

ORIGINAL TRANSCRIPT

INDIANA GAMING COMMISSION BUSINESS MEETING

JULY 11, 2003

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1 APPEARANCES

2  
3 COMMISSION MEMBERS PRESENT:

4 Donald R. Vowels, Chairman

5 Glenn R. Lawrence, Executive Director

6 Anne Marie Bochnowski

7 Dale Gettelfinger

8 Thomas Milcarek

9 Marya M. Rose

10 I. Maurice Ndukwu, M.D.

11 Billy Hamilton

12 Cynthia Dean

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INDIANA GAMING COMMISSION BUSINESS MEETING

JULY 11, 2003

MR. VOWELS: We will call the meeting to order. It is almost 10:15, local time. We will show that all Commissioners are present.

The first matter on the agenda is the approval of the minutes from the last meeting, April 7, 2003. We have all had an opportunity to review those minutes. Is there a motion in reference to those minutes?

MR. GETTLEFINGER: I move they be approved.

CHAIRMAN VOWELS: Is there a second?

MS. BOCHNOWSKI: I will second it.

CHAIRMAN VOWELS: Any further discussion?

All in favor of the approval of the minutes say aye.

COMMISSIONERS: Aye.

CHAIRMAN VOWELS: They are approved. The next matter on the agenda is the report of the Executive Director.

MR. LAWRENCE: Mr. Chairman, since the last meeting I have granted a number of

1   waivers, ones that I will also indicate to  
2   you that as we go through our agenda I do  
3   some have some introductory remarks on some  
4   items.

5           The waivers that I have granted are  
6   to Shuffle Master, on 3/28/03, which  
7   specifies six pay table combinations, three  
8   card poker table. Argosy, 4/8/03, passed  
9   that we no longer required on their license  
10   doing -- they are not accepting tokens any  
11   more. Trump, for the removal of tokens  
12   acceptance from the electronic gaming  
13   devices. Trump, 4/22, did a beta testing of  
14   the multi-denominational electronic gaming  
15   devices, where they have gone through the  
16   slot machines where you can put in  
17   multi-denominational, nickels, dimes, quarter,  
18   whatever, you can change it during the  
19   process. They did a beta testing and it  
20   came out -- they did a survey of the patrons  
21   and it came out very favorable.

22           For Belterra, the removal of token  
23   acceptors for electronic gaming devices.  
24   Grand Victoria, 4/30, removal of hopper  
25   mechanism. Trump, 5/5, hard drop of the

1 nickels, change the machines to once every  
2 seven days instead of once every four days.  
3 Caesar's, 5/12, Commission approved \$300  
4 million financing. Belterra, 5/17, removal  
5 of hopper mechanism, they no longer accept  
6 tokens. Horseshoe, 6/3, change rotation from  
7 weekly to quarterly with four transactions  
8 and mandatory controls. And finally, on  
9 6/11, removal of the hopper mechanism at  
10 Horseshoe.

11 CHAIRMAN VOWELS: We have one  
12 microphone here that we're sharing, can the  
13 people in the back hear okay?

14 COURT REPORTER: I am having trouble  
15 hearing.

16 CHAIRMAN VOWELS: Okay, we will bring  
17 it in closer and speak more loudly.

18 The next matter on the agenda is old  
19 business. Is there any old business?

20 MR. LAWRENCE: No sir.

21 CHAIRMAN VOWELS: We do have a new  
22 commissioner. Would you like to make mention  
23 of that fact?

24 MR. LAWRENCE: Yes, thank you. The  
25 new commissioner recently appointed by

1 Governor O'Bannon is Dr. Maurice Ndukwu. We  
2 are pleased to have him here in his first  
3 meeting with us. He brought his family down  
4 to Indianapolis.

5 CHAIRMAN VOWELS: And we all welcome  
6 Dr. Ndukwu.

7 MR. LAWRENCE: We also have a new  
8 attorney with the staff, Roger Schneff, he  
9 previously worked for the State and then in  
10 private practice. He just started with us  
11 two weeks ago.

12 CHAIRMAN VOWELS: All right. Any new  
13 business?

14 MR. LAWRENCE: I note that -- I would  
15 make a request here of an agenda change. I  
16 note that Representative Bill Crawford is  
17 here at the beginning of the meeting. We  
18 had previously scheduled discussion of MBE  
19 issues toward the end of the agenda, but  
20 since Representative Crawford is here now, I  
21 would request that maybe we make an  
22 adjustment in our scheduling and allow  
23 Representative Crawford to speak first.  
24 Representative Crawford works on legislation  
25 involved to help Indiana implement new

1 procedures to determine how we provide  
2 opportunities for minority and women owned  
3 businesses and contracting in the State of  
4 Indiana. This is a worthwhile goal of  
5 Chairman Crawford, and he has asked to speak  
6 to the Commission on the issues of minority  
7 contracting.

8 And if it would please the  
9 Commission, since he is here now, if you  
10 could modify the agenda and have him speak  
11 first.

12 CHAIRMAN VOWELS: I think that would  
13 be appropriate. And it is my understanding  
14 that we had you schedule for something right  
15 after lunch, which would mean that you would  
16 have to sit here through the whole day, but  
17 since you're here is it all right with you  
18 that you go ahead?

19 REPRESENTATIVE CRAWFORD: That's fine.  
20 Thank you, Mr. Chairman, Commission members,  
21 Executive Director Lawrence. I appreciate  
22 the opportunity to come before you.  
23 But let me, at the outset, indicate that we  
24 are not -- and there are many people here  
25 today in support of an effort to ensure --



1 and we are sort of elated by the fact that  
2 the United States Supreme Court just  
3 recently, by a six to three vote, recognized  
4 that after 100 years affirmative harm we can  
5 continue to have affirmative action.

6 And so we are here today, we have not  
7 singled out the Gaming Commission, we have --  
8 subsequent we had meetings with the -- three  
9 separate meetings on this issue with Governor  
10 O'Bannon since the beginning of the year.

11 We have requested information, and had  
12 meetings with the presidents of all of our  
13 state supported universities. We have  
14 requested information from all state  
15 agencies, boards and commissions. We have  
16 solicited data and information on MBE and WBE  
17 participation from local school systems, from  
18 library boards, and others. So we are not  
19 here singling out the gaming industry.

20 We are in support of implementation  
21 of a stated public policy objective of the  
22 State of Indiana. We have statutorily  
23 declared that MBE/WBE participation is a  
24 priority for the State of Indiana. We have  
25 done that through statutory enactments. We

1 have provided rule making authority to  
2 various agency's boards or commissions, to  
3 promulgate rules, to implement and carry out  
4 the stated public policy intent that there  
5 would be affected participation. And this is  
6 going all the way back to the '80's.

7 As a matter of fact, in -- the late  
8 Senator Carolyn Mosby, in the mid '80's, put  
9 Indiana on record establishing goals. In  
10 1987, we passed legislation that made it a  
11 Class D felony to knowingly and intentionally  
12 misrepresent yourself as a MBE or WBE, to  
13 take advantage of the program.

14 That language was rolled over into  
15 the 1993 statute creating the Gaming  
16 Commission. And, as a matter of fact, was  
17 the only statute in the State that we had,  
18 that had those teeth in it, and the ability  
19 to do sanctions.

20 In the pursuit of our request for  
21 data we surfaced some clear discrepancies  
22 that -- where agencies listed minorities and  
23 women as participating, who were not  
24 participating, who were obviously not  
25 certified minority companies, because

1 everyone had to be certified. So we began  
2 to get very suspicious of the whole process  
3 of implementation and the mechanisms for  
4 compliance monitoring that seemed to be  
5 absent. And so we began to ask questions.  
6 I was coming just to say to you that we had  
7 some concerns, we wanted to work with you.  
8 But I requested certain information from the  
9 Gaming Commission, which you did not provide  
10 me. On the 19th of June, I sent a letter  
11 requesting information. On the 26th, I got  
12 a response, a very thick response, with some  
13 information redacted.

14           The specific information I requested  
15 was the identification of persons who were  
16 MBE/WBE, name, address, and dollar amounts of  
17 contracts that they had received from  
18 riverboats. The letter that I received said  
19 that that was confidential financial  
20 information.

21           I have since, and have the memo from  
22 the legal legislative services agency, looked  
23 at rulings of the public access counselor,  
24 Indiana Attorney General, and the appropriate  
25 case law, and everyone agrees with my

1 assessment, I'm not an attorney and won't  
2 represent myself as an attorney, but my  
3 assessment is that your responses to me, and  
4 your designation of that language as  
5 confidential financial information, is wrong.  
6 And so I want to just say that I intend to  
7 pursue every administrative, judicial  
8 legislative, when we report the public  
9 opinion, access to that information. We  
10 cannot make value judgments about whether or  
11 not the law was being carried out as  
12 intended as one of those that helped frame  
13 the policy. I know what the intent of the  
14 legislature is. I was there voting on the  
15 creation of the Gaming Commission. I was  
16 there and voted on every one of those issues  
17 as we move forward and we stand as the most  
18 -- we are on the cutting edge of all states  
19 in the nation. No other state has done what  
20 Indiana has done in terms of this commitment,  
21 as through statutory enactments and in the  
22 establishment of public policies to ensure  
23 active participation. We need to make that  
24 happen.

25 We said to the governor, and the

1 governor has agreed, and is working with an  
2 interstate compact with the State of  
3 Kentucky, as they move forward on the \$15  
4 million bridge update over the Ohio river,  
5 we will be the first state to establish --  
6 and Governor O'Bannon is to be applauded and  
7 commended for his initiative to establish an  
8 interstate compact that allows for effective  
9 minority and women business participation.  
10 The governor is on record, all state  
11 officials are on record. We contend that  
12 all agency boards and commissions are on  
13 record.

14 I had some other concerns, but since  
15 you did not provide me with the information,  
16 I'm going to request to come back after I  
17 receive the information. Your attorneys and,  
18 you know, I'm not a law school graduate, but  
19 it is clear, by the language that I have,  
20 that you should provide that information to  
21 me. And I intend fully to get it, to assess  
22 it, to look at it.

23 We have demonstrated through the  
24 State Fair Commission, White River State Park  
25 Commission, other agencies where there were

1 erroneous listings of minority businesses --  
2 we cannot say whether or not they're right  
3 unless we have the data. We are not seeking  
4 any kind of confidential financial  
5 information other than the name, the address  
6 of MBE or WBE and the amount of the contract  
7 they received. And that is not confidential  
8 financial information, but I will let the  
9 lawyers argue that point. So at a  
10 subsequent point I will ask to come back to  
11 this Commission.

12 I will conclude by saying, in respect  
13 to your time, that I have some serious  
14 concerns about the operations of some boats.  
15 And you yourself know that, as precedent on  
16 part of the Commission, you have sanctioned  
17 boats for noncompliance. Your statute  
18 requires that you publish annual goals for  
19 minority and women business participation. I  
20 don't know whether or not you've ever  
21 published annual goals. Your statute  
22 requires that you have, every five years, a  
23 utilization review. I don't know that that's  
24 happened since 1993. I am now going to be  
25 very, very involved in looking to see that

1 that's happening.

2 And I would encourage you very  
3 strongly to have an effective external  
4 compliance monitoring process, so that the  
5 State of Indiana is not -- we are clear that  
6 we mean what we say. We said what we meant  
7 statutorily, that we mean what we say, in  
8 terms of minority and women business  
9 participation.

10 Thank you.

11 CHAIRMAN VOWELS: Thank you  
12 Representative Crawford. My understanding is  
13 that the Department of Administration is  
14 implementing guidelines in reference to the  
15 new legislation, is that correct, and the  
16 Gaming Commission staff is now or will be in  
17 the near future working to amend those  
18 guidelines.

19 REPRESENTATIVE CRAWFORD: Mr.  
20 Commissioner, you are specifically exempt  
21 statutorily from those guidelines. The  
22 responsibility promulgating rules rests with  
23 the Gaming Commission, and maybe we need  
24 to go back and include you in that, but you  
25 are not currently included. So we would

1 encourage you very strongly to be proactive  
2 and accept the responsibility to do what the  
3 law requires you to do.

4 CHAIRMAN VOWELS: Thank you  
5 Representative Crawford. Next then under  
6 that portion of MBE/WBE of the agenda is a  
7 report from Belterra. Is someone here on  
8 behalf of Belterra? Let the reporter know  
9 your name.

10 MR. GIFFORD: Good morning, Mr.  
11 Chairman, and members of the Commission, I'm  
12 Ron Gifford with Baker and Daniels,  
13 representing Belterra. We have presented to  
14 the Commissioners an extensive report, and in  
15 the interest of time I'm not going to go  
16 over that in any great detail, unless there  
17 are specific questions.

18 We thought it appropriate -- since  
19 the Commission approved an action plan for  
20 Belterra in December of 2001, we thought it  
21 would be appropriate at this 18 month point  
22 to make a more substantial submission to you  
23 than we normally make at these hearings.  
24 And we have brought along some folks with us  
25 today who I will introduce, who are



1 available, again, if you have any specific  
2 questions. None of them has prepared remarks  
3 or have asked to speak or anything like  
4 that.

5 First I would like to introduce Jack  
6 Godfrey, who is the general counsel of  
7 Pinnacle Entertainment, Belterra's parent  
8 company. I would like to introduce Mr.  
9 Charles Felton, who is the new MBE/WBE  
10 business development coordinator at Belterra.  
11 He assumed those responsibilities in early  
12 June. Charles has been at Belterra since  
13 opening, most recently serving as the  
14 controller, and has been in the gaming  
15 industry for about 11 years, and has had a  
16 lot of experience at the property in terms  
17 of its purchasing and procuring practices.  
18 Also with us are some of our vendors and  
19 consultants. Mr. Ron Jones of Barbecue  
20 Heaven, with whom Belterra purchases a  
21 considerable amount of food products. Messrs  
22 Bill and Tom Harmon of Harmon Construction  
23 are here. Earlier in the meeting I thought  
24 I saw Mr. Beard with T.J. Foods, another  
25 food service provider was here in the

1 audience. And Mr. Bill Joyner who's with  
2 Structure Resources. Bill has been an  
3 advisor to Belterra for the past 18 months,  
4 helping the company implement the action  
5 plan.

