

**INDIANA GAMING COMMISSION
BUSINESS MEETING**

June 23, 2005, 1:55 p.m.
French Lick Springs Resorts
8670 W State Road 56
French Lick, Indiana 47432

Call to Order and Roll Call:

Chairman Harold Calloway called the meeting to order at approximately 1:55 p.m. local time. A quorum was present.

Present:

Commission Members: Harold Calloway, Chair; Bryan Robinson, Tim Fesko Don Vowels, Ann Bochnowski and Marya Rose, Commission Staff: Ernest E. Yelton, Jennifer Arnold, Phil Sicuso, Jennifer Chelf, Susan Brodnan, Leanne Bailey, Andrew Klinger, Michelle Marsden, Angie Bunton, Interns John Loser and Daniel Becker, Tami Timberman and members of the public.

Approval of the Minutes:

Upon motion by Don Vowels, second by Bryan Robinson, and the unanimous vote of those present, the Commissioners approved the proposed minutes of the April 21, 2005, business meeting.

Report of the Executive Director:

Executive Director Yelton reported that on May 26, 2005, Senate Act 626 was signed. This addressed three points. The residence requirements of the Commissioners were lessened to require geographic restriction for two, rather than six, Commissioners. If necessary, the Commission can turn to third party vendors to issue certificates of inspection should the US Coast Guard discontinue its service. The Commission can also create its own marine safety and structural standards. This would only be exercised if there are no other viable alternatives. The law where gaming agents will begin replacing the Indiana State Police becomes effective July 1. An organization chart and pay matrix have been constructed for these positions and a transition methodology and timeline will be crafted. The four executive level positions have been filled and will begin July 6. House Bill 1220 also required the IGC to study alternative methods of gaming. An in-depth study and examination of the Kennilworth Corporation proposed Roulette concept, which is to simulcast live Roulette games on one of the riverboats to another jurisdiction, will be conducted. The Office of Management and Budget will partner in this study. This report is due October 1.

A Rule Revision Committee has been appointed, which will be chaired by Phil Sicuso, with members: Jenny Chelf, Susan Brodnan, LeAnne Bailey, and Andrew Klinger. They have met and designated the first four articles to be addressed in this project: Article 5, Transfer of Ownership; 11, Internal Control Procedures; 12, Security and Surveillance, and 15, Accounting Records and Procedures. Hopefully this project will be completed by the first quarter of 2007.

The Records Management and Retention Schedule Committee has completed the final draft of Phase I of the schedule. There are two hundred and nine boxes containing duplicate documents eligible for shredding.

There are two new additions to the IGC staff. First is Andrew Klinger, who is replacing Catherine Hood. Andrew is a graduate of IU law school. Next is John Loser. He is our first intern from the Governor's Summer Internship Program. He has just finished his freshman year at Yale. His major assignment is to prepare a draft of our annual report to the Governor. On June 9, Governor Daniels transferred the Indiana Department of Gaming Research from the office of the Indiana Criminal Justice Institute to the Indiana Gaming Commission. Dan Becker is its intern.

Waiver of Rules and Regulations:

Executive Director Yelton notified the Commissioners of waivers, stating that the executive staff executed six since the last meeting. All riverboat operators were granted a waiver of the rule requiring periodic reading and reporting of mechanical meters on gaming devices. This was requested by Trump. Belterra was granted a waiver to allow for the ability to cash checks issued to them by non-local entertainers and entertainment groups. Blue Chip was granted a waiver allowing occupational licensees to redeem their tips. Caesar's was granted a waiver allowing security rather than the main bank to retain found cash or cash equivalents. They were also granted a waiver allowing subtraction of Easy Pay tickets included in the drop from cash reserve calculation. Finally, Resorts was granted a temporary waiver of requirements for manual table fills, credits and EGG jackpot slips to allow for the use of non-continuous forms for a period of two weeks or until the correct forms are received by the printer. These waivers do not require Commission action.

Old Business:

There was no old business.

New Business:

Resolution 2005-28

Resolution Granting the Executive Director the Authority to Approve Requests of Riverboat Licensees to Change the Name and/or Assumed Name of the Entity Holding a Riverboat Owner's License. This resolution applies to all riverboat licensees and gives the Executive Director or his designee the authority to approve or disapprove requests to change the name

and/or assumed of an entity holding a riverboat owner's license. Riverboat licensees must provide assurance to the Commission that no change or transfer of ownership interest, corporate structure or corporate officers and directors has occurred with the change in the name and/or assumed name of the entity that holds the riverboat owner's license. They must further comply with all statutes and regulations regarding the display of the name and/or assumed name of the entity holding the riverboat owner's license, including, but not limited to, requirements regarding chips, tokens, and layouts. This resolution would be effective immediately.

