

**COPY OF TRANSCRIPT**

INDIANA GAMING COMMISSION  
BUSINESS MEETING  
JANUARY 10, 2003

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The Business meeting of the Indiana Gaming Commission was taken down by me, Peggy Morgan, a Notary Public in and for the County of Hendricks, State of Indiana, at the offices of the Indiana Gaming Commission, 115 West Washington Street, Suite 950, Indianapolis, Marion County, Indiana, on the 10th day of January, 2003.

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**APPEARANCES**

COMMISSION MEMBERS PRESENT:

Glenn R. Lawrence, Executive Director

Chairman: Donald R. Vowels

Marya Rose

Dale Gettelfinger

Thomas Milcarek

Cynthia L. Dean

Billy Hamilton

GAMING COMMISSION BUSINESS MEETING

JANUARY 10, 2003

MR. VOWELS: We will go ahead and call the meeting to order. We will show that we do have a quorum.

The record will reflect that we have all the necessary commissioners here for the quorum, so we will call the meeting to order. And we will note that we are exactly on time. That never happened when Mr. Thar was here. It's 10:00 local time.

The first matter on the agenda then is the approval of the minutes from our last meeting of November 15th, 2002. We've all had an opportunity to review these minutes. Is there a motion in reference to those minutes?

MR. GETTELFINGER: So moved.

MR. VOWELS: Is there a second?

MR. MILCAREK: Second.

MR. VOWELS: Any further discussion. All those in favor say aye.

COMMISSION: Aye.

MR. VOWELS: Minutes are approved.

The next matter on the agenda is a

1 report of the executive director. Mr.  
2 Lawrence, what do you have for us?

3 MR. LAWRENCE: Thank you, Mr.  
4 Chairman. First order of business that I  
5 want to advise you of is waivers that I have  
6 given to three of the boats that have  
7 requested it, waiving certain provisions of  
8 our rules and regulations dealing with  
9 hoppers.

10 More and more, the folks are going to  
11 ticket in ticket out type of games, where  
12 they don't have to deal with the tokens,  
13 where they don't have to have the hoppers,  
14 where they don't have the drops. It cuts  
15 down on time, the people don't have to carry  
16 all the tokens from here, to there, to  
17 yonder. And on my tour of a couple of the  
18 boats I have talked to the players and they  
19 seem to be taking it well.

20 What happens is, they have a card,  
21 electronic card or ticket, that is given out  
22 of that machine. They can use it at another  
23 machine, or cash it at the cage for cash.  
24 And I have given waivers to the extent that  
25 they can take those out and deal only with

1 the electronic card.

2 Provisions of our statute says that  
3 it can be tokens or electronic card, and we  
4 had an interpretation from GLI, the same as  
5 our staff here, these tickets are applicable  
6 to electronic cards. So I have given  
7 waivers and anticipate others, so I would  
8 advise you of that.

9 Secondly, as you know, this past  
10 Tuesday the legislature came back in session  
11 and as of I think this coming Monday all  
12 bills have to be filed, at least by the  
13 House. I wanted to advise you of some of  
14 the legislation that will affect the industry  
15 and possibly this commission.

16 Our hearing before Ways and Means is  
17 on January 22nd. Also on that date is the  
18 gaming horse raising commission and the  
19 lottery commission. We're only there for  
20 half an hour. One of our requests that we  
21 have, Representative Leidell has introduced a  
22 bill concerning problem gaming and an  
23 establishment of rules, and giving us the  
24 authority to promulgate rules and regulations  
25 concerning people who want to self evict from

1 the boats. Currently they do that at  
2 individual boats, and there's no single point  
3 of contact. So we want to see if we can  
4 keep them from all of the boats.

5 The other issue is the  
6 confidentiality. We've had some issues  
7 previously about people who want to contact  
8 us and self evict themselves, and, since it's  
9 not statutorily established, that information  
10 would not necessarily be confidential. So in  
11 the legislation we are requesting that  
12 personal information be confidential, so that  
13 we can work with those people.

14 We would not be the entity that would  
15 necessarily deal with the problem gaming  
16 issue, we would then refer them to the  
17 Department of Health and Addiction that has  
18 the funds available to do that.

19 Legislation has been introduced  
20 concerning the -- what is 110 percent rule.  
21 Senator Server has introduced a bill  
22 authorizing entities to own up to 200 percent  
23 of operations. Pull tabs will be introduced  
24 by Representative Reske, at four locations,  
25 so the two race tracks and the two OTB's at

1 the present time. I haven't seen the  
2 legislation, but I understand that he will be  
3 introducing that.

4 Also introduced will be a bill  
5 dealing with the location of a casino at  
6 French Lick again. Representative Denbo will  
7 be introducing that either today or on  
8 Monday, as I understand it. I haven't seen  
9 the body of the bill, but I understand it to  
10 be fairly similar to what was discussed  
11 during the special session.

12 One other issue was the Governor  
13 indicated in his budget by pledging director  
14 yesterday, a special budget committee meeting  
15 that there will be an issue of -- a relook,  
16 so to speak, at when the percentages kick in  
17 on the flexible board. So that will  
18 probably be coming up.

19 Those are the ones that I'm aware of.  
20 There are a couple of other peripheral ones  
21 dealing with Gary and the State Police Bureau  
22 for the State Police on the boats background  
23 investigation, and a couple other smaller  
24 items that may impact us, but it doesn't --  
25 we won't have a lot of bills to deal with,



1 but they will be substantial. So I think  
2 that's what I have. Any questions, I will  
3 be happy to answer.

4 MR. VOWELS: Any questions of the  
5 board? Thank you.

6 The next matter is old business. Is  
7 there any old business.

8 And under new business the first  
9 matter that we have is Miss Chelf, the  
10 adoption of the rules dealing with Resolution  
11 2003-1. And just tell the lady your name so  
12 she can get it down.

13 MS. CHELF: It's Jennifer Chelf.  
14 Staff attempted to re-adopt Article 4 last  
15 year without changes. The process wasn't  
16 completed due to a request we received for  
17 separate consideration of Article 4. The  
18 request required staff to start the  
19 promulgation process from the beginning.

20 The resolution before you allows the  
21 staff to publish the existing Article 4 as  
22 the proposed rule. The staff would then  
23 conduct a public hearing and receive comment,  
24 and forward the rule through the full  
25 promulgation process. A change was made in

1 the resolution and that is the sentence  
2 highlighted in the page that's changed from  
3 the copy that you received in your packets.

4 MR. VOWELS: Any questions of Miss  
5 Chelf?

6 So in front of us we have Resolution  
7 2003-1, the resolution adopting 68 IAC 4 for  
8 publication as proposed rules. Is there a  
9 motion in reference to this resolution?

10 MR. GETTELFINGER: Move to adopt.

11 MR. VOWELS: Is there a second?

12 MS. ROSE: Second.

13 MR. VOWELS: Any further discussion?  
14 All those in favor say aye. Show the  
15 resolution is adopted, Miss Chelf.

16 And the next matter on the agenda is  
17 the delegation of authority to Mr. Lawrence.  
18 Miss Dean, is that with you?

19 MS. DEAN: Yes, it is. Thank you.

20 Good morning. Commissioners, you  
21 have before you Resolution 2003-2, a  
22 resolution granting the executive director  
23 authority to waive 68 IAC 5-3, the debt  
24 acquisition. A riverboat licensee or  
25 affiliate may not enter into a debt

1 transaction in the amount of \$1 million or  
2 more without commission approval.

3 The commission and staff needed from  
4 the number of parties getting the approval  
5 process, may create delays that do not allow  
6 the companies to respond in debt market as  
7 quickly as needed. This resolution helps  
8 clarify 68 IAC 5-3-6, that allows the  
9 executive director to waive the rule.

10 Based upon prior discussions with the  
11 commission, the resolution states that the  
12 executive director may waive commission  
13 approval upon review, discussion and  
14 agreement obtained from the chair of the  
15 commission and the certified public  
16 accountant. Upon obtaining that approval of  
17 the three parties, the executive director --  
18 or the chair and the certified public  
19 accountant, Mr. Lawrence would then be able  
20 to grant a waiver and report back to the  
21 commission at the next scheduled meeting.  
22 The reporting back would then allow the  
23 commission to review the waiver that was  
24 granted, and to direct the executive director  
25 to take additional or different actions if so

1 needed.

2           There is one correction I would like  
3 to note in the resolution that was sent to  
4 you in draft, and that is in paragraph four,  
5 line eight, I believe, and it stated the  
6 executive director and the commissioners, and  
7 I would like to clarify that to the  
8 executive director, the chair, and the  
9 certified public accountant. Are there any  
10 questions?

11           MR. VOWELS: Any questions for Miss  
12 Dean? Thank you Miss Dean.

13           In front of us is Resolution 2003-2  
14 which deals with granting the executive  
15 director authority to waive 68 IAC 5-3, which  
16 is Debt Acquisition. Is there a motion in  
17 reference to this resolution?

18           MR, MILCAREK: I motion to approve.

19           MR. VOWELS: Is there a second?

20           MR. GETTELFINGER: Second.

21           MR. VOWELS: Any further discussion?  
22 All those in favor say aye.

23           COMMISSION: Aye.

24           MR. VOWELS: Resolution is approved.  
25 Thank you, Miss Dean.

1           And then Miss. Brodnan, we have you,  
2 and just make sure the lady knows who you  
3 are.

4           MS. BRODNAN: Yes, she does.

5           You have before you for approval  
6 Resolution 2003-3, regarding table game  
7 Casino Surrender, submitted by Casino Gaming,  
8 LLC. Grand Victoria has indicated it will  
9 offer the game if approved.

10           Casino Surrender consists of the  
11 traditional game of Blackjack, with an  
12 additional option. Players are dealt two  
13 cards face up, if the dealer has an up card  
14 that is a ten value, will then check to see  
15 if he has a Blackjack. If so, the game is  
16 over.

17           If the dealer does not have a  
18 Blackjack and the player has 20, the player  
19 can force the casino to surrender. If the  
20 player chooses this option, the player is  
21 given his or her original bet back, plus  
22 half the amount of the bet. If the player  
23 does not choose to surrender and still beats  
24 the dealer, the player receives his bet back,  
25 plus an additional payment in the same

1 amount.

2 The hold to the house when the  
3 players choose this option is approximately  
4 5.8 percent. The surrender option does not  
5 affect the outcome or hold percentage of the  
6 underlying game. Commission staff recommends  
7 that you grant conditional approval of this  
8 game.

9 MR. VOWELS: Any questions for Miss  
10 Brodnan? In front of you, you have  
11 Resolution 2003-3, which is conditional  
12 approval of the game of Casino Surrender.  
13 Is there a motion in reference to this  
14 Resolution?