6 But just a few highlights of the  
7 documentation that we've provided to you. In  
8 2002, for the entire year, Belterra ranked  
9 fourth amongst all the riverboats in terms of  
10 actual dollars spent with MBE/WBE businesses.  
11 In terms of percentages, 17.3 percent with  
12 MBE, and 13.84 with WBE. That caused  
13 Belterra to rank second, the second highest  
14 boat relative to WBE, both in terms of  
15 actual amount spent and percentage.  
16 Year to date 2003, that is as of June 30th,  
17 Belterra was at 18.8 percent MBE  
18 participation and 8.3 percent participation.  
19 In December of 2001, we calculated -- there  
20 was calculated a short fall amount, that is  
21 the amount that Belterra should have  
22 purchased from MBE/WBE vendors. They have in  
23 the last 18 months made up 43 percent of  
24 that shortfall in that time period.

25 One of the action plan items was the

1 creation of a development fund, \$750,000  
2 fund. Awards have been made, \$150,000 to  
3 T.J. Foods for the purchase of a truck and  
4 other equipment. About \$10,000 to a company  
5 called SAJM, which put on a Women Business  
6 certification seminar for interested  
7 companies. And we have recommend, and are  
8 simply waiting final consideration, actually  
9 from just one member of the advisory  
10 committee, on two other grants, \$145,000 low  
11 interest loan to Thompson Distributing.

12 Thompson provides construction  
13 supplies and other materials currently  
14 involved with the construction of the hotel  
15 at Belterra. And \$100,000 funding, half of  
16 that a grant, half of that a no interest  
17 loan, to Switzerland Wholesale Supply  
18 Company, a WBE, which provides various  
19 products to Belterra.

20 Construction is underway of the new  
21 hotel tower. There was a 50 percent  
22 minority participation plan built into that  
23 contract. You will see that in the  
24 materials we submitted to you. That  
25 construction is well underway. I think we're

1 up to like the seventh floor now, in terms  
2 of the steel infrastructure and the like.  
3 And Belterra is on target at this point to  
4 meet 50 percent participation of MBE/WBE,  
5 which we've actually written into the  
6 contract with general contractors, as you can  
7 see.

8 Unless there are specific questions  
9 from the Commission, either of me or any of  
10 the folks that are here from Belterra, I  
11 will stop at this point. I think the  
12 company is obviously in compliance within the  
13 statutory goals, and exceeding those by a  
14 significant amount in compliance with the  
15 action plan, and has put in place an  
16 internal infrastructure to ensure that  
17 compliance, and we will continue to meet or  
18 exceed those goals in the future.

19 CHAIRMAN VOWELS: Mr. Gifford, I have  
20 a couple questions in reference to the  
21 construction services action plan under  
22 section D, which is what you submitted to  
23 us. It speaks about the bidders for this  
24 construction, Wilhelm and Powers and Sons.  
25 And Wilhelm was the successful bidder with

1 the lowest bid. They proposed 50 percent  
2 MBE/WBE participation plan. Am I correct in  
3 my understanding that Powers and Sons is a  
4 minority owned business?

5 MR. GIFFORD: Yes.

6 MR. VOWELS: Okay. And is Wilhelm a  
7 minority owned business?

8 MR. GIFFORD: No, Wilhelm is not.

9 MR. VOWELS: Okay. It makes also  
10 reference to Smoot, which was the second  
11 lowest bid, proposed a 25 percent  
12 participation plan. It doesn't make mention  
13 of what Powers and Son's participation plan  
14 would be. Do you know offhand what that  
15 would have been?

16 MR. GIFFORD: Offhand I do not. I  
17 can get to that to you, provide that.

18 MR. VOWELS: It appears that Exhibit  
19 A is stamped confidential, so I don't want  
20 say too much about it here. But there were  
21 numbers which I assume were the numbers bid  
22 for this, and it shows Wilhelm had the  
23 lowest bid, Smoot next and then Powers.  
24 That is what that means, is that correct?

25 MR. GIFFORD: That's correct.

1 MR. VOWELS: And by looking at those  
2 numbers. Powers was higher than either the  
3 other two bidders by a fair amount of money.  
4 Getting to the contract, which is also  
5 stamped confidential, so we will abide by  
6 that, but there's a guaranteed maximum price,  
7 without getting into the specifics of it,  
8 that Wilhelm signed off on. It says subject  
9 to additions and elections by change order  
10 provided in the contract documents.

11 Are they on target to meet this  
12 guaranteed maximum price? Or have there been  
13 any change orders that will increase the  
14 maximum price procedure? Do you know?

15 MR. GIFFORD: I'm going to ask Mr.  
16 Todd George. Todd, to date have there been  
17 any -- Todd George is the director of  
18 finance at Belterra. Have there been any  
19 change orders on the construction sites?

20 MR. GEORGE: There have been some  
21 change orders, both up and down. So from a  
22 material standpoint it has not shifted that  
23 much. For example, one would be an addition  
24 of a breezeway, but there was an elevator  
25 that was cut out of the building, which then

1 it went down.

2 MR. VOWELS: So essentially it's on  
3 par to meet this guaranteed maximum price?

4 MR. GIFFORD: Right.

5 MR. VOWELS: What I'm saying to you  
6 here is it's been necessary for us to, of  
7 course, pay special attention to each and  
8 every riverboat, but when it comes to MBE/WBE  
9 matters, Belterra is special in our heart in  
10 that way. My point being is that we're  
11 going to be interested in what the final  
12 guaranteed maximum price is that's paid to  
13 Wilhelm. If it's very close to what Powers  
14 had estimated, there may be a problem. Just  
15 as long as we're all very clear on that.

16 I don't know anything about the  
17 bidding processes or what it costs to build  
18 something like this, I see that from the  
19 numbers here, that Powers was substantially  
20 higher than the other two bidders. But if  
21 it turns out that there are a number of  
22 change orders as time goes by, and it gets  
23 closers and closer to what Powers had bid,  
24 and maybe then it turns out that Powers was  
25 more realistic, then you need to understand

1 that we're going to want to know more.

2 Okay? Anybody else have any thoughts on  
3 this?

4 MS. BOCHNOWSKI: You made a really  
5 good point.

6 MR. GIFFORD: I'm very comfortable  
7 with that, Mr. Chairman, and we can keep the  
8 staff updated on as regular a basis as they  
9 would like. In terms of providing change  
10 order price information and the likes, I will  
11 be happy to be responsive to that.

12 MR. VOWELS: Does the staff have any  
13 thoughts on that? Okay. Is there anything  
14 further with that, that portion of Belterra?

15 MR. GIFFORD: Thank you.

16 MR. LAWRENCE: Mr. Chairman, one of  
17 the participants in the audience would like  
18 to speak, if it is appropriate at this time.

19 MR. VOWELS: As Executive Director, I  
20 will turn to you in that matter. I'm not  
21 always clear of how the agenda is scheduled.  
22 Is there not a process by which people are  
23 allowed to contact the staff to be on the  
24 agenda?

25 MR. LAWRENCE: Yes, sir. Generally



1 what the statute provides is that this is a  
2 public meeting but not necessarily a public  
3 hearing. And we have certain procedures  
4 whereby you would have to give us some sort  
5 of notification if you wish to be on the  
6 agenda. If you are unable to give us  
7 notification well in advance, we require ten  
8 days, we have limited that on certain  
9 circumstances, we would be happy to have  
10 someone right now meet with you, and find  
11 out what your questions are, and we would be  
12 happy to get back with you. As you can see,  
13 we don't generally meet here, we've got a  
14 monstrous agenda that we have to get through,  
15 and generally we don't take any public  
16 comments.

17 MR. VOWELS: So, at this time if you  
18 can talk to some of the staff, this is  
19 something that we deal with generally every  
20 meeting, to be certain that you get on the  
21 agenda to be able to address us. And,  
22 unfortunately, this particular agenda here is  
23 awfully long and we're all from out of town,  
24 so we don't know what time we're going to  
25 get home tonight, so --

1 MR. LAWRENCE: We will have a staff  
2 person talk to you now, and she will make  
3 her way back to you.

4 MR. VOWELS: Miss Brodnan, I believe  
5 you're next on the agenda.

6 MS. BRODNAN: Yes, good morning. You  
7 have before you for voting the Rubies Food  
8 Services MBE/WBE appeal.

9 In May 2002 RFS, Inc., submitted a  
10 request for certification as a minority and  
11 women owned business, to the Indiana  
12 Department Administration. The department  
13 denied the request for the certification in  
14 December 2002. RFS appealed that decision  
15 and requested a hearing.

16 The Commission appointed Bernard L.  
17 Pylitt as the administrative law judge in  
18 this matter. He held a hearing on April  
19 22nd, 2003. On or about May 23rd, 2003,  
20 Judge Pylitt submitted his proposed Findings  
21 of Facts, Conclusions of Law and  
22 Recommendation to you, recommending that the  
23 denial of the request for certification be  
24 upheld. You should have received a copy of  
25 Judge Pylitt's recommendation.

1           You will need to vote today to either  
2 adopt or reject his recommendation.  
3 Commission staff recommends that you adopt  
4 his recommendation to deny the certification  
5 request.

6           MR. VOWELS: Any questions? All  
7 right. In front of you we have the order of  
8 the Indiana Gaming Commission concerning the  
9 appeal of the denial of the request for  
10 certification as a minority/woman business  
11 enterprise submitted by R.F.S., Inc., also  
12 known as Rubies Food Service. In front of  
13 them is our decision to accept or reject the  
14 Finding of Fact, Conclusions of Law and  
15 Recommendations by Judge Pylitt, and then the  
16 second portion of that is to deny or approve  
17 R.F.S.'s request for certification as a  
18 minority/woman business enterprise. Is there  
19 a motion or finding to accept or reject  
20 denying the approval?

21           MR. GETTELFINGER: I move to accept.

22           MR. VOWELS: Is there a second?

23           MS. BOCHNOWSKI: I will second.

24           MR. VOWELS: Any further discussion?

25 All those in favor of accepting the Finding

1 of Fact, Conclusions of Law and  
2 Recommendations, say aye.

3 COMMISSIONERS: Aye.

4 MR. VOWEL: Show it is approved.

5 The second portion is to deny or  
6 approve the request for certification. Is  
7 there a motion to deny or approve R.F.S.'s  
8 request for certification as a minority/woman  
9 business?

10 MS. BOCHNOWSKI: Move to deny.

11 MR. VOWELS: Is there a second?

12 MS. ROSE: Second.

13 MR. VOWELS: Any further discussion?

14 All those in favor of denial, say  
15 aye.

16 COMMISSIONERS: Aye.

17 MR. VOWELS: It is denied.

18 Is there another matter on there?  
19 Grand Victoria?

20 MS. BRODNAN: Yes. Grand Victoria  
21 submitted a notice to the Commission staff in  
22 the fall of 2002, that they were submitting  
23 a revised report for the year 2001, and for  
24 the first and second quarters of 2002.  
25 Grand Victoria had been including purchases

1 made with a WBE whose certification was  
2 pending with the Department of  
3 Administration. The company is a Louisiana  
4 based company, seeking certification in both  
5 states. A prerequisite to certification here  
6 is certification in the company's home state.

7 The company was denied certification  
8 in Louisiana in August. As a result, Grand  
9 Victoria removed the purchases that it had  
10 been reporting from that vendor and submitted  
11 revised reports. The revised reports for the  
12 year 2000 then brought down the number of  
13 WBE purchases below the statutory goal, to  
14 4.6 percent. The revision to the quarterly  
15 reports for 2002, will slightly change the  
16 numbers, however, the year end report for  
17 2002 still satisfied statutory goals, they  
18 were at 12.23 percent for MBE and 5.54 for  
19 WBE.

20 And this year, for the first quarter,  
21 they currently are meeting goals as well.  
22 And there are some representatives from Grand  
23 Victoria here if you have any questions or  
24 would like any other additional information.

25 MR. VOWELS: That seems fairly

1 straightforward to me. Are there any  
2 questions from any of the Commissioners? I  
3 don't think there's really anything we need  
4 to address, it kind of explains itself.  
5 Thank you.

6 Now we will we go back to the  
7 beginning of the agenda, which is the French  
8 Lick licensing procedures.

9 MR. LAWRENCE: Mr. Chairman, as the  
10 Commission is aware, the law has authorized  
11 Orange County to hold a referendum at the  
12 upcoming municipal elections in November. It  
13 is my understanding that the city counsel  
14 will consider an ordinance on July 17th,  
15 authorizing this referendum. The law also  
16 requires an applicant pay in advance of the  
17 referendum. The county clerk has advised us  
18 that they need their money by August 1st of  
19 2003, therefore it is necessary for the  
20 Commission to have some processing in place  
21 for complying to be the operating agent in  
22 the event the ordinance does pass on July  
23 17th. In no way is this an indication that  
24 the Commission takes the position whether the  
25 referendum should take place or whether the

1 referendum should pass or not pass.

2           Secondly, we feel strongly about  
3 guaranteeing the integrity of the process,  
4 and, therefore the staff is recommending to  
5 the Commission to do two things. That you  
6 authorize the filing of the emergency rule  
7 dealing with ex parte communication with the  
8 members of the historic hotel preservation  
9 Commission, and gifts from applicants to  
10 Commission members or staff. Also that the  
11 Commission give notice that it will require  
12 full disclosure from all applicants of any  
13 contracts, gifts, gratuities or other offers  
14 that it has made or dispensed in the  
15 process, or will make or dispense in the  
16 process, whether or not they're members of  
17 specifically named groups.

18           Certainly we are not trying to limit  
19 the local community from learning all they  
20 need to to learn about the economic  
21 development opportunity in that region, but  
22 we feel it is necessary, as you were here  
23 way back in the beginning when riverboats  
24 were first invented, that this is an  
25 important process.

1           First order of business that we would  
2 like to deal with and bring before the  
3 Commission is the emergency rule. The  
4 legislation approves provisions that give the  
5 historic hotel preservation commission input  
6 relative to the choice of the location and  
7 choice of the design, and actually the choice  
8 of the operating agent, and ultimately the  
9 operation of the facility. Therefore, we feel  
10 that persons in such a position should be  
11 held to the same ethical standards as the  
12 Commission, this Commission, since they're in  
13 the same process that you will. Therefore  
14 we're recommending that the Commission pass  
15 resolution authorizing filing an emergency  
16 rule, and Miss Chelf will give you the  
17 outline of that and what we mean.