Action: Upon Motion by Don Vowels, second by Tim Fesko, and unanimous vote of those present, the Commission adopted Resolution 2005-28.

Resolution 2005-43

Resolution Granting the Executive Director the Authority to Enter Into Settlement Agreements Regarding Litigation Involving the Commission. This resolution would authorize the Executive Director or the Executive Director's designee to enter into settlement agreements on behalf of the Commission in litigation matters to which the Commission is a party.

Action: Upon Motion by Bryan Robinson, second by Ann Bochnowski, and unanimous vote of those present, the Commission adopted Resolution 2005-17.

Appointment of Administrative Law Judge:

Pursuant to IC 4-33-3-23 and IC 4-21.5-3-9, the Indiana Gaming Commission would appoint the Office of the Indiana Attorney General to serve as Administrative Law Judge for any appeals that arise out of Commission action.

Action: Upon motion by Don Vowels, second by Bryan Robinson, and unanimous vote of those present, the Commission approved the Appointment of Administrative Law Judge.

MBE and WBE

Executive Director Yelton requested this Resolution be continued until the next meeting. He stated additional time is needed to consider the feasibility of conducting an independent study specific to the gaming industry in the state of Indiana.

Action: Upon motion by Bryan Robinson, second by Marya Rose, and unanimous vote of those present, this matter was continued.

New Game Approval:

Resolution 2005-30

Resolution regarding the approval of the game Double Win Poker. This game was granted a conditional approval for a six month period. Majestic Star has indicated it wanted to remove the

game due to its poor performance. Double Win Poker, Incorporated, has indicated that they wish to withdraw their request for approval. Commission staff recommended the granting of that request.

Action:

Upon motion of Marya Rose, second by Bryan Robinson, and unanimous vote of those present, the Commission granted Resolution 2005-30.

Resolution 2005-31

Resolution regarding the withdrawal of the game 2-2-1. This game was granted a conditional approval for a six month period. Caesars has indicated its desire to remove the game due to low player popularity. Prime Table Games has indicated it wishes to withdraw its request for approval.

Action:

Upon motion of Ann Bochnowski, second by Tim Fesko, and unanimous vote of those present, the Commission granted Resolution 2005-31.

Occupational License Matters:

**Sonja Vera
TR-FEL-05-01**

On or about April 4, 2005, Ms. Sonja Vera submitted an application for a level 2 occupational license to work for Trump Casino as a dealer. Ms. Vera disclosed a felony conviction for delivery of cocaine in 1987. Based upon this information, the commission denied her application for an occupational license. Ms. Vera then filed a request on or about April 4, 2005, for a waiver of her felony disqualification pursuant to Indiana Code 4-33-8-11 and 68 IAC 2-4. on May 24, 2004, a review hearing was conducted in which LeAnne Bailey was the review officer. It was the review officer's opinion that Ms. Vera had met her burden of proving her rehabilitation by clear and convincing evidence, and it was requested that Ms. Vera's request for a felony waiver be granted.

Action: Upon motion by Don Vowels, second by Marya Rose, and unanimous vote of those present, the Commission accepted the recommendation of the Review Officer that the felony waiver be granted.

Gary Johnson

On or about May 26, 2005, Gary Johnson submitted an application for a temporary level 1 occupational license to work at Resorts East Chicago as a captain. During the application process Mr. Johnson disclosed an arrest from 1972 relating to illegal drugs that could be in direct conflict with IAC 2-3-5(c)(10). Therefore, on or about May 27th, 2005, Mr. Johnson requested a waiver

pursuant to IAC 2-3-12. Commission staff recommended a waiver contingent upon the completion of a complete background check and entered into a waiver agreement with Mr. Johnson. Mr. Johnson was issued a temporary occupational license on May 27, 2005 pursuant to this agreement, pending Commission approval. Pursuant to that waiver agreement signed by Mr. Johnson, Commission staff recommended that the Commission grant Mr. Johnson's waiver request pursuant to the conditions outlined.

Action: Upon motion by Don Vowels, second by Bryan Robinson, and unanimous vote of those present, The Commission moved to accept the recommendation of Commission staff and grant the waiver upon the conditions outlined.

Suppliers License Renewals:

Resolution 2005-32

A resolution concerning approval of the renewal of the suppliers licenses of Gemaco, Inc., Atronic Americas, LLC, Osborne Coinage Co., and Gaming Partners, International USA, Inc.

