

**INDIANA GAMING COMMISSION
BUSINESS MEETING**

**1:30 p.m., October 22, 1997
Indiana Government Center South
402 W. Washington Street
Indianapolis, IN 46204**

PRESENT: Commission members Don Vowels, Chair; Ann Bochnowski, Thomas Milcarek, Robert Sundwick, Bob Swan, Dr. David Ross, Richard Darko. Staff-Jack Thar, Floyd Hannon, Kay Fleming, Michelle Marsden, Cindy Dean, Jill Wulf and members of the public.

Call to Order and Roll Call

Chairman Don Vowels called the meeting to order at approximately 1:35 p.m. (local time). A quorum was present. Bobby Small, Liaison for the Governors office, presented past Chairman Alan Klineman with a Sagamore for his contribution for breaking new grounds in Riverboat Gaming in Indiana. Thomas Milcarek was voted to be the new secretary for the Commission.

Approval of the Minutes

Upon motion by Tom Milcarek, second by Robert Sundwick, the minutes of the August 19, 1997 business meeting 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, legislative requests, new employee's, the Gaming Commission new offices, litigation and new gambling game's requests.

New Business

Resolution 1997-34

A Resolution Adopting, As Final Rules, 68 IAC 3-4 and 68 IAC 3-5.

Action: Upon motion by Ann Bochnowski, second by Robert Sundwick, and unanimous vote of those present, the Commission adopted the above mentioned rules as Final Rules.

Disciplinary Action

Complaint Number 97-TR-1

On or about September 2, 1997, the Indiana Gaming Commission ("Commission") initiated a disciplinary action against Trump Indiana Inc., ("Trump"). The allegations are that on or about July 9, 1997, Trump canceled an excursion due to the fact of insufficient

surveillance crew on duty to provide coverage of the cage located on the bar; further, the Captain falsified the excursion report to remain dock side. Members of the Commission staff and Trump have reached a settlement agreement in this matter and recommend a fine of \$5,000.

Action: Upon motion by Tom Milcarek, second by Ann Bochnowski, and unanimous vote of those present, the Commission approves the proposed terms of the settlement agreement and fines Trump Indiana, Inc. \$5,000.

Complaint Number 97-AR-1

On or about August 7, 1997, the Indiana Gaming Commission (“Commission”) initiated a disciplinary action against Indiana Gaming Company, L.P. (“Argosy”) based upon six (6) count room violations of the Riverboat Gambling Act and rules promulgated thereunder. Members of the Commission staff and Argosy have reached a settlement agreement in this matter and recommend a fine of \$10,000.

Action: Upon motion by Dr. David Ross, second by Tom Milcarek, and unanimous vote of those present, the Commission approves the proposed terms of the settlement agreement and fines Argosy \$10,000.

Complaint Number 97-AR-2

On or about August 7, 1997, the Indiana Gaming Commission (“Commission”) initiated a second disciplinary action against Indiana Gaming Company, L.P. (“Argosy”). As a result of an investigation into a theft by an employee, the commission staff discovered that Argosy experienced 21 overages or shortages in excess of \$10,000 between February 1, 1997 and May 7, 1997 in various areas of the cage that were not handled in accordance with Argosy’s internal policies and Commission rules. Members of the Commission staff and Argosy have reached a settlement agreement in this matter and recommend a fine of \$15,000.

Action: Upon motion by Ann Bochnowski, second by Robert Sundwick and unanimous vote of those present, the Commission approves the proposed terms of the settlement agreement and fines Argosy \$15,000.

Request for Felony Waiver

REF: George E. Werner Case Number AZ-FEL-1

On or about September 5, 1997, George E. Werner submitted an application for Occupational License, Level 2 to the Indiana Gaming Commission (“Commission”). Mr. Werner received an offer of employment with Casino Aztar as a Marketing Executive. The Commission denied Mr. Werner’s application due to the fact Mr. Werner had been convicted of a felony. On September 12, 1997, Kay Fleming, Review Officer for the Commission, held a hearing at the Casino Aztar Pavilion, on Mr. Werner’s request for a felony waiver. In accordance with 68 IAC 2-4-9(c), the review officer has issued written Findings of Fact and Recommendation to the Commission that the Request for Felony Waiver of George E. Werner be granted.