18           MS. CHELF: Good morning,  
19 Commissioners. I wanted to point out two  
20 things. The first is the packets that you  
21 received earlier in the week, which there is  
22 a change from the copy of the original draft  
23 of the emergency rule. Section E, provides  
24 penalties for violation of the rule. In  
25 addition, if I could direct your attention to



1 the bottom of the first page under section E  
2 there's a phrase in there which states: No  
3 operating agent or application for operating  
4 agent may directly or indirectly give or  
5 offer to give any gift, gratuity,  
6 compensation, travel, lodging or anything of  
7 value which the individual is prohibited from  
8 accepting under rules adopted by the State  
9 Ethics Commission under IC 4-2-6 and 40 IAC.  
10 That section will be moved to the end of  
11 that sentence, for clarification and clarity.

12 If the Commission adopts the  
13 emergency rule with that change the  
14 Commission staff will file the rule with the  
15 legislative service agency in the Secretary  
16 of State's office. The rule will be in  
17 effect for 90 days, and we will have the  
18 ability to renew it one time for a period of  
19 90 days. During that time we will begin the  
20 steps to promulgate the rule through the  
21 usual more lengthy rules promulgation  
22 process. Any questions?

23 MR. VOWELS: Any questions for Miss  
24 Chelf?

25 MR. LAWRENCE: Well, let's talk about

1 this a little bit. I want to call to your  
2 attention to the fact that Representative  
3 Jerry Denbo is here to answer any questions  
4 addressed from the Commission in a timely  
5 fashion about this issue. And he is the  
6 representative who represents the area, and  
7 shepherded this legislation over the past ten  
8 years to get it to this point. So whatever  
9 point you would like to ask of Representative  
10 Denbo, he is here.

11 MR. VOWELS: Well, let me just talk  
12 about this in general terms. Back in  
13 September of 1993, when the Gaming Commission  
14 first met, I think it was about the first or  
15 second meeting in September of 1993, one of  
16 the first things that happened was the ex  
17 parte rule that went into effect right away,  
18 which was a God send to this Commission.  
19 And we have to commend the gaming companies  
20 throughout all the years that none of us  
21 have ever received any direct contact through  
22 them. But it streamlines everything, this  
23 process, because of the type of -- well,  
24 it's gambling and the history of gambling in  
25 the United States and the world is not pure,

1 and the integrity pursuant to the statute  
2 that makes it clear is of the utmost  
3 importance.

4 The statute states that only so many  
5 licenses exist, so that also states that  
6 having a license to own a boat, or even in  
7 this circumstance to operate a boat, is a  
8 privilege and not a right, which makes it  
9 easier for us to take it away.

10 But the ex parte rule, as I said,  
11 back then up to this very moment was a God  
12 send. If anybody wanted to even remotely  
13 have any contact with us the Executive  
14 Director was advised, and would step in to  
15 mediate. And the only time we would see  
16 people would be here. And it just makes for  
17 a very much cleaner process. And I'm just  
18 very happy that it was there.

19 So what we have here in this  
20 situation with the preservation Commission,  
21 the committee that will eventually be manned,  
22 that they are sort of along with us in the  
23 situation, and having gone through the  
24 licensing process ten times we can just let  
25 them know that this is something that's not

1 only in everyone's best interest, but is a  
2 wonderful shield to make certain that  
3 everything remains as it should. And I  
4 fully support it, obviously, the ex parte  
5 rule. Is there anything anybody else would  
6 like to say on that?

7 MS. BOCHNOWSKI: I just would like to  
8 add too that this creates a lot of public  
9 distress, and then when a decision is finally  
10 made it's not made because somebody, you  
11 know, provided something they shouldn't have  
12 provided, it's made because it was made on  
13 an objective basis, and for the interest of  
14 the people of the State of Indiana. It's  
15 been helpful to me, everybody's been  
16 wonderful. We've never been contacted.  
17 Everyone understands what the rules are. We  
18 make it very clear, and that helps the  
19 people of Indiana to help us.

20 MR. VOWELS: Any other thoughts?

21 MR. MILCAREK: I might even mention a  
22 rule we passed prohibiting us or our spouses  
23 from gambling, while we are a member of the  
24 Commission.

25 MR. VOWELS: That's true. I recall

1 coming up with that idea. And because the  
2 promulgation process takes so long, the  
3 spouses of the other Gaming Commissioners  
4 were quite upset with me. And by the time  
5 it came through I didn't have a spouse any  
6 more. But point being is that spouses of  
7 the Gaming Commission can't gamble on the  
8 boats either. And the statute didn't really  
9 address that, but it made sense, so we  
10 voluntarily implemented that, even though it  
11 didn't really apply to me by the time that  
12 came around. On that note, Representative  
13 Denbo.

14 REPRESENTATIVE DENBO: Good morning.  
15 Thank you Mr. Lawrence and Commission  
16 members. I appreciate having the opportunity  
17 to address you.

18 I just felt like it was important  
19 that I come before you and make sure we get  
20 things right. I think Mr. Lawrence will  
21 tell you the day this bill passed its final  
22 step in the morning, I went and ate lunch,  
23 and first thing I did after lunch was call  
24 Mr. Lawrence's office to find out what should  
25 we do.

1 I can assure we've got a group of  
2 very sincere people in Orange County that  
3 want to turn our community around, we will  
4 not do anything illegal or anything  
5 unethical.

6 Part of my concern is just the  
7 perception. We want to make sure the  
8 perception of everything we do is correct  
9 also. We do have some situations here in  
10 the community we think might make us a  
11 little bit different than, you know, the  
12 previous ten. In fact, we've got so many  
13 entities involved. We've not just got one  
14 county government involved, our county  
15 government involved, we've got two other  
16 counties that receive money. We've got four  
17 towns involved. We've got two historic  
18 hotels. And we're going to try and make  
19 every attempt we can to unite the groups  
20 where there's one point of contact.

21 We've already seen different interests  
22 coming to French Lick and West Baden. We  
23 don't want someone going to the Paoli County  
24 council and talking to them, somebody else to  
25 the French Lick town counsel meeting and

1 maybe getting different information. So what  
2 we're attempting to do is to just make sure  
3 that everything is done fairly. That any  
4 applicant, you know, that comes in and wants  
5 to do business with us, we want to be  
6 cooperative, not only with them but with you  
7 in every way we can.

8 We've also got concerns, too, because  
9 we are attempting to make Orange County a  
10 destination resort. And already I've had,  
11 for example, a movie studio approach me about  
12 coming in. We've had a country music hall  
13 development or theater talk about coming in.  
14 And these are the type of questions I just  
15 want to make sure we can get answered from  
16 you.

17 Like, for example, is it all right to  
18 let perspective applicants know there's a  
19 movie theater involved? What do we tell  
20 them? I don't know. That's what we need  
21 direction on.

22 I guess what I'm saying is what can  
23 we do? What can't we do? What would you  
24 recommend we avoid doing? We think we've  
25 got a good group here, and we can get the

1 word out that we have representatives from  
2 all four towns, the county government, and  
3 this is the group you come through, any  
4 contact, as far as providing information for  
5 the perspective applicants, comes through  
6 this group. And that's what we're wanting  
7 to know. Is this the right course.

8 We've also got concerns too. We want  
9 to look at what other sites -- you know,  
10 there's places throughout America that have  
11 attempted to make historic restoration like  
12 we do, and make sure we learn from them on  
13 what courses they took, what mistakes they  
14 made, what successes they had, what's our  
15 limit as far as contacting someone like this.  
16 So I've not got anything real specific to  
17 ask. I guess what I'm trying to make sure  
18 of is we are on the same page as what you  
19 are, and that we make sure that this is  
20 something we can be proud of, and not raise  
21 any questions whatsoever. There will be  
22 questions raised, and we are going to make  
23 mistakes, we realize that. If we can avoid  
24 mistakes we would like to. So I'm just  
25 looking at some guidance from you, I guess,



1 more than anything.

2 MS. BOCHNOWSKI: Well, I think the  
3 bottom line is to be aboveboard and everyone  
4 is aware of what's going on.

5 REPRESENTATIVE DENBO: We want full  
6 disclosure on things that take place. The  
7 only thing maybe that we are concerned about,  
8 as far as not meeting in open session, is if  
9 there are negotiations going on between, you  
10 know, community leaders and a perspective  
11 applicant. I don't think an applicant is  
12 going to want to read in the newspaper the  
13 next day anything about the negotiations.  
14 But everything else we feel like, you know,  
15 people are entitled to. We've got nothing  
16 to hide on this.

17 In fact, the more people we can have  
18 involved, particularly in Orange County, the  
19 happier we're going to be on the situation.

20 MR. VOWELS: The historic hotel  
21 preservation committee, is there some thought  
22 about when that's going to be formed? Is it  
23 going to wait until after the election in  
24 November? Because, ideally, and I can  
25 understand why it would wait until after the

1 election to see if this referendum passes,  
2 the staff's perspective is they are not  
3 assuming this referendum is going to pass,  
4 they're not assuming that it's not going to  
5 pass. But they need to have their ducks in  
6 order so everything can go ahead if it does  
7 pass, and there's no extra expense on the  
8 taxpayers by them just doing their normal  
9 job, and the investigation will be paid for  
10 by the applicants. But, I guess my question  
11 is, do you know anything about when this  
12 preservation committee --

13 REPRESENTATIVE DENBO: You're talking  
14 about the seven member committee? That would  
15 be formed after the referendum.

16 CHAIRMAN VOWELS: Because, ideally,  
17 that would be the entity that would have  
18 contact in the public forum with whoever  
19 wanted information. But, unfortunately, we  
20 are in a Catch-22 situation. My  
21 understanding is the Indiana Gaming  
22 Commission staff will be preparing requests  
23 for proposals with some communication input  
24 with the people in Orange County, is that  
25 correct?

1 MR. LAWRENCE: After the course of  
2 the referendum. The statute requires that we  
3 do prepare requests for proposals, much like  
4 you do in normal contracting with the State  
5 of Indiana if you're going to build a  
6 building, whoever, you give us a proposal.  
7 But it will have specific guidelines,  
8 statutory guidelines. Plus, it will include  
9 the input from the local community about the  
10 design, the location, sewer, road work, all  
11 that type of stuff.

12 MS. BOCHNOWSKI: Is the Commission  
13 funded in any way through -- I didn't get  
14 that part. Is there some funding mechanism,  
15 so that you wouldn't have to take handouts  
16 from these individual applicants?

17 MR. DENBO: No, they would not be  
18 taking handouts. Members of that Commission  
19 serve for free.

20 CHAIRMAN VOWELS: At some point after  
21 this thing is up and running, there's funding  
22 aspects?

23 MR. DENBO: Yes. And I might mention  
24 also you talk about the seven member  
25 Commission, we also have got, just for lack

1 of a better term, an ad hoc committee put  
2 together here, from the different entities  
3 within the county. They will begin providing  
4 information for perspective applicants and  
5 also receive information.

6 For example, we had people very eager  
7 to come to French Lick and West Baden and  
8 tour the facilities, and we're working on a  
9 booklet to give to everyone. What we want  
10 is a simple contact, telephone number, where  
11 they can call and say we're interested in  
12 being an applicant. And it goes for other  
13 things too also. If someone is interested  
14 in the country music theater, we want to be  
15 able to help them out as well.

16 But the mere perspective, what you  
17 would be interested in. Is we do want to  
18 provide information to them, provide them a  
19 booklet. We don't want to go out and  
20 solicit them, we don't want to make the  
21 initial contact with any applicant, let them  
22 contact us. We will provide the booklet,  
23 tell them we will be available to meet with  
24 them, provide information, take tours of the  
25 area, help them out as much as we can.

1           In order to be fair, I am prepared to  
2 tell people we will meet with them as often  
3 as they want to. I don't want someone  
4 coming up and saying we met with one  
5 applicant ten times and you met with us five  
6 times. We will let them decide how much  
7 effort they want to put into French Lick and  
8 West Baden, and/or rest of the county. We  
9 want to be as cooperative with them as we  
10 can, because we want to do this right.

11           So we do have this committee formed  
12 for the purpose. We will seek a lot of  
13 advice from this committee going to the  
14 historic district committee.

15           MR. VOWELS: But in the -- as this  
16 meeting progresses, it's going to become  
17 apparent what the deadline will be for us to  
18 know who the applicants will be. And that  
19 will make things a lot easier, because that  
20 will be set in stone.

21           And the Commission staff, it's a  
22 situation, as you know, not reinventing the  
23 wheel. The Gaming Commission has been  
24 through this ten times. This legislation  
25 creates the preservation Commission, which is

1 unlike what we have dealt with in other  
2 places legally.

3           What we had in every place except, I  
4 believe, Harrison County did not make a  
5 recommendation of the license applicants  
6 there, but in all the other jurisdictions,  
7 the local government, through different  
8 means, had essentially endorsed a particular  
9 applicant or applicants. And that was  
10 helpful to us, to sort of get the flavor of  
11 how it fit together down there, or up there.  
12 On the other hand, because of the scrutiny  
13 that we have, being in the public eye, we  
14 don't want to find out later that there was  
15 anything strange going on, because that comes  
16 back and haunts us.

17           And, you know, even as pure as this  
18 process has been I had somebody not long  
19 ago, who didn't know that I'm on the Gaming  
20 Commission, tell me about the fix was in as  
21 to how Aztar got into Evansville, and was  
22 going on and on. And I eventually piped up  
23 and noted how I found that interesting, since  
24 I was obviously cut out of the loop. They  
25 were a little surprised when they were unable

1 to back their allegations up with any facts  
2 whatsoever. But that was their perception.  
3 And, as you said earlier, perception is a  
4 big part of the situation. And we deal not  
5 -- if there is impropriety, all hell is  
6 going to break loose. If it looks like it's  
7 going to be fun, don't do it, I guess is the  
8 bottom line.

9 With the direction from the staff,  
10 and maybe using them as a filter once the  
11 applicants are set in stone, and you know  
12 who they are, the staff can protect all of  
13 you from anything what might be perceived as  
14 inappropriate contact with a potential  
15 operator. As it becomes apparent, as we  
16 move through here and address some more of  
17 the proposed rules here, what we're going to  
18 require of these applicants for these  
19 operator licenses is a full disclosure of  
20 contact with any of the people, and we don't  
21 really have any control over people outside  
22 of our balliwick here, about what they do.  
23 The only people that we have control over  
24 are the possible operators.

