

INDIANA GAMING COMMISSION BUSINESS MEETING

10:00 a.m., April 30, 2004
115 W. Washington Street, Ste. 950 South
Indianapolis, Indiana 46204-3408

CALL TO ORDER AND ROLL CALL: Chairman Donald Vowels called the meeting to order at approximately 10:00 a.m. local time. There are six commissioners at this time. A quorum was present.

PRESENT: Commission Members: Donald R. Vowels, Chair; Ann Bochnowski, Vice-Chair; Thomas Milcarek, Secretary; Dale Gettelfinger, Marya Rose, and I. Maurice Ndukwu. Staff: Glenn R. Lawrence, James B. Osborn, Jennifer Arnold, Jennifer Chelf, Susan Brodnan, Michelle Marsden, Rhonda Dalton, and members of the public.

APPROVAL OF THE MINUTES:

Upon motion by Thomas Milcarek, second by Dale Gettelfinger, and unanimous vote of those present, the minutes of the February 6, 2004, business meeting were unanimously approved.

REPORT OF THE EXECUTIVE DIRECTOR:

Executive Director Lawrence introduced Kevin Murray, special counsel to Governor Kernan. Catherine Hood has joined the Gaming Commission as a new staff attorney.

On February 6, 2004, the Commission approved the transfer of ownership interest of Sierra Design Group to Alliance. The resolution granted Sierra Design's request to withdraw its supplier's license when the transaction was completed. The Executive Director reported that the transaction was completed on March 2, 2004.

Waiver of Rules and Regulations

The Executive Director reported that the following waivers were approved and/or denied:

Approved:

- Horseshoe Hammond - A Temporary Waiver of 68 IAC 14-4-3(a)(4) non-value chip reserve.
- Trump Indiana - A waiver of 68 IAC 10-1-1.1(d) Transfer of Pai Gow Poker Progressive Pot to Caribbean Stud Progressive Pot.
- Caesars Indiana - Request to Move the Caesars Indiana Casino Management System and Slot Management System to a mainframe located at corporate offices in Gulfport, Mississippi. Waiver of 68 IAC 2-6-15 for EGD token acceptors.
- Belterra Casino - Waiver of the Emergency Response Plan.

Denied:

- Blue Chip Casino requested the ability to offer a single deck blackjack with a payout of 6 to 5.

- Horseshoe Hammond's request to cash non-payroll casino checks.

NEW BUSINESS:

Orange County Update

Jennifer Arnold, Deputy Director of the Indiana Gaming Commission, provided an update on the French Lick licensing process. Applications have been received and forwarded to SPEA for analysis. The target date for the public hearing is late summer. Because of the complexity of the licensing process, the target date is tentative.

Commissioner Gettelfinger will abstain from voting on matters relating to Orange County. Fuzzy Zoeller, a client of Commissioner Gettelfingers, has responsibilities with Trump Casino.

Order of the Indiana Gaming Commission Appointment of Administrative Law Judge

Pursuant to IC 4-33-3-23 and IC 4-21.5-3-9 the Indiana Gaming Commission appoints David L. Rimstidt to serve as the Administrative Law Judge for any appeals that arise from Commission action with respect to denials, revocations, or non-renewals of individuals who have applied for any occupational license to work for a riverboat licensee as well as disciplinary and exclusion hearings.

Action: Upon motion by Dale Gettelfinger, second by Ann Bochnowski, and unanimous vote of those present, the Commission approved the order to appoint David L. Rimstidt to serve as the administrative law judge for the Indiana Gaming Commission. The appointment will remain in effect until the Commission takes further action with respect to the appointment, or David L. Rimstidt would be disqualified from serving as an administrative law judge pursuant to 4-21.5-5.

Occupational License Matters

Revocation of Temporary License and Denial of the Application for a Permanent Occupational License

**Steven Kunkel
TR-DEN-04-1**

On or about May 5, 2003, Steven Kunkel submitted a Personal Disclosure Form 1 to the Indiana Gaming Commission. On May 13, 2003, Mr. Kunkel was granted a temporary Level 1 license to work as a Captain/Master at Trump Casino. Shortly thereafter, the Gaming Enforcement Division began its routine investigation and discovered that Mr. Kunkel did not disclose and/or falsely stated certain information on his Personal Disclosure Form 1 regarding his criminal history, employment history and past employment. Commission staff determined that Mr. Kunkel is unsuitable for licensure and formally advised him of this action on March 16, 2004. Commission staff recommends that Mr. Kunkel's application for an occupational license be denied.

Action: Upon motion by Marya Rose, second by I. Maurice Ndukwu and unanimous vote of those present, the Commission denied the application for an occupational license, level 1, submitted by Steven Kunkel. Pursuant to IC 4-21.5-3-6 the order became effective fifteen (15) days after it is served.

Aaron Norman
AG-DEN-04-1

On or about August 27, 2003 Aaron Norman submitted an application for a level 2 occupational license to work at Argosy Casino in Imprestment. He was issued a temporary occupational license. On or about November 20, 2003, Mr. Norman's employment was terminated after it was discovered that he committed theft during the performance of his duties. He subsequently admitted taking money without authorization. Based on the evidence collected, Commission staff revoked Mr. Norman's temporary occupational license and denied his application for a permanent license. Commission staff formally advised Mr. Norman of this action on April 14, 2004.

