger, second by Marya Rose, and unanimous vote of those present, the minutes of the July 11, 2003, business meeting were unanimously approved.

Report of the Executive Director

Waiver of Rules and Regulations

The Executive Director granted the following waivers:

- Aztar, Trump, Belterra, Argosy, Majestic Star and Horseshoe - Waiver of 68 IAC 15-1-1(c)). Alteration of five-year record retention for TITO Electronic Cards.
- Blue Chip - Waiver of 68 IAC 15-11-3.1, 15-13-2(d)(6) & (7). Manually paid jackpot procedures for \$200 or less jackpots on nickel EGD's.
- Harrah's - Waiver of 68 IAC 14-6-2(3). Alteration of blackjack layouts from seven to five wager areas.
- Caesars - Waiver of 68 IAC 14-6-2(3). Alteration of blackjack layouts from seven to six wager areas.
- Horseshoe - Waiver of 68 IAC 15-6-3. Waiver of admission tickets in favor of turnstile pass-throughs.
- Trump, Horseshoe, Majestic Star - Waiver of 68 IAC 15-9-1(b)(3). Approval to replace a casino cage cashier with a security officer on the tip count team.

An Executive Session was held prior to the business meeting to discuss confidential financial information pursuant to statute. No decisions were made nor were votes taken at that meeting.

Executive Director Lawrence updated the Commission on the status of French Lick. Orange County Council has requested a resolution authorizing a referendum to be held on November 4th with the payment of costs to be made by the applicant. Part 1 of the application is due September 19, 2003.

Commission staff has met with representatives of both historic hotels and the Historical Preservation Commission.

Harrah's extended an offer to purchase Horseshoe Casino which consists of four properties, one of which is in Indiana. Additional information will be provided at a later date.

Voluntary Exclusion Program

Jennifer Chelf provided an update on the Voluntary Exclusion Program. The rules were submitted to the Legislative Services Agency for publication in the October 1, 2003 edition of the Indiana Register. A hearing to receive public comments on the rules has been scheduled for 10:30 a.m. at the Commission Offices on October 24, 2003. Written comments will also be accepted.

Walter Schulz appeared before the Commission to offer comments about the Voluntary Exclusion Program.

Resolution 2003-36

A Resolution Adopting an Emergency Rule. The Commission adopted Emergency Rule #03-210(E) on July 11, 2003. The rule was then filed with the Secretary of State's office on July 15, 2003, which is the date it became effective. The rule will remain in effect for ninety (90) days thereafter. Resolution 2003-26 would have the effect of extending the rule for an additional 90 days.

Action: Upon motion by Dale Gettelfinger, second by Thomas Milcarek, and unanimous vote of those present, the Commission adopted the extension of Emergency Rule #03-210(E) and authorizes the staff to file the rule again with the Secretary of State's office for a ninety-day extension of the effectiveness of the rule. The Commission further adopts any stylistic, grammatical, typographical, or other nonsubstantive changes that the Commission or the Legislative Services Agency may make to this emergency rule. The Commission shall submit the rule to the Publisher of the Indiana Register and the Indiana Administrative Code for the assignment of a document control number and then shall submit the emergency rule to the Secretary of State for filing. The Commission staff will work to expeditiously complete the process necessary to adopt the emergency rule as a final rule pursuant to the dictates of IC 4-22-2. Resolution 2003-36 will expire after the subject matter of the attached emergency rule is fully promulgated pursuant to IC 4-22-2.

New Game Approvals

Resolution 2003-37

A Resolution Concerning Approval of the Game of Casino Surrender. Casino Gaming, LLC submitted the game of Casino Surrender for approval for play on Indiana riverboats. Gaming Laboratories International, Inc. ("GLI") reviewed the information and material submitted by Casino Gaming, LLC and found that the game of Casino Surrender is a variation of the traditional game of Blackjack. Casino Gaming, LLC received conditional approval of the game for a period of six (6) months, pursuant to Resolution 2003-3, which was adopted by the Commission on January 10, 2003. Grand Victoria Casino ("Grand Victoria") sponsored Casino Surrender by introducing the game to its casino floor following the conditional approval. Grand

Victoria has indicated in writing that it wishes to continue offering the game of Casino Surrender.