25 And if something comes up during the

1 state police background investigation, that  
2 will be done thoroughly, and it looks like  
3 somebody is trying to get a -- do this or  
4 that, it's going to -- it's going to  
5 backfire on them when it comes back to us.  
6 Because if somebody is interested -- some  
7 applicant we're talking about, is interested  
8 in trying to cut corners and curry favor  
9 with local people to get their support, we're  
10 essentially a regulatory Commission, and in  
11 the last few years we've learned sometimes  
12 the error of our ways, that some people we  
13 have given licenses to are a little more  
14 difficult to regulate than others, and we  
15 have gotten gun shy about the fact that  
16 we're not going to -- if our state police  
17 investigation turns up that there's  
18 something, not illegal, but something a  
19 little cutting corners on this or that,  
20 ethically, by the applicant had occurred,  
21 we're not interested in this applicant,  
22 because they're going to try to do the same  
23 thing with us, when we have to regulate them  
24 after they get the license.

25 So it's six of one, half dozen of



1 another. If this applicant has done  
2 something like that and this one hasn't, I'm  
3 not interested in going with applicant A.  
4 So the caveat here is our control over these  
5 applicants, and that should be helpful to you  
6 because now that we've stepped into the  
7 process they have to refrain from anything  
8 that would appear inappropriate.

9 MR. GETTELFINGER: Representative  
10 Denbo, I have one significant problem with  
11 this discussion. A lot that's coming from  
12 your group, your people, and a lot that's  
13 coming from this podium is we're all  
14 presuming this referendum is going to pass.

15 REPRESENTATIVE DENBO: I spend a lot  
16 of time worrying about that myself.

17 MR. GETTELFINGER: And so I think the  
18 Commission has a responsibility to be  
19 prepared to immediately work on this  
20 application if a referendum passes. And so  
21 you've asked for some guidance, and I'm only  
22 one person to guide, I wouldn't do anything  
23 that in any way casts doubt upon the  
24 legitimacy of the referendum process. For  
25 me, all of this talk we've just been having

1 is premature. I'm waiting to hear from the  
2 citizens of Orange County, the people that  
3 vote on this referendum.

4 So that's the guidance I have for the  
5 people who are interested. Don't do anything  
6 that would in one way or the other  
7 prejudice, cast light, call into question,  
8 the integrity of the vote that we're going  
9 to have here. I don't know if that's  
10 helpful for you, but I don't think it's good  
11 to presume that the referendum is going to  
12 pass. I think it is appropriate to prepare  
13 for our responsibility should the referendum  
14 pass, but in no way should this Commission  
15 assume that referendum will pass.

16 REPRESENTATIVE DENBO: I appreciate  
17 that. We're very much aware we have a  
18 battle with the referendum. We think we're  
19 in good shape to pass it, but I understand  
20 that. Again, we are not going to do  
21 anything -- that's our main concern right now  
22 is the referendum and we are just extremely  
23 careful.

24 In fact, as Mr. Vowels mentioned on  
25 his perception matter already, I've heard so

1 many rumors and things I know aren't true  
2 coming from our opposition, that we can't  
3 afford the luxury of one little mistake where  
4 something appears to be inappropriate.

5 On the other hand, Orange County  
6 happens to be the only county in the state  
7 with double digit unemployment, and we need  
8 to get this process moving and have things  
9 ready as fast as we can. So we're trying to  
10 balance both.

11 We feel like we've got some good  
12 leaders, as long as we can centralize it in  
13 one area. I know, for example, we have a  
14 perspective applicant, not an applicant, but  
15 some people have made arrangements a couple  
16 months ago to come to the county and visit  
17 with everybody, and we did contact them, and  
18 fortunately they withdrew that, because we  
19 didn't want them to go talking to one county  
20 board member here and one county board member  
21 somewhere else, and taking a commissioner out  
22 to lunch or whatever. And they were very  
23 respectful.

24 So that's the reason we're trying to  
25 really have tight control over the board,

1 because of what does take place, and make  
2 sure that each and every applicant gets the  
3 right information and so forth.

4 MR. GETTELFINGER: Is it possible  
5 that members of this ad hoc committee might  
6 be identified to the public?

7 REPRESENTATIVE DENBO: We will  
8 identify them, yes, sir. We want  
9 everything --

10 MR. GETTELFINGER: Is there some  
11 structure that exists now?

12 REPRESENTATIVE DENBO: We haven't  
13 just made it official yet, but we know who  
14 we would like to have on that. Like I said,  
15 the only thing probably we would not like  
16 for the public to be aware of is the private  
17 negotiation, you know, somebody says, you  
18 know, here's what we would like to offer,  
19 or, you know, here's what we would like to  
20 do for the city. But everything else, we --  
21 that I can think of, you know, we want to be  
22 out in the open, we want public meetings and  
23 so forth.

24 MS. ROSE: Representative Denbo,  
25 aren't you at all concerned that -- you said

1 now twice, private negotiations, aren't you  
2 at all concerned about the appearance of  
3 impropriety about private negotiations taking  
4 place between any applicant and the city?

5 REPRESENTATIVE DENBO: Well, at some  
6 time, you know --

7 MS. ROSE: I mean, are those -- if  
8 those are going on now, I --

9 REPRESENTATIVE DENBO: No, they're  
10 not going on now. In fact, we waited -- we  
11 actually had not gone into that review again  
12 with anyone, because we don't have an  
13 applicant yet.

14 MS. ROSE: So, what are you talking  
15 about when you say private negotiations?

16 REPRESENTATIVE DENBO: What I'm  
17 talking about is just like the other  
18 committees went through. I know back when  
19 the bill was first passed, sort of like the  
20 wild west again, not even a Commission set  
21 up, but at some point there's going --  
22 applicants are going to begin saying we're  
23 interested in purchasing one hotel, we're  
24 interested in purchasing two hotels, or we're  
25 interested in helping with your sewer

1 project, we're interested in the scholarship  
2 program, whatever some of the other  
3 communities have done. That's the type of  
4 negotiations I was talking about, that  
5 sometime you get into that. And that's the  
6 type of thing that -- we want to do things  
7 the way it's supposed to be done, under your  
8 recommendations.

9 CHAIRMAN VOWELS: Any other questions  
10 for Representative Denbo? Thank you, sir.

11 REPRESENTATIVE DENBO: Okay. Thank  
12 you.

13 CHAIRMAN VOWELS: In front of us is  
14 Resolution 2003-20, which incorporates that  
15 emergency rule. Is there a motion in  
16 reference to Resolution 2003-20, adopting an  
17 emergency rule?

18 MR. GETTELFINGER: Mr. Chairman, I  
19 have a question for the staff if I may.  
20 Mr. Lawrence, can you explain briefly the  
21 responsibilities that the historic  
22 preservation commission, historical hotel  
23 preservation commission have under this  
24 emergency rule?

25 MR. LAWRENCE: Yes. According to

1 statute they would have, in conjunction with  
2 the IGC, the location, the determination of  
3 the location, the determination of the  
4 exterior design, the recommendations for the  
5 operating agent, and then, finally, input on  
6 continuing operations of the casino.

7 MR. GETTELFINGER: Excuse me, I  
8 wasn't clear. What I mean is, is there  
9 ethical responsibilities under this emergency  
10 rule? Won't those responsibilities be  
11 similar to those of the Commission members?

12 MR. LAWRENCE: They would be exactly  
13 the same as the restrictions that were put  
14 on the Commission members in the IGC.

15 MR. GETTELFINGER: And just to  
16 emphasize that would you review what those  
17 responsibilities are.

18 MR. LAWRENCE: That is no ex parte  
19 communications with any person who may have  
20 an interest in the ongoing discussions of  
21 contracts, or any activities involved with  
22 this, plus no gifts, no travel, no perks, no  
23 contacts, nothing.

24 MR. GETTELFINGER: And should the  
25 referendum be successful and we do have

1 applicants, will we be inquiring of  
2 applicants about any of these matters?

3 MR. LAWRENCE: Subject to the  
4 approval of the Commission, later that would  
5 be included in their applications that they  
6 would be -- the applicants would be required  
7 to disclose any contacts, any discussions, or  
8 even with their key people, or their key --  
9 if they have a consortium come together, we  
10 would require those people to make  
11 disclosures also of any gifts, any contacts,  
12 any other association they may have had with  
13 any of the people who are making the  
14 decisions.

15 MR. GETTELFINGER: Thank you.

16 CHAIRMAN VOWELS: Anyone else?  
17 Resolution 2003-20, is there a motion in  
18 reference to that resolution?

19 MR. GETTELFINGER: I move adoption.

20 CHAIRMAN VOWELS: Any second?

21 MS. BOCHNOWSKI: Second.

22 CHAIRMAN VOWELS: Any further  
23 discussion? Those in favor say aye.

24 COMMISSIONERS: Aye.

25 CHAIRMAN VOWELS: Show that it is



1 approved.

2 And the next matter on the agenda being  
3 resolution 2003-21.

4 MR. LAWRENCE: The second order it is  
5 our recommendation that you establish a  
6 two-phase process, that they basically give  
7 us an indication of the parties that are  
8 interested, and as I said previously, it is  
9 required by statute that an applicant pay in  
10 advance for the cost associated with the  
11 referendum. The clerk advised us that by  
12 noon on August 1st she has to have the money  
13 in hand. There are three municipal elections  
14 going on, the difference between what that  
15 elections costs and the county wide is what  
16 the applicant would have to pay.

17 CHAIRMAN VOWELS: Miss Dean, is there  
18 anything that you have to add to that?

19 MS DEAN: In Resolution 2003-21, the  
20 Commission will need to establish the fee  
21 that will be paid by the applicant for the  
22 operating license, and will also need to  
23 establish the acceptance of a form that  
24 should be attached as Exhibit A. And we are  
25 also setting a deadline for that fee, which

1 we are proposing be 12 noon, Indianapolis  
2 time, July 25th, 2003. The application  
3 itself should be filed with the Gaming  
4 Commission, with six copies, two unbound,  
5 four bound.

6 MR. LAWRENCE: In your packet or we  
7 can make available to you the proposed  
8 application. As you can see, its much  
9 shorter than required before. It's a total  
10 of 14 pages, but the meat of three pages are  
11 definitions and then questions. Basically  
12 what this does is give us an indication of  
13 red flags that might come up in the  
14 background investigation, things like  
15 felonies with the key people involved, do you  
16 have any licenses in any other jurisdiction,  
17 or that have been denied in any other  
18 jurisdictions, suspended, and what kind of  
19 expertise do you have.

20 CHAIRMAN VOWELS: So the essence is  
21 that two weeks from now, and about 40  
22 minutes, we're going to know who the  
23 applicants are for the operators license in  
24 Orange County?

25 MS. DEAN: Right.

1 MR. VOWELS: And again, it's  
2 necessary to note that because the county  
3 clerk down there says the money has to be in  
4 hand, then whoever pays that will be  
5 reimbursed by the other applicants, is that  
6 right?

7 MS. DEAN: That's actually under  
8 Resolution 2003-22, so, yes, that's right.

9 MR. VOWELS: Just a real quick aside,  
10 if you turn off your cell phones, at least  
11 the sounds of your cell phones, it would be  
12 helpful. Thank you.

13 Representative Denbo, did you want to  
14 say something?

15 REPRESENTATIVE DENBO: I want to  
16 thank you, first of all. I may be wrong on,  
17 this but I don't think, according to the  
18 statute, that the August 1st deadline would  
19 apply. I think what the county clerk -- her  
20 vendor wants to be paid by August 1st, is my  
21 understanding. And I don't know election law  
22 or trying to think back in language that we  
23 put into this bill that puts the August 1st  
24 deadline. Just her concern that her vendor  
25 wants paid by August 1<sup>st</sup>.

1 MR. VOWELS: I'm on the election  
2 board in Vandeburgh County and we had a  
3 special election in April, which interesting  
4 enough was not successful, school tax  
5 referendum. The county clerk, by statute, is  
6 part of the election board. Do you know if  
7 the election board has taken any action on  
8 this, or is the county clerk --

9 REPRESENTATIVE DENBO: It's my  
10 understanding just the county clerk says the  
11 vendor needs to be paid by August 1st, and  
12 that's her concern. So I don't think  
13 there's any -- I'm just almost positive  
14 there's no statute or ordinance passed that  
15 says applicants have to be in by August 1st.  
16 This concerned me because I thought that was  
17 a short time for applicants to apply. Maybe  
18 it's not, you know more about that than I  
19 do. Maybe they will all apply tomorrow.

20 MS. DEAN: The statute does say that  
21 the fee has to be paid by an applicant prior  
22 to the question being put on. And in order  
23 to get it paid, it's been represented to us  
24 that August 1st is the deadline to receive  
25 that money to pay the vendor.

1 MR. VOWELS: When we did this back in  
2 1993, about the first week of September, it  
3 was a shorter time span, the election was  
4 obviously the first Tuesday in November, so  
5 about less than two months away. So we were  
6 on a shorter time schedule then, and we knew  
7 what the situation was. And so it's --  
8 although it looks shorter, it's actually  
9 about what we had back then. So it all  
10 worked out.

11 MR. DENBO: Okay. We're in good  
12 shape then, I will not worry about that.

13 MR. VOWELS: Okay. Anything else now  
14 on Resolution 2003-21 that establishes the  
15 application deadlines for applicants? Is  
16 there a motion in reference to the  
17 resolution?

18 MR. GETTELFINGER: Move to adopt.

19 CHAIRMAN VOWELS: In section three it  
20 was suggested that there be a \$50,000  
21 nonrefundable application fee.

22 MR. GETTELFINGER: I would move to  
23 adopt with that thought in mind, fee being  
24 \$50,000.

25 CHAIRMAN VOWELS: Is there a second?

1 MS. BOCHNOWSKI: I will second it.

2 CHAIRMAN VOWELS: Any further  
3 discussion? All those in favor say aye.

4 COMMISSION MEMBERS: Aye.

5 CHAIRMAN VOWELS: Resolution is  
6 approved. Miss Dean?

7 MS. DEAN: Resolution 2003-22 is a  
8 resolution establishing guidelines governing  
9 an operating agent's payment of the costs of  
10 a special election if conducted in November  
11 2003 in Orange County, Indiana, pursuant to  
12 Public Law 92-2003, section 64, a county  
13 containing a qualified historic hotel may  
14 hold a special election in November 2003, if  
15 the legislature body of the county adopts an  
16 ordinance under IC 4-33-6-18, or at least  
17 five percent of the registered voters of the  
18 county sign a petition submitted to the  
19 circuit court clerk requesting a local public  
20 question be placed on the ballot.