Action: Upon motion by Don Vowels, second by Bryan Robinson, and unanimous vote of those present, the Commission approved the renewal of the suppliers licenses for Gemaco, Inc., Atronic Americas, LLC, Osborne Coinage Co., and Gaming Partners, International USA, Inc.

Resolution 2005-33

A Resolution concerning the granting of a permanent supplier's license to Riverboat Services, Inc. The background investigation had been completed, and Riverboat Services, Inc. had been found suitable to receive a permanent supplier's license.

Action: Upon motion by Tim Fesko, second by Bryan Robinson, and unanimous vote of those present, the Commission approved the staff recommendation to grant the permanent license.

Resolution 2005-34

A Resolution concerning granting a permanent supplier's license to NRT Technology, Corp: Cummins-Allison Corp. and Giesecke & Devrient America, Inc. (G&D). Temporary Supplier's licenses were issued pursuant to Resolution 2004-15, 2004-43, and 2005-11 respectfully. The background investigations had been completed on the above mentioned temporary suppliers, and they had been found suitable to receive permanent suppliers licenses. At this point, Commissioner Mary Rose stated that the Cummins-Allison Corporation was not affiliated with Cummins, Inc., who employs Ms. Rose.

Action: Upon motion by Don Vowels, second by Bryan Robinson, and unanimous vote of those present, the Commission approved the staff recommendation to grant the permanent license.

Resolution 2005-35

A Resolution concerning the Request of Mikohn Gaming Corporation to Change the Name of the Suppliers Licensee and Renewal of Suppliers License to Progressive Gaming International Corporation.

Action: Upon motion by Don Vowels, second by Bryan Robinson, and unanimous vote of those present, the Commission approved the staff recommendation to change the name and renew the license.

Riverboat Owners Matters

It was reported that Blue Chip failed to meet the IGC's goal of ten percent participation by minority business enterprises and 5% of women business enterprises. As a result, the IGC staff has directed Blue Chip to develop a corrective plan under 68 IAC 3-3-10. The staff expected this corrective action plan to be finalized within the next several weeks. At this time there was no Commission action necessary.

Resolution 2005-36

A Resolution Concerning the Renewal of the Riverboat Owner's License Held by Blue Chip Casino, LLC. This Resolution will renew the license until the Commission's next meeting

Action: Upon motion by Don Vowels, second by Bryan Robinson, and unanimous vote of those present, the Commission approved Resolution 2005-36.

Resolutions 2005-37

Licenses

Each of these waivers related to five which were previously issued pursuant to Resolution 2005-24 by the Executive Director. The waivers were granted so that five separate debt transactions could proceed without full Commission approval and without adhering to the two meeting rule normally called for by 68IAC 5-3-2.

2005-37 related to an inter-company loan of \$53,000 brought before the Commission by Aztar Indiana Gaming Company.

Action: Upon motion by Don Vowels, second by Tim Fesko, and unanimous vote of those present, the Commission approved the issuance of a waiver in 2005-37.

Resolution 2005-38

2005-38 related to the refinancing of an existing debt of \$65 million via a senior secured reducing and revolving credit facility with floating interest rate brought before the Commission of Grand Victoria.

Action: Upon motion by Don Vowels, second by Bryan Robinson, and unanimous vote of those present, the Commission approved the issuance of a waiver in 2005-38.

Resolution 2005-39

2005-39 related to an inter-company loan of \$200 million with an interest rate of ten percent brought before the Commission by Boyd Gaming Corporation.

Action: Upon motion by Tim Fesko, second by Bryan Robinson, and unanimous vote of those present, the Commission approved the issuance of a waiver in 2005-39.

Resolution 2005-40

2005-40 related to the issuance of senior subordinated notes in a total amount not to exceed \$750 million brought before the Commission by Boyd Gaming Corporation.

Action: Upon motion by Don Vowels, second by Bryan Robinson, and unanimous vote of those present, the Commission approved the issuance of a waiver in 2005-40.

2005-41

2005-41 related to the proposed amendment to or replacement of Boyd Gaming Corporation's existing credit facility, in order to increase the total indebtedness to an additional \$500 million, total limit \$2.3 billion.

Action: Upon motion by Don Vowels, second by Bryan Robinson, and unanimous vote of those present, the Commission approved the issuance of a waiver in 2005-41.

Voluntary Exclusion Program:

Angela Bunton, Program Coordinator, gave the Commission a one year update on the Voluntary Exclusion Program. July 1, 2005, marks the first anniversary of the program. As of June 17, 2005, there were 724 participants in the program.