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

Felony Waiver Request
Douglas Smith
BH-FEL-04-1

On or about February 18, 2004, Mr. Douglas Smith submitted an application for a level 2 occupational license to work as a Security Manager at Buffington Harbor. Mr. Smith's application was denied due to his disclosure that he had been convicted of a felony. Mr. Smith submitted a request for waiver of the felony disqualification. Susan Brodnan, Deputy Chief Counsel for the Commission, had previously been appointed as a review officer by Executive Director Glenn R. Lawrence on November 22, 2002. A hearing was held to consider Mr. Smith's waiver request on April 12, 2004, on the property of Majestic Star Casino in Gary, Indiana. Mr. Smith was present at the hearing, pro se. The review officer has issued written Findings of Fact and Recommendation to the Commission that the request for a felony waiver of Mr. Douglas Smith be granted.

Action: Upon motion by Thomas Milcarek, second by I. Maurice Ndukwu, and unanimous vote of those present, the Commission adopts the recommendation of the review officer granting the request for a waiver of Mr. Smith's disqualification due to a felony conviction.

Supplier's License Matters

Resolution 2004-14

A Resolution Concerning the Renewal of Supplier's Licenses. On July 11, 2003, the Commission renewed the Supplier's Licenses held by Casino Data Systems, Konami Gaming, Inc., ServiceMaster by Wallace, Inc., Shuffle Master, Inc., and Sigma Game, Inc.

Action: Upon motion by Dale Gettelfinger, second by Thomas Milcarek, and unanimous vote of those present, the Commission granted the renewal of the Supplier's Licenses issued to the Casino Data Systems, Konami Gaming, Inc., ServiceMaster by Wallace, Inc., Shuffle Master, Inc., and Sigma Game, Inc. on the condition that any outstanding background fees are paid as directed by the Commission staff. The Supplier's Licenses will be valid for a period of one (1) year from the date of issuance.

Resolution 2004-15

A Resolution Granting Temporary Supplier's Licenses to NRT Technology Corp., Western Money Systems, Glory (U.S.A.) Inc., and Southwest Surveillance Systems. A preliminary background investigation conducted by the Indiana State Police Gaming Enforcement Section has indicated that these companies meet the criteria set forth in IC 4-33-7-3 for licensure as a supplier. The Gaming Enforcement Division continues to conduct a complete and thorough background investigation.

Action: Upon motion by, Ann Bochnowski, second by I. Maurice Ndukwu, and unanimous vote of those present, the Commission granted a temporary Supplier's License to NRT Technology Corporation, Western Money Systems, Glory (U.S.A.) Inc. and Southwest Surveillance Systems. The temporary Supplier's Licenses will remain valid until the date that permanent Supplier's Licenses are issued or until the temporary Supplier's License is revoked pursuant to 68 IAC 2-2.

Resolution 2004-16

A Resolution Denying a Supplier's License to Miller Pizza Company, Inc. On or about December 30, 2002, Miller Pizza Company, Inc. submitted an application to the Commission for a Supplier's License. An investigation conducted by the Gaming Enforcement Division of the Indiana State Police revealed issues relative to Miller Pizza's suitability for obtaining a Supplier's License.

Action: Upon motion by Dale Gettelfinger, second by Thomas Milcarek, and unanimous vote of those present, the Commission denied the application for a Supplier's License submitted by Miller Pizza Company, Inc. effective immediately.

Resolution 2004-17

A Resolution Concerning the Request of the United States Playing Card Company for Approval of The Acquisition of Parent Company Bicycle Holding, Inc. The United States Playing Card Company was issued a temporary Supplier's License on September 8, 1995. Bicycle Holding, Inc., is the parent company of US Playing Card. On or about February 27, 2004, Bicycle signed a letter of intent whereby Bicycle will enter into an agreement with Jarden Corporation for transfer of 100% of Bicycle stock to Jarden. Upon completion of the acquisition, US Playing Card will be a wholly owned subsidiary of Jarden. The transaction is expected to close in the summer of 2004. U.S. Playing Card has provided assurance to the Commission that there is no transfer of ownership interest of US Playing Card and that there will be no new key people or substantial owners introduced as a result of this transaction and has requested a waiver of any background investigations related to this matter.

Action: Upon motion by Dale Gettelfinger, second by Ann Bochnowski, and unanimous vote of those present, the Commission granted U.S. Playing Card's request for approval of the acquisition of its parent company, Bicycle Holding, Inc., and granted U.S. Playing Card's request for a waiver of related background investigations.

Resolution 2004-18

A Resolution Concerning the Request of Shuffle Master, Inc. for Approval of the Acquisition of Casinos Austria Research and Development. Shuffle Master, Inc. d/b/a Shuffle Master Gaming was issued a temporary Supplier's License in June of 1996 and a permanent Supplier's License in June of 1998. The license has been renewed annually with the most recent renewal issues on

June 12, 2003. Casinos Austria Research and Development does not hold a Supplier's License with the Commission. On or about February 20, 2004, Shuffle Master and CARD signed a letter of intent, whereby Shuffle Master will enter into an acquisition agreement with CARD for acquisition of all the stock and other equity interests of CARD and its subsidiaries. Upon completion of the acquisition, CARD will be a wholly owned subsidiary of Shuffle Master. The transaction is expected to close mid-May of 2004. Shuffle Master provided assurance to the Commission that there is no transfer of ownership interests of Shuffle Master and that there will be no new key people or substantial owners introduced as a result of this transaction. Therefore, Shuffle Master has requested a waiver of any background investigations related to this matter. Shuffle Master acknowledges that it will be required to receive all appropriate testing and approval of any new products that will be distributed subsequent to the closing of the transaction.