21 The appropriate legislative body of  
22 Orange County does intend to vote, in the  
23 near future, to determine whether the  
24 question concerning riverboat gambling should  
25 be placed on the ballot this November 2003.

1 If the question is placed on the ballot,  
2 Public Law 92-2003, Section 64, subsection  
3 (d) directs that an applicant for an  
4 operating agent contract pays in advance of  
5 the election the amount that is the  
6 difference between the cost to hold a special  
7 election and the sum of the costs to hold  
8 municipal elections in the county.

9 The Commission has been advised by  
10 the Orange County Clerk that an applicant  
11 must present payment to the county for the  
12 cost of the special election by August 1,  
13 2003. The Commission finds that prescribing  
14 a procedure for the payment of special  
15 election costs where more than one person may  
16 apply as an operating agent will prevent  
17 confusion among applicants and county  
18 officials, and will maintain the public's  
19 confidence and trust in the Riverboat  
20 Gambling Law.

21 Therefore, before you you have  
22 Resolution 2003-22 establishing the  
23 definition of an applicant for the purpose of  
24 paying the costs of a special election, that  
25 the applicant has filed Part 1 of the

1 Indiana Operating Agent Application and is in  
2 compliance with the Riverboat Gambling Law  
3 and all interim written guidelines,  
4 resolutions or orders adopted by the  
5 Commission, and to present payment, in the  
6 form of cashier's check or certified check,  
7 to pay in full the cost of the special  
8 election to the Orange County auditor by noon  
9 on August 1st, 2003.

10 The applicant will be considered to  
11 have paid the cost upon receipt issued by  
12 the Orange County Auditor, with a date and  
13 hour stamped on the receipt. If there are  
14 multiple applicants to be the operating  
15 agent, one applicant should pay the full  
16 amount of the special election cost. After  
17 the special election is conducted, and before  
18 issuing the contract of operating agent, the  
19 Commission shall determine whether a person  
20 has applied for the contract as operating  
21 agent. If another person has applied, the  
22 Commission shall issue an order requiring the  
23 person to forward a cashier's check or  
24 certified check to the applicant who paid the  
25 cost of the special election.



1 CHAIRMAN VOWELS: Are there any  
2 questions for Ms. Dean? Is there a motion  
3 in reference to the resolution?

4 MR. MILCAREK: Move to adopt.

5 CHAIRMAN VOWELS: Is there a second?

6 MR. GETTELFINGER: I will second.

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

9 COMMISSIONERS: Aye.

10 CHAIRMAN VOWELS: The resolution is  
11 approved. Thank you, Miss Dean. The next  
12 matter on the agenda is the voluntary  
13 exclusion program.

14 MS. DEAN: We're very pleased that  
15 legislation has passed creating the voluntary  
16 exclusion program, which we think is a  
17 valuable tool to those wanting to ban  
18 themselves from all Indiana casinos.

19 In the past, whenever someone wanted  
20 to ban themselves for whatever reason,  
21 whether it be because of problem gambling,  
22 they had to contact the Commission, and then  
23 we could, at their request, take their  
24 information and forward it to all of the  
25 casinos. We think that having a state-wide

1 system is going to be valuable for people  
2 with problems with gambling, or who wish to  
3 be evicted for other reasons.

4 Jennifer Chelf will discuss more in  
5 depth the process regarding the rules. We  
6 are in the process now of thinking about  
7 what kind of computer system we will need to  
8 accommodate this program. We've done a lot  
9 of research, we've received lots of valuable  
10 input, and we have some ideas of our own. We  
11 look forward to gathering comments from  
12 various entities who have similar programs,  
13 so we can get the very best program  
14 available to the people here in Indiana.

15 If anyone has any questions I will be  
16 glad to answer them, but at this time  
17 Jennifer Chelf will discuss the rules and  
18 what's involved in the rule process.

19 MS. CHELF: You have before you a  
20 draft rule for voluntary eviction from  
21 Indiana casinos. The draft before you today  
22 is the result of work by many members of the  
23 staff, researching programs that exist in  
24 other states and brainstorming about how best  
25 to structure the program in Indiana.

1           The staff welcomes any input the  
2 Commission would like to add, or any changes  
3 you would like to see as we continue to  
4 revise the program. The staff welcomes  
5 comments from the public and the industry,  
6 and we will continue to take comments over  
7 the next couple of months, as we continue to  
8 work on the draft to prepare for publication  
9 of the proposed rules.

10           MR. VOWELS: Thank you, Miss Chelf.  
11 In reviewing this and having talked to the  
12 staff informally about it, they did a real  
13 good job and they avoided reinventing the  
14 wheel.

15           We have been very realistic about  
16 what we put together here, particularly from  
17 the standpoint of making a person who wanted  
18 to voluntarily exclude, not to scare them  
19 away too much. So there are a lot of  
20 provisions in here, in which I think kudos  
21 is deserved of taking from here and there,  
22 and coming up with a good voluntary exclusion  
23 program, the rules and regulations, anyway.

24           MS. CHELF: We are continuing to  
25 revise the document. In fact, there have

1 been revisions made between today and the  
2 document you have in your packets, so we're  
3 continuing to take feedback.

4 MS. ROSE: Mr. Chairman, may I ask a  
5 question. What's the liability of the  
6 riverboat who fails to exclude someone who is  
7 on the voluntary exclusion list? How does  
8 that work?

9 MS. CHELF: Well, actually that's  
10 something that I believe is addressed in the  
11 legislative process. There isn't a mechanism  
12 -- there wasn't a mechanism in the statute.

13 MS. ROSE: And under the voluntary  
14 program it is the responsibility of the  
15 Commission staff to get the names to the  
16 casinos, right?

17 MS. CHELF: Right.

18 MS. ROSE: Then let's say that a  
19 person is on the list but his name is not  
20 given to the casino as being excluded, does  
21 the casino then have a responsibility, or  
22 receive a penalty for failing to exclude the  
23 person who's been placed on the voluntary  
24 exclusion list?

25 MS. CHELF: In the case you

1 mentioned, if the Gaming Commission staff  
2 failed to notify the casino that the  
3 individual is excluded, under our rule, it is  
4 under our administrative law, I believe we  
5 couldn't take any action against them for  
6 failing to exclude that person, because  
7 that's our mistake.

8           There is a section in the rules, in  
9 the draft, the current draft, that provides  
10 disciplinary action against a casino for  
11 failing to follow internal controls, and  
12 adopt a mechanism or program that would check  
13 for individuals they know to be excluded.  
14 So, we have some administrative action we can  
15 take against them for failing to follow the  
16 program.

17           Obviously, someone could come in and  
18 not use their player card, or not identify  
19 themselves, and it will be difficult for the  
20 casino to identify that person. They're not  
21 required under that rule to card everyone who  
22 enters.

23           But if someone tries to cash a check,  
24 there are procedures in place for them to  
25 check the list and identify whether or not

1 the person is excluded. So under the rules  
2 it's possible that a voluntarily excluded  
3 person could come into the casino, gamble,  
4 and leave undetected. Under that  
5 circumstance the casino would not be subject  
6 to discipline.

7 MR. VOWELS: Is there something in  
8 there -- if a person voluntarily excluded  
9 themselves and they come to the casino and  
10 they're caught, is there some language in  
11 there about criminal prosecution or trespass,  
12 some fine, whatever, or any money they might  
13 win be forfeited?

14 MS. CHELF: Yes.

15 MR. VOWELS: Are there any other  
16 questions?

17 MS. ROSE: Is this draft available to  
18 our operators?

19 MS. CHELF: Yes. Not only have we  
20 sent this to anyone who has requested  
21 information, we will provide it to them so  
22 that they can make comments. We are trying  
23 to get it in the best possible shape before  
24 we publish it, so we are open to any  
25 suggestions at this point, and input from

1 everyone.

2 MR. VOWELS: Thank you. We have been  
3 going for about an hour and a half, almost,  
4 here. Our thought was to take a lunch break  
5 around noon, but it looks like, the way  
6 we've been doing here, that we may have  
7 about another hour on the agenda in front of  
8 us. Do you other Commissioners want to keep  
9 going and skip lunch?

10 MS. ROSE: Yeah.

11 MR. VOWELS: Okay. We will take  
12 about a ten minute break then. We will skip  
13 lunch. It's 11:35, let's come back -- let's  
14 take a 15 minute break. We will see you all  
15 at 11:50.

16 (AT THIS TIME THERE WAS A BRIEF  
17 RECESS TAKEN, AFTER WHICH THE FOLLOWING  
18 PROCEEDINGS WERE HAD:)

19 MR. VOWELS: All right, we will go  
20 ahead and call the meeting back to order.  
21 There are a few things that we need to  
22 revisit.

23 The first thing that we need to go  
24 back to is this situation with R.F.S. Inc.,  
25 which is the food service in which we voted

1 to deny the request for certification as an  
2 MBE/WBE vendor.

3 We have been advised that there were  
4 people who were present at the administrative  
5 hearing, one of them being Attorney Daniel  
6 Gettelfinger, and it turns out that Daniel  
7 Gettelfinger is a distant cousin of  
8 Commissioner Gettelfinger. Even though it is  
9 a distant relationship, just the same,  
10 Commissioner Gettelfinger feels that there  
11 might be an appearance of a conflict there,  
12 and since he made the motion he thinks that  
13 maybe we need to revisit this issue with him  
14 recusing himself, is that correct?

15 MR. GETTELFINGER: Yes, I would like  
16 to recuse myself and abstain from voting.

17 MR. VOWELS: Is that all right with  
18 everyone else?

19 Is there a motion concerning  
20 accepting or denying Judge Pylitt's  
21 recommendation to deny the certification?

22 MS. ROSE: I will move that we accept  
23 the finding of the administrative law judge.

24 CHAIRMAN VOWELS: Is there a second?

25 MR. GETTELFINGER: I will second.



1 CHAIRMAN VOWELS: All in favor say  
2 aye.

3 COMMISSIONERS: Aye.

4 CHAIRMAN VOWELS: Motion is accepted.  
5 Is there a motion to accept or deny the  
6 request of R.F.S., Inc., to accept or deny  
7 the certification?

8 MS. ROSE: I move to deny.

9 MS. BOCHNOWSKI: I will second.

10 CHAIRMAN VOWELS: All in favor say  
11 aye.

12 COMMISSIONERS: Aye.

13 CHAIRMAN VOWELS: Show it is denied.  
14 The record is now clear and Mr. Gettelfinger  
15 abstained from voting.

16 It came to our attention that during  
17 the break, unbeknownst to the gaming  
18 Commission, the doors in the back of the  
19 auditorium were locked and people who would  
20 have liked to have come in were unable to.  
21 That was a problem and it has been  
22 rectified, is that correct?

23 MS. DEAN: The doors are open, and we  
24 apologize to anyone who wasn't here earlier.

25 MR. VOWELS: Now, we're going to go

1 back and revisit Resolution 2003-21, which  
2 established the deadline for the applicants  
3 to apply for a contract of operating agent  
4 on a riverboat located in a historical hotel  
5 district specifically Orange County, and  
6 then, also 2003-22 which established  
7 guidelines covering payment.

8           During the break it came to our  
9 attention that the August 1 date communicated  
10 by the Orange County clerk to the Gaming  
11 Commission staff is not as set in stone as  
12 first thought. Is that fair to say?

13           MR. LAWRENCE: That would be fair.

14           MR. VOWELS: So, we are going to  
15 address that July 25th deadline, again,  
16 because that's two weeks from today.

17           The question was -- there's not much  
18 in the way of statutory guidance here, about  
19 what deadlines apply to the county clerk and  
20 the ballot.

21           As I mentioned earlier, I'm a member  
22 of the election board in Vandeburgh County,  
23 and the clerk in every county is, by  
24 statute, a member of the election board. So  
25 I took the liberty of calling the clerk of

1 Vandeburgh County, asking her some questions.  
2 Correct me if I'm wrong, if anyone knows --  
3 it's my belief that Orange County has the  
4 optical scan voting system, does anybody know  
5 differently, versus the paper ballots. Our  
6 clerk was certain of that. The point of  
7 that is there's not really any cut off in  
8 regard to what is -- the paper ballots have  
9 to be printed up, and the optical scan is  
10 not nearly as much of a time problem as far  
11 as in advance of the election.

12 My county clerk told me that the rule  
13 of thumb in the State of Indiana, among  
14 county clerks, is that they want to know  
15 what's going to be on the ballot by August  
16 25th, and that that's fairly universal within  
17 the state. It's been suggested with the  
18 staff that whatever date that the county  
19 clerk needs to have that information, that  
20 the gaming Commission have 14 days prior to  
21 that, to know who the applicant is.

22 So to revisit that, rather than the  
23 two week period from now until July 25th  
24 receipt for the gaming Commission to receive  
25 the first form of the application, which the

1 Commission staff has put together, it's been  
2 thought that two weeks prior to August 25th,  
3 which would be August the 11th would be that  
4 -- the Monday would be the deadline for the  
5 applicants to submit that information to the  
6 Indiana Gaming Commission. Do you have any  
7 other thoughts?

8 MR. LAWRENCE: I was trying to  
9 research in the last ten minutes and it was  
10 little difficult. I know at some point that  
11 municipal elections have to be certified on  
12 August 1st. Now whether it has to be paid  
13 for on August 1st is a different question.  
14 And if you could give us some leeway to the  
15 extent that we could leave the date, the  
16 25th caveat in, until and if we determine  
17 that the payment does not have to be -- I  
18 don't know how we can word it. And we may  
19 have to revisit this the last thing on the  
20 agenda today.

21 MS. BOCHNOWSKI: Let me just say --  
22 I'm just thinking out loud, unless we just  
23 said something like two weeks prior to the  
24 date when the county clerk needs it, probably  
25 there would be a better way to say that, but

1 two weeks before the county clerk has to  
2 have the information, or the money, or  
3 whatever.