15 MS. ROSE: So moved.

16 MR. VOWELS: Is there a second?

17 MR. GETTELFINGER: Second.

18 MR. VOWELS: Any further discussion?  
19 All those in favor say aye.

20 COMMISSION: Aye.

21 MR. VOWELS: Vote is approved. Thank  
22 you, Miss Brodnan.

23 And then the next matter on the  
24 agenda is the occupational license matters,  
25 and that is with Miss Chelf, is that right?

1 MS. CHELF: You have before you an  
2 order pertaining to a request for a  
3 misdemeanor gambling waiver of Bill Abrams.  
4 Mr. Abrams has worked at Grand Victoria since  
5 1996, and the commission staff recently  
6 discovered that he had disclosed a gambling  
7 conviction on his application, and it was  
8 never addressed. So we held a hearing about  
9 that. I served as the review officer.

10 You have before you my  
11 recommendation, wherein I recommend the  
12 waiver be granted. The recommendation and  
13 order also requires Mr. Abram to serve a  
14 three-day suspension, for making accusation  
15 at the hearing that a commission sergeant  
16 made false statements in a commission  
17 incident report, regarding an incident  
18 between the sergeant and Mr. Abram. I find  
19 that Mr. Abram's statements at the hearing  
20 were without basis, given his own behavior at  
21 the felony -- the misdemeanor gambling waiver  
22 hearing.

23 I want to point out that the only  
24 substantive change in the recommendation that  
25 you have before you from today, the only

1 change from that and the one I submitted  
2 with the packet, is paragraph ten on page  
3 four, where I describe the apology letter Mr.  
4 Abrams provided to the sergeant after the  
5 initial incident. You can vote to either  
6 adopt or reject my recommendation.

7 MR. VOWELS: And that paragraph ten  
8 is something that came up since you initially  
9 sent those things, so that's new?

10 MS. CHELF: It was something that I  
11 had neglected to include in my summary of  
12 the facts.

13 MR. VOWELS: Okay. Any questions  
14 then for Miss Chelf?

15 Then in front of us is the Indiana  
16 Gaming Commission order concerning the  
17 gambling misdemeanor waiver request for Mr.  
18 Abrams. Is there a motion in reference to  
19 adopting or rejecting the recommendation of  
20 the officer to approve that request?

21 MR. GETTELFINGER: Move to adopt.

22 MR. VOWELS: Is there a second?

23 MS. ROSE: Second.

24 MR. VOWELS: Any further discussion?

25 All those in favor say aye.



1 COMMISSION: Aye.

2 MR. VOWELS: The waiver is granted.

3 And then, Miss Brodnan, are you on  
4 Mr. Serrano?

5 MS. BRODNAN: Yes. Steven Serrano  
6 received a level 2 temporary license to work  
7 at Majestic Star, as a slot attendant. In  
8 November of 2002, he was observed removing  
9 tokens from a slot machine and placing them  
10 in token buckets. He filled four buckets  
11 and placed them next to the machine, and  
12 closed the machine without returning them. A  
13 female patron picked up the buckets and, with  
14 Mr. Serrano's assistance, cashed them in,  
15 receiving approximately \$1100. It was later  
16 discovered that Mr. Serrano and the patron  
17 lived at the same address.

18 The casino terminated his employment  
19 because of this incident. Commission staff  
20 revoked his temporary license, and denied his  
21 application for a permanent license. You  
22 will need to vote to uphold or overrule the  
23 revocation and the denial. If you uphold  
24 the staff action, Mr. Serrano will have the  
25 opportunity to appeal to an administrative

1 law judge.

2 MR. VOWELS: In front of us is the  
3 commission action on the revocation of the  
4 temporary license and denial of the  
5 application for a permanent occupational  
6 license of Mr. Serrano. Is there a motion  
7 to deny or approve the application for the  
8 license?

9 MS. ROSE: I will move to deny the  
10 application for the license.

11 MR. VOWELS: Is there a second?

12 MR. MILCAREK: Second.

13 MR. VOWELS: Any further discussion?  
14 All in favor say aye.

15 COMMISSION: Aye.

16 MR. VOWELS: Renewal is denied. And  
17 then you have Mr. Pantinas?

18 MS. BRODNAN: Yes. In August, 2002  
19 John Pantinas submitted an application for a  
20 license to work as a dealer at Blue Chip.  
21 He had previously held a level 2 license to  
22 work as a dual-rate supervisor at Harrah's.  
23 During his employment in a supervisory  
24 capacity at Harrah's, Mr. Pantinas accepted a  
25 tip from a patron, in violation of commission

1 rules. Pursuant to this, commission staff  
2 denied his application to work at Blue Chip.  
3 The denial was approved by the commission on  
4 September 27th, 2002.

5 Mr. Pantinas appealed this decision  
6 and submitted a request for a hearing. The  
7 commission appointed Bernard L. Pylitt as the  
8 Administrative Law Judge, and a hearing was  
9 conducted on December 11, 2002, in East  
10 Chicago.

11 Mr. Pantinas appeared by his counsel,  
12 Mr. Craig Hanson. Present for the commission  
13 were myself and Jennifer Chelf. On or about  
14 January 7th, 2003, Judge Pylitt submitted his  
15 Findings of Fact, Conclusions of Law, and  
16 Recommendations, which recommended that the  
17 denial of Mr. Pantinas' application be upheld  
18 and his appeal be denied.

19 You will need to vote to adopt or  
20 reject this recommendation, and to deny or  
21 grant his appeal. Commission staff  
22 recommends that you adopt the recommendation  
23 of the Administrative Law Judge.

24 MR. VOWELS: That last paragraph of  
25 the recommendation on page nine said that 15

1 days from the receipt of Judge Pylitt's order  
2 to file a written exception, I assume he  
3 hasn't done that?

4 MS. BRODNAN: No. I've contacted his  
5 attorney, and at the time he had not yet  
6 received the recommendation, but asked him to  
7 contact us if he would be interested in  
8 submitting findings before today, and I have  
9 not heard from him.

10 MR. VOWELS: And then on page eight a  
11 footnote of Judge Pylitt's decision, he  
12 suggests that we take whatever action  
13 necessary to ensure that this particular  
14 regulation is clear, speak to Harrah's in  
15 particular, but perhaps -- when I read this,  
16 I was unaware about this situation, about  
17 supervisors and tips, and I should know.  
18 Perhaps we might want to just have a letter  
19 that would go out to all ten of the boats  
20 just on this particular issue.

21 This was a rough decision in the way  
22 that he wrote this, apparently. I haven't  
23 seen anything like this from Judge Pylitt  
24 since he's been our Administrative Law Judge,  
25 or the Administrative Law Judge. Are there

1 any questions for Miss Brodnan?

2 In front of us is the order of the  
3 Indiana Gaming Commission concerning the  
4 appeal of denial of the application for an  
5 occupational license submitted by John  
6 Pantinas. Is there a motion to accept or  
7 reject the Finding of Facts, Conclusions of  
8 Law and Recommendation filed by Judge Pylitt,  
9 and then the second part to deny or approve  
10 Mr. Pantinas' appeal of the denial of his  
11 application for an occupational license? So  
12 there you have it. Anybody have a motion?

13 MR. MILCAREK: I will motion that we  
14 accept the Judge's recommendation, and the  
15 second part deny the license application.

16 MR. VOWELS: All right. Is there a  
17 second?

18 MR. GETTELFINGER: Point of  
19 discussion. Was your comment about a letter  
20 to each of the licensees about this matter a  
21 part of this resolution? Or is that  
22 separate?

23 MR. VOWELS: No, that was just a  
24 suggestion, since he had suggested that in  
25 his opinion, that it might be a good idea to

1 do it. Like I said, I was educated, and I  
2 should have known it.

3 Is there a second?

4 MR. GETTELFINGER: Move to second.

5 MR. VOWELS: Any further discussion?

6 All in favor say aye.

7 COMMISSION: Aye.

8 MR VOWELS: I will show that it's  
9 accepted.

10 And then back to Miss Chelf, dealing  
11 with the correction of those minutes from  
12 December 15th, 1997. Did we figure out  
13 whether I was chairman or not?

14 MS. CHELF: I believe you celebrated  
15 your fifth anniversary last fall, and nobody  
16 gave you a cake.

17 Commissioner Darko was present at  
18 that meeting also. From what we've been  
19 able to piece together from recollection, you  
20 were already chairman at that time.

21 MR. VOWELS: I thought it was in '98.  
22 It doesn't matter.

23 MS. CHELF: It's been a long time.

24 The commission staff received a  
25 request from Mr. Arnold Fleischman to review

1 the section of minutes from the December  
2 15th, 1997 business meeting that pertained to  
3 an action against him.

4 You have before you amended minutes.  
5 These amendments address Mr. Fleischman's  
6 concerns, and are an accurate representation  
7 of the events at that meeting as recorded in  
8 the transcript of that meeting.

9 MR. VOWELS: Okay. All right.  
10 There's no problem with the four of us  
11 voting on this, although two of us were not  
12 around at the time? Is there a review of  
13 the transcript?

14 MS. CHELF: Well, I've reviewed the  
15 section of the transcript that pertains to  
16 that discussion at that meeting pertaining to  
17 him, and those are the changes that I  
18 believe we could make that would still make  
19 the minutes accurate with the transcript,  
20 considering the transcript.

21 MR. VOWELS: Any questions for Miss  
22 Chelf?

23 And you're sure I was chairman?

24 MS. CHELF: Yes.

25 MR. VOWELS: I'm confused about that,

1 but I will just take your word for it.

2 All right. Is there a motion in  
3 reference to the amendment of those minutes  
4 of December 15th, 1997, outlined by Miss  
5 Chelf?

6 MR. MILCAREK: Since I did attend  
7 that meeting, I feel I should make a motion  
8 to accept the minutes.

9 MR. VOWELS: Is there a second?

10 MR. GETTELFINGER: Second.

11 MR. VOWELS: Any further discussion?  
12 All those in favor say aye.

13 COMMISSION: Aye.

14 MR. VOWELS: Show that they are  
15 amended.

16 And then the suppliers license  
17 matters with Miss Marsden. Make sure the  
18 lady knows your name.

19 MS. MARSDEN: Michelle Marsden,  
20 M-A-R-S-D-E-N.

21 Good morning. Before you is  
22 Resolution 2003-4, concerning the renewal of  
23 suppliers' licenses.

24 On December 6th, 2002, by Resolution  
25 2001-40, the commission renewed the



1 supplier's license held by International  
2 Electronic Protection, Ltd, which is IEP,  
3 International Game Technology, which is IFT,  
4 and Midwest Game Supply. Conditions are  
5 placed on a supplier's license that they must  
6 be renewed annually and request a renewal of  
7 their supplier's license at least 30 days  
8 prior to the expiration of their license, in  
9 accordance to 68 IAC 2-2-8.