Action: Upon motion by Dale Gettelfinger, second by Thomas Milcarek, and unanimous vote of those present, the Commission granted Shuffle Master, Inc.'s request for approval of the acquisition of Casinos Austria Research and Development.

Resolution 2004-19

A Resolution Concerning the Request of Hasgoe Cleaning Systems, Inc. to Withdraw Its Supplier's License. The Commission issued a Supplier's License to Hasgoe Cleaning Systems, Inc. on May 29, 2001 pursuant to Resolution 2001-22. Pursuant to correspondence dated April 12, 2004, Hasgoe requested the ability to withdraw its supplier's license due to a lack of business opportunities.

Action: Upon motion by Dale Gettelfinger, second by Marya Rose, and unanimous vote of those present, the Commission granted the request of Hasgoe Cleaning Systems, Inc. to withdraw its Supplier's License.

Resolution 2004-20

A Resolution Concerning the Request of Paul-Son Gaming Corporation to Change the Name of the Supplier Licensee. Paul-Son Gaming Corporation, d/b/a/ Paul-Son Gaming Supplies, Inc. received a temporary Supplier's License on September 8, 1995 and a permanent Supplier's License on August 19, 1997. The license has been renewed annually, with the most recent renewal granted on August 19, 2003. Paul-Son distributes gaming products to Indiana riverboat licensees. Paul-Son advised the Commission, by letter dated March 31, 2004, that it would be amending its articles of incorporation in May 2004 to change its name to Gaming Partners International Corporation. Paul-Son has provided assurance to the Commission that no change or transfer of any ownership interest, corporate structure, or corporate officers and directors has occurred with the renaming of the supplier licensee.

Action: Upon motion by Ann Bochnowski, second by Marya Rose, and unanimous vote of those present, the Commission granted the request of Paul-Son Gaming Corporation d/b/a Paul-Son Gaming Supplies, Inc. to recognize Gaming Partners International Corporation as the holder of an Indiana Supplier's License. All other conditions placed upon Paul-Son Gaming Corporation d/b/a Paul-Son Gaming Supplies, Inc. shall remain the same and apply to Gaming Partners International Corporation. The Supplier's License will remain valid until the date that said license is renewed, revoked, or withdrawn.

Riverboat Owner's Matters

Blue Chip Casino & Hotel Construction Proposal

Judy Campbell, Executive Vice-President & General Manager; local counsel Kay Fleming of Ice Miller; Bob Marra, Project Manager; Mayor Charles Oberlie, Michigan City; Dan Coke, Guido Perla Architectural Design Firm; Mike Piers, Chemlie Horn - National Engineering Firm; and Paul Checkmate, Senior Vice President and Treasurer of Boyd. Keith Smith, Chief Operating Officer and Brian Larson were unable to attend due to a shareholders meeting. Judy Campbell thanked the Commissioners for their time and allowing Blue Chip to discuss their proposal.

Blue Chip requests permission to build a new vessel which would be built on site and will meet United States Coast Guard specifications and maintain a coast guard certified marine crew. The new vessel will be double the size of the current vessel. Building permits have been applied for and received with the exception of the United Corps of Engineers permit. Kay Fleming advised the permit should be received at any time.

Phase I (Present - 2005) would consist of Basin modification/ site work improvements. Blue Chip has a small window of opportunity in which to complete this work. A new 3 level vessel with a capacity of 5,000 which would allow for approximately 2,100 slot units and 54 table game units. The pavilion will be expanded by approximately 13,500 sq. ft. A new parking garage will be built and the front entrance will be realigned and moved for improved access and visibility.

Phase II would occur in 2006 and include a new climate controlled drop off and pick up area and a 300+ rooms & suites hotel tower.

Phase III (2007) would involve the construction of a new multi-purpose events center; additional banquet/meeting rooms and other amenities to be determined. All phases are contingent upon agency approvals and the success of the previous phase.

Mayor Oberlie urged the commissioners to approve the project. Public Hearings have been held for portions of the project.

It is anticipated the \$155 million expenditure will create 400 construction jobs, 100 new employee positions as well as generate an additional \$20 - \$30 m in additional revenue for the state.

Action: The Commissioners approved, by consensus, Blue Chip's request to build a new vessel on site.

