

**INDIANA GAMING COMMISSION
BUSINESS MEETING**

**9:00 a.m., June 13, 1997
Indiana Government Center South
402 W. Washington St.
Indianapolis, IN 46204**

PRESENT: Commission member Alan Klineman, Chair; Thomas Milcarek, Dr. David Ross, Bob Sundwick, Bob Swan and Don Vowels, Secretary. Ann Bochnowski was not present at beginning of meeting but joined in later on in the meeting. Staff- Jack Thar, Floyd Hannon, Kay Fleming, Cindy Dean, Deana Garner, Kendra Nigg, Charlie Vonderschmitt, Chris Gray, Frank Brady, Michelle Marsden and members of the public.

Call to Order and Roll Call

Chairman Alan Klineman called the meeting to order at approximately 9:15 a.m. (local time). A quorum was present.

Approval of the Minutes

Upon motion by Thomas Milcarek, second by Dr. David Ross, the minutes of the April 25, 1997 were unanimously approved as distributed.

Report of the Executive Director

Jack Thar, Executive Director, gave a report to the Commission on the activities of the riverboats, litigation, upcoming move of the Gaming Commission offices and introduced Major Richard Shelton, newly assigned to Indiana State Police's Gaming Enforcement Section.

New Business

Bond Reduction Requests

Casino Aztar

On April 10, May 9 and June 9, 1997, Casino Aztar made payments to the City of Evansville pursuant to the Development Agreement between Casino Aztar and the City of Evansville and as a condition of the Riverboat Owner's License issued to Casino Aztar. As a result of these payments, the Indiana Gaming Commission authorizes the National City Bank to reduce the Letter of Credit 101 and Letter of Credit 102 posted by Casino Aztar beginning with Letter of Credit 101, in a total of \$312,500.01.

Action: Upon motion by Bob Swan, second by Don Vowels and unanimous vote of those present, the Commission authorized the National City Bank to reduce the Letters of Credit posted by Casino Aztar, beginning with Letter of Credit 101, in a total amount of \$312,500.01.

Grand Victoria Casino & Resort, L.L.C.

On June 9, 1997, Grand Victoria Casino & Resort, L.L.C. ("Grand Victoria") made payments to the City of Rising Sun, pursuant to the Development Agreement between Grand Victoria and the City of Rising Sun and as a condition of the Riverboat Owner's License issued to Grand Victoria, in the amount of \$610,984.00. It is requested that the Surety Bond be reduced by \$610,984.00.

Action: Upon motion by Bob Sundwick, second by Don Vowels and unanimous vote of those present, the Commission authorized the National Union Fire Insurance Company of Pittsburgh, PA. to reduce the Surety Bond posted by Grand Victoria in the total amount of \$610,984.00.

Resolution 1997-16

A Resolution Concerning the Bond that is to be Posted by Blue Chip Casino, Inc.

Action: Upon motion by Dr. David Ross, second by Don Vowels and unanimous vote of those present, the Commission approved a bond in the amount of Seven Million Five Hundred Thousand Dollars (\$7,500,000) to be posted by Blue Chip Casino, Inc. in an acceptable form pursuant to IC 4-33-6-9, subject to Commission staff review.

Resolution 1997-17

A Resolution Concerning Empress Casino Hammond Corporation's Bank of America Secured Credit Facility.

Action: Upon motion by Bob Swan, second by Dr. David Ross and unanimous vote of those present, the Commission approved the request for a waiver of the two (2) meeting rule 68 IAC 5-3-2-(b)(3); and the Commission approved the request for the approval of the modification of the Secured Credit Facility that Empress had previously established with Bank of America. Adoption of this resolution and the approval of the modification does not in any way constitute a waiver of the Commission's authority and ability to approve or disapprove any future changes in the ownership of the Riverboat Owner's License, or assets incident thereto which may occur in the event of a default.

Resolution 1997-18

A Resolution Adopting 68 IAC 3-4 and 68 IAC 3-5 and Amendments to 68 IAC 1-2-5.1 and 68 IAC 3-2 for Publication as Proposed Rules.

Action: Upon motion by Don Vowels, second by Dr. David Ross and unanimous vote of those present, the Commission approved the above mentioned rules as Proposed Rules.

Resolution 1997-19

A Resolution Adopting, as Final Rules, 68 IAC 1-13; 68 IAC 1-14; 68 IAC 2-2-1; 68 IAC 2-3-1; 68 IAC 2-3-1.1; 68 IAC 2-3-4; 68 IAC 2-3-9; 68 IAC 2-6-1; 68 IAC 2-6-5; 68 IAC 2-6-6; 68 IAC 8-1-2; 68 IAC 10-1-6.1; 68 IAC 11-7-4.1; 68 IAC 12-1-4; 68 IAC 12-1-5; 68 IAC 12-1-6; 68 IAC 14-3-4; 68 IAC 15-1-1; 68 IAC 15-2-2; 68 IAC 15-6-2 AND 68 IAC 15-8-1.

Action: Upon motion by Don Vowels, second by Bob Sundwick and unanimous vote of those present, the Commission approved the above mentioned rules as Final Rules.

Resolution 1997-20

A Resolution concerning a Temporary Supplier's License to Alliance Gaming Corporation.

Action: Upon motion by Dr. David Ross, second by Tom Milcarek and unanimous vote of those present, the Commission approved Alliance Gaming Corporation for a Temporary Supplier's License.