Action: Upon motion by Robert Sundwick, second by Tom Milcarek and unanimous vote of those present, the Commission adopts the recommendation of the review officer without further review and approves the Request for Felony Waiver of George E. Werner.

Thomas Lunde GV-FEL-4

Thomas Lunde applied for and received a temporary Occupational License to work at the Grand Victoria as an Engineering Manager. In response to question 10 of the application, Mr. Lunde indicated that he had received speeding tickets, but that he had no other criminal history. During the background investigation, the Commission staff determined that Mr. Lunde had been convicted of burglary in 1966 and received a sentence of 7 years. On March 27, 1997, Mr. Lunde's temporary Occupational License was revoked and his application for permanent licensure was denied, in accordance with IC 4-33-8-3(2). Mr. Lunde submitted a Request for Felony Waiver in a timely manner. Pursuant to Indiana Code 4-33-8-11 and 68 IAC 2-1-4 (c) a riverboat licensee must agree that it will employ the individual upon the receipt of a waiver before the individual is eligible to receive a waiver of the felony disqualification. Grand Victoria advised the Commission, in writing on June 3, 1997 that it would not employ Mr. Lunde if the waiver were granted. The Commission staff advised Mr. Lunde that he was not eligible to receive a waiver of the felony disqualification. Mr. Lunde appealed this matter to Administrative Law Judge Jeff Dodson. A telephonic pre hearing conference was held on July 30, 1997. Mr. Lunde did not participate in the pre hearing. ALJ Dodson issued a Notice of Proposed Dismissal Order to the Commission and Mr. Lunde. The Notice of Proposed Dismissal Order advised Mr. Lunde to respond within seven days or the Order of Dismissal would be entered. Mr. Lunde did not respond to the Notice.

Action: Upon motion by Ann Bochnowski, second by Tom Milcarek and unanimous vote of those present, the Commission adopted the recommendation of the Administrative Law Judge and denies the Request for Felony Waiver of Thomas Lunde.

Denial of Occupational License

Lois J. Dorn TR-DEN-2

Lois Dorn applied for an Occupational License, Level 2 for employment with Trump Casino as a Casino Finance Representative. On or about September 5, 1997, a notice of Revocation of the Temporary License and Denial of the Permanent License was issued to Ms. Dorn by the Commission staff. When Ms. Dorn applied for her occupational license she listed "N/A" in response to the question concerning any criminal history, including, among other things, information concerning any arrest, charges, convictions. As a result of the fingerprints obtained from Ms. Dorn, the Commission received information that Ms. Dorn had been arrested in 1975 for shoplifting under the name of "Mary Smith". After further investigation, the fingerprints of Ms. Dorn and "Mary Smith" are the same person. Ms. Dorn denied that she had been arrested for shoplifting under the name of "Mary Smith". Indiana Code 4-33-8-7 provides that the Commission may refuse to issue an Occupational License to an individual who "does not disclose or states falsely any information required by the application". The Commission staff has formally advised

Ms. Dorn that the Commission has revoked her temporary license and denied her application for a permanent license.

Action: Upon motion by Tom Milcarek, second by Dr. David Ross and unanimous vote of those present, the Commission denies the application for an Occupational License, Level 2 submitted by Lois J. Dorn.

Michael L. Bain TR-DEN-3

Michael Bain applied for an Occupational License, Level 2 for employment with Trump Casino as a Slot Technician. On or about August 28, 1997 a notice of Revocation of the Temporary License and Denial of the Permanent License was issued to Michael Bain by the Commission staff. Mr. Bain indicated on his application that he was convicted of the offense of Conspiracy in 1988. During its background investigation, the Commission staff discovered that the activities leading to Mr. Bain's Conspiracy conviction arose out of Mr. Bain's performance of the duties of a slot technician while he was employed at Fitzgerald's Casino in Nevada. Indiana Code 4-33-8-8 provides that the Commission may revoke an occupational license for any just cause. The Commission has further promulgated a rule, 68 IAC 2-3-5 (c) (13) which provides that an applicant for an occupational license be of good moral character and reputation. The Commission staff has formally advised Mr. Bain that the Commission staff has revoked his temporary license and denied his application for a permanent license.