Consideration of License Renewal

Resolution 2004-21

A Resolution Concerning the Renewal of the Riverboat Owner's License held by Horseshoe Hammond, Inc. John J. Thar, Ice Miller, local counsel; and Anthony Sanfilippo, President of the Central Division appeared on behalf of Horseshoe Hammond. The Commission issued a Riverboat Owner's License to Empress Casino Hammond Corporation on June 21, 1996, with an effective date of June 29, 1996 to operate a riverboat casino in Hammond, Indiana. Pursuant to Resolution 1999-32 Horseshoe Gaming Holding Corporation acquired 100% of the ownership interest in Empress Casino Hammond Corporation, the holder of the Indiana Riverboat Owner's

License. The Commission has not completed the reinvestigation of the renewal of the Riverboat Owner's License issued to Horseshoe and the Commission intends to hold a public hearing in Lake County, Indiana, where Horseshoe will have an opportunity to make a presentation. Horseshoe submitted the payment of a five thousand (\$5,000.00) annual renewal fee and a statement indicated its intent to continue the riverboat gambling operation more than thirty (30) days prior to the expiration of the license, and the Commission may make a preliminary finding that Horseshoe satisfies the conditions of IC 4-33.

Action: Upon motion by Ann Bochnowski, second by Thomas Milcarek, and unanimous vote of those present, the Commission made a preliminary determination to renew the Riverboat Owner's License issued to Horseshoe Hammond, Inc. The license will remain valid until the Commission reconvenes to hold a public hearing concerning the investigation of the Riverboat Owner's License held by Horseshoe Hammond, Inc.

Resolution 2004-22

A Resolution Concerning The Renewal of the Riverboat Owner's License Held by Trump Indiana, Inc. The Commission issued a Riverboat Owner's License to the entity known as Trump Indiana, Inc. on June 3, 1996, with an effective date of June 11, 1996. The Commission has not completed the reinvestigation of the renewal of the Riverboat Owner's License issued to Trump, and the Commission intends to hold a public hearing in Lake County, Indiana, where Trump will have an opportunity to make a presentation. Trump submitted the payment of a five thousand dollar (\$5,000.00) annual renewal fee and a statement indicating its intent to continue the riverboat gambling operation more than thirty (30) days prior to the expiration of the license, and the Commission may make a preliminary finding that Trump satisfies the conditions of Indiana Code 4-33.

Action: Upon motion by Ann Bochnowski, second by Thomas Milcarek, and unanimous vote of those present, the Commission made a preliminary determination to renew the Riverboat Owner's License issued to Trump Indiana, Inc. The license will remain valid until the Commission reconvenes to hold a public hearing concerning the investigation of the Riverboat Owner's License held by Trump Indiana, Inc.

Resolution 2004-23

A Resolution Concerning the Renewal of the Riverboat Owner's License held by Majestic Star Casino, LLC. The Commission issued a Riverboat Owner's License to the entity known as The Majestic Star Casino, LLC on June 3, 1996, with an effective date of June 11, 1996. The Commission has not completed the reinvestigation of the renewal of the Riverboat Owner's License issued to Majestic Star, and the Commission intends to hold a public hearing in Lake County, Indiana, where Majestic Star will have an opportunity to make a presentation. Majestic Star submitted the payment of a five thousand dollar (\$5,000) annual renewal fee and a statement indicating its intent to continue the riverboat gambling operation more than thirty (30) days prior to the expiration of the license, and the Commission may make a preliminary finding that Majestic Star satisfies the conditions of Indiana Code 4-33.

Action: Upon motion by I. Maurice Ndukwu, second by Marya Rose, and unanimous vote of those present, the Commission made a preliminary determination to Renew the Riverboat Owner's License issued to The Majestic Star Casino, LLC. The license will remain valid until the Commission reconvenes to hold a public hearing concerning the investigation of the Riverboat Owner's License held by The Majestic Star Casino, LLC.

Order of the Indiana Gaming Commission Renewing The Riverboat Owner's License of Showboat Marina Casino Partnership

The Indiana Gaming Commission issued a Riverboat Owner's License to Showboat Marina Casino Partnership on April 15, 1997 with an effective date of April 18, 1997. On April 7, 2003, the Commission granted the renewal of SMCP's Riverboat Owner's License for a period of one year pursuant to Indiana Code section 4-33-6-12. By letter dated March 10, 2004, SMCP requested renewal of the Riverboat Owner's License and submitted payment of the annual renewal fee in the amount of five thousand dollars (\$5,000). The Commission has found that SMCP has complied with the directives of Indiana Code 4-33 and Title 68 of the Indiana Administrative Code.

Action: Upon motion by Ann Bochnowski, second by Dale Gettelfinger, and unanimous vote of those present, the Commission granted the renewal of SMCP'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 May 13, 2002. The renewal of the Riverboat Owner's License shall be valid for a period of one year from April 15, 2004, to April 14, 2005.

Financing Matters

Resolution 2004-24

A Resolution Concerning Financing By Pinnacle Entertainment, Inc. By letter dated February 12, 2004, Pinnacle Entertainment, Inc. requested a waiver by the Executive Director under 68 IAC 5-3-6 of the financing approval requirements set forth in 68 IAC 5-3 seeking approval to issue up to \$375 million in senior subordinated notes at a fixed rate of no greater than 9%. The Executive Director granted the request for waiver on February 20, 2004, after discussing and receiving approval from Commission Chair Donald R. Vowels and member Dale Gettelfinger. Pinnacle requested Commission approval to issue up to \$375 million in senior subordinated notes at a fixed interest rate of no greater than 9%. Caesars also requested a waiver of the two-meeting rule.