**Order of the Indiana Gaming Commission Regarding the
Voluntary Exclusion Program and Jackpots Won by Jane Doe #1, 2, 3,
and John Doe #3, 4 and 5**

Jane Doe #1 won a jackpot at Argosy Casino in the amount of \$1,867.55. Argosy withheld the jackpot as required. Jane Doe #2 won a jackpot at Argosy Casino in the amount of \$25.70. Argosy withheld the jackpot as required. Jane Doe #3 won a jackpot at Caesars Indiana in the amount of \$2,505. Caesars withheld the jackpot as required. John Doe #3 won a jackpot at Trump Casino in the amount of \$1,200. Trump withheld the jackpot as required. John Doe #4 won a jackpot at Grand Victoria Casino in the amount of \$293.50. Grand Victoria withheld the jackpot as required. John Doe #5 won a jackpot at Horseshoe Casino in the amount of \$1,372. Horseshoe withheld the jackpot as required. Commission staff recommended the approval of the remittance of the jackpots as fines levied against Jane Doe #1, 2 ,3 and John Doe #3, 4 and 5.

Action: Upon motion by Don Vowels, second by Ann Bochnowski, and unanimous vote of those present, the Commission approved the Order recommended by Commission staff.

Disciplinary Action:

**Settlement Agreement in Lieu of Disciplinary Action
Indiana Gaming Company, L.P.
Complaint No. 04-AG-3**

Commission staff and Argosy (Indiana Gaming Company, L.P.) have arrived at a settlement agreement regarding information the Commission considered necessary for the evaluation of Argosy's license renewal that occurred in 2004. In fall 2004, Argosy entered into discussions with Penn National Gaming for the purchase of Argosy. During Commission staff's investigation. Argosy officials were asked if there were plans to sell the company. They did not provide the information when asked by investigators. This demonstrated a lack of the company's understanding regarding how and what information is sensitive with SCC reporting and what must be disseminated to regulatory agencies. Commission staff recommended and Argosy agreed to a fine of \$65,000.

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

**Settlement Agreement in Lieu of Disciplinary Action
Aztar Indiana Gaming Company, LLC
Complaint No. 05-AZ-03**

Commission staff and Aztar have arrived at a settlement agreement regarding regulatory violations. The first was in March and involved the violation of sensitive key logs. The second occurred in January and pertained to failure to properly collect and count currency found the bill validator boxes. The third occurred in March regarding an underage patron boarding the

riverboat. Due to these violations, Commission staff recommended and Aztar would agree to a fine of \$12,000

Action: Upon motion by Don Vowels, second by Tim Fesko, and unanimous vote of those present, the Commission approved the proposed terms of the Settlement Agreement.

**Settlement Agreement in Lieu of Disciplinary Action
Grand Victoria Casino and Resort LP
Complaint No. 05-GV-02**

Commission staff and Grand Victoria have entered into a settlement agreement regarding two violations. The first violation pertained to two incidents regarding underage patrons obtaining access to the riverboat. The second violation involved the Voluntary Exclusion Program. Grand Victoria notified Commission staff that a participant in the program obtained two credit card advances in February. The Commission staff recommended and Grand Victoria agreed to a total fine of \$12,500.

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

**Settlement Agreement in Lieu of Disciplinary Action
Horseshoe Hammond, Inc.
Complaint No. 05-HH-1**

Commission staff and Horseshoe have entered into a settlement agreement regarding two incidents involving underage patrons boarding a riverboat. The incidents occurred in February and March. Commission staff recommended and Horseshoe agreed to a fine of \$4,500.

Action: Upon motion by Don Vowels, second by Tim Fesko, and unanimous vote of those present, the Commission approved the proposed terms of the Settlement Agreement.

Resolution 2005-42

Resolution Concerning the Transfer of License from Argosy to Penn National. Upon completion of this transfer, Argosy will become a wholly owned subsidiary of Penn National.

Action: Upon motion by Don Vowels, second by Tim Fesko, and unanimous vote of those present, the Commission approved the Resolution to grant the application.

Next Meeting:

The next business meeting of the Indiana Gaming Commission will be September 26, 2005, in Indianapolis, Indiana.

Adjournment:

Upon motion by Marya Rose, second by Don Vowels, and unanimous vote of those present, the meeting was adjourned at approximately 2:45 p.m.

Minutes:

Denise Franklin transcribed the June 23, 2005, business meeting and public hearing. The transcript is a complete record of the meeting. Anyone wishing to see the transcript may review it in the Commission Office.

These minutes were prepared by Tami Timberman, Administrative Assistant for the Indiana Gaming Commission.

Respectfully Submitted,

Tami Timberman

THE INDIANA GAMING COMMISSION:

Harold Calloway, Chair

Don Vowels, Secretary