Action: Upon motion by Dr. David Ross, second by Richard Darko and unanimous vote of those present, the Commission denies the application for an Occupational License, Level 2 submitted by Michael Bain.

Jeffrey Lenkei GV-DEN-1

Jeff Lenkei applied for and received a temporary Occupation License to work for the Grand Victoria as a dealer. On or about September 29, 1997, a notice of Revocation of the Temporary License and Denial of the Permanent License was issued to Jeff Lenkei by the Commission staff. While serving as a dealer at a roulette table, Mr. Lenkei attempted to manipulate the roulette wheel to improve the chances of another patron winning. On August 9, 1997, while a patron on another riverboat, Mr. Lenkei requested that the roulette dealer slow the speed of the roulette wheel to improve his chances of winning. The dealer of the roulette table reported this incident to the Commission agents on board who investigated. Indiana Code 4-33-8-8 provides that the Commission may revoke an occupational license for any just cause. The Commission has further promulgated a rule, 68 IAC 2-3-5 (c)(13) which provides that an applicant for an occupational license be of good moral character and reputation. The Commission staff has formally advised Mr. Lenkei that the Commission staff has revoked his temporary license and denied his application for a permanent license.

Action: Upon motion by Rickard Darko, second by Robert Sundwick and unanimous vote of those present, the Commission denies the application for an Occupational License, Level 2 submitted by Jeffrey Lenkei.

Kimberly King SB-DEN-1

Kimberly King applied for and received a temporary Occupational License, Level 2 to work as a cage cashier for the Trump casino. As a result of activities carried out by Ms. King during the performance of her duties as a cage cashier, Ms. King was charge with the offense of Theft, a Class D Felony. Trump Casino terminated Ms. King's employment. Subsequently, Ms. King applied for and received a temporary license to work as a dealer for Showboat. When the Commission staff discovered that Ms. King had moved to another boat, the staff revoked King's temporary license and denied her application for a permanent license due to the fact that Ms. King is not of good moral character. Indiana Code 4-33-8-8 provides that the Commission may revoke an occupational license for any just cause. The Commission has further promulgated a rule, 68 IAC 2-3-5 (c) (13) which provides that an applicant for an occupational license be of good moral character and reputation. The Commission staff has formally advised Ms. King that the Commission staff has revoked her temporary license and denied her application for a permanent license.

Action: Upon motion by Robert Sundwick, second by Richard Darko and unanimous vote of those preset, the Commission denies the application for an Occupational License, Level 2 submitted by Kimberly King.

Aasteria Dunn SB-DEN-2

Aasteria Dunn applied for an Occupational License, Level 2 for employment with the Showboat Casino as a cage cashier. A notice of Revocation of the Temporary License and Denial of the Permanent License was issued to Ms. Dunn on September 5, 1997 by the Commission staff. Ms. Dunn's employment with Showboat was terminated after Ms. Dunn was charged with nine counts of forgery, fraud and theft. Those charges are pending at this time. The activities that led to the charges arose in the performance of Ms. Dunn's duties as a cage cashier. Indiana Code 4-33-8-8 provides that the Commission may revoke an occupational license for any just cause. The Commission has further promulgated a rule, 68 IAC 2-3-5 (c) (13) which provides that an applicant for an occupational license be of good moral character and reputation. The Commission staff has formally advised Ms. Dunn that the Commission staff has revoked her temporary license and denied her application for a permanent license.

Action: Upon motion by Ann Bochnowski, second by Tom Milcarek and unanimous vote of those present, the Commission denies the application for an Occupational License, Level 2 submitted by Aasteria Dunn.