Action: Upon motion by Ann Bochnowski, second by Marya Rose, 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 the request to issue up to \$375 million in senior subordinated notes at a fixed interest rate of no greater than 9% subject to a review and approval of the final draft and associated documents by the Commission staff.

Resolution 2004-25

A Resolution Concerning the Financing by Boyd Gaming Corporation. By letter dated March 15, 2004, Boyd requested a waiver by the Executive Director under 68 IAC 5-3-6 of the financing approval requirements set forth in 68 IAC 5-3 with respect to the interim refinancing of existing indebtedness through Rule 144A private placement offering of up to \$550 million at an interest rate not to exceed 7.75% prior to completion of a registered public offering of senior subordinated notes of the same amount due 2014. The Executive Director granted the request for waiver on March 24, 2004, after communicating with and receiving approval from Commission Chair Donald R. Vowels and Commission member Dale Gettelfinger.

Action: Upon motion by Thomas Milcarek, second by Marya Rose, 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 the request for approval of Boyd's interim refinancing of existing indebtedness through Rule 144A private placement offering of up to \$550 million at an interest rate not to exceed 7.75% prior to completion of a registered public offering of senior subordinated notes of the same amount due 2014 subject to a review and approval of the terms of the final draft and associated documents by the Commission staff.

Resolution 2004-26

A Resolution Concerning Financing by Caesars Entertainment, Inc. Caesars Entertainment, Inc. owns 82% of RDI/Caesars Riverboat Casino, LLC the entity that holds the riverboat owner's license to operate a riverboat gaming facility located in Elizabeth, Indiana. By letter dated March 4, 2004 Caesars requested a waiver by the Executive Director under 68 IAC 5-3-6 of the financing approval requirements set forth in 68 IAC 5-3 seeking approval to establish a \$2 billion, 5 year senior unsecured credit facility with Bank of America that can increase up to a maximum of \$2.5 billion at the same interest rate. The Executive Director granted the request for waiver on March 15, 2004 after communicating with and receiving approval from Commission Chair Donald Vowels and member Dale Gettelfinger. Caesars also requested a waiver of the two meeting rule.

Action: Upon motion by Marya Rose, second by Thomas Milcarek 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 the request for approval of the establishment of Caesars' \$2 billion, 5 year senior unsecured credit facility with Bank of America that can increase up to a maximum of \$2.5 billion at the same interest rate subject to a review and approval of the final draft and associated documents by the Commission staff.

Resolution 2004-27

A Resolution Concerning Financing by Caesars Entertainment, Inc. Ron Gifford, local counsel, Baker and Daniels appeared on behalf of Caesars. Caesars Entertainment, Inc. requested a waiver by the Executive Director under 68 IAC 5-3-6 of the financing approval requirements set forth in 68 IAC 5-3 seeking approval to issue up to \$400 million of floating rate contingent convertible senior notes due 2034 pursuant to Rule 144A private placement and allowing Caesars to grant Deutsche Bank Securities, Inc., an option to purchase an additional \$80 million aggregate principal amount of the additional notes. The Executive Director granted the request for waiver on March 24, 2004, after communicating with and receiving approval from Commission Chair Don Vowels and member Dale Gettelfinger. Caesars requested Commission approval to issue up to \$400 million of floating rate contingent convertible senior notes due 2034 pursuant to Rule 144A private placement and allowing Caesars to grant Deutsche Bank Securities, Inc., an option to purchase an additional \$80 million aggregate principal amount of the additional notes. Caesars also requested a waiver of 68 IAC 5-3-2(b)(3) the two meeting rule.

Action: Upon motion by Ann Bochnowski, second by Thomas Milcarek, and unanimous vote of those present, the Commission approved Caesars request for a waiver of 68 IAC 5-3-2(b)(3) the two meeting rule and approved the request to issue up to \$400 million of floating rate contingent convertible senior notes due 2034 pursuant to Rule 144A private placement and allowing Caesars to grant Deutsche Bank Securities, Inc., an option to purchase an additional \$80 million aggregate principal amount of the additional notes subject to review and approval of the final draft and associated documents by the Commission staff.

Resolution 2004-28

A Resolution Concerning Financing by Aztar Corporation. William Diener, local counsel Ice Miller, and Neil Ciarfalia, Treasurer of Aztar Corporation appeared on behalf of Aztar. By letter dated March 3, 2004 Aztar requested a waiver by the Executive Director under 68 IAC 5-3-6 of the financing approval requirements set forth in 68 IAC 5-3 seeking approval to issue up to \$300 million in 2014 notes at a coupon not to exceed 7.75%. Executive Director Lawrence granted the request for waiver on March 15, 2004 after communicating with and receiving approval from Commission Chair Donald R. Vowels and member Dale Gettelfinger. Aztar requested Commission approval to issue up to 300 million in 2014 notes at a rate not to exceed 7.75%. Aztar also requested a waiver of 68 IAC 5-3-2(b)(3) the two meeting rule. Paragraph 3 and Paragraph 5 of the original resolution was amended to reflect a 7.75% interest rate.

Action: Upon motion by Ann Bochnowski, second by Dale Gettelfinger, and unanimous vote of those present the Commission approved Aztar's request for a waiver of 68 IAC 5-3-2(b)(3) the two meeting rule and approved the request to issue up to \$300 million in 2014 notes not to exceed 7.75% subject to a review and approval of the final draft and associated documents by the Commission staff.