10 The above-named supplier licensees  
11 have requested a renewal of the licensure,  
12 and the annual renewal fees have been paid,  
13 in accordance with 68 IAC 2-2-3 and 68 IAC  
14 2-2-8. Commission has determined that the  
15 above supplier licensees remain in compliance  
16 for licensure, so before you is 2003-4 for  
17 the renewal of suppliers' licenses of IEP,  
18 IGT, and Midwest Game Supply.

19 MR. VOWELS: Thank you. Are there  
20 any questions for Miss Marsden?

21 In reference to Resolution 2003-4 is  
22 there a motion?

23 MR. GETTELFINGER: Move to renew.

24 MR. VOWELS: Is there a second?

25 MS. ROSE: Second.

1 MR. VOWELS: Any further discussion?  
2 All those in favor say aye.

3 COMMISSION: Aye.

4 MR. VOWELS: Resolution is approved.  
5 And then we have Resolution 2003-5,  
6 and that's with Miss Brodnan.

7 MS. BRODNAN: 2003-5 is in regards to  
8 a request of the Bud Jones Company to  
9 withdraw its supplier's license. This was a  
10 late change. I don't know if you got the  
11 revised version. There was a different  
12 supplier license that was the original five,  
13 but this one deals with the Bud Jones  
14 Company.

15 B&G, doing business as Bud Jones,  
16 received a supplier's license in August of  
17 2001. Paul-son Gaming Supplies received its  
18 supplier's license in 1995. Pursuant to  
19 Resolution 2002-21, adopted by the commission  
20 on July 29th, 2002, commission approved a  
21 request of Bud Jones for a transfer of  
22 ownership interest in B&G, Bud Jones, and  
23 Paul-son. Transfer resulted in B&G and Bud  
24 Jones becoming wholly owned subsidiaries of  
25 Paul-son, and the merger was completed as of

1 January 1st of this year.

2 Pursuant to correspondence dated  
3 January 8th, 2003, Bud Jones has advised  
4 that, since the merger, Paul-son will  
5 hereafter manufacture and distribute the Bud  
6 Jones line of products, and has requested the  
7 ability to withdraw the supplier's license  
8 held by Bud Jones.

9 MR. VOWELS: What does B&G stand for?

10 MS. BRODNAN: I'm not going to even  
11 try to tell you.

12 MR. VOWELS: All right. Any  
13 questions then for Miss Brodnan?

14 MR. VOWELS: Resolution 2003-5  
15 concerns a request from Bud Jones Company,  
16 Inc. to withdraw its supplier's license. Is  
17 there a motion to grant or deny that  
18 request?

19 MR. GETTELFINGER: Move to grant.

20 MR. VOWELS: Is there a second?

21 MS. ROSE: Second.

22 MR. VOWELS: Any further discussion?  
23 All those in favor say aye.

24 COMMISSION: Aye.

25 MR. VOWELS: Motion is granted.

1           And then I believe are the riverboat  
2 owners' matters. And, Mr. Lawrence, we're  
3 back to you with the waiver.

4           MR. LAWRENCE: Thank you. In front  
5 of you is Resolution 2003-6, a Resolution  
6 concerning the request for a waiver of 68  
7 IAC 2-3-5(c)(9), regarding Merchant Mariner's  
8 documents.

9           When we were establishing licensing  
10 rules and regulations for the boats on the  
11 lake, at that time the Coast Guard indicated  
12 that they would require all employees of  
13 those four boats to have Merchant Marine  
14 documents, and be worthy seamen. However,  
15 since that time, with the issues dealing with  
16 reorganization of Homeland security, the  
17 Coast Guard has changed some of their  
18 activities, and issued a letter to the  
19 applicable boats indicating that they would  
20 no longer be requiring or processing Merchant  
21 Marine documents.

22           I issued a letter to those boats at  
23 that time, indicating that in our rules and  
24 regs it is required, but that we would not  
25 enforce that until such time as we brought

1 it before the commission to proceed further.

2 My recommendation in this is that we  
3 waive that requirement, since the Coast Guard  
4 is no longer issuing that, and that we will  
5 proceed with the process of modifying our  
6 regulations. We had it in there  
7 specifically, because they requested it  
8 specifically. So what we will do is proceed  
9 to modify our rules and regulations to make  
10 it more flexible, to include in the event  
11 that the boats would again sail, and the  
12 Coast Guard require something, that we would  
13 also require that.

14 MR. VOWELS: Any questions for Mr.  
15 Lawrence? In front of us is Resolution  
16 2003-6, which concerns request for a waiver  
17 of 68 IAC 2-3-5(c)(9), regarding Merchant  
18 Mariner's documents. Is there a motion to  
19 approve or disapprove the request for the  
20 waiver?

21 MS. ROSE: I move to approve the  
22 request for a waiver.

23 MR. VOWELS: Is there a second?

24 MR. MILCAREK: Second.

25 MR. VOWELS: Any further discussion?

1 All those in favor say aye.

2 COMMISSION: Aye.

3 MR. VOWELS: Show that it is  
4 approved.

5 And, then, Mr. Lawrence we're still  
6 with you.

7 MR. LAWRENCE: Yes. In front of you  
8 is Resolution 2003-7, regarding a waiver of  
9 the requirement to have the executive  
10 director's signature included on the  
11 identification badges of all employees.

12 In our requirements it does state  
13 that -- specifically requires that the  
14 identification badges shall display the  
15 signature of executive director. That has  
16 been all well and good for the past seven  
17 years. But now that we have changed,  
18 technically, it might be -- someone might  
19 think that we would be required to change  
20 all of the badges again, to include the new  
21 executive director's signatures, and then  
22 seven years from now, when the executive  
23 director again changes, we might have to do  
24 that again.

25 So, this resolution deals with

1 elimination of the requirement that the  
2 executive director signature be included on  
3 the identification badges. I think initially  
4 it was included for security reasons, but we  
5 feel, and the staff feels, and the State  
6 Police advisors feel, that that is not  
7 something we have to be concerned about.

8 MR. VOWELS: Any questions for Mr.  
9 Lawrence?

10 MR. MILCAREK: Has it been exactly  
11 seven years?

12 MR. VOWELS: Okay. Resolution 2003-7  
13 concerning this waiver dealing with the  
14 identification badges signature, is there a  
15 motion to approve or disapprove this  
16 resolution?

17 MR. MILCAREK: Move to approve.

18 MR. VOWELS: Is there a second?

19 MR. GETTELFINGER: Second.

20 MR. VOWELS: Any further discussion?  
21 All those in favor say aye.

22 COMMISSION: Aye.

23 MR. VOWELS: Show that it is  
24 approved.

25 Then, Miss Dean on the Aztar

1 amendment on the development agreement,  
2 Resolution 2003-8.

3 MS. DEAN: Yes. Thank you.

4 Resolution 2003-8 is a resolution concerning  
5 the amendment to a riverboat land lease  
6 agreement by and between the Riverboat  
7 Commission -- Redevelopment Commission of  
8 Evansville and Aztar Indiana Gaming company,  
9 LLC.

10 On or about May 2nd, 1995, the  
11 Redevelopment Commission of Evansville and  
12 Aztar Gaming Company, LLC, executed a lease  
13 agreement. On or about December 27th, 2002,  
14 the Redevelopment Commission adopted an  
15 amendment to the lease agreement. The  
16 amendment has been approved by all parties,  
17 and is submitted to the commission for  
18 approval today.

19 The general manager of Aztar, Jim  
20 Brown, is present, along with, I believe,  
21 local counsel if the commission has any  
22 questions, or if you would like to add any  
23 information for the commission.

24 MR. BROWN: I'm Jim Brown, and I'm  
25 the president and general manager of Casino



1 Aztar, Evansville, and with me is Larry  
2 Downs, the attorney for the City of  
3 Evansville, and Kay Fleming with Ice Miller.  
4 And I think that you have a letter of  
5 support from the mayor of Evansville, and an  
6 executive summary, and we do have the full  
7 support of Aztar, and the city of Evansville,  
8 the mayor's office, and our Redevelopment  
9 Commission.

10 MR. VOWELS: Let me just ask a couple  
11 of questions here. I was reading through  
12 this, and I'm not real clear on how it's  
13 going to work. You're advancing moneys that  
14 you will pay towards future rent for these  
15 lease years seven through ten, is that  
16 correct?

17 MR. BROWN: Yes.

18 MR. VOWELS: Okay. And the lease  
19 payments are based on some formula on what  
20 your adjusted gross revenue would be, is that  
21 right?

22 MR. BROWN: Yes.

23 MR. VOWELS: And how is it that you  
24 come up with this number, in anticipation of  
25 what you would pay?

1 MR. BROWN: We've projected what our  
2 annual revenues will be for the years 2002,  
3 which has been completed through 2005. And  
4 based on the formula of our lease agreement  
5 with the city, which contemplates percentages  
6 of our revenue going to the city, we have a  
7 base rent, which is ongoing, paid to the  
8 city, that has been in place since we've  
9 opened, aside from the gaming tax and  
10 commission taxes. And the incremental  
11 portion of the lease payments for the rental  
12 of Riverfront Park would go to a capital  
13 development fund.

14 We expect that over the course of the  
15 next -- through 2005, that will accumulate  
16 close to \$20 million. What we have agreed  
17 to do is guarantee and prefund \$10 million  
18 to the City of Evansville for development  
19 projects in Evansville, that the city desires  
20 to undertake. And we've also agreed to  
21 lease to the city three and a half acres of  
22 land for \$1 per year, for those development  
23 projects. And we have a levee wall that is  
24 located near the river front in Evansville on  
25 that land, and we've agreed to allow the

1 levee wall to be relocated to our land.

2           The other portion of the capital  
3 development fund makes us responsible to do  
4 capital projects to the magnitude of up to  
5 \$25 million over the next four years, of  
6 which we would receive a rent credit for a  
7 portion of our investment. If we did not  
8 make the capital investment during the time  
9 frames that are contemplated in the  
10 agreement, we would be immediately liable to  
11 pay that lease money directly to the city.

12           MR. VOWELS: So am I clear then that  
13 you're paying in advance \$10 million of  
14 future lease payments?

15           MR. BROWN: Yes.

16           MR. VOWELS: Okay. There's a \$20  
17 million figure that's floating around.

18           MR. BROWN: \$20 million is what we  
19 expect that excess rent to accumulate over  
20 the next four years. \$10 million we would  
21 immediately pay to the city, and we're  
22 guaranteeing that for a project or projects  
23 that they decide to embark upon. The other  
24 \$10 million would be available as a rent  
25 credit to us as we do capital investment in

1 downtown Evansville, that Aztar undertakes.  
2 And so for each \$2.50 that we invest, we  
3 would receive a \$1 rent credit. If we  
4 didn't make the investment, we would be  
5 obligated to pay that rent.