Action: Upon motion by Thomas Milcarek, second by Dale Gettelfinger, and unanimous vote of those present, the Commission approved the game of Casino Surrender for use on Indiana riverboats. All riverboats who offer the game of Casino Surrender must have pre-approved rules of the game and layout schematics.

Resolution 2003-38

Gaming Systems Unlimited has submitted the game of Fast Action Poker/Hold 'Em and has asked that the Commission consider approving it for use in Indiana. Harrah's Casino ("Harrah's") has advised the Commission, in writing, that it supports the game of Fast Action Poker/Hold 'Em for use in Indiana, and has submitted a draft of proposed rules for the game which it purports to utilize if the game is approved. Gaming Laboratories International, Inc. ("GLI") has reviewed the information and material submitted by Gaming Systems Unlimited. GLI has forwarded its report to the Commission and has found that the game of Fast Action Poker/Hold 'Em is a variation of the traditional game of Poker.

Action: Upon motion by Marya Rose, second by Dale Gettelfinger, and unanimous vote of those present, the Commission approved game of Fast Action Poker/Hold 'Em for a trial period of six (6) months for use on Indiana riverboats. During the trial period, all riverboats who offer the game 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 shall include, but are not limited to, the following information: the amount of play, the revenue generated by the game, and whether the riverboat licensee wishes to continue offering the game of Fast Action Poker/Hold 'Em. The riverboat licensee must also document any customer complaints or incidents that are generated by the game of Fast Action Poker/Hold 'Em and forward those reports to the Commission. At the end of the trial period, the Commission will consider approving the game of Fast Action Poker/Hold 'Em to be offered on Indiana riverboats on a permanent basis.

Occupational License Matters

Constantine Vrehas MS-DEN-03-4

Constantine Vrehas applied for an occupational license, level 2, for employment as a Dealer at Majestic Star Casino. On or about November 26, 2002, the Commission issued Mr. Vrehas a temporary occupational license. The application for an occupational license asks if the applicant has ever been arrested, detained, charged, indicted, convicted of, or pled guilty to any criminal offense, either felony or misdemeanor. Mr. Vrehas disclosed on his application two driving while suspended charges, and a disorderly conduct charge. Commission staff sent Mr. Vrehas four letters requesting a copy of court documentation showing the outcome of the charges. Three of the letters were hand delivered to Mr. Vrehas by a Commission agent at Majestic Star. Mr. Vrehas contacted Commission staff by telephone on two occasions and indicated that he would send the information. Commission staff never received the requested court documentation. Pursuant to Indiana Gaming Regulations, a licensee must comply with all requests for

information related to the applicant and his or her application. The Commission staff revoked Mr. Vrehas' temporary occupational license and denied his application for a permanent license due to his failure to comply with requests for information regarding his application.

Action: Upon motion by Dale Gettelfinger, second by I. Maurice Ndukwu, and unanimous vote of those present, the Commission denied the application for an occupational license, level 2, submitted by Constantine Vrehas. Pursuant to IC 4-21.5-3-6, this order will become effective fifteen (15) days after it is served.

Occupational License Matters

Holly Blair HH-DEN-03-1

Holly Blair applied for an occupational license, level 2, for employment as a Dealer at Horseshoe Casino. On or about October 23, 2002, the Commission issued Ms. Blair a temporary occupational license. Ms. Blair disclosed several arrests on her application for an occupational license. Commission staff sent Ms. Blair five letters requesting court documentation showing the outcome of the arrests. Four of the letters were hand delivered to Ms. Blair by a Commission agent at Horseshoe. Ms. Blair submitted a portion of the requested information, but did not completely comply with Commission staff's request. Ms. Blair failed to comply with numerous requests for information. On that basis, Commission staff revoked Ms. Blair's temporary occupational license and denied her application for a permanent license. The Commission staff formally advised Ms. Blair of this action on August 8, 2003. Ms. Blair's attorney contacted the Commission in August 2003 and provided the appropriate information to Commission staff, and requested her license be reinstated. Ms. Blair's attorney also informed commission staff that Ms. Blair would appeal if the revocation was upheld. Pending Commission approval, Commission staff entered into a settlement agreement with Ms. Blair.