Resolution 2004-29

A Resolution Concerning Financing By Aztar Corporation. William Diener, local counsel Ice Miller, and Neil Ciarfalia, Treasurer of Aztar Corporation appeared on behalf of Aztar. By letter dated March 3, 2004 Aztar requested a waiver by the Executive Director under 68 IAC 5-3-6 of the financing approval requirements set forth in 68 IAC 5-3 seeking approval to add-on \$100 million in Senior Subordinated Notes due 2011 to the \$175 million senior subordinated notes due 2011 already existing. The Executive Director granted the request for a waiver on March 15, 2004 after communicating with and receiving approval from Commission Chair Don Vowels and member Dale Gettelfinger. Aztar requested Commission approvals to either add on \$100 million in senior subordinated notes due 2011 to the \$175 million senior subordinated notes due 2011 already existing or to issue \$100 million in senior subordinated notes 2014 in addition to those previously approved under Resolution 2004-28. Aztar also requested a waiver of 68 IAC 5-3-2(b)(3) the two meeting rule.

Action: Upon motion by Ann Bochnowski, second by Dale Gettelfinger, 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 the request to either add-on \$100 million in senior subordinated notes due 2011 to the \$175 million senior subordinated notes due 2011 already existing or to issue \$100 million in senior subordinated notes due 2014 in addition to those previously approved under Resolution 2004-28 subject to a review and approval of the final draft and associated documents by the Commission staff.

Resolution 2004-30

A Resolution Concerning Financing By Aztar Corporation. William Diener, local counsel Ice Miller, and Neil Ciarfalia, Treasurer of Aztar Corporation appeared on behalf of Casino Aztar. By letter dated March 18, 2004 Aztar requested a waiver by the Executive Director under 68 IAC 5-3-6 of the financing approval requirements set forth in 68 IAC 5-3 seeking approval for a \$575 million senior credit facility consisting of a \$450 million revolving credit facility and a \$125 million term loan maturing in 2009 with an option for Aztar to increase the overall size by \$100 million. Aztar also requested a waiver of 68 IAC 5-3-2(b)(3) the two meeting rule.

Action: Upon motion by Ann Bochnowski, second by I. Maurice Ndukwu, 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 the request for a \$575 million senior credit facility consisting of a \$450 million revolving credit facility and a \$125 million term loan maturing in 2009 with an option for Aztar to increase the overall size by \$100 million subject to a review and approval of the final draft and associated documents by Commission staff.

Harrah's Financing

Kay Fleming, local counsel Ice Miller and Phil Parenti, Chief Executive Officer appeared on behalf of Harrah's Entertainment in order to fulfill the first meeting requirement. On April 23rd Harrah's requested the Commission consider an amendment to their current credit facility not to exceed \$3 Billion and that will be made up of a term loan not to exceed \$900 million with the balance of \$2.1 billion in the revolver both with a maturity date of 2009. Harrah's will seek approval at the next business meeting.

Resolution 2004-31

A Resolution Concerning The Application Of Harrah's Operating Company, Inc. To Acquire The Ownership Of Horseshoe Gaming Holding Corp. Appearing before the Commission with respect to the transaction were: John J. Thar, Ice Miller local counsel for Harrahs; Anthony Sanfilippo, President of the Central Division of Harrah's Gaming; Jack Binion, CEO, Horseshoe; Mayor Thomas McDermott; and David Johnson, Baker and Daniels, Attorney for the City of Hammond.

Harrah's Operating Company, Inc. (Harrah's) has entered into an agreement to acquire a one hundred percent (100%) ownership interest in Horseshoe Gaming Holding Corp. (Horseshoe). Harrah's and Horseshoe each hold separate and independent Indiana Riverboat Owner's Licenses and both operate riverboats in the state of Indiana. Harrah's has indicated that it has sufficient funds at its disposal to finance this acquisition. Harrah's contemplates amending its current credit facility from a \$2 billion capacity to a \$3 billion capacity for matters unrelated to the acquisition. The Indiana State Police, Background Investigative Unit has completed background investigations of Harrah's and Horseshoe and both are in good standing.

Jack Binion, on behalf of Horseshoe, addressed the Commission and thanked them for allowing Horseshoe to operate in Indiana and urged them to approve the transaction with Harrah's. Anthony Sanfilippo, President of Harrah's Central Division, addressed the commission. He stressed that Harrah's will honor ever commitment that has been made to the City of Hammond. Rick Mazer will continue as General Manager. The no layoff policy of Horseshoe will be honored.

David Johnson, Baker and Daniels and Mayor Thomas McDermott appeared before the Commission on behalf of Harrah's. Both expressed concern that the City of Hammond had not been notified of the purchase and was not advised as to the proposed terms of the transaction and were concerned about the impact this would have on the City. Questions regarding FTC approval were raised.

The meeting was recessed in order to allow the City of Hammond and representatives from Harrah's Horseshoe to discuss the terms of the transaction.

Recess

After a brief recess, the meeting reconvened. Executive Director Lawrence reported that all parties reached an amiable position. The parties will begin discussions regarding the sale as soon as possible subject to FTC restrictions. Mayor McDermott will report the results of these discussions to the Executive Director.