6 MR. VOWELS: And the concept there is  
7 that they will use this money to build that  
8 baseball stadium, but they also have the  
9 option of doing something else if they want  
10 to?

11 MR. BROWN: Yes.

12 MR. VOWELS: And is it Aztar's  
13 intention to do these capital projects at --  
14 with Aztar, completely contingent upon that  
15 baseball stadium happening?

16 MR. BROWN: No. We're obligated even  
17 if they don't go forward with the baseball  
18 stadium.

19 MR. VOWELS: Okay. Are there any  
20 other questions?

21 MR. GETTELFINGER: For the staff,  
22 what is the responsibility of licensees to  
23 come to the commission with this type of  
24 information? When should they come? And  
25 under what circumstances?

1 MS. DEAN: If there is an amendment  
2 to the development agreement, we ask that  
3 they come to the commission for approval of  
4 that amendment. If the development  
5 agreements were between the cities -- or the  
6 localities and the boats, of licensing -- a  
7 lot of times there are amendments or  
8 additional agreements at the time of  
9 relicensing, we would like to be informed  
10 concerning the development agreements and to  
11 bring them before the commission for  
12 approval, assuming all parties are in  
13 agreement.

14 MR. GETTELFINGER: Did that happen in  
15 this situation in a timely basis?

16 MS. DEAN: It's my understanding that  
17 the agreement was in the process. We did  
18 read a newspaper article about it. There  
19 was just a bit of a delay in getting it into  
20 our office, prior to the release in the  
21 newspaper.

22 MR. BROWN: In terms of any questions  
23 regarding that, we needed to have an  
24 agreement before we did -- and what we were  
25 told was we needed to have an agreement

1 before we brought anything to the Indiana  
2 Gaming Commission. We didn't have an  
3 agreement until it was approved in the City  
4 of Evansville, so we wouldn't have anything  
5 to bring until the time that we had the  
6 agreement approved. And we did so  
7 immediately after.

8 MR. VOWELS: And the idea of  
9 informing the commission of these sorts of  
10 things is basically to put us on notice, so  
11 we know to get this on the agenda and do our  
12 portion of it. Constructively, I'm of course  
13 in Evansville, I knew all about it, I mean  
14 from what I read in the newspaper. You  
15 know, in Evansville if it's in the newspaper  
16 it's got to be true, right?

17 And Glen and I talked about it last  
18 week when I was up here on non-commission  
19 business, but we never really talked about it  
20 in our telephone conversations over the last  
21 month.

22 Okay. Is there anything further  
23 anybody else wants to add? Mr. Down, since  
24 you came all the way up from our home town,  
25 do you want to --

1 MR. DOWN: No, Mr. Chairman, just  
2 that the Mayor is in full support of this  
3 agreement.

4 MR. VOWELS: Okay.

5 MS. DEAN: Excuse me, I would like to  
6 add, Mr. Brown is correct we do have a  
7 letter from the city stating their agreement  
8 with the amendment, and we received it  
9 yesterday. So it was not in the packets,  
10 but we do have it.

11 MR. VOWELS: Of course there's not  
12 one from the city counsel.

13 MR. DOWN: Not at this point.

14 MR. VOWELS: That's a whole other  
15 ball game, so to speak. Anything further on  
16 this issue? Any questions from anybody?  
17 Anything anybody else wants to add?

18 We have Resolution 2003-8, which  
19 concerns the amendment to the Riverboat  
20 landing lease agreement by and between  
21 Redevelopment Commission of Evansville and  
22 Aztar Indiana Gaming Company LLC. Is there  
23 a motion to either grant or deny the request  
24 of Aztar to approve the amendment to the  
25 lease agreement?

1 MS. ROSE: I will move to grant the  
2 request of Aztar to approve the amendment to  
3 the agreement.

4 MR. VOWELS: Is there a second?

5 MR. GETTELFINGER: I will move to  
6 second.

7 MR. VOWELS: Any further discussion?  
8 All those in favor say aye.

9 COMMISSION: Aye.

10 MR. VOWELS: Show the resolution is  
11 granted.

12 And then the next thing we have are  
13 the MBE/WBE. Miss Brodnan, is that with you  
14 again?

15 MS. BRODNAN: Yes. Pursuant to an  
16 order entered by the commission in December  
17 of 2001, Trump and Majestic Star were  
18 requested to appear at all live commission  
19 meetings through January 2003, so,  
20 technically, pursuant to that order, this  
21 will be their last live meeting to appear at  
22 and provide an update for you.

23 The year end reports for 2002 are not  
24 due until the end of this month, so right  
25 now we don't have finalized numbers to see



1 how they did pursuant to the requirements of  
2 the order, so we will give you an update on  
3 that at the next meeting. But they have  
4 submitted their updated plans, and there are  
5 representatives of both companies here to  
6 answer any questions that you have.

7 MR. VOWELS: Okay. What I was  
8 looking at is this, you know, I just looked  
9 at the numbers to see where they are, and  
10 correct me if I'm wrong, on the Trump WBE  
11 purchases at 4.42 percent, and I don't know  
12 if I'm mixing apples and oranges here or not  
13 but it looks like --

14 MR. ROGERS: I've come for --

15 MR. VOWELS: Hi, come on up and let  
16 the lady know your name.

17 MR. ROGERS: Yes, sir, Keith Rogers.

18 MR. VOWELS: And then with Majestic  
19 Star it looks like 11.83 percent. Am I  
20 reading that right?

21 MR. ROGERS: Well, with the numbers  
22 the way we give them to you, see, we have  
23 our numbers, but then since we have the  
24 joint venture of Buffington Harbor, Majestic  
25 Star and Trump, we take 50 percent of their

1 numbers, and 50 percent of the numbers add  
2 to the number that we generate ourselves, and  
3 that final number is the combined number that  
4 you see at the bottom, the 13.9 for MBE and  
5 the 6.4 for WBE. So those are the actual  
6 numbers. It's just that we show you the  
7 breakdown.

8 MR. VOWELS: So is this number of  
9 Majestic Star that shows --

10 MR. ROGERS: Okay, I'm not sure about  
11 Majestic Star numbers.

12 MS. ROGERS: Majestic Star numbers  
13 are combined numbers.

14 MR. ROGERS: They are combined  
15 numbers.

16 MR. VOWELS: Okay.

17 MR. ROGERS: Yeah, we just give you  
18 the breakdown.

19 MR. VOWELS: This lady is going to  
20 want to know your name.

21 MS. ROGERS: Karry Rogers.

22 MR. VOWELS: All right. So this  
23 11.83 percent number that I'm looking at with  
24 Majestic Star is the combined number for them  
25 too?

1 MR. ROGERS: Roughly.

2 MS. ROGERS: No, the 16.

3 MR. VOWELS: Okay. Why don't you  
4 come up here and -- here's my question. If  
5 I'm looking at 4.42 percent on WBE with the  
6 boat --

7 MS. ROGERS: That is the number.

8 MR. VOWELS: Okay.

9 MS. ROGERS: The 16.94 and 11.83 are  
10 the combined numbers together with Buffington  
11 Harbor and Majestic Star.

12 MR. VOWELS: Okay. So may I ask you  
13 this. You've handed me a document here which  
14 is Majestic Star Casino's -- and casino I'm  
15 looking at this WBE here. My question is.  
16 If I see 11.83 percent on WBE with Majestic  
17 Star and 4.42 percent WBE with Trump, am I  
18 wrong in thinking that you guys are doing a  
19 whole lot better?

20 MS. ROGERS: No.

21 MR. ROGERS: Well, I can't speak for  
22 Majestic, but for us, you know -- well,  
23 maybe I can speak for all of us. We all  
24 work together. You know, I work with Karry,  
25 I work with the people at Buffington and

1 just how we work out the numbers, yeah, we  
2 may see it for Trump, but we work for  
3 Buffington also, so we see what Buffington is  
4 buying, and then we add them all together,  
5 they come together, and that's the bottom  
6 number.

7 MS. ROGERS: Well, I think what he's  
8 trying to --

9 MR. ROGERS: For us.

10 MS. ROGERS: Yeah, what he's trying  
11 to say is that when you're looking at  
12 Buffington it's broken out, half would be  
13 Trump's and half would be Majestic's, and we  
14 would split that number.

15 MR. ROGERS: Yeah. And the number  
16 that you see with Majestic -- not with  
17 Majestic, with Buffington, that's our half of  
18 the business that we do with minority  
19 businesses. And if you double that number,  
20 it would be the combined business that we  
21 deal with minorities and women companies.  
22 So, we just split that in half. So  
23 actually, like I said, what's going on here  
24 is that you really have almost like three  
25 companies.

1 MS. ROGERS: Well, yeah, we do our  
2 individual numbers, because we just buy for  
3 the boat, and then Buffington has another  
4 entity which they buy for Buffington, and  
5 that number is split between the two boats.

6 MR. VOWELS: Okay. Well, let me just  
7 ask my question again, so I can get clear.  
8 Majestic Star is using Women Business  
9 Enterprises just for the boat, not for  
10 Buffington Harbor?

11 MS. ROGERS: That's right.

12 MR. VOWELS: Your number 11.83  
13 percent purchases are of WBE that Majestic  
14 Star is making those purchases, is that --

15 MS. ROGERS: That is a combined  
16 number. What you're seeing is a combined  
17 number.

18 MR. VOWELS: Combined with what?

19 MS. ROGERS: Combined of Buffington  
20 and Majestic Star.

21 MR. VOWELS: Okay. Do you know what  
22 your noncombined number is?

23 MS. ROGERS: Our noncombined number  
24 for the month of November was 8 point  
25 something.

1 MR. VOWELS: Do you have any idea  
2 what it was? Are you saying for the month  
3 of November? Or year to date?

4 MS. ROGERS: Year to date.

5 MR. VOWELS: So you're at 8 percent?

6 MS. ROGERS: That's correct.

7 MR. VOWELS: And am I right that  
8 you're at 4.42 percent?

9 MR. ROGERS: Yeah.

10 MR. VOWELS: Why are they twice as  
11 many as you?

12 MS. ROGERS: I'm not sure, we --

13 MS. ROGERS: Probably because I have  
14 more -- I mean I buy too. Keith doesn't buy  
15 so, it's kind of a --

16 MR. ROGERS: Well, see, we take --  
17 when we do our numbers we take into account  
18 what Buffington does. Okay? We make sure  
19 that our bottom line number meets the  
20 criteria that's set for us at ten for MBE  
21 and five for WBE.

22 Why are their numbers higher than  
23 ours, I'm not sure. However, what I can say  
24 is that, you know, we work hard to make sure  
25 that we meet our numbers. And I tell you

1 something, the time I've been there this past  
2 year, you know, it's -- you know, to make  
3 sure you get the right mix, at least for our  
4 goals that we want to meet, you know, just  
5 to get the right mix of the right product,  
6 of the right service, the right company that  
7 can deal with us, you know. I mean, we  
8 can't just have high numbers just -- or deal  
9 with the person just because of MBW, we have  
10 to find the right company that works for us.