4 MR. LAWRENCE: We have people working  
5 on it at the moment.

6 CHAIRMAN VOWELS: Well, let's come  
7 back to that. And those people who are  
8 interested in applying just need to pay  
9 special attention as we move along here. So  
10 the July 25th date as of now --

11 MR. GETTELFINGER: Mr. Chairman, if  
12 we're going to be here a while is it  
13 possible to call the Orange County clerk?

14 CHAIRMAN VOWELS: I think there's  
15 been some attempt too communicate with the  
16 Orange County clerk?

17 MR. LAWRENCE: Yes, that's being  
18 done.

19 MR. GETTELFINGER: All right.

20 CHAIRMAN VOWELS: Well, let's just  
21 table that for a little bit, and we will  
22 move along with the rest of the agenda.  
23 The next matter on the agenda is game  
24 approvals. And Miss Brodnan do you have  
25 that?

1 MS. BRODNAN: We have three games up  
2 for permanent approval, two new games.  
3 You have before you Resolution 2003-23, for  
4 permanent approval for the game of Play Four  
5 Poker.

6 On November 15, 20002, pursuant to  
7 conditional approval of the Commission,  
8 Horseshoe Casino sponsored the game, and have  
9 indicated to Commission staff that they would  
10 like to continue to offer the game, and we  
11 recommend permanent approval.

12 CHAIRMAN VOWELS: Are there any  
13 questions for Miss Brodnan regarding approval  
14 of the game of Play Four Poker, or the  
15 staff's recommendation on Resolution 2003-23?

16 MS. BOCHNOWSKI: I move to approve.

17 CHAIRMAN VOWELS: Is there a second?

18 MR. MILCAREK: I will second.

19 CHAIRMAN VOWELS: All in favor say  
20 aye.

21 COMMISSIONERS: Aye.

22 CHAIRMAN VOWELS: Show it is  
23 approved.

24 Miss Brodnan do you have the next  
25 one?

1 MS. BRODNAN: Yes. Before you you  
2 have Resolution number 2003-24, which is for  
3 approval of the game of Crazy 4 Poker.  
4 Pursuant to Resolution 2002-37 the Commission  
5 granted conditional approval of the game for  
6 a period of six months. Caesar sponsored  
7 the game and has indicated in writing that  
8 it wishes to continue to offer the game, and  
9 the staff would recommend that the Commission  
10 grant permanent approval.

11 CHAIRMAN VOWELS: Any questions for  
12 Miss Brodnan on Resolution 2003-24, approval  
13 of the game of Crazy 4 Poker?

14 MR. MILCAREK: Move to adopt.

15 MS. BOCHNOWSKI: I will second.

16 CHAIRMAN VOWEL: All in favor say  
17 aye.

18 COMMISSIONERS: Aye.

19 CHAIRMAN VOWELS: Show it is  
20 approved.

21 MS. BRODNAN: You have before you  
22 Resolution 2003-25, regarding permanent  
23 approval for the game of Pai Gow Mania.  
24 Pursuant to Resolution 2002-34, on November  
25 15, 2002, the Commission granted conditional

1 approval of the game for six months.  
2 Majestic Star sponsored the game, and has  
3 indicated in writing that they wish to  
4 continue to offer the game. Commission staff  
5 would recommend approval of the game.

6 CHAIRMAN VOWELS: Any questions for  
7 Miss Brodnan on Resolution 2003-25, approval  
8 of the game of Pai Gow Mania?

9 MS. ROSE: I move to approve.

10 CHAIRMAN VOWELS: Is there a second?

11 MS. BOCHNOWSKI: I will second.

12 CHAIRMAN VOWELS: All those in favor  
13 say aye.

14 COMMISSIONERS: Aye.

15 CHAIRMAN VOWELS: Show it is  
16 approved.

17 Sweepstakes Blackjack is next?

18 MS. BRODNAN: Yes. Sweepstakes  
19 Blackjack is a new game. Mr. Lawrence  
20 Goldfarb and Gaming Systems Unlimited  
21 submitted the game of Sweepstakes Blackjack  
22 for approval. Harrah's Casino has submitted  
23 a letter to the Commission indicating that it  
24 will offer the game if approved.

25 Gaming Laboratories International has



1 analyzed the game, and indicated that it is  
2 a variation of Blackjack, however the manner  
3 of play is significantly different than the  
4 traditional game.

5 The game can be played with one to  
6 nine players. If there are four players or  
7 less, the casino can charge a commission.  
8 An action player will be selected at random.  
9 Beginning with that player, each player is  
10 dealt two cards as in the traditional game.  
11 The dealer acts first and stands on a hard  
12 12 or higher, as well as a soft 18 or  
13 higher. This is different than the current  
14 regulation game, where the dealer must draw  
15 to 16 and stand on 17.

16 If the dealer has a blackjack all  
17 cards are revealed and all players lose. If  
18 the dealer does not have a blackjack,  
19 beginning with the action player, each player  
20 has the option to hit, stand, or surrender.  
21 There is no option to double down or split,  
22 as in traditional Blackjack, and there is no  
23 option to place an insurance bet as in  
24 traditional Blackjack. The Action Player's  
25 hand is resolved and if he or she beats the

1 dealer the Action player becomes the house.

2 The next player will be the  
3 challenger, and if he beats the house he  
4 becomes the house. If the challenger busts  
5 or loses, the house takes his/her bet. If  
6 the house and challenger push, the house  
7 player remains at the house. This process  
8 is repeated until all players have played  
9 their hands. If a player reveals a  
10 blackjack the players who have not yet played  
11 their hand do not get the opportunity to act  
12 on that hand.

13 The game also has jackpot features.  
14 The bonus jackpot is awarded when a player  
15 obtains a 5 card hand which adds up to 21  
16 and is all the same color. The mega jackpot  
17 will be awarded to players with 5 card hands  
18 which add up to 21 and is all the same suit.  
19 The bonus payouts are to be determined by  
20 the casino.

21 The return rate to the player  
22 obviously depends on the number of players in  
23 the game. The return ranges from 97.45%  
24 with one player, to 96.26% with nine players.  
25 As we indicated, this game is different from

1 traditional Blackjack, and significantly  
2 different than other games presented to you  
3 in the past, presented to the Commission for  
4 approval. Commission staff was provided a  
5 demonstration of the game by Mr. Goldfarb, in  
6 April.

7           There are still a few aspects of the  
8 game that caused some concern to the staff.  
9 First, is the way the game sets up a house  
10 versus a player and player versus player  
11 atmosphere. The staff is concerned that if  
12 disputes arise during the game, the dealer is  
13 an active participant and may or may not be  
14 suited to resolve the issue.

15           Second, Commission staff is not in  
16 favor of the commission charged to players  
17 when there are four or less players. This  
18 is not a provision of the traditional game  
19 of Blackjack.

20           Third, Harrah's will have an  
21 exclusive agreement to offer the game for a  
22 period of one year. The agreement will  
23 prohibit the other three northern boats from  
24 offering the game during this time frame, and  
25 such an agreement will prevent the

1 introduction of the game at other properties,  
2 will prevent additional play and win to the  
3 casinos, resulting in less taxes collected  
4 that will be paid to the state.

5 At this time the Commission staff  
6 thought it best to present this for  
7 discussion and review, without a clear  
8 recommendation from the staff. Mr. Goldfarb  
9 is present here to answer any questions that  
10 you may have regarding the game.

11 CHAIRMAN VOWELS: Let me ask a couple  
12 of questions. Is the only place this game  
13 has been approved is in Los Angeles County,  
14 California, for use in California Indiana  
15 casinos?

16 MR. GOLDFARB: Any casino in Los  
17 Angeles County.

18 CHAIRMAN VOWELS: Is it being played  
19 at any other place, other than Indian  
20 casinos?

21 MR. GOLDFARB: California gaming law  
22 is a little different.

23 CHAIRMAN VOWELS: I just want you to  
24 answer my questions. Is it being played  
25 anywhere else other than in Indian casinos?

1 MR. GOLDFARB: Yes, sir.

2 CHAIRMAN VOWELS: At casinos that are  
3 under the jurisdiction I assume of the  
4 California Gaming Commission and control  
5 board?

6 MR. GOLDFARB: Yes.

7 CHAIRMAN VOWELS: You can have a seat  
8 and we can get back to you if we need to.  
9 Well, generally these are not the most high  
10 profile issues that we have on an agenda.  
11 It's a first in my memory in which the staff  
12 has not made a recommendation for approval.

13 And I'm looking at and listening to  
14 the three concerns that the staff has, and  
15 Miss Brodnan listed those out, they seem to  
16 be public and causing concern about the house  
17 being involved to the degree that it's  
18 involved. And maybe too I agree where it  
19 would be a problem. And also arbitrarily it  
20 also seems to contain a specific agreement  
21 with Harrah's, that would prohibit the other  
22 three boats in the general area from  
23 participating. And there's also that  
24 commission charge for the players. In  
25 particular, GLI has done an analysis of these

1 games and it has confused them somewhat, has  
2 it not?

3 MS. BRODNAN: Somewhat. As they  
4 indicated in their letter it is a variation  
5 of Blackjack, but it is significantly  
6 different from Blackjack. So I don't know  
7 how to reconcile those two. But that's what  
8 they gave us.

9 CHAIRMAN VOWELS: Do any other  
10 Commissioners have any thoughts on that? I  
11 don't know that there's enough information  
12 for us here to do what we've done normally  
13 in the past. And if a red flag goes up, and  
14 without GLI's analysis being more pure than  
15 what it is, my thought is just to table this  
16 rather than -- I'm not inclined at all to  
17 approve the game.

18 I don't want to necessarily deny the  
19 game, because they may have some expectation  
20 of being able to receive approval in other  
21 jurisdictions, and denials have a ripple  
22 effect that may be unanticipated. And I  
23 think our position is to not prejudice  
24 somebody in other jurisdictions by using that  
25 particular language.

1 Any thoughts fr  
2 on this?

3 MS. BOCHNOWSKI:  
4 regard to the exclusivi  
5 the house is a player, those are two  
6 concerns.

7 CHAIRMAN VOWELS: Okay. Well, in  
8 reference to Resolution 2003-26, for the  
9 approval of the game of Sweepstakes  
10 Blackjack, is there a motion to approve,  
11 deny, or table this resolution?

12 MR. MILCAREK: I move to table the  
13 resolution, and give the staff an opportunity  
14 to do a little more work and research on it,  
15 if necessary.

16 CHAIRMAN VOWELS: Is there a second?

17 MR. NDUKWU: I second it.

18 CHAIRMAN VOWELS: Is there any  
19 further discussion?

20 All those in favor of tabling  
21 Resolution 2003-26 say aye.

22 COMMISSIONERS: Aye.

23 CHAIRMAN VOWELS: Show Resolution  
24 2003-26 is tabled. Thank you.

25 The next matter on the agenda is

1 Resolution 2003-27, conditional approval of  
2 the game of Dragon Bonus.

3 MS. BRODNAN: Shuffle Master Gaming  
4 has requested Commission approval of the game  
5 of Dragon Bonus. Gaming Laboratories  
6 International has analyzed the game and has  
7 indicated that it is a variation of the  
8 traditional game of Baccarat, with an  
9 optional side bet.

10 When playing, patrons can make one of  
11 three wagers, that the player will win the  
12 hand, that the banker will win the hand, or  
13 that the player's hand and the banker's hand  
14 will tie. One patron is designated as the  
15 player, and the dealer is designated as the  
16 banker. Each receive two cards to formulate  
17 their hand. The cards have point values.  
18 Two through nine are face value, ace is zero  
19 points and face cards are one point. If a  
20 player draws a total of eight or nine for  
21 his or her two cards, that is called a  
22 natural. Rules are established to determine  
23 if either the player or the banker must take  
24 a third card. These are established rules  
25 and are constant in all games.



1           There are two ways the side bet can  
2 be won. One is if the hand they bet on is a  
3 natural, which is eight or nine total, or if  
4 the hand they bet on is a non natural winner  
5 and the hand beats the other hand by at  
6 least four points or more.

7           The riverboats may choose three  
8 possible pay tables for the bonus side bet.  
9 All pay tables pay even money on a natural  
10 winner. Non natural winner payouts vary,  
11 depending on how much the hand wins by.  
12 When the bonus bet is placed on the player's  
13 hand, the average return to the patron is  
14 between 97.35% and 97/49%, depending on which  
15 pay table is being used. When the bonus bet  
16 is placed on the banker's hand, the average  
17 return is between 90.62% and 91.47%,  
18 depending on the payable that is being used.  
19 Commission staff recommends that you grant a  
20 six month conditional approval of this game.

21           CHAIRMAN VOWELS: Any questions  
22 regarding Resolution 2003-27?

23           Is there a motion in reference to  
24 Resolution 2003-27?

25           MR. GETTELFINGER: I move to approve.

1 MS. BOCHNOWSKI: I second.

2 CHAIRMAN VOWELS: Any further  
3 discussions? All in favor say aye.

4 COMMISSIONERS: Aye.

5 CHAIRMAN VOWELS: Vote is approved.

6 The next matter on the agenda is  
7 operational license matters.

8 MS. BRODNAN: On or about February 8,  
9 2002, Nefertiti Beacham received a level 2  
10 temporary occupational license to work as a  
11 Slot Attendant at Majestic Star Casino. On  
12 or about March 26, 2003, she was terminated,  
13 after it was discovered that she had  
14 completed duplicate manual jackpot fill  
15 slips, and retained the money used to  
16 complete a second, fraudulent jackpot. This  
17 activity was conducted during the performance  
18 of her duties as a Slot Attendant.