Executive Director Lawrence read the conditions listed in Resolution 2004-31. Mr. San Sanfilippo accepted all of the conditions read. Condition #7 - "Maintain statutory MBE/WBE goals at each property." was added by Executive Director Lawrence.

Action: Upon motion by Ann Bochnowski, second by Thomas Milcarek, and unanimous vote of those present, the Commission granted the application of Harrah's Operating Company, Inc. (Harrah's) to acquire a one hundred percent (100%) ownership interest in Horseshoe Gaming Holding Corp. (Horseshoe) subject to the acceptance of the conditions listed in Resolution 2004-31 by Harrah's and Horseshoe.

Resolution 2004-32

A Resolution Concerning the Financing By Boyd Gaming Corporation. On April 19, 2004, Boyd requested a waiver by the Executive Director under 68 IAC 5-3-6 of the financing approval requirements set forth in 68 IAC 5-3 seeking approval of the Credit Facility which will consist of a \$1 billion five-year senior secured revolving credit facility, a \$500 million seven-year secured institutional term loan. After closing Boyd may increase the size of the Credit Facility by up to \$400 million. The Executive Director granted the request after consultation with Commission Chair Vowels and Member Dale Gettelfinger. Boyd requested Commission approval of the Credit Facility which will consist of a \$1 billion five-year senior secured revolving credit facility, a \$500 million seven-year secured institutional term loan, and after closing Boyd may increase the size of the Credit Facility by up to \$400 million. Boyd also requested a waiver of 68 IAC 5-3-2(b)(3) the two (2) meeting rule.

Action: Upon motion by Ann Bochnowski, second by Marya Rose, and unanimous vote present, the Commission approved the request for a waiver of 68 IAC 5-3-2(b)(3), the two meeting rule and approved the request for the Credit Facility which will consist of a \$1 billion five-year senior secured revolving credit facility, a \$500 million seven-year secured institutional term loan, and after closing Boyd may increase the size of the credit by up to \$400 million subject to a review and approval of the terms of the final draft and associated documents by the Commission staff.

Disciplinary Action

Grand Victoria Casino & Resort LP Complaint No. 04-GV-1

Mark Hemmerle appeared on behalf of Grand Victoria. On or about January 16, 2004 Grand Victoria advised Commission staff that an employee transferred from a Cook position in the Food and Beverage Department to Engineer position in the Engineering Department. The employee worked from approximately December 10, 2003 until January 15, 2004 without receiving a level 3 license. Grand Victoria represented that at all times when this employee worked without proper licensure the employee was working with another engineer who held an appropriate license and that the employee did not access the riverboat at any time. Pending Commission approval, Grand Victoria and Commission staff has entered into a settlement agreement whereby Grand Victoria agrees to pay a fine in the amount of \$1,500.00 and waives all rights to judicial review.

Action: Upon motion by I. Maurice Ndukwu, second by Marya Rose, and unanimous vote of those present, the Commission approved the terms of the settlement agreement whereby Grand Victoria agrees to pay a fine in the amount of \$1,500.00 and waives all rights to judicial review.

**Indiana Gaming Company LP
Complaint No. 04-AG-1**

James Butler appeared on behalf of Argosy. Between December 2000 and November 2001 Argosy failed to follow proper count room procedures and failed to maintain accounting records for a period of five years on six different occasions. Pending Commission approval Commission staff recommends and Argosy will agree to pay a fine in the amount of \$100,000.00; \$75,000.00 for the destruction of records and \$25,000 for the improper count room procedures.

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

**Showboat Marina Casino Partnership
Complaint No. 04-HA-1**

Michael St. Pierre, Executive Vice President & General Manager appeared on behalf of Showboat Marina Casino Partnership (Harrah's). During the period May 11, 2003 through December 18, 2003 and despite previous attempts by Commission to correct the situation, Harrah's failed to follow those procedures on eight different occasions. All of these violations were self reported and no assets were lost. Pending Commission approval, Commission staff and Harrah's agrees that a sanction be imposed due to these violations. Harrah's agrees to pay a fine in the amount \$375,000.00;

- Count I: \$120,000.00
- Count II: \$100,000.00
- Count III: \$50,000.00
- Count IV: \$45,000.00
- Count V: \$25,000.00
- Count VI: \$20,000.00
- Count VII: \$10,000.00
- Count VIII: \$5,000.00

The parties have discussed and reviewed other outstanding matters and have agreed, as a part of the settlement agreement, that Harrah's and Commission staff will work together to ensure resolution of those incidents, and that no fines will be assessed.

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

**Trump Indiana, Inc.
Complaint No. 04-TR-1**

Chris Leininger, General Manager, appeared on behalf of Trump Indiana. Since 2002, Trump has accumulated thirty incidents regarding electronic gaming device violations, bill validator box violations, hard and soft count violations, other unsecured asset violations, and improperly uniformed drop and count teams. These incidents violated administrative rules and internal control procedures related to the safeguarding of assets.