Joseph C. Cassaro SB-DEN-3

Joseph Cassaro applied for an Occupational License, Level 2 for employment with Showboat Casino. A notice of revocation of the Temporary License and Denial of the Permanent License was issued to Mr. Cassaro on August 28, 1997 by the Commission staff due to the use of foul language and the display of "gross misconduct" while gambling on another riverboat. On another occasion, Mr. Cassaro removed a losing bet from the roulette table after the roulette dealer had failed to sweep the losing chip. After being confronted by security, Mr. Cassaro eventually returned the losing wager but used

foul language when he was ejected for the casino. When questioned concerning his employment, Mr. Cassaro denied being licensed by the Commission or being employed by a riverboat. Indiana Code 4-33-8-8 provides that the Commission may revoke an occupational license for any just cause. The Commission has further promulgated a rule, 68 IAC 2-3-5 (c) (13) which provides that an applicant for an occupational license be of good moral character and reputation. The Commission staff has formally advised Mr. Cassaro that the Commission staff has revoked is temporary license and denied his application for a permanent license.

Action: Upon motion by Richard Darko, second by Ann Bochnowski and unanimous vote of those present, the Commission denies the application for an Occupational License, Level 2 submitted by Mr. Joseph C. Cassaro.

Resolution 1997-35

A Resolution Granting Temporary Supplier's License to Chipco International and Kilmartin Industries, Inc.

Action: Upon motion by Tom Milcarek, second by Dr. David Ross and unanimous vote of those present, the Commission approved the temporary licensing of Chipco International and Kilmartin Industries, Inc.

Resolution 1997-36

A Resolution Granting Permanent Supplier's Licenses to Olde Philadelphia Mint and GDC. Inc.

Action: Upon motion by Robert Sundwick, second by Richard Darko, and unanimous vote to those present, the Commission granted permanent supplier's license to the temporary supplier's Olde Philadelphia Mint and GDC, Inc.

Request for Bond Reduction

Casino Aztar

On July 7, August 6, September 26 and October 13, 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 \$416,666.68.

Action: Upon motion by Ann Bochnowski, second by Robert Sundwick, 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 \$416,666.68.

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

On or before October 20, 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 a condition of the Riverboat Owner’s License issued to Grand Victoria in a total amount of \$2,012,701.00. It is requested that the Surety Bond be reduced by \$2,012,701.00.

Action: Upon motion by Robert Sundwick, second by Ann Bochnowski, 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 a total amount of \$2,012,701.00.

Resolution 1997-37

A Resolution concerning an Extension of the Certificate of Suitability issued to RDI/Caesar’s Riverboat Casino, L.L.C. on May 20, 1996. The Commission heard from representatives of RDI/Caesar’s Riverboat Casino, L.L.C. on this resolution.

Action: Upon motion by Robert Sundwick, second by Tom Milcarek, and unanimous vote of those voting, the Commission approved an extension of the Certificate of Suitability issued to RDI/Caesar’s Riverboat Casino, L.L.C. until April 22, 1998. Richard Darko abstained from the vote.

Resolution 1997-38

A Resolution Concerning Indiana Gaming Company L.P.’s First of America Bank, N.A. Secured Term Loan. The Commission heard from representatives of Indiana Gaming Company, L.P.

Action: Upon motion by Robert Sundwick, second by Ann Bochnowski, and unanimous vote of those present, the Commission approves the request for approval of Indiana Gaming Company, L.P.’s secured term loan in the amount of \$25 million with First of America Bank, N.A. Adoption of this resolution and the approval of the secured term loan by Indiana Gaming Company, L.P. 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. (See resolution for details on the secured term loan).

Resolution 1997-39

A Resolution concerning a Line of Credit by Showboat Marina Casino Partnership with Fleet Bank, N.A. The Commission heard from representatives of Showboat Marina Casino Partnership.

Action: Upon motion by Ann Bochnowski, second by Richard Darko, and unanimous vote of those present, the Commission approved the request for a waiver of 68 IAC 5-3-2-(b)(3), the two (2) meeting rule and approved the request for the approval of a revolving line of credit up to an amount of \$3 million by Showboat Marina Casino Partnership with Fleet Bank, N.A. Adoption of this resolution and the approval of this

line of credit by Showboat Marina Casino partnership 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. (See resolution for details on the line of credit).