11 So we make sure we meet the number,  
12 but then we can't -- we have to make sure  
13 that we meet the need of our customers also.  
14 So we put all those things together, you  
15 know. Those are numbers that we come up  
16 with for us. So as long as -- so the way we  
17 look at it is, as long as our final number  
18 meets that 13.91 MBE and that 6.41 we meet  
19 the numbers then, you know, we've done what  
20 we're supposed to do.

21 MR. VOWELS: Let me understand  
22 Buffington Harbor.

23 MR. ROGERS: Sure.

24 MR. VOWELS: Trump and Majestic share  
25 that, share expenses, da, da, da, everything?

1 MR. ROGERS: Yes.

2 MR. VOWELS: So you just go 50/50  
3 when you're talking to numbers, to apply them  
4 to hit your statutory goals?

5 MR. ROGERS: Yes.

6 MR. VOWELS: And that's what's upped  
7 the ante here, is throwing Buffington Harbor  
8 into the mix, you go from 4.42 percent of  
9 WBE and 6.41 -- and the reason I'm not  
10 talking about MBE is because they are --  
11 Trump itself is over 10 percent, but you're  
12 under the 5 percent thing --

13 MR. ROGERS: Well, I was under the  
14 impression that with the law and since our  
15 money is spent through Buffington, that we  
16 use the Buffington numbers. That's the  
17 impression that we're under.

18 MR. VOWELS: And you're right.

19 MR. ROGERS: Okay.

20 MR. VOWELS: I'm just saying that  
21 they've got twice as many, as far as  
22 percentage points.

23 MR. GETTELFINGER: Mr. Chairman, if I  
24 may. Trump, I like your demonstration of  
25 compliance with these numbers, I think that's



1 helpful. And I would encourage Majestic Star  
2 to do the same thing. I think it would help  
3 to see better what's going on if you would  
4 break it down the way Trump has.

5 MS. ROGERS: Certainly.

6 MR. VOWELS: And if you could do  
7 that, just -- I mean, because that would  
8 have cut down on all this earlier --

9 MS. ROGERS: Sure.

10 MS. ROSE: I would second that, Mr.  
11 Chairman, I find this extremely confusing.  
12 And it seems to me there needs to be a  
13 process whereby they agree on a common way  
14 to report these numbers to the commission, so  
15 we can compare apples to apples.

16 MR. VOWELS: And the beauty of it is  
17 that we've got two boats in the same place,  
18 that is like a control booth situation here.  
19 But bottom line is find out from her where  
20 she's getting that other 4 percent.

21 MR. ROGERS: Well, as I said, I mean.  
22 If there's something -- is that what you  
23 want us to do? I mean, we can try to do it,  
24 but it's like I said I'm not sure what the  
25 goals -- or what they're looking for in

1 suppliers. I mean, I don't know.

2 But what we look for in suppliers,  
3 it's just hard to, you know, get that total  
4 mix in and everyone is happy. Because the  
5 final thing is that if our customers aren't  
6 happy they're not going to come through the  
7 door. If they don't come through the door,  
8 you know, Trump Indiana won't survive. But  
9 we will try to see what we can do.

10 MR. VOWELS: The situation in trying  
11 to find these vendors is difficult. In some  
12 places it's harder than others. But it  
13 appears that she has the list, and she  
14 appears satisfied, and blah, blah, blah.  
15 It's just that throughout the course of  
16 history women have taken a pretty hard hit,  
17 and they're 50 percent of us, and --

18 MR. ROGERS: Well, we have nothing  
19 against women, our general manager is a  
20 woman, so, you know, she would knock off my  
21 head if I do something like that.

22 MR. VOWELS: You know, I'm glad that  
23 the other numbers, but --

24 MR. ROGERS: And, you, know just --  
25 you know, not to take up your time, but

1 there's one thing I would really like to see  
2 is that -- and, like I said, I worked here  
3 this year, and I think it would be good if  
4 there was more involvement with the gaming  
5 commission and us, in trying to find more  
6 different types of companies, you know -- you  
7 know, work with others, like the larger  
8 companies, and getting to some of the smaller  
9 minority companies to work with them.

10 Like say, for instance, with the slot  
11 machines, I can't find a minority company  
12 with slot machines. And we spend a lot of  
13 money with slot machines, so it's something  
14 we need to talk to these large slot machine  
15 companies, what can you do for us within the  
16 State of Indiana, to make sure that we have  
17 minority representation in that area. So  
18 it's an area where we don't have  
19 representation. Not only our area, but  
20 within the State of Indiana there's no  
21 representation. Maybe some in Illinois and  
22 some in Texas.

23 So I think it's something that we all  
24 need to work on, so we can bring increased  
25 economy into Indiana. Every time I look my

1 taxes are going up, and I don't like this.  
2 So that's what we really need to do,  
3 increase the number of gaming companies in  
4 the State of Indiana. How that's done, I  
5 mean, I'm not sure the best way, but I think  
6 it would be good if we could work like that.

7 MR. GETTELFINGER: Mr. Chairman,  
8 again, I like this presentation that Trump  
9 has made.

10 MR. ROGERS: Thank you.

11 MR. GETTELFINGER: First of all, it  
12 has dollars and it has percentages. The  
13 presentation we have here only has  
14 percentages, so I just don't think you can  
15 compare percentages. Without knowing  
16 numerators and denominators, it's difficult  
17 to make any kind of comparative -- I will  
18 give that to the chairman. So, I think just  
19 by giving both numbers and percentages would  
20 make this analysis much more straightforward.

21 MR. VOWELS: And, Miss Rogers, do you  
22 have a copy of what Trump submitted to us?

23 MS. ROGERS: No, I do not, not with  
24 me, but I --

25 MR. VOWELS: You have one somewhere?

1 MS. ROGERS: Yes, I can submit that.

2 MR. VOWELS: If you could use that  
3 format.

4 MS. ROGERS: Certainly.

5 MR. ROGERS: We wrote down that, so I  
6 can show it to her.

7 MR. VOWELS: Okay. I mean everything  
8 is looking good to me, I would just, you  
9 know, ask her for her list.

10 MS. ROGERS: We do have it broken  
11 out, we just do not have it in our reports.

12 MR. MILCAREK: We understand that you  
13 have to present a good product to the  
14 public, but, after all, the overall line here  
15 is the generated revenue, and creating jobs.  
16 Jobs are very important. That's what makes  
17 everything else work.

18 MR. ROGERS: That's why I brought up  
19 the fact about here in Indiana, if we can,  
20 you know, work together in some kind of way  
21 to increase the number of companies, I think  
22 that would be great also.

23 MR. VOWELS: You know, and through  
24 the -- what is it, the Gaming Association,  
25 which all of you have some connection?

1 MR. ROGERS: In purchasing, yes.

2 MR. VOWELS: General managers and all  
3 that stuff, you know, maybe somebody can say  
4 something to that, and all of you can get  
5 some sort of uniform format, so when we're  
6 looking at these things here we can see that  
7 -- I mean, that's -- it would just be easier  
8 for us to have to deal with the same stuff.

9 Okay. Anything else then? All right.

10 Thank you.

11 The next matter then, and Miss Dean,  
12 we're still with you?

13 MS. DEAN: Did the commission have  
14 any questions of Belterra?

15 MR. VOWELS: Yes, I'm sorry. I put a  
16 checkmark where I shouldn't have put a  
17 checkmark.

18 MR. GIFFORD: Mr. Chairman and  
19 members of the commission, I'm Ron Gifford,  
20 this is Gwen Smith. The MBE/WBE business  
21 development coordinator at Belterra; and  
22 Alain Uboldi, the general manager. We  
23 submitted to you the progress report. We  
24 have not submitted yet the year end, or  
25 December numbers, but Alain has those, and

1 will share those with you today. And, of  
2 course, we will file these more formally with  
3 the commission, and if you have any questions  
4 Gwen or Alain will be happy to address  
5 those.

6 MR. UBOLDI: For the last quarter the  
7 MBE percentage was 17.5 percent, and the WBE  
8 percentage was 13.37 percent. And for the  
9 total year 2002, the MBE percentage was 16.9  
10 percent, and the WBE percentage was 13.9  
11 percent.

12 MR. VOWELS: So the numbers that we  
13 have were the figures here to date through  
14 November 30, so your MBE stayed the same at  
15 16.9, and the WBE dropped from 14.2 --

16 MR. UBOLDI: To 13.9.

17 MR. VOWELS: Okay. And I think --  
18 you know, it's -- I think what we need is  
19 some uniform reporting, so we can -- we can  
20 see those numbers lined up. As Commissioner  
21 Gettelfinger pointed out, it's one thing to  
22 look at percentages, but it would be nice to  
23 look at percentages and actual dollar figures  
24 while they're next to each other.

25 MR. GIFFORD: And we will submit all

1 that. We have the dollars, if you would  
2 like to know the dollar number. But we  
3 submit that I think as part of the normal  
4 reporting.

5 MR. VOWELS: All right. Are there  
6 any questions? Okay. Anything else you  
7 want to add?

8 MR. GIFFORD: No.

9 MR. VOWELS: Okay. Thank you.

10 MS. DEAN: As a point of  
11 clarification, for the plans that are  
12 submitted regularly by the riverboats, not on  
13 the individual plans of these three entities  
14 to the riverboat commission, we do have a  
15 standard form of reporting. So those could  
16 be provided to the commissioner also, if that  
17 would help with these plans should you so  
18 choose.

19 MR. MILCAREK: Mr. Chairman, we used  
20 some pretty strong language and some pretty  
21 strong leverage with Belterra in the past to  
22 reach this point, and I think we should  
23 congratulate them on their efforts as coming  
24 as far as they have in the short time.

25 MR. VOWELS: And I think you're



1 right. Of course they weren't zeros. Okay.  
2 Congratulations.

3 All right. I will put a checkmark on  
4 this agenda, it's messed me up. Financing  
5 matters is what's next with Miss Dean, under  
6 Resolution 2003-9.

7 MS. DEAN: Yes, thank you. You have  
8 before you Resolution 2003-9, a resolution  
9 concerning the financing by Boyd Gaming  
10 Corporation. Boyd Gaming has requested that  
11 the commission review and approve a debt  
12 offering for replacement of debt in the  
13 amount of up to \$300 million, at an interest  
14 rate not to exceed 7.75 percent, 2012.

15 This debt offering is a replacement  
16 of debt at least to the amount of  
17 approximately \$270 million at a lower  
18 interest rate, and a cost savings to the  
19 company. The debt is a 144A offering, and a  
20 waiver of the private placement portion was  
21 granted by the executive director on December  
22 27th, 2002. Miss Fleming, I believe, is  
23 here today representing Boyd if there are any  
24 questions of the commission.