Action: Upon motion by Marya Rose, second by Dale Gettelfinger, and unanimous vote of those present, the Commission denied the application for an occupational license, level 2, submitted by Holly Blair. Pursuant to IC 4-21.5-3-6, this Order will become effective fifteen (15) days after it is served.

Action: Upon motion by Dale Gettelfinger, second by Marya Rose, and unanimous vote of those present, the Commission approved the proposed terms of the proposed terms of the Settlement Agreement.

Kevin King HA-DEN-03-1

Kevin King applied for an occupational license, level 2, for employment as a Slot Attendant at Harrah's Casino. On or about May 18, 2000, the Commission issued Mr. King a temporary occupational license. On or about July 9, 2003, Harrah's security and Commission agents confronted Mr. King regarding the removal of tokens from a slot machine. Mr. King admitted that on July 8, 2003, while engaged in his duties as a Slot Attendant, he purposely left open the reserve door to a slot machine so his friend could remove tokens. The friend cashed in \$4,000 worth of tokens at the cage and split the money with Mr. King. Mr. King admitted to

committing this activity between seven and ten times before this incident, stealing between \$10,000 and \$70,000. The casino terminated Mr. King's employment due to this activity. Commission staff revoked Mr. King's temporary occupational license and denied his application for a permanent license. The Commission staff formally advised Mr. King of this action on August 12, 2003.

Action: Upon motion by Marya Rose, second by Thomas Milcarek, and unanimous vote of those present, the Commission denied the application for an occupational license, level 2, submitted by Kevin King. Pursuant to IC 4-21.5-3-6, this Order will become effective fifteen (15) days after it is served.

Patricia Johnson
MS-DEN-03-5

Patricia Johnson applied for an occupational license, level 2, for employment as a Slot Attendant at Majestic Star Casino. On or about July 21, 1999, the Commission issued Ms. Johnson a temporary occupational license. In March 2003, Ms. Johnson changed to the position of Slot Lead. On or about July 17, 2003, Commission agents confronted Ms. Johnson regarding theft of company funds. Ms. Johnson admitted that she had created fraudulent "no signal" jackpot forms and retained the money without authorization. This activity was conducted during the performance of her duties as a Slot Lead at Majestic Star. The casino terminated Ms. Johnson's employment due to this activity. Commission staff revoked Ms. Johnson's temporary occupational license and denied her application for a permanent license and formally advised Ms. Johnson of this action on August 20, 2003.

Action: Upon motion by I. Maurice Ndukwu, second by Dale Gettelfinger, and unanimous vote of those present, the Commission denied the application for an occupational license, level 2, submitted by Patricia Johnson. Pursuant to IC 4-21.5-3-6, this Order will become effective fifteen (15) days after it is served.

Suppliers' License Matters

Resolution 2003-39

A Resolution Concerning The Renewal of Suppliers' Licenses For VendingData Corporation and Spin for Cash Wide Area Progressive Joint Venture.

Action: Upon motion by Thomas Milcarek, second by Marya Rose, and unanimous vote of those present, the Commission Upon motion by Ann Bochnowski, second by I. Maurice Ndukwu, and unanimous vote of those present, the Commission granted the renewal of the Suppliers' Licenses issued to VendingData Corporation and Spin for Cash Wide Area Progressive Joint Venture on the condition that any outstanding background fees are paid as directed by the Commission staff. The renewed Supplier's Licenses will be valid for a period of one (1) year from the date of issuance.