Resolution 1997-40

A Resolution concerning Trump Indiana, Inc.'s Dain Bosworth, Inc. Secured Loan. The Commission heard from a representative of Trump Indiana, Inc.

Action: Upon motion by Dr. David Ross, second by Robert Sundwick, and unanimous vote of those present, the Commission approves the request for a waiver of 68 IAC 5-3-2(b)(3), the two (2) meeting rule and approves the request for the approval of Trump Indiana's secured construction loan in an amount of up to \$12 million with Dain Bosworth, Inc. It is subject to a review and approval of the terms of the final draft and associated documents by the Commission staff. Adoption of this resolution and the approval of the secured construction loan by Trump Indiana, Inc. 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. (See resolution for details on the secured construction loan).

Resolution 1997-41

A Resolution concerning a Grid Note Between Trump Indiana, Inc. and Trump Hotels & Casino Resorts Holdings, L.P. The Commission heard from representatives from Trump Indiana, Inc.

Action: Upon motion by Robert Sundwick, second by Dr. David Ross, and unanimous vote of those present, the Commission approves the request for a waiver of 68 IAC 5-3-2(b)(3), the two (2) meeting rule and approves the request for the approval of Trump Indiana Inc's Grid Note in an amount of up to \$90 million with Trump Hotels & Casino Resort Holdings, L.P. Adoption of this resolution and the approval of the Grid Note between Trump Indiana, Inc. and Trump Hotels & Casino Resorts Holdings, L.P. 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. (See resolution for details on the secured construction loan).

Other Business

Blue Chip Casino

Blue Chip Casino has requested approval of its proposed corporate reorganization. The Commission heard from representatives of Blue Chip Casino. HP of Indiana will merge with Blue Chip Casino, the ownership will remain the same but the shareholders of HP, Indiana will now all be shareholders of Blue Chip Casino directly. There is no resolution for this action but the Commission does so approve this reorganization.

Empress Casino

Empress Casino Hammond has requested approval of its proposed corporate reorganization. The Commission heard from representatives of Empress Casino Hammond. There is no resolution for this action but the Commission does so approve this reorganization.

Next Meeting

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

Adjourn

The meeting was adjourned at approximately 4:50 p.m. by unanimous Commission vote upon motion by Tom Milcarek, second by Dr. David Ross.

Minutes

The October 22, 1997 meeting was transcribed by Baynes & Shirey Reporting Services; consequently, the transcript is the complete record of the meeting. Michelle Marsden, Executive Secretary, of the Indiana Gaming Commission, prepared these minutes. Anyone wishing to see the transcript can review it in the Commission office or obtain a copy of the transcript from Baynes & Shirey, Bank One Center/Circle Center, 111 Monument circle, Ste. 582, Indianapolis, IN 46207, (317) 231-9004.

October 23, 1997, Fifth Ohio License Public Hearing

The Commission heard presentations from both of the applicants, Hilton-Boomtown (Switzerland County) and Casino Magic & Harrah's (Crawford County) for the Fifth Ohio River License. Individuals from local and state agencies involved in the license process, as well as representatives of other licensees and bodies of government, addressed the Commission.

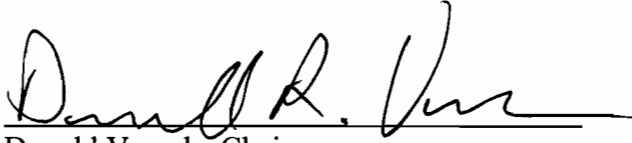
Minutes

The October 23, 1997 hearing was transcribed by Baynes & Shirey Reporting Services; consequently, the transcript is the complete record of the hearing. Michelle Marsden, Executive Secretary, of the Indiana Gaming Commission, prepared these minutes. Anyone wishing to see the transcript can review it in the Commission office or obtain a 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

INDIANA GAMING COMMISSION:


Donald Vowels, Chairman


Thomas Milcarek, Secretary