25 MS. FLEMING: Good morning.

1 MR. VOWELS: Good morning. Are there  
2 any questions? All right then. You have in  
3 front of you Resolution 2003-9, which is a  
4 resolution concerning financing by Boyd  
5 Gaming Corporation. This calls upon us to  
6 approve or disapprove the request of Boyd for  
7 a \$300 million note due 2012. Is there a  
8 motion to approve or disapprove this request?

9 MR. GETTELFINGER: Move to approve.

10 MR. VOWELS: Is there a second?

11 MR. MILCAREK: Second.

12 MR. VOWELS: Any further discussion?

13 All those in favor say aye.

14 COMMISSION: Aye.

15 MR. VOWELS: It is approved. Then  
16 the next matter on the agenda is Resolution  
17 2003-10, with Miss Dean.

18 MS. DEAN: Yes. Thank you. A  
19 Resolution concerning the financing by Trump  
20 Indiana. Trump Indiana is here today  
21 requesting approval of a debt transaction in  
22 the amount of up to \$525 million, for a  
23 period of eight years, with an interest rate  
24 of up to 12.5 percent.

25 The financing is a replacement of an

1 existing debt at a blended better rate to  
2 the company than presently exists. Mr. Hahn  
3 and a number of representatives from Trump,  
4 including the general manager Cathy Walker,  
5 and Bob Pickus are here today to answer any  
6 questions of the commission. Mr. Pickus,  
7 would you like to provide the commission with  
8 an explanation?

9 MR. PICKUS: Sure, but we never  
10 proceed without Mr. Hahn's introduction.

11 MR. HAHN: Thank you. Mr. Chairman,  
12 commission members, Mr. Lawrence, staff, my  
13 name is Greg Hahn with Tabbert Hahn, and  
14 Dana Childer-Jones also with our firm is  
15 here. And with me is Mr. Pickus, who is  
16 general counsel of Trump Hotel and Casinos;  
17 Cathy Walker, the general manager of Trump  
18 Indiana; and Frank McCarthy, who is the CFO.  
19 So Mr. Pickus will lead off on the  
20 discussion. Thank you.

21 MR. PICKUS: Thank you, Mr. Chairman,  
22 members of the commission, and staff. Before  
23 I begin, or maybe as I begin, if I could; I  
24 just wanted to hand out a little visual aid  
25 that might be beneficial. You've actually

1 probably seen it before.

2           The transaction that has been  
3 provided to you today; and that your approval  
4 is being requested of; is essentially  
5 identical to a transaction that had already  
6 been presented to this commission and  
7 approved in May of last year, and for a  
8 number of various reasons at the time did  
9 not proceed. We feel that at this time, for  
10 a number of reasons that I will briefly  
11 outline, that the time is right for this  
12 transaction to move forward.

13           And, essentially, the transaction is  
14 the refinancing of a number of separate  
15 different indebtedness of a couple of  
16 different Trump subsidiaries under a new  
17 umbrella entity, which, if you look at the  
18 corporate structure chart that I handed to  
19 you is the entity that is identified as  
20 Trump Casino Holdings.

21           That entity will issue the bonds and  
22 will have under it to provide funding for  
23 the three separate subsidiaries, and that  
24 includes one of the significant differences  
25 from the transaction that was considered by

1 the commission last year, which we believe is  
2 a significant improvement to that  
3 transaction.

4 In addition to having the Trump  
5 Marina facility from Atlantic City under this  
6 new umbrella holding company, as well as the  
7 Gary, Indiana facility, the transaction now  
8 also includes a management agreement that  
9 Trump has entered into for a Native American  
10 casino facility which opened in April of last  
11 year. This facility has no additional  
12 indebtedness associated with it, but actually  
13 contributes a significant amount of cash flow  
14 to the new entity, to enable it to better  
15 service this new indebtedness.

16 MS. ROSE: Where's Trump 29 located?

17 MR. PICKUS: It is located in a town  
18 called Calexico, California, which is about  
19 20 minutes from Palm Springs.

20 The addition of that, in addition to  
21 enhancing the cash flow available, also  
22 provides this new entity with additional  
23 geographic diversity, which will better  
24 enable the company to sustain the ability to  
25 pay the interest payments. The transaction,

1 in refinancing certain indebtedness, extends  
2 the maturity of the indebtedness of the  
3 company for a period of approximately eight  
4 years.

5 Some of the existing indebtedness  
6 comes due in less than a year, earlier this  
7 fall. So by being able to refinance that,  
8 we are further ensuring the longer term  
9 finance stability of all of the entities  
10 involved. I should also note that the  
11 transaction will result in the Trump Hotel  
12 and Casino Resort company retiring  
13 approximately \$176 million of its own bonds  
14 that it currently holds, thereby eliminating  
15 that amount of indebtedness from its balance  
16 sheet, so it would really help the company  
17 fairly significant.

18 Now, I will ask Mr. McCarthy to  
19 address the commission on a couple other  
20 matters.

21 MR. MCCARTHY: Good morning. We're  
22 going out to market on this transaction in  
23 about a week and a half. The market right  
24 now is very favorable for bond issues. We  
25 are taking a look at, again, going out in a

1 week and a half. The process will take a  
2 few weeks.

3 We have -- as Bob had said, by  
4 combining the operations we have a two to  
5 one coverage, which basically our cash flow  
6 from operations will be twice the amount of  
7 the interest expense that we will have on  
8 the debt issue, and that will be very  
9 favorable in the marketplace. Where we have  
10 a -- I think an excellent opportunity here  
11 because as we all know the markets have been  
12 very volatile over the last year, year and a  
13 half, and right now the conventional wisdom  
14 on Wall Street is the next few months should  
15 be very bullish to get transactions through  
16 the system. So we're excited that we have  
17 the timing correct this time.

18 MR. GETTELFINGER: Point of  
19 clarification. \$2 of cash flow for every  
20 dollar of interest?

21 MR. PICKUS: Yes.

22 MS. FLEMING: Miss Dean had asked if  
23 I might address for you our capital  
24 expenditures for 2002, and also give you some  
25 idea of what we're looking forward to in

1 2003.

2 In 2002, as you may recall, Trump and  
3 Majestic, as venture partners, put  
4 approximately \$18 million into the facility  
5 for the construction of a new garage, a new  
6 entrance into the facility on the second  
7 level, and the refurbishment of the existing  
8 property areas to match that new entrance,  
9 new carpeting, new wall covering, new  
10 lighting, to provide one seamless flow into  
11 the boarding areas of the vessels.

12 In addition to that amount of money,  
13 Trump, on it's own, had capital expenditures  
14 of approximately \$9 million. That included a  
15 new slot system, some computer upgrades. And  
16 then we also began to redo our facility  
17 areas. We started in our hotel and created  
18 a ball room area were we did our restaurants  
19 and our bar in the hotel. And then we moved  
20 over into our facility and redid our VIP  
21 lounge. Right before Christmas we finished  
22 redoing our deli. We also redid the gaming  
23 area on the fourth level of the vessel.

24 Going into 2003, we have another \$8.7  
25 million budgeted for capital expenditures.



1 Included in that is further improvements to  
2 the facility. New carpeting for the vessel,  
3 a \$250,000 upgrade for our surveillance  
4 system, and then some slot products, new  
5 chairs, coverings. And also we're going to  
6 go back into our hotel, do over the lobby  
7 and entrance, new carpeting for the hotel.  
8 And then we go into the hotel rooms  
9 themselves and start an upgrade there.

10 The joint venture for 2003, also has  
11 facility improvements that are already under  
12 way. Right now we have our pavilion area  
13 shut, and we are redoing that to enhance our  
14 ability to use that for a function room, to  
15 hold shows there. And we anticipate that  
16 that work should be done by the end of  
17 January.

18 When it's finished we will then be  
19 shutting down the steak house and doing a  
20 whole upgrade in that area. After we finish  
21 the steak house project, we move on to redo  
22 all of the public area bathrooms. And we  
23 also shut down our employee cafeteria, and we  
24 have about \$300,000 in renovations scheduled  
25 there too, for our employees.

1           The other part of our capital  
2 expenditures for this coming year consists of  
3 purchases that will assist our guests in  
4 terms of bill breakers, and also our  
5 employees in terms of more equipment for the  
6 cage operations, and some more computer  
7 upgrades for that operation as well.

8           Going out into 2004, and there out,  
9 this financing will provide us with the  
10 ability to put out \$7 million a year in  
11 future cap ex, and we will also have the  
12 ability to go back, subject to certain  
13 conditions, to get more capital money for the  
14 property. I know in the past the capital  
15 had been very limited, but in this past year  
16 I hope you understand we did a lot to bring  
17 us back up to speed, and I think going  
18 forward we have a solid plan to improve the  
19 problem.

20           MR. VOWELS: Thank you.

21           MR. PICKUS: Just real briefly in  
22 summary. As you can tell from what Cathy  
23 has just described, we remain committed, and  
24 this transaction actually enhances our  
25 ability to provide capital expenditures to

1 maintain the property and keep it  
2 competitive. We're committed to that, and  
3 that is, in part, why this transaction is  
4 going forward.

5           With respect to the coverage of  
6 interest payments that Mr. McCarthy spoke to,  
7 while the stated interest rate of this  
8 transaction is essentially higher than we  
9 would like it to be, and probably higher  
10 than some of the other transactions that are  
11 before this commission from time to time, the  
12 real true test of the value and benefit of  
13 the transaction is the company's ability to  
14 pay the interest, and, as Mr. McCarthy noted,  
15 even at the level of interest that we are  
16 hoping to come below. But even if we were  
17 not, the company still maintains a two to  
18 one coverage, which is very significant and  
19 substantial, and we're confident will be able  
20 to allow us to move forward on a long-term  
21 basis.

22           I would note, finally, that I have  
23 had a chance to review the draft resolution  
24 that Miss Dean provided, including the  
25 conditions that were included, and that that

1 is acceptable to the company.

2 MR. VOWELS: Okay. Commissioner  
3 Gettelfinger, a while ago you asked about the  
4 cash flow and the interest of \$2 for \$1,  
5 what does that mean?

6 MR. GETTELFINGER: Well, maybe we  
7 could have the accountant -- let them speak  
8 for themselves.

9 MR. VOWELS: And see if you agree?

10 MR. MCCARTHY: What it is, is our  
11 operations generate money, and say our  
12 operation generates \$2, the debt service we  
13 have to pay on the new issue is \$1. So when  
14 we say we have a coverage ratio of two to  
15 one, for every \$2 of operating cash flow we  
16 pay out \$1 of interest. And so that gives  
17 you a cushion. If, for instance, there was  
18 some unforeseen calamity that would bring the  
19 \$2 down to say \$1.75 or \$1.50, we would  
20 still have more than enough to cover our  
21 interest.