On September 22, 2001, a Trump cage cashier stole assets from a change booth that was not inventoried for three weeks subsequent to the theft. After the cage was inventoried and the theft was discovered, Trump conducted an internal investigation to gather additional evidence of theft. The internal investigation placed further assets at risk by allowing the crime suspect to access unauthorized funds and to leave the riverboat after a subsequent theft without notifying Commission agents. The lapse in inventor control, the use of unauthorized funds and the failure to timely notify Commission agents after the subsequent theft violated administrative rules and internal control procedures related to the safeguarding of assets.

On January 16, 2004, a Commission agent discovered a Trump drop box storage cart with a compartment lock attached by one screw that was so loose it could be removed by hand. The condition of this cart rendered the compartment unsecured. Trump was advised on two prior occasions to maintain secure carts.

These actions violated Indiana Code 4-33 and title 68 of the Indiana Administrative Code. Pending Commission approval, Commission staff and Trump Indiana agree that Trump pay a fine in the amount of \$213,000.00 and waive all rights to judicial review.

Action: Upon motion by Ann Bochnowski, second by I. Maurice Ndukwu, and unanimous vote of those present, the Commission approves the proposed terms of the settlement agreement.

RDI/Caesars Riverboat Casino, LLC
Complaint No. 04-CS-3

Between March 2002 and January 2004 there were nine instances where minors were able to board the vessel. Pending Commission approval, Commission staff and Caesar's have entered into a settlement agreement where Caesars agrees to pay a fine in the amount of \$14,852.75 and waive all rights to judicial review.

Action: Upon motion by Marya Rose, second by Ann Bochnowski, and unanimous vote of those present, the Commission approves the proposed terms of the settlement agreement.

Horseshoe Hammond, Inc.
Complaint No. 04-HH-1

Between October 6, 2001 and February 20, 2003 there were three instances where minors were able to obtain access to the riverboat. Pending Commission approval, Commission staff and Horseshoe Hammond have entered into a settlement agreement whereby Horseshoe agrees to pay a fine in the amount of \$8,000.00 and waive all rights to judicial review.

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

Blue Chip Casino LLC
Complaint No. 04-BC-1

Between May of 2002 and July 2003 there were nine instances where minors obtained access to the riverboat. Pending Commission approval, Commission staff and Blue Chip have entered into a settlement agreement where Blue Chip agrees to pay a fine in the amount of \$19,500.00 and waives all right to judicial review.

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

**Aztar Indiana Gaming Corporation
Complaint No. 04-AZ-1**

On January 20, 2004 and March 6, 2004 the Commission staff was notified by a Commission agent that a letter from the Commission could not be served upon a Casino employee. In both instances, each employee had been terminated in 2002. Both employees were listed as active in the Commission's occupational licensing database because Casino Aztar had not sent notification of the employee's termination to Commission agents. Pending Commission approval, Commission staff and Casino Aztar have entered into a settlement agreement where Casino Aztar agrees to pay a fine in the amount of \$1,500.00 and waive all rights to judicial review.

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

**The Majestic Star Casino, LLC
Complaint No. 04-MS-1**

On or about November 5, 2001 a slot attendant left her locked cash tray unattended on top of the fill bank cabinet after counting the funds at the beginning of her shift. When the tray was recounted it was determined to be \$2,500 short. There was no surveillance coverage of the incident because there was no dedicated camera on that particular slot fill bank. During the course of the investigation it was discovered that the double-lock system that was in place to secure the sensitive key box containing the keys to the slot fill banks was not being utilized as a double lock system.

On or about November 30, 2002, Commission agents received information from an anonymous source indicating that a particular slot attendant was stealing tokens from slot machines. It was discovered that the attendant was entering slot machines, removing tokens and giving them to a patron who then cashed them in. Majestic Star attendants did not insert their access cards each time they accessed the compartments of gaming devices as required by 68 IAC 2-6-1(d) and Majestic Star internal controls. The failure of slot attendants to utilize access cards caused a notification to be sent to surveillance employees notifying them of the illegal door entries. However, surveillance employees were not investigating or following up on these reports. Majestic Star quickly took steps to correct the problems that led to this theft. Pending Commission approval the Commission staff and Majestic Star agree that Majestic Star will pay a fine of \$7,500.00 for the violations outlined in Count I and a fine of \$2,500 for Count II, for a total fine in the amount of \$10,000.00 and waives all rights to judicial review.

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

Minority Business Enterprise/Women's Business Enterprise

Belterra submitted their monthly progress report to the commission. This information was placed in the Commissioners packets. Ron Gifford, Baker and Daniels local counsel; Charles Felton, Belterra's MBE/WBE coordinator appeared before the Commission. Commission Chair Vowels requested clarification regarding Fifth/Third Bank and how this relates to minority and

women business enterprises. Mr. Felton explained that he typically lists all contacts which involve MBE/WBE businesses. Riverboats typically have few opportunities with minority business in the area of financial services.

NEXT MEETING:

Public Hearings will be held in Orange County on July 19th and 20th. Time TBA

The next meeting of the Indiana Gaming Commission will be August 5th and 6th in Lake County, Indiana.

ADJOURNMENT:

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

MINUTES:

Baynes & Shirey Reporting Services transcribed the April 7, 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 Baynes & Shirey, One Indiana Square #2525, Indianapolis, IN 46204 (317) 231-9003.

These minutes were prepared by Rhonda K. Dalton of the Indiana Gaming Commission staff.

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