Resolution 2003-40

A Resolution Concerning the Request of Atlantic City Coin & Slot Service Company, Inc. for Approval to Transfer an Ownership Interest. Atlantic City Coin & Slot Service Company Inc., (“A.C. Coin”) received a Permanent Supplier’s License from the Commission on February 26, 1999. By letter dated July 22, 2003, A.C. Coin requests the Commission allow the majority stock holder, Mac Seelig, to transfer one percent common stock ownership to each of his sons: Jerald Seelig, Jeffrey Seelig, and Jason Seelig. The transfer of interest will result in the ownership of nine percent each by Jerald Seelig, Jeffrey Seelig, and Jason Seelig. The purpose of the transfer is for estate planning. (A copy of the July 22, 2003 letter is attached.) All of the Seeligs were subject to a background investigation for their present employment positions and their ownership interest in A.C. Coin and were approved by the Commission. No new key persons or substantial owners are being introduced as a result of this change in ownership. Due to the fact that no new key persons or substantial owners are being introduced as a result of this change in ownership, A.C. Coin has requested that the Commission waive the normal transfer of ownership procedures and attendant background investigations.

Action: Upon motion by Marya Rose, second by I. Maurice Ndukwu, and unanimous vote of those present, the Commission granted A.C. Coin’s request for a waiver of the normal transfer of ownership procedures and attendant background investigations.

Action: Upon motion by Marya Rose, second by I. Maurice Ndukwu, and unanimous vote of those present, the Commission granted A.C. Coin’s request for approval of the resulting transfer of ownership interests of one percent each to Jerald Seelig, Jeffrey Seelig, and Jason Seelig for a total ownership interest of nine percent respectively.

Resolution 2003-41

A Resolution Concerning the Request of International Game Technology to Purchase Acres Gaming, Incorporated. International Game Technology is the parent company of each of IGT and Anchor Coin; IGT received a Temporary Supplier’s License on September 8, 1995, a Permanent Supplier’s License on January 20, 1998, and the most recent renewal of its Supplier’s License on January 20, 2003. Anchor Coin, d/b/a Anchor Games, received a Temporary Supplier’s License on November 13, 1996, a Permanent Supplier’s License on March 17, 1998, and the most recent renewal of its Supplier’s License on March 17, 2003. The Commission approved the purchase of Anchor Gaming, the parent company of Anchor Coin, by IGT on November 7, 2001 pursuant to Resolution 2001-37. Pursuant to IC 4-33-7-8(b), each of IGT and Anchor Coin shall undergo a complete investigation prior to the renewal of the license for the third year. Acres Gaming, Incorporated was issued a temporary supplier’s license on September 5, 1996, and, on March 30, 2000 Acres Gaming Inc.’s temporary license was extended for an indefinite period of time. International Game Technology and Acres Gaming, Incorporated executed an Agreement and Plan of Merger on June 29, 2003. International Game Technology and Acres Gaming, Incorporated are both publicly-traded corporations. Each of International Game Technology’s wholly owned subsidiaries, IGT and Anchor Coin are Indiana supplier licensees in good standing. Acres Gaming, Incorporated is a temporary Indiana supplier licensee in good standing. International Game Technology requests the approval of the Commission for the purchase of 100% of the equity interests of the temporary Indiana supplier licensee Acres

Gaming, Incorporated. The Agreement and Plan of Merger is anticipated to close in or about the third calendar quarter of 2003. Acres Gaming, Incorporated will become a wholly owned subsidiary of International Game Technology. International Game Technology has represented to the Commission its management will report to the Commission concerning any licensing requirements with respect to Acres Gaming, Incorporated. Due to the fact that no new key persons or substantial owners are being introduced as a result of this change in ownership, International Game Technology has requested that the Commission waive the normal transfer of ownership procedures and attendant background investigations.

Action: Upon motion by Marya Rose, second by Dale Gettelfinger, and unanimous vote of those present, the Commission granted International Game Technology's request for a waiver of the normal transfer of ownership procedures and attendant background investigations and granted International Game Technology's request for approval of the resulting transfer of ownership in Acres Gaming, Incorporated to International Game Technology.