19 The Commission staff revoked her  
20 temporary occupational license and denied her  
21 application for a permanent license. You  
22 will need to vote to grant or deny her  
23 application for a permanent license.  
24 Commission staff recommends that you deny the  
25 application. If you do deny her application,

1 Miss Beacham will have the opportunity to  
2 appeal the matter to an administrative law  
3 judge.

4 CHAIRMAN VOWELS: Does anyone have  
5 any questions of Miss Brodnan?

6 Is there a motion to grant or deny a  
7 permanent license to Nefertiti Beacham?

8 MS. BOCHNOWSKI: I move to deny.

9 CHAIRMAN VOWELS: Is there a second?

10 MS. ROSE: I will second.

11 CHAIRMAN VOWELS: Is there any  
12 further discussion?

13 All in favor say aye.

14 COMMISSIONERS: Aye.

15 CHAIRMAN VOWELS: Show it is denied.  
16 Miss Chelf?

17 MS. CHELF: The Commission issued Mr.  
18 Chris Keller a temporary occupational license  
19 to work for Belterra as a cage cashier, on  
20 June 11, 2003. On June 23rd, 2003, Mr.  
21 Keller stole \$300 while performing his duties  
22 as a Cage Cashier. Belterra terminated Mr.  
23 Keller because of the theft.

24 Commission staff revoked Mr. Keller's  
25 temporary occupational license, and denied

1 his application for a permanent license. The  
2 Commission will need to vote to uphold or  
3 overrule the revocation of his temporary  
4 license, and the denial of his application  
5 for a permanent license. Commission staff  
6 recommends that the Commission uphold the  
7 revocation and denial. If the Commission  
8 upholds the staff's actions, Mr. Keller will  
9 have the opportunity to appeal the matter to  
10 an administrative law judge.

11 CHAIRMAN VOWELS: Any questions for  
12 Miss Chelf? Is there a motion in reference  
13 to the recommendation to revoke the temporary  
14 license of Chris Keller and deny his  
15 application for a permanent license?

16 MS. ROSE: I will move to revoke the  
17 temporary license and deny the application  
18 for a permanent license.

19 CHAIRMAN VOWELS: Is there a second?

20 MR. NDUKWU: I will second.

21 CHAIRMAN VOWELS: Any further  
22 discussion?

23 All in favor say aye.

24 COMMISSIONERS: Aye.

25 CHAIRMAN VOWELS: Show it is denied.

1 Miss Brodnan, we're back with you.

2 MS. BRODNAN: On or about February 8,  
3 2002, Andrew Pettigrew received a level 2  
4 temporary occupational license to work as a  
5 Slot Attendant at Majestic Star Casino. On  
6 or about April 9, 2003, Mr. Pettigrew's  
7 employment at Majestic Star Casino was  
8 terminated, after it was discovered that he  
9 completed duplicate manual jackpot fill slips  
10 and retained the money used to complete a  
11 second, fraudulent jackpot. This activity  
12 was conducted during the performance of his  
13 duties as a Slot Attendant.

14 The Commission staff revoked Mr.  
15 Pettigrew's temporary occupational license,  
16 and denied his application for a permanent  
17 license due to his conduct. You will need  
18 to vote to grant or deny his application for  
19 a permanent license. And the Commission  
20 staff recommends that you deny the  
21 application. If you deny the application he  
22 will have the opportunity to appeal this  
23 matter to an administrative law judge.

24 CHAIRMAN VOWELS: Any questions of  
25 Miss Brodnan?

1 MR. GETTELFINGER: Back to Miss  
2 Beacham, is Miss Beacham and Mr. Pettigrew  
3 associates?

4 MS. BRODNAN: It is believed so, yes.

5 CHAIRMAN VOWELS: It looks like they  
6 happened on the same day, February 8, 2003.  
7 Anything further? Any other questions?  
8 We've got Commission staff's recommendation  
9 for the revocation of Mr. Pettigrew's  
10 temporary license and denial of his  
11 application for a permanent license. Is  
12 there a motion to deny or approve the  
13 application?

14 MR. GETTELFINGER: I move to deny.

15 CHAIRMAN VOWELS: Is there a second?

16 MS. DEAN: I will second.

17 CHAIRMAN VOWELS: All in favor of  
18 denial say aye.

19 COMMISSIONERS: Aye.

20 CHAIRMAN VOWELS: Show that it is  
21 denied.

22 Next on the agenda is suppliers'  
23 licenses.

24 MS. DEAN: Resolution 2003-28  
25 concerns renewal of suppliers' licenses. On

1 May 13, 2002, the Indiana Gaming Commission  
2 issued a supplier's license to ServiceMaster.  
3 On May 13, 2002, the Commission renewed the  
4 supplier's license held by Konami Gaming,  
5 Inc., and Hasgoe Cleaning Systems, Inc. On  
6 July 29, 2002, the Commission renewed the  
7 supplier's licenses held by Casino Data  
8 Systems, Shuffle Master, Inc., GEMACO Playing  
9 Card Company, Osborne Coinage Company,  
10 Paul-son Gaming Supplies, Inc., Atronic  
11 Americas, LLC, and Kilmartin Industries,  
12 Inc., d/b/a Roger Williams Mint.

13 In accordance with conditions placed  
14 upon each supplier's licenses the supplier  
15 Licenses must request renewal of the  
16 supplier's License at least 30 days before  
17 the expiration of the license, and pay the  
18 renewal fee in accordance with 68IAC  
19 2-02-3(c) and 68 IAC 2-2-8.

20 You have before you Resolution  
21 2003-28 concerning the renewal of suppliers'  
22 licenses for a period of one year.

23 CHAIRMAN VOWELS: Is there any  
24 discussion? Hearing none, let's move forward.  
25 Is there a motion in reference to Resolution

1 2003-28?

2 MS. BOCHNOWSKI: I move to renew.

3 CHAIRMAN VOWELS: We have a motion to  
4 renew suppliers' licenses, is there a second?

5 MR. MILCAREK: I second.

6 CHAIRMAN VOWELS: Is there any  
7 further questions?

8 All those in favor say aye.

9 COMMISSIONERS: Aye.

10 CHAIRMAN VOWELS: Show they are  
11 renewed.

12 Let's go to Resolution 2003-29.

13 MS. BRODNAN: You have before you for  
14 approval Resolution 2003-29 regarding renewal  
15 of a supplier's license held by Sigma Game,  
16 Inc.

17 On June 12, 1998 Sigma Game, Inc.,  
18 was issued a permanent supplier's license.  
19 The license was renewed on June 12, 2002.  
20 Sigma has requested renewal of the license.  
21 Sigma has entered into a settlement agreement  
22 with the Missouri Gaming Commission regarding  
23 a disciplinary action for violations of  
24 Missouri regulations. Although the  
25 allegations are of a serious nature, they



1 were not of a nature that would cause  
2 Commission staff to recommend revocation or  
3 non-renewal of Sigma's supplier's license.

4 The Commissions' Background

5 Investigation Unit is conducting an  
6 investigation into the issues surrounding the  
7 Missouri disciplinary action, to determine if  
8 Indiana regulations have also been violated.  
9 If it is determined that Indiana regulations  
10 have been violated, the Commission staff will  
11 then take action at that time.

12 Commission staff recommends that you  
13 grant the request for renewal of their  
14 license, pursuant to the investigation.

15 CHAIRMAN VOWELS: You have before you  
16 Resolution 2003-29 concerning the renewal of  
17 the supplier's license held by Sigma Game.,  
18 Inc. Are there are any questions?

19 MR. GETTELFINGER: As far as the  
20 nature of the investigation, is that  
21 something that is confidential at this time?

22 CHAIRMAN VOWELS: The gist of it is,  
23 to make a long story short, the investigation  
24 involves a lender, and Sigma is owned by a  
25 Japanese company, and the loan was made to

1 the parent company. In a nutshell, a  
2 gentleman from Japan loaned Sigma some money,  
3 and there is an investigation of him because  
4 of that.

5 MR. GETTELFINGER: All right.

6 CHAIRMAN VOWELS: Anything else?  
7 Is there a motion in reference to granting  
8 the renewal of the supplier's license held by  
9 Sigma Game, Inc., it's a conditional renewal?

10 MR. MILCAREK: Move to adopt.

11 MR. NDUKWU: I will second.

12 CHAIRMAN VOWELS: Any further  
13 discussion? All in favor say aye.

14 COMMISSIONERS: Aye.

15 CHAIRMAN VOWELS: Show it is adopted.  
16 Next is Resolution 2003-30.

17 MS BRODNAN: You have before you  
18 Resolution 2003-30, a resolution concerning  
19 the renewal of the supplier's license held by  
20 Mikohn Gaming Corporation.

21 Mikohn Gaming Corporation was issued  
22 a temporary supplier's license on November  
23 17, 1995, and a permanent supplier's license  
24 on August 19, 1998. The license has been  
25 renewed annually, the most recent renewal

1 being August 19, 2002. Mikohn has requested  
2 a renewal and has submitted the required  
3 renewal fee.

4 In compliance with Indiana law and  
5 gaming regulations, however, Mikohn has  
6 advised the Commission, in its renewal form,  
7 that the Michigan Gaming Control Board is  
8 investigating Mikohn regarding reporting  
9 deficiencies. Again, with the limited  
10 information we have about this, the  
11 allegations don't appear to be of the nature  
12 to recommend nonrenewal. The Commission's  
13 Background Investigation Unit will conduct an  
14 investigation into the issues surrounding the  
15 Michigan issues, to determine if Indiana  
16 regulations have also been violated.

17 At this time the Commission staff is  
18 recommending that you grant their request for  
19 renewal at this time, pursuant to the  
20 completion of our investigation.

21 CHAIRMAN VOWELS: Okay. Any  
22 questions for Miss Brodnan?

23 MS. BOCHNOWSKI: Let me just ask if  
24 the issues under investigation are reporting  
25 issues?

1 MS. BRODNAN: What we understand, at  
2 least at this time, it is reporting of  
3 disclosure issues.

4 MR. MILCAREK: Is this more or less a  
5 conditional renewal?

6 MR. BRODNAN: Yes.

7 CHAIRMAN VOWELS: Again, the Michigan  
8 Gaming Control Board is investigating these  
9 reporting deficiencies, are some of the facts  
10 confidential?

11 MS. BRODNAN: I don't have great  
12 detail. The background investigation is  
13 currently working on this. I just know  
14 general reporting violations.

15 MR. DEAN: I believe my understanding  
16 is that the investigation is not final.

17 MS. BRODNAN: No, it is not. The  
18 Michigan investigation is ongoing at this  
19 time.

20 MS. DEAN: So, Michigan is not done  
21 with the matter. Our Background  
22 Investigation unit, I understand, is working  
23 very closely with Michigan Background  
24 Investigation Unit. The investigation is not  
25 final.

1 CHAIRMAN VOWELS: All right.  
2 Although it makes reference that the issues  
3 are of a serious nature, it is not a nature  
4 that would cause our staff to recommend  
5 revocation or nonrenewal, so the staff is  
6 recommending conditional approval of the  
7 renewal of the supplier's license?

8 MS. BRODNAN: Yes.

9 CHAIRMAN VOWELS: Any further  
10 discussion?

11 Then in reference to Resolution  
12 2003-30, is there a motion concerning the  
13 renewal of the supplier's license for Mikohn  
14 Gaming Corporation?

15 MS. BOCHNOWSKI: I move that we grant  
16 conditional renewal.

17 CHAIRMAN VOWELS: Is there a second?

18 MR. MILCAREK: I second that.

19 CHAIRMAN VOWELS: Any further  
20 discussion? All in favor say aye.

21 COMMISSIONERS: Aye.

22 CHAIRMAN VOWELS: Show the supplier's  
23 license is renewed.

24 The next item on the agenda is a  
25 transfer of ownership issues.

1 MS. BRODNAN: You have before you for  
2 approval Resolution 2003-31, concerning the  
3 request of Aristocrat Technologies, Inc., and  
4 Casino Data Systems to transfer ownership  
5 interests.

6 On November 13, 1996, Aristocrat  
7 Technologies, Inc. received a temporary  
8 supplier's license. Casino Data Systems  
9 received a permanent supplier's license on  
10 June 12, 1998. On June 29, 2001, a merger  
11 agreement was executed by Aristocrat and CDS,  
12 whereby CDS would merge with Cedar  
13 Acquisition Company, a holding company and  
14 wholly owned subsidiary of Aristocrat. Upon  
15 completion of the merger, Cedar would cease  
16 to exist, with CDS remaining a wholly owned  
17 subsidiary of Aristocrat.

18 On November 12, 2001, Aristocrat  
19 submitted an application for transfer of  
20 ownership pursuant to this transaction.  
21 Preapproval of the transaction was not  
22 required, due to the fact that both companies  
23 are privately held. It came to the  
24 attention of the Commission staff that for  
25 some reason this matter was never brought to

1 the Commission for approval, when the  
2 transaction was complete, and it's unclear  
3 why that has happened. Both Aristocrat and  
4 CDS have retained their respective supplier's  
5 license after the transaction was completed,  
6 and have completed the appropriate personal  
7 disclosure forms for key personnel, and they  
8 request approval of this transaction.

9 CHAIRMAN VOWELS: Any questions for  
10 Miss Brodnan?

11 MS. BOCHNOWSKI: Does the staff have  
12 recommendations on this?

13 MS. BRODNAN: Yes, we would recommend  
14 that you approve it.

15 CHAIRMAN VOWELS: Is there a motion  
16 in reference to this Resolution to grant or  
17 deny?

18 MS. BOCHNOWSKI: I will move to  
19 grant.

20 CHAIRMAN VOWELS: Is there a second?

21 MR. MILCAREK: I will second it.

22 CHAIRMAN VOWELS: Any further  
23 discussion?

24 MR. GETTELFINGER: Is there any  
25 representative of the applicants here?

1 MS. BRODNAN: No, I don't believe so.

2 MR. GETTELFINGER: And we do not know  
3 why it was not timely dealt with?

4 MS. BRODNAN: I think it was an error  
5 on our part. They submitted the submission  
6 to us. I don't know what happened, but it  
7 didn't come up sooner.

8 MR. GETTELFINGER: Thank you.

9 CHAIRMAN VOWELS: Any further  
10 discussions?

11 All those in favor say aye.

12 COMMISSIONERS: Aye.

13 CHAIRMAN VOWELS: Show it is granted.  
14 Then we have one more, is that right?

15 MS. BRODNAN: You have before you for  
16 approval Resolution 2003-32, concerning the  
17 request to transfer of ownership interest of  
18 PDS Gaming Corporation.

19 PDS Gaming Corporation was issued a  
20 temporary supplier's license on August 14,  
21 1998. PDS announced in February of this  
22 year that it had entered into a letter of  
23 intent with respect to a proposed stock  
24 transaction. The proposed transaction would  
25 involve three individuals, Mr. and Mrs.