22 MR. VOWELS: Okay. So, the money  
23 that you're making, half of it is going  
24 towards this interest?

25 MR. MCCARTHY: Yes.

1 MR. GETTELFINGER: What's the other  
2 half going toward?

3 MR. MCCARTHY: Well, what we have, we  
4 have two vehicles. First and foremost, as  
5 Cathy mentioned, we have capital expenditures  
6 that we have to make. And then also, as part  
7 of this transaction, the company's long-term  
8 goal, which we have mentioned this spring is  
9 to be -- the company, we have a cash flow  
10 sweep, and the excess cash and the excess of  
11 cap ex that we can spend on the properties  
12 would go to retirement of that.

13 MR. GETTELFINGER: This cash flow is  
14 going to pay for such things as supplies  
15 and --

16 MR. MCCARTHY: No. The \$2, that's  
17 after supplies.

18 MR. GETTELFINGER: Okay. Thank you,  
19 that's very helpful.

20 MS. ROSE: Mr. Commissioner, may I  
21 ask a question? What's the amount of  
22 indebtedness that's due this fall?

23 MR. MCCARTHY: About \$325 million.  
24 In 2005, there is another \$109 million. So  
25 what this does is it significantly enhances

1 the financial stability of the company.

2 MR. VOWELS: It means you don't have  
3 to pay until later?

4 MR. MCCARTHY: Well, hopefully, with  
5 the cash flow sweep it will be reduced  
6 during the term.

7 MR. VOWELS: Okay. And you're  
8 talking 12 and a half percent interest?

9 MR. PICKUS: Well, we put that in as  
10 an outside cap. We're hopeful that it will  
11 be less than that.

12 MR. MILCAREK: What would you think?

13 MR. PICKUS: It's hard to say.

14 MR. MCCARTHY: The market guides  
15 determine this stuff. We're hopeful that  
16 with the power of as Bob said putting in the  
17 (inaudible) agreement, as well as conditions  
18 in the marketplace, that we will be able to  
19 get a favorable rate. Again, we're going to  
20 be at the mercy of what the market dictates.

21 MR. VOWELS: But, as Mr. Pickus said  
22 earlier, that number may not be as nice as  
23 some that we see when other companies come  
24 in front of us. Is that number higher  
25 because the entity, that's going to loan the

1 money, views Trump as a higher risk than  
2 another company that would get a lower  
3 interest rate?

4 MR. MCCARTHY: I think, again, when  
5 you take a look at the capitalization  
6 structure of our company we tend to be more  
7 on a leverage debt position than other  
8 companies are, and that's a condition that  
9 creates the interest rate. By having this  
10 vehicle that we're going to have, the cash  
11 flow sweet mechanism to reduce the debt going  
12 into the future, I believe it starts at the  
13 end of 2003, it starts immediately, we will  
14 be able to start de-levering the company.

15 MS. ROSE: What's the debt  
16 capitalization ratio?

17 MR. MCCARTHY: I would say right now  
18 the company has approximately maybe about  
19 \$200 million or \$300 million in equity, and  
20 about \$1.8 billion in debt overall, counting  
21 its Atlantic City -- two Atlantic City  
22 properties, that are not part of this  
23 transaction.

24 MR. GETTELFINGER: Those are book  
25 numbers. What about market -- what about

1 debt to market capitalization?

2 MR. MCCARTHY: Well, the market  
3 number is about 300, about 250 to 300, right  
4 in that range.

5 MR. PICKUS: And I think, just to  
6 emphasize one of the points in terms of the  
7 overall leverage of the company, this  
8 transaction, as I said, on its consummation  
9 will retire and eliminate from the balance  
10 sheet of the company about \$176 million of  
11 indebtedness to begin with, number one. And,  
12 secondly, and perhaps more importantly, with  
13 the cash sweep that Mr. McCarthy described  
14 over the term of the transaction, it will  
15 significantly de-lever the company. And  
16 that's one of the real major benefits of  
17 this transaction. It will finally allow us  
18 to start doing that.

19 MR. VOWELS: Because way back -- I  
20 mean, when we went through the licensing  
21 process in Gary, and Commissioner Bochnowski,  
22 who is not here today, that was one of her  
23 concerns way back then, those of you who  
24 were around for that, she spoke about the  
25 company being leveraged. And I wish she was



1 here today, because I know she would have  
2 some things to say about it. But we have  
3 what we have.

4 Is there anything further before we  
5 address the Resolution? Miss Walker, I  
6 understand that you're moving up and beyond.  
7 Will we ever see you?

8 MS. WALKER: I probably will be  
9 leaving within the next month or two, but,  
10 yes, you will certainly get to see me again.  
11 You're not that lucky.

12 MR. VOWELS: And this is a positive  
13 career step for you, I understand?

14 MS. WALKER: Yes.

15 MR. VOWELS: Well, I would just like  
16 to thank you for the time that we've known  
17 each other, and, you know, we talked earlier,  
18 in particular with Trump, about the WBE and  
19 this and that, and, as a female, and from  
20 what we've seen over the years, a lot of  
21 guys in here -- I remember sitting in a  
22 meeting somewhere and Ann Bochnowski was  
23 sitting next to me, and she leaned over, and  
24 all these guys in their suits in the front  
25 row, and said how much do you think all

1 those shoes are worth in the front row? And  
2 I said more than my car.

3 So it's nice to see a female who has  
4 risen to the ranks that you have. And I  
5 know that it's because of the substance and  
6 merit, so I applaud the fact that they had  
7 enough sense to promote you. and you get to  
8 do what you get to do. So we thank you for  
9 your professionalism and the time that you've  
10 been in front of us, and when we came to  
11 visit your boat. So congratulations to you.

12 MS. WALKER: Thank you very much.

13 MR. VOWELS: Anything further then,  
14 before we look at this resolution?

15 Resolution 2003-10 concerns financing  
16 by Trump, Inc., and comes in two parts. The  
17 first part is to approve or disapprove their  
18 request for the waiver of the two meeting  
19 rule. The second part to approve or  
20 disprove the company for refinancing. Is  
21 there a motion in reference to that?

22 MR. GETTELFINGER: I move to waive  
23 the meeting rule and move to approve the  
24 refinancing transaction.

25 MR. VOWELS: Is there a second?

1 MS. ROSE: I will second that.

2 MR. VOWELS: Any further discussion?

3 All those in favor say aye.

4 COMMISSION: Aye.

5 MR. VOWELS: It is approved. Thank  
6 you.

7 Then we're up to 2003-11. I will  
8 note that we received this in the mail, and  
9 it seems -- the sticky note I have on mine,  
10 paragraph three is changed in 2003-11. And,  
11 Miss Dean, this is with you?

12 MS. DEAN: Yes, it is. You have  
13 before you Resolution 2003-11. Pinnacle is  
14 here today seeking your approval of a debt  
15 offering of up to \$250 million, for a period  
16 of up to five years, at an interest rate not  
17 to exceed 9 percent. Ron Gifford and Jack  
18 Godfrey are here representing Pinnacle, and  
19 I'm sure they will do a wonderful job  
20 answering any questions you may have.

21 MR. GIFFORD: We will try our best,  
22 or we will get names of people who can.

23 This is Jack Godfrey, general counsel  
24 for Pinnacle Entertainment. As our request  
25 for approval suggested, this transaction is

1 in connection with Pinnacle's design,  
2 development and construction of a resort  
3 hotel and casino in Lake Charles, Louisiana.  
4 We're on the front end of working with banks  
5 and putting together the syndicate. It's  
6 come along quite far.

7 Our concern is we think that this  
8 will close sometime around March, we were  
9 concerned that the next meeting of the  
10 commission not being until the middle of  
11 March, so we wanted to try to get this  
12 before the commission now. I understand  
13 there are some conditions regarding final  
14 staff approval, obviously, of the final  
15 documents, perhaps financial analysis by Dr.  
16 Sullivan, all of which is perfectly  
17 appropriate and acceptable from our  
18 perspective.

19 Some of the terms, as Miss Dean just  
20 indicated, are up to we think that the  
21 amount of the debt will probably be around  
22 the \$250 million level, maybe a little bit  
23 less. We would hope that the rate would be  
24 lower. But given the uncertainties in the  
25 market, and not knowing whether we may be

1 engaged in who knows what between now and  
2 then, we wanted to build in a little  
3 flexibility in that approval perspective.

4 MR. VOWELS: There was a change in  
5 the draft in what we received today,  
6 paragraph two, that last sentence. Now it's  
7 up to \$250 million for a period up to five  
8 years with an interest rate not to exceed 9  
9 percent. Before that, it was \$225 million  
10 for a period of four and a half to five  
11 years, with an interest rate of LIBOR plus  
12 350 basis points, so we're talking about a 9  
13 percent interest rate at the top end?

14 MR. GIFFORD: Right.

15 MR. VOWELS: And no basis points?

16 MR. GIFFORD: That would include the  
17 basis points. We expect that it will be  
18 based on LIBOR plus so many basis points.  
19 And that would be the end result, the  
20 maximum end result. Hopefully it will be  
21 less. But it will still be a LIBOR -- or it  
22 will be a floating rate. And that's one of  
23 the reasons we needed some flexibility.

24 MR. VOWELS: Any thoughts on that?  
25 All right them. This Resolution 2003-11 also

1 requests a waiver of the two meeting rule.  
2 Should this resolution be in two parts, like  
3 the last one was or not?

4 MS. DEAN: It should.

5 MR. VOWELS: Okay. So there should  
6 be a two -- I'm sorry.

7 MR. GETTELFINGER: Mr. Chairman, a  
8 question. Will the final consideration of  
9 this, if it's necessary before our next  
10 regularly scheduled meeting, will that come  
11 before our arrangement where the chairman,  
12 Mr. Lawrence and myself review this? Does  
13 this policy apply? Will that policy apply  
14 to this transaction?

15 MR. LAWRENCE: I would think so, but  
16 if you so deem I would think so.

17 MR. GETTELFINGER: Well, I just  
18 wanted -- it seems to me this comes under  
19 that new regime.

20 MR. LAWRENCE: Yeah, they're coming  
21 in early, which we certainly appreciate,  
22 rather than at the last minute. So they're  
23 giving us advance notice, and then they will  
24 bring forth the official documentation, and I  
25 think at that time it will be appropriate

1 for the three of us to discuss it.

2 MR. GETTELFINGER: So with that said  
3 then, is this waiver of -- what is the state  
4 -- what is the statement of the waiver in  
5 view of this review that will be made later?

6 MS. DEAN: The waiver that the  
7 executive director will grant under the  
8 earlier resolution that actually was  
9 envisioned to be a different procedure where  
10 the debt offering would come into the office  
11 first, and be reviewed by the executive  
12 director, and then go to the chair, and to  
13 the CPA for review and granting a waiver,  
14 and then come back to the commission. Here  
15 they have asked for commission approval,  
16 intending to waive the two meeting rule.  
17 And I apologize I did not get that into the  
18 resolution, although they have asked for that  
19 waiver of the two meeting rule, but actually  
20 commission approval today, subject to review  
21 of the documents by staff, and the  
22 possibility of a financial analysis should  
23 the commissioner or staff direct.