Resolution 2003-42

A Resolution Concerning The Request Of Bally Gaming Inc.'s Request To Purchase Casino Management Systems, LLC. Alliance Gaming Corporation is the parent company of Bally Gaming, Inc. ("Bally"). Bally received a Temporary Supplier's License on June 13, 1997 in the name of Alliance Gaming Corporation, a Permanent Supplier's License on March 30, 2000. The license was most recently renewed on March 30, 2003. In November 2002, Bally acquired Casino Management Systems, LLC ("CMS"), a supplier of software solutions. CMS does not hold an Indiana Supplier's License. The acquisition resulted in CMS becoming a wholly owned subsidiary of Bally. CMS no longer functions as an operating company. All software products were acquired by Bally and the former CMS employees who remained after the acquisition are now employees of Bally. No new key persons or substantial owners are being introduced as a result of this acquisition. Bally has provided information regarding a manufacturing facility for CMS software in Nevada, as well as information regarding a division office in Mississippi. Bally will provide any additional information regarding these facilities as requested by the Commission, if additional investigation is deemed necessary by the Commission. Due to the fact that no new key persons or substantial owners are being introduced as a result of this change in ownership, Bally has requested that the Commission waive the normal background investigations, with the exception of the potential investigation of the facilities.

Action: Upon motion by Marya Rose, second by Dale Gettelfinger, and unanimous vote of those present, the Commission approved the acquisition of Casino Management Systems and granted the request for a waiver of the background investigations.

Resolution 2003-43

A Resolution Concerning the Request of You Bet Tours, Inc. to Withdraw its Supplier's License. The Commission issued a temporary Supplier's License to You Bet Tours, Inc. on December 15, 1997 pursuant to Resolution 1997-45. On July 28, 2003 You Bet Tours requested, by letter, the ability to withdraw its Supplier's License due to the unavailability of junket opportunities.

Action: Upon motion by Dale Gettelfinger, second by I. Maurice Ndukwu, and unanimous vote present, the Commission granted the request of You Bet Tours, Inc. to withdraw its Supplier's License.

Resolution 2003-44

A Resolution Concerning The Request Of Hornblower Marine Services To Withdraw Its Supplier's License. On or about March 17, 1998, the Indiana Gaming Commission ("Commission") issued a temporary Supplier's License to Hornblower Marine Services. ("Hornblower"). Hornblower received a permanent Supplier's License on September 18, 2000, and its Supplier's License was renewed annually thereafter with the most recent renewal effective from September 18, 2002 through September 17, 2003. Pursuant to correspondence dated September 9, 2003, Hornblower requested the ability to withdraw its Supplier's License due to the unavailability of marine services opportunities.

Action: Commissioner Gettelfinger abstained from voting. Upon motion by Thomas Milcarek, second by I. Maurice Ndukwu, and unanimous vote of those present, the Commission granted the request of Hornblower Marine Services to withdraw its Supplier's License.

Resolution 2003-45

A Resolution Concerning The Request Of Harold Handelsman To Transfer His Ownership Interest in RBG, L.P. Mark Hemmerle, General Counsel of Grand Victoria Casino and Resort appeared before the Commission. RBG, L.P. owns an 80% interest in Grand Victoria Casino & Resort L.P. ("Grand Victoria"), the entity that holds the riverboat owner's license to operate a riverboat gaming facility located in Rising Sun, Indiana. Harold Handelsman presently has a 3.510638% ownership interest in RBG, L.P., which equates to a 2.8085104% ownership interest in Grand Victoria. Mr. Handelsman presently desires to transfer his entire interest through an inter vivos transfer to 4 separate trusts to benefit his children. Ms. Alexandra Zoric will be the Trustee for these trusts. She will be responsible for decisions and control of the limited partner interest to the extent there are any. Although the Commission staff did not require Ms. Zoric to submit a personal disclosure form, the State Police conducted a review of her background and found no derogatory information.

Action: Upon motion by Dale Gettelfinger, second by I. Maurice Ndukwu, and unanimous vote of those present, the Commission granted Mr. Harold Handelsman's request, as a shareholder of RGB, L. P., for approval to transfer an ownership interest in the amount of 3.510638% of RGB, L. P., thereby transferring an ownership interest of 2.8085104% ownership of Grand Victoria through an inter vivos trust divided evenly among four separate trusts to benefit his children.