Denial of Occupational License

REF: Christine Kezler

On or about April 4, 1997, Christine Kezler submitted an application for an Occupational License, Level 2, to be a blackjack dealer on the Showboat Mardi Gras Casino ("Showboat"). It was denied in accordance with IC 4-33-8-3(2) due to Ms. Kezler's felony conviction. Ms. Kezler requested a waiver of the felony disqualification which was denied by the Commission staff. Ms. Kezler appealed that denial. On May 19, 1997, Administrative Law Judge, Bernard L. Pylitt, in accordance with IC 4-21.5-3-19, conducted a pre-hearing conference by telephone in regard to Ms. Kezler's appeal of the denial of her request for a felony waiver by the Indiana Gaming Commission. During the pre-hearing conference call, Ms. Kezler advised that it would be useless to continue this appeal and agreed to withdraw her appeal. Judge Pylitt recommended that Ms. Kezler's Appeal of the Denial of the Request for Felony Waiver be Dismissed.

Action: Upon motion by Don Vowels, second by Ann Bochnowski and unanimous vote of those present, the Commission adopted the recommendation of the Administrative Law Judge, Bernard L. Pylitt, without further review and approved the Request to Withdraw the Request for a Appeal of the Denial of a Waiver of the Felony Disqualification of Christine Kezler.

Denial of Felony Waiver

REF: David Jernigan, II Case Number AR-FEL-1

On or about October 18, 1996, David O. Jernigan, II submitted an application for an Occupational License, Level 3, with Argosy Casino as a First Mate. It was denied in accordance with IC 4-33-8-3(2) due to a felony conviction. Mr. Jernigan submitted a Request for Felony Waiver Form on or about December 16, 1996, requesting a Waiver of the felony disqualification

pursuant to IC 4-33-8-11 and 68 IAC 2-4. Kay Fleming, Review Officer for the Indiana Gaming Commission, conducted a review of Mr. Jernigan's request for a felony waiver, and Mr. Jernigan was present, pro se. In accordance with 68 IAC 2-4-9(c), Kay Fleming, issued written Findings of Fact and a Recommendation to the Commission on May 16, 1997. Ms. Fleming recommended to the Commission that the Request for Felony Waiver of David O. Jernigan, II be denied.

Action: Upon motion by Don Vowels, second by Ann Bochnowski and unanimous vote of those present, the Commission adopted the recommendation of the review officer, Kay Fleming, without further review and denied the Request for Felony Waiver of David O. Jernigan, II.

Resolution 1997-21

A Resolution concerning an Extension of the Temporary Occupational Licenses

Action: Upon motion by Bob Swan, second by Dr. David Ross and unanimous vote of those present, the Commission granted an extension of the occupational licenses issued to suitable applicants for employment with Indiana Riverboats until such time as the Commission is in the position to issue permanent occupational licenses to the suitable applicants.

Other Business

The Commission has received a request from a company called Gaming International, Inc. for permission to distribute Win Cards to casinos in Indiana for subsequent distribution to the patrons. Win Cards cover three games: craps, roulette and blackjack. The craps and roulette win cards merely identify the odds and what the payoff will be on a winning bet. These two (2) game cards have no impact on how you play the game. The blackjack win card sets forth basic strategy that indicates when a player should split pairs, double down or take a hit based on the value of the dealer's exposed card and the players hand. Pursuant to IC 4-33-1-2, it is a criminal offense to use or possess with intent to use a device that assists in analyzing the strategy for playing or betting, unless it is permitted by the Commission.

Resolution 1997-22

A Resolution Approving the use of a Win Card for Blackjack.

Action: Upon motion by Don Vowels, second by Ann Bochnowski and unanimous vote of those present, the Commission approved the use of a product known as a "basic strategy" blackjack win card by patrons. The win cards that the Commission authorizes for use on riverboats must not be of a size that would obstruct the view of the play of the game or the playing area by surveillance, Commission agents, or riverboat personnel. Chairman Klineman requested staff to prepare a resolution that embodied the action approved by the Commission. [A resolution was subsequently prepared and signed.]

Old Business

The Commission took up the consideration of scheduling a hearing for the final riverboat license on the Ohio River. Representatives from Casino Magic, Crawford County, Hilton/Boomtown and Switzerland County were present at the meeting and spoke to the Commission. Each represented that they are ready to go forward and get a decision made on the final license. Mr. Thar suggested to the Commissioners and they agreed, to look at their calendars in the hope of setting a meeting between October 15, 1997 and November 15, 1997. The Commission decided not to reopen either county, but will allow the applicants to make any amendments to their application and have those amendments in the Commission office by August 15, 1997. A public notice will be put out at a later date setting the date that the Commission will rehear each applicant and county.

Next Meeting

Chairman Alan Klineman indicated that the Commission will announce at a later date, the date for the next business meeting.

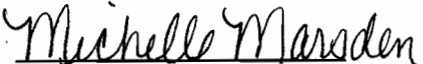
Adjournment

Upon motion by Don Vowels, second by Bob Sundwick and unanimous vote, the meeting was adjourned at 11:50 a.m.

Minutes


The June 13, 1997 meeting was transcribed by Baynes & Shirey Reporting Services; consequently, the transcript is the complete record of the meeting. These minutes were prepared by Michelle Marsden, Executive Secretary, of the Indiana Gaming Commission Staff. Anyone wishing to see the transcript can review it in the Commission office or obtain copy of the transcript from Baynes & Shirey, Bank One Center/Circle Center, 111 Monument Circle, Ste. 582, Indianapolis, IN 46207, (317) 231-9004.

Respectfully submitted,


Michelle Marsden

THE INDIANA GAMING COMMISSION:


Alan I. Klineman, Chair


Donald R. Vowels, Secretary