24 MR. GETTELFINGER: I guess my point  
25 is, is a waiver of the two meeting rule

1 necessary? And I guess that's my bottom  
2 line question on this issue.

3 MS. DEAN: If we proceed as we have  
4 in the past with commissioner approval, yes,  
5 it would be.

6 MR. GETTELFINGER: Okay. One last  
7 time, what would then be our approval process  
8 as we go through this?

9 MS. DEAN: This one would go through  
10 the same approval process that has occurred  
11 in the past. In the future, on debt  
12 transactions that would come in, we would  
13 have the ability to --

14 MR. GETTELFINGER: Well, I -- please  
15 go ahead, now I understand. The lightbulb  
16 just went off. Go ahead, finish your  
17 sentence.

18 MR. LAWRENCE: No, if she won, she  
19 stops.

20 MR. GETTELFINGER: Sorry the  
21 lightbulb went off so brightly.

22 MS. DEAN: We would have the ability  
23 to waive it at the executive director's  
24 level, and then report back to the  
25 commission.



1 MR. GETTELFINGER: Thank you.

2 MR. VOWELS: So then, is there  
3 anything further then?

4 MR. GETTELFINGER: No. Thank you.

5 MR. VOWELS: In 2003-11 you will have  
6 another resolution that will include that  
7 waiver language, is that right?

8 MS. DEAN: Yes.

9 MR. VOWELS: Before we leave here  
10 today?

11 MS. DEAN: Yes.

12 MR. VOWELS: So with that in mind --  
13 I guess just like we did in 2003-10, where  
14 it was in two parts to approve the waiver  
15 request then -- and to approve or disapprove  
16 the request of Pinnacle for their credit  
17 facility. With those two things in mind, is  
18 there a motion?

19 MR. GETTELFINGER: I move we waive  
20 the two meeting rule, and that we approve  
21 the refinancing request.

22 MR. VOWELS: Is there a second?

23 MR. MILCAREK: Second.

24 MR. VOWELS: Any further discussion?

25 All those in favor say aye.

1 COMMISSION: Aye.

2 MR. VOWELS: Show it approved. And  
3 then, Miss Dean, that takes care of you?

4 MS. DEAN: Yes, it does.

5 MR. VOWELS: And then under other  
6 business, Mr. Lawrence you have something  
7 there?

8 MR. LAWRENCE: Yes, Mr. Chairman,  
9 members of the commission, I have a couple  
10 of folks I want to introduce to you.

11 First off we have a new employee, not  
12 necessarily -- been here a little while.  
13 His full name is Marvin Glen Lloyd. He used  
14 to go by Marvin when he started here  
15 September 2nd, but when I came in in  
16 October, he changed and asked to be called  
17 Glen from now on.

18 So we now have a new employee from  
19 September, Glen Lloyd, who is a retiree from  
20 the Internal Revenue Service. He retired,  
21 and took some time off and played a little  
22 golf until his wife told him he needed to  
23 start paying for the golf balls he was  
24 losing, so he has come to see us. And, as I  
25 understand it, he wants to emulate the comb

1 over of Gene Keady. So this is one of our  
2 new employees, Glen Lloyd.

3 MR. LLOYD: How much time do I have?

4 MR. LAWRENCE: You just had it.

5 MR. LLOYD: I just want to say I'm  
6 assigned the north boat, the Majestic Star,  
7 and I enjoy my job. And, most of all, I  
8 enjoy working with the employees with the  
9 Indiana Gaming Commission. I was going to  
10 do a demonstration but with the time I will  
11 cut that out. Thank you.

12 MR. LAWRENCE: You're welcome.  
13 Another person with us today, a new appointee  
14 of the Governor to the Indiana Department of  
15 Gaming Research, is Joe Koenig. Joe's in  
16 the back.

17 He started his employment on January  
18 2nd. He's a six-term prosecutor from  
19 Bartholomew County, and has hit -- has had  
20 to hit the ground running, because the  
21 legislature is going to be asking him the  
22 impact of gaming in all areas of the like in  
23 the State of Indiana, and they're going to  
24 utilize Joe's expertise and numbers to make  
25 some decisions across the street over the

1 next four months.

2 He is now housed at the criminal  
3 justice institute, using some of their folks,  
4 and using the money that the riverboats have  
5 so graciously given to us to support his  
6 efforts. How many have paid so far, Joe?

7 MR. KOENIG: Three.

8 MR. LAWRENCE: Three? Those of you  
9 who have, thank you very much. Those of you  
10 who haven't, I know who you are. Also the  
11 race tracks are required to kick in \$25,000  
12 each. So, Joe, you have the floor if you  
13 care to say anything.

14 MR. KOENIG: I learned in the first  
15 week on the job, first full week, that this  
16 department of gaming research has nothing to  
17 do with tromping around the woods looking for  
18 deer and other wild game, and doing studies.

19 I started a week ago, and the history  
20 of this department is that special session of  
21 the last general assembly this department of  
22 gaming research was created. I am the first  
23 appointee to the executive director. I  
24 started last week. I'm trying to learn my  
25 way around, meet people.

1           But ultimately the focus of this  
2 department, which is mine to establish under  
3 the direction of the Governor, is to do  
4 research and policy analysis with regard to  
5 any and all aspects of gaming in Indiana,  
6 and specifically the statute that asks that  
7 the research issues, or other policy issues  
8 that are deemed appropriate, be referred from  
9 the gaming commission, the lottery, horse  
10 racing commission, and the department of the  
11 tax people on charitable gaming, your bingo,  
12 in the State of Indiana.

13           So I am in the process of meeting  
14 people, learning my way around. But  
15 ultimately, by statute, if there are issues  
16 that come before this commission that you  
17 deem worthy of review and analysis, I'm the  
18 contact person. And Glenn and his staff  
19 have been gracious in my first few days on  
20 the job.

21           MR. LAWRENCE: Thank you, Joe.  
22 Finally, I would also like to introduce you  
23 to the new executive director of the Indiana  
24 Casino Association, Mike "Smitty" Smith.  
25 He's been on the job just a little bit less

1 time than I, but much longer than Joe. So,  
2 he's got half as much -- well, stop right  
3 there. Smitty and I have been communicating,  
4 and he and -- so, Smitty if you would like  
5 to say anything.

6 MR. SMITH: Yeah, I would like to  
7 thank you. This is my first commission  
8 meeting, and I would say that I have to  
9 compliment you on the promptness. Where I  
10 come from, the other side of the government,  
11 we operated on legislative time, and it was  
12 always late. And it was kind of refreshing  
13 to see a meeting start on time.

14 And I too would like to echo Joe's  
15 comments about the staff, and trying to bring  
16 me up to speed in some of the issues and  
17 things that are taking place in our  
18 community, and I look forward very much to  
19 working with you.

20 MR. LAWRENCE: Thank you. Mr.  
21 Chairman, that's all I have under other  
22 business.

23 MR. VOWELS: Thank you, Mr. Lawrence.  
24 Also under other business we received some  
25 documents from the Hyatt Development

1 Corporation, and also from the attorneys for  
2 Rising Sun, in reference to an ongoing  
3 situation they have down there. We received  
4 the documents and we reviewed those  
5 documents.

6 There was a request, I believe  
7 earlier this week or so, to have this on the  
8 agenda. The executive director made the  
9 determination to deny the request to place it  
10 on the agenda. He and I spoke about this  
11 the other day, when we received the  
12 documents.

13 There was a request of the  
14 representatives of Rising Sun, essentially,  
15 that the commission intervene at this time  
16 about the negotiations between Grand Vic and  
17 Rising Sun. There was some discussion about  
18 mediators and arbitrators and all of that.

19 But, as you know, during the  
20 licensing process this commission was  
21 involved in being certain that certain  
22 agreements were reached, and we encouraged  
23 those agreements between the local entities  
24 and the licensees. And, as we used to tell  
25 them, you guys can either figure it out

1 yourself. Or the legislature is going to  
2 step in and figure it out for you, and I  
3 don't believe that's something that you would  
4 want.

5 As far as where the commission stands  
6 at this time, we heavily encourage both sides  
7 to take serious their duty, and take  
8 seriously the commission's interest in the  
9 resolution of this.

10 What I propose that we do is, we keep  
11 an eye on this, and our next meeting is  
12 scheduled for March 14th, 2003, here, and  
13 what I would like to do is put that on the  
14 agenda, and have representatives from Rising  
15 Sun and Grand Vic address the commission  
16 about what the status and the progress would  
17 be, and, hopefully, we won't have to get  
18 involved, because they will have come to  
19 terms on that, and everyone will live happily  
20 ever after. So I think that pretty much  
21 sums up our position, does it not, Mr.  
22 Lawrence?

23 MR. LAWRENCE: Yes, Mr. Chairman,  
24 with the hope that they would be here to  
25 advise us of the resolution of that, not



1 just to come together and talk to us about  
2 the issue. My hope would be in the next six  
3 weeks that the issues could be resolved,  
4 either by themselves or with an independent  
5 party.

6 MR. VOWELS: Okay. Any of the other  
7 commissioners have any thoughts on that? All  
8 right. So I don't know whether it will be  
9 on the agenda next time, but definitely this  
10 issue will be on the agenda and we will at  
11 least get an update from the parties, so we  
12 know where it stands, and hopefully it will  
13 work out. And these things usually do.  
14 Litigation is good for some of us, but it's  
15 always best to avoid that sort of thing.  
16 All right.

17 Is there anything further? Our next  
18 meeting, as I said, is March 14th, 2003,  
19 which will be 10:00 a.m. local time in this  
20 very room.

21 There is a notice of business  
22 meetings that has been put together, that  
23 lists out meetings for the rest of the year.  
24 Everything is here except for the September  
25 12th meeting, that will be at Caesar's.

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Is there a motion to adjourn?

MR. MILCAREK: So moved.

MR. VOWELS: Second?

MR. GETTELFINGER: Second.

MR. VOWELS: All those in favor say  
aye.

COMMISSION: Aye.

MR. VOWELS: Meeting is adjourned.

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STATE OF INDIANA

SS:

COUNTY OF MARION

I, Peggy Morgan, a Notary Public in and for the County of Hendricks, State of Indiana at large, do hereby certify that the foregoing business meeting was taken down in stenograph notes and afterwards reduced to typewriting under my direction, and that the typewritten transcript is a true record of the business meeting.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal this 24th day of January, 2003.

-----

Peggy Morgan, Notary Public

My Commission Expires:

December 16, 2006

County of Residence: Hendricks



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