Consideration of License Renewal

Grand Victoria Casino and Resort, LP

The Indiana Gaming Commission ("Commission") issued a Riverboat Owner's License to Grand Victoria Casino and Resort, LP ("Grand Victoria") on September 16, 1996. The Commission subsequently granted one-year renewals of Grand Victoria's Riverboat Owner's License pursuant to IC 4-33-6-12 on December 6, 2001, and again on July 29, 2003. The current license will remain effective through September 15, 2003. By letter dated July 22, 2003, Grand Victoria requested a renewal of the Riverboat Owner's License and submitted payment of the annual

renewal fee in the amount of five thousand dollars (\$5,000). Pursuant to Indiana Code section 4-33-6-12, the Commission has found that Grand Victoria has complied with the directives of Indiana Code 4-33 and Title 68 of the Indiana Administrative Code

Action: Upon motion by Dale Gettelfinger, second by I. Maurice Ndukwu, and unanimous vote of those present, the Commission granted the renewal of Grand Victoria's Riverboat Owner's License for a period of one year subject to continued compliance with Indiana Code 4-33, Title 68 of the Indiana Administrative Code, and the conditions directed by the Commission on December 6, 2001. The renewal of the Riverboat Owner's License shall be valid for a period of one year from September 16, 2003 to September 15, 2004.

Bond Reduction

Request for Bond Reduction Horseshoe Hammond

Jack Thar, local counsel, and Rick Mazer, General Manager, appeared before the commission on behalf of Horseshoe Hammond, Inc. \$10,500,000 was deposited to secure the economic obligations of Horseshoe Hammond, Inc. related to its ongoing operations in Hammond, Indiana. Horseshoe submitted a request to reduce the bond amount due to its satisfaction of the obligations. The Indiana Gaming Commission has received confirmation that Horseshoe Hammond, Inc. has satisfied these obligations.

Action: Upon motion by Marya Rose, second by Dale Gettelfinger, and unanimous vote of those present, the Commission authorizes Horseshoe Hammond, Inc. to reduce the Cash Surety Bond deposited in the Mercantile Bank in the amount of \$9,500,000. Horseshoe Hammond, Inc., must retain the amount of \$1,000,000 cash on deposit pursuant to the Order of the Indiana Gaming Commission dated August 24, 2001.

Financing Matters

Resolution 2003-26

A Resolution Superseding Resolution 2003-11 Concerning the Financing by Pinnacle Entertainment, Inc. Ron Gifford, Baker and Daniels, local counsel appeared before the Commission on behalf of Pinnacle Entertainment. On December 31, 2002 Pinnacle Entertainment, Inc. requested approval of a credit facility in the amount of \$250 million, for a period of up to five years, at an interest rate not to exceed 9 percent. The credit facility was approved by the Commission on January 10, 2003 in Resolution 2003-11. On August 21, 2003 the Commission was advised that Pinnacle requested that the request for approval of the credit facility be amended. Pinnacle requested approval of a floating interest rate as opposed to a fixed rate not to exceed 9 percent.

Action: Upon motion by Dale Gettelfinger, second by Marya Rose, and unanimous vote of those present, the Commission approved Pinnacle's request for a \$250 million credit facility due no later than 2008 subject to the preparation of a financial analysis if deemed necessary by the

Commission staff, and approval of the terms of the final draft and associated documents by the Commission staff.

Resolution 2003-46

On August 29, 2003 Majestic Star requested approval to refinance the outstanding balance of previously approved transactions in an amount totaling up to \$350 million and will consist of two transactions. The first transaction consists of a Rule 144A offering of up to \$270 million in Senior Secured Notes with a subsequent public offering with a maturity date of 2010 at an interest rate below 10% semiannually. The second transaction is a Loan and Security Agreement for up to \$80 million. Wells Fargo Foothill is the lender of the \$80 million Loan and Security Agreement due September 2007. The interest rate is a floating rate determined, on a monthly basis, by the lesser of the following: LIBOR plus up to 4.5 percentage points or Prime plus up to 1.75 percentage points. Majestic also requests a waiver of 68 IAC 5-3-2(b)(3), the two (2) meeting rule.

Action: Upon motion by Thomas Milcarek, second by I. Maurice Ndukwu, and unanimous vote of those present, the Commission approved Majestic's request for a waiver of 68 IAC 5-3-2(b)(3), the two meeting rule.

Action: Upon motion by I. Maurice Ndukwu, second by Thomas Milcarek, and unanimous vote of those present, the Commission approved Majestic Star's request to refinance a total amount of up to \$350 million subject to a review and approval of the terms of the final draft and associated documents by the Commission staff.

Resolution 2003-47

A Resolution Concerning the Financing by Pinnacle Entertainment, Inc. On August 29, 2003 Pinnacle Entertainment Inc. requested approval to refinance existing debt in an amount of up to \$450 million and will consist of two transactions. The first transaction consists of Senior Subordinated Notes of up to \$250 million, with a maturity date of 2014, at an interest rate not to exceed 9.75 percent. The second transaction consists of Senior Notes of up to \$200 million, with a mature date no later than 2012, at an interest rate not to exceed 9.25 percent. Pinnacle also requested a waiver of 68 IAC 5-3-2(b)(3), the two (2) meeting rule.

Action: Upon motion by Marya Rose, second by Thomas Milcarek, and unanimous vote of those present, the Commission approved Pinnacle's request for a waiver of 68 IAC 5-3-2(b)(3), the two (2) meeting rule.

Action: Upon motion by I. Maurice Ndukwu, second by I. Maurice Ndukwu, and unanimous vote of those present, the Commission approved the Pinnacle's request for \$450 million debt financing due no later than 2014, with an interest rate not to exceed 9.75 percent subject to the preparation of a financial analysis if deemed necessary by the Commission staff, and approval of the terms of the final draft and associated documents by the Commission staff.

Disciplinary Actions

Horseshoe Hammond, Inc. Complaint No. 03-HH-1

In January 2003, Horseshoe discovered that payments for guest appeasement were over budget. It was later discovered that a slot employee had been creating fraudulent paid out slips to settle slot disputes and malfunctions for the purpose of guest appeasement. The employee created the slips, obtained the money from the cage, and retained it for himself, instead of paying it to the patron, as contemplated by the approved internal control procedures. The employee admitted to numerous thefts and forgeries over a period of several months, totaling a confirmed loss to the casino of \$29,873. The employee was following the described internal control procedures for paid out slips for guest appeasement. Since the discovery of the thefts, Horseshoe has implemented new procedures regarding paid out slips used for guest appeasement purposes and the classification of the transactions and procedures has been reviewed and approved pending Commission approval, Commission staff recommends and Horseshoe will agree to a fine in the amount of \$9,500. A Settlement Agreement has been executed by Horseshoe and Commission staff.

Action: Upon motion by Dale Gettelfinger, second by Marya Rose, and unanimous vote of those present, the Commission approved the proposed terms of the settlement agreement.

Aztar Indiana Gaming Company, LLC Complaint No. 03-AZ-2

On or about July 5, 2003, a fourteen (14) year old boarded the riverboat without being asked for identification. Aztar personnel became aware of the minor's presence approximately thirty minutes later, and subsequently escorted the minor from the vessel. The actions of Aztar described above violated Indiana statute and gaming regulations. The Commission staff and Aztar agree that a sanction be imposed. Pending Commission approval, Executive Director Glenn R. Lawrence and James Brown, General Manager have signed a settlement agreement where Aztar Indiana agrees to pay a fine in the amount of \$3,000.00

Action: Upon motion by I. Maurice Ndukwu, second by Thomas Milcarek, and unanimous vote of those present, the Commission approved the proposed terms of the settlement agreement.

Belterra Casino and Resort Complaint No. 03-BT-1

On or about June 29, 2003, a twenty (20) year old boarded the riverboat without being asked for identification. The minor was later approached on the vessel by a security guard who asked for identification and the minor revealed that she was only twenty (20) years old. The Commission staff and Belterra agree that a sanction be imposed due to the actions stated above. Pending Commission approval, Executive Director Glenn R. Lawrence and Alain Uboldi, General Manager have signed a settlement agreement where Belterra Casino and Resort agrees to pay a fine in the amount of \$1,500.00.

Action: Upon motion by Thomas Milcarek, second by I. Maurice Ndukwu, and unanimous vote of those present, the Commission approved the proposed terms of the settlement agreement.

Minority and Women's Business Enterprise

Belterra Casino and Resort

Ron Gifford, Baker and Daniels, local counsel for Belterra appeared before the Commission to fulfill Belterra's obligation to appear at all live meeting regarding MBE/WBE issues.

There are currently two vacancies on the fund advisory committee due to the resignation of Representatives Crawford and Harris. Other legislators have been contacted in an attempt to fill the vacancies. This process is ongoing. A quorum is available. The committee continues to meet and consider any applications which are submitted. Year to date totals at the end of August are 22.36% for MBE purchases; 7.48% for WBE purchases.

Maddie McCormick, President of the Corn Group and Publicist and Communications Director for TJ Foods appeared before the Commission to discuss Belterra's presentation at the July 11, 2003 Business Meeting.

Pinnacle Entertainment Kelsey Derivative Suit

David Battaglia, esq. Gibson, Dunn & Crutcher located in Los Angeles; and John Giovenco, Pinnacle Board of Directors; Dan Lee, CEO of Pinnacle; Jack Godfrey, General Counsel of Pinnacle appeared before the Commission. William Kelsey, on behalf of Pinnacle Shareholders, filed suit against R. D. Hubbard, Paul Alanais, and others. This suit sought to recover the costs associated with the situation and events involving the Belterra Casino and Resort. To comply with the law, the Board appointed a special committee to investigate and address the lawsuit. This committee was vested with complete authority to act in the best interests of the shareholders. The special committee consisted of two members, Mr. Giovenco and Ms. Reis. All of the parties retained independent counsel to assist. A settlement was negotiated with the assistance of a mediator. The mediator was a Los Angeles Superior Court retired judge.

The appearance before the Indiana Gaming Commission is to determine if regulatory approval of the California Agreement is necessary in the State of Indiana. Necessary regulatory approvals are a condition of the California agreement. The California agreement does not require that Mr. Hubbard divest himself of Pinnacle Stock. However, Mr. Hubbard, in a settlement agreement with the Indiana Gaming Commission agreed to divest himself of Pinnacle Stock within a certain time period. The times of which are confidential due to the sensitive nature of the stock market. Should Mr. Hubbard fail to divest himself of his stock as directed by the Commission, he would be required to appear before the Commission with a potential fine for unsuitability. Pinnacle's Articles of Incorporation contain a provision that requires that if any any person is found unsuitable to hold a gaming license, Pinnacle is required to acquire Mr. Hubbard's shares of stock.

Action: Upon motion by Marya Rose, second by I. Maurice Ndukwu, and unanimous vote of those present, the Commission approved the California settlement agreement subject to the

extent that it is not in conflict with the settlement agreement the Indiana Gaming Commission executed with Mr. Hubbard and to the extent that there needs to be changes within the confines of the agreement with Mr. Hubbard, and authorized the Commission and staff to negotiate with Mr. Hubbard subject to the strict terms of that agreement. Commission staff will report to the Chairman and the committee at the next meeting.

Next Meeting

The next meeting of the Indiana Gaming Commission will be November 14, 2003, 10:00 a.m. at Casino Aztar, 421 N.W. Riverside Drive, Evansville, Indiana.

Adjournment

Upon motion by Marya Rose, second by Dale Gettelfinger, and unanimous vote of those present, the meeting was adjourned.

Minutes

Digital Court Reporting and Video transcribed the September 12, 2003, 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 Digital Court Reporting & Video, 3102 Maple Avenue, Suite 450, Dallas, TX 75201. (866) 954-0352.

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

Respectfully submitted,

Rhonda K. Dalton (FACSIMILE)
Rhonda K. Dalton

THE INDIANA GAMING COMMISSION:

Donald R. Vowels (FACSIMILE)
Donald Vowels, Chair

Thomas Milcarek (FACSIMILE)
Thomas Milcarek, Secretary