1 Finley, and Mr. Peter Cleary acquiring the  
2 remaining outstanding shares of common stock.  
3 These individuals are current controlling  
4 shareholders of PDS. The proposed  
5 transaction will simply increase their  
6 ownership interest. Once the transaction is  
7 complete, these individuals will own 100% of  
8 the outstanding shares of stock of PDS,  
9 although it is unknown what each individual  
10 ownership will be exactly. The transaction  
11 is expected to close in late August of 2003.

12 The Finleys and Mr. Cleary have  
13 already undergone background investigations  
14 by the Commission, pursuant to their current  
15 ownership. There will not be any additions  
16 of new officers, directors, or key personnel  
17 as a result of this transaction, at this  
18 time. Therefor, PDS has requested a waiver  
19 of the normal transfer of ownership  
20 procedures, and a waiver of the normal  
21 background investigation.

22 Pursuant to the information provided,  
23 the Commission staff recommends that you  
24 grant PDS' request for a waiver of the  
25 transfer procedures and background

1 investigation, and that you approve the  
2 transfer of ownership. A representative of  
3 PDS is here to answer any questions. I  
4 believe Mr. Peter Cleary is present, if the  
5 Commission has any questions.

6 CHAIRMAN VOWELS: Does anyone have  
7 any questions? It's fairly straightforward.  
8 Resolution 2003-32 concerns the request of  
9 PDS Gaming Corporation to transfer ownership  
10 interest and comes in two parts. There's a  
11 portion to grant or deny a conditional waiver  
12 of the normal transfer of ownership  
13 procedures, and a waiver of the normal  
14 background investigation, followed by  
15 granting or denying their request for  
16 approval of the transfer.

17 Is there a motion in reference to  
18 grant or deny the waiver?

19 MS. BOCHNOWSKI: I move that we grant  
20 the waiver.

21 CHAIRMAN VOWELS: Is there a second?

22 MR. GETTELFINGER: I will second.

23 CHAIRMAN VOWELS: On the same issue,  
24 is there a motion to grant or deny approval  
25 of the transfer of ownership?

1 MR. GETTELFINGER: I move to approve.

2 CHAIRMAN VOWELS: Is there a second?

3 MS. ROSE: I will second.

4 CHAIRMAN VOWELS: Any further

5 discussion? All in favor say aye.

6 COMMISSIONERS: Aye.

7 CHAIRMAN VOWELS: Show it is granted.

8 And then the next thing on the agenda you

9 have, Miss Dean?

10 MS. DEAN: You have before you  
11 Resolution 2003-33, concerning the request  
12 for approval to conduct gambling operations  
13 for up to 24 hours a day by the riverboat  
14 licensed owners.

15 Pursuant to Indiana code 4-33-6-21(b),  
16 the Commission allows any licensed owner to  
17 submit an appropriate plan for flexible  
18 scheduling, or to submit an appropriate  
19 amendment to an authorized plan for flexible  
20 scheduling, which plan or amendment includes  
21 provisions to conduct gambling operations for  
22 up to 24 hours a day.

23 The Commission directs that the  
24 appropriate plan for flexible scheduling,  
25 which plan or amendment includes provisions

1 to conduct gambling operations for up to 24  
2 hours a day, shall include submission and  
3 approval of internal control procedures  
4 pursuant to 68 IAC 11-1.

5 Each of the ten Indiana riverboats  
6 has submitted a plan or amendment which  
7 includes provision to conduct gambling  
8 operations for up to 24 hours a day. The  
9 Commission directs the Executive Director or  
10 the Executive Directors's designee to review,  
11 approve, or seek amendment o those authorized  
12 plans, including internal control procedures,  
13 prior to implementation of the gambling  
14 operation for up to 24 hours a day.

15 Upon receipt of an appropriate plan  
16 or amendment that includes approved internal  
17 controls, the Commission shall authorize the  
18 licensed owner to implement the plan or  
19 amendment for the days and hours specified in  
20 the plan or amendment by the date designated  
21 by the Commission.

22 At this time the staff has been  
23 advised that all plans have been approved as  
24 of today. The Commission is asked to set a  
25 date to commence the 24-hour gaming day, and

1 it has been recommended that that day be 6  
2 a.m., July 11, 2003, should boats have to  
3 opportunity to go to 24 hour a day gaming.

4 MR. VOWELS: Mr. Lawrence, is there  
5 anything you would like to add?

6 MR. LAWRENCE: We did work with the  
7 riverboat people, the general managers and  
8 operations people, and met with them on a  
9 couple of occasions. And it was helpful, as  
10 we had some initial concerns about revenue  
11 recording and accounting.

12 As you can see it will be a live  
13 drop. What happens is that they will move  
14 people away from the facility locations, the  
15 slot machines and tables, and they will do a  
16 live drop while the people are still there  
17 watching. We have advised them that we will  
18 review this in 90 days, to make sure nothing  
19 is amiss and that everything goes along as  
20 scheduled.

21 MS. BOCHNOWSKI: How will they do  
22 that? Will it be done in stages, will they  
23 do just certain areas, and then do --

24 MR. LAWRENCE: Right. For example,  
25 they will take a bank of slot machines and

1 move people away and close it down. There  
2 will be one security officer at one end and  
3 another security officer at the other end to  
4 watch the cart that the box is going on.

5 MS. BOCHNOWSKI: People will actually  
6 be playing in that area?

7 MR. LAWRENCE: People will be cleared  
8 from the aisle, but will be able to remain  
9 in view of their machine to make sure nobody  
10 moves in and takes it over.

11 CHAIRMAN VOWELS: All right. Are  
12 there any other questions?  
13 Resolution 2003-33 concerns approval or  
14 denial to conduct gambling operations for up  
15 to 24-hours a day by the riverboat licensed  
16 owners. Is there a motion to approve or  
17 disapprove this request?

18 MS. BOCHNOWSKI: I move to approve.

19 CHAIRMAN VOWELS: Is there a second?

20 MR. MILCAREK: I will second.

21 CHAIRMAN VOWELS: Is there any  
22 further discussion?

23 All in favor say aye.

24 COMMISSIONERS: Aye.

25 CHAIRMAN VOWELS: Show it is

1 approved.

2 The next matter on the agenda is  
3 financing matters. Miss Dean.

4 MISS. DEAN: Miss Fleming, I believe  
5 is present on behalf of Harrah's concerning  
6 financing.

7 MS. FLEMING: Good afternoon. My  
8 name is Kay Fleming here on behalf of  
9 Harrah's. Harrah's appeared at the last  
10 meeting, in the first meeting rule, for a  
11 \$500 million private placement of unsecured  
12 notes.

13 This is a new debt offering they  
14 would like to undertake, for the purpose of  
15 general corporate needs, as well as to pay  
16 down some of their existing debt. They have  
17 not prepared documents yet, although the  
18 documents will be substantial and similar to  
19 what was approved prior, in 2001, to a  
20 private placement offer, and that is -- part  
21 of that is what will be paid off with these  
22 proceeds.

23 They have not submitted documents,  
24 and would like to have the ability to go  
25 forward and obtain a second approval, because

1 their relationship with the bank will allow  
2 them to execute the documents and offer these  
3 notes within a 48-hour period. That is why  
4 they would like to go forward, rather than  
5 to follow the procedure the Commission has  
6 used in the past, by allowing a private  
7 placement to go forward with executive  
8 director approval and then come back to the  
9 Commission prior to the public offering.

10 This would just, like I said,  
11 position them to get the most advantageous  
12 interest rate in a very volatile market,  
13 because they could accomplish it in 48 hours.

14 CHAIRMAN VOWELS: Does anyone have  
15 any questions?

16 MS. BOCHNOWSKI: But the Executive  
17 Director would still receive all the  
18 documents?

19 MS. FLEMING: Yes. The Executive  
20 Director would receive the documents,  
21 approval would be subject to the Commission's  
22 review and approval of the documents.

23 MR. VOWELS: Does the staff have any  
24 thoughts on this?

25 MS. DEAN: The staff would be happy



1 to take whatever direction from the  
2 Commission they would like me to offer  
3 specifically at this point. We will have  
4 additional documentation of returns of rule  
5 and a term sheet, which we do not have at  
6 this point.

7 MR. LAWRENCE: The request for  
8 approval is subject to review and approval of  
9 the final draft of the associated documents  
10 by Commission staff, that would cover that  
11 would it not?

12 MS. DEAN: Yes.

13 CHAIRMAN VOWELS: Are there any other  
14 questions or thoughts?

15 Resolution 2003-34 is a request for  
16 approval of financing by Harrah's in an  
17 amount up to \$500 million. Is there a  
18 motion to approve or disapprove this request?

19 MS. BOCHNOWSKI: I will move to  
20 approve.

21 CHAIRMAN VOWELS: Do we have a  
22 second?

23 MR. MILCAREK: I will second.

24 CHAIRMAN VOWELS: Is there any other  
25 discussion?

1 MS. ROSE: Mr. Chairman, if the  
2 documents that are submitted are  
3 substantially different from what we had  
4 submitted to us in the June 2001 time frame,  
5 does the Executive Director have the  
6 discretion to come back and say hold on here  
7 this is completely different from what we  
8 thought it was going to be?

9 CHAIRMAN VOWELS: I don't know that  
10 we ever had that come up, but my  
11 understanding of that language is that if the  
12 amounts are different than was anticipated it  
13 would probably go on the next agenda, and  
14 then that would be addressed. So it would  
15 not be final until the staff says it's final  
16 and is brought back to us. Is that fair to  
17 say?

18 MR. LAWRENCE: Fair enough.

19 CHAIRMAN VOWELS: Does that answer  
20 your question?

21 MS. ROSE: Yes, thank you.

22 CHAIRMAN VOWELS: Is there a motion  
23 to approve? Wait, that was the discussion  
24 on the motion to approve, wasn't it?  
25 All those in favor of the motion to approve

1 say aye.

2 COMMISSIONERS: Aye.

3 CHAIRMAN VOWELS: Show it is  
4 approved. Thank you.

5 Next on the agenda is Majestic Star  
6 with Miss Fleming.

7 MS. FLEMING: Majestic Star currently  
8 has a \$20 million credit facility in place.  
9 They have a zero balance on the credit  
10 facility but they would like to extend the  
11 terms of that to November 2nd, 2003, while  
12 they explore other alternative financing that  
13 would offer more favorable terms. If at the  
14 end of that 90 day period they have not  
15 taken action, they could renew the existing  
16 credit facility, and could renew that for a  
17 one year period, and that would remain in  
18 place under the current terms that it has.  
19 The only thing that would change would be  
20 the maturity date.

21 CHAIRMAN VOWELS: Are there any  
22 thoughts or questions?

23 MS. BOCHNOWSKI: Is this one where  
24 there was a 90 day extension within the  
25 annual renewal?

1 MS. FLEMING: There is a 90 day  
2 extension period, but if at the end of that  
3 90 days they don't have alternative financing  
4 they would like to access the \$20 million  
5 previously approved, and they do have a zero  
6 balance, but they want to have the  
7 flexibility to be able to renew it for an  
8 annual period, under the same terms that were  
9 previously approved.

10 MS. BOCHNOWSKI: In other words, this  
11 would be in the event they didn't?

12 MS. FLEMING: Yes, this is in the  
13 event they did not have something else.

14 MS. BOCHNOWSKI: So this is something  
15 that already exists?

16 MS. FLEMING: It already exists. It  
17 was approved by the Commission in 1999, if I  
18 remember correctly.

19 CHAIRMAN VOWELS: Does anyone else  
20 have any thoughts or questions?

21 MS. DEAN: If the Commission finds  
22 that this is the original debt that was  
23 approved in 2001, then the amendment is not  
24 new and no action has to be taken.

25 MS. FLEMING: Before the definitive

1 date it expires, this does provide for  
2 renewal of the \$20 million level.

3 MR. GETTELFINGER: Miss Fleming, can  
4 they get a definite answer within the 90 day  
5 period?

6 MS. FLEMING: They hope to.

7 MR. GETTELFINGER: So they could come  
8 back to us before the end of that 90 day  
9 period?

10 MS. FLEMING: It's possible, but  
11 without the automatic renewals -- it has not  
12 been executed so I can't speak on behalf of  
13 what Foothill would take.

14 We've submitted notification as an  
15 extension of time and not a change in the  
16 terms, but with the option that if the  
17 Commission felt it needed some time --

18 MR. GETTELFINGER: That's my point,  
19 that I believe there is a change in with the  
20 renewal, that this is a new feature of this?

21 MS. DEAN: If the commission feels  
22 this is new financing we would have the  
23 option that Majestic Star provide us with  
24 documents -- or one option we would have is  
25 that Majestic Star provide us with documents

1 -- or you, and Chairman Vowels, and Executive  
2 Director Lawrence, to review and possibly  
3 grant a waiver, should that be your  
4 determination. Or they could appear before  
5 the Commission again in September.

6 MS. FLEMING: The 90-day extension,  
7 we need to get that in place by August 2nd,  
8 which is the expiration date for the  
9 current --

10 MR. GETTELFINGER: The 90-day  
11 extension is nothing new, correct?

12 MS. FLEMING: Yes, that is set out.  
13 The current one is set to expire on August  
14 2nd. So we need to act on the 90-day  
15 extension.

16 Just a point of clarification.  
17 Basically the purpose of this is that it's  
18 going to expire, and the only reason we're  
19 asking for it is to see if we can achieve  
20 basically a better interest rate. The 90  
21 days will buy us the time.

22 The reason we put in one year was to  
23 try and expedite, for the Commission, so we  
24 didn't have to keep coming back. I mean,  
25 the terms and everything are basically the

1 same. It's to see if we can get better  
2 financing. The 90 days would take us to  
3 November 2nd.

4 CHAIRMAN VOWELS: All right. Do we  
5 need a specific action for the extension up  
6 to that 90 days?

7 MS. DEAN: The resolution has not  
8 been prepared. I can obviously do that,  
9 should the Commission decide.

10 CHAIRMAN VOWELS: Would you feel more  
11 comfortable with a resolution than the  
12 Commission granting that 90 day?

13 MS. FLEMING: If the Commission goes  
14 on record that the 90 days is applicable,  
15 that would be sufficient.

16 MR. VOWELS: Is that all right with  
17 everyone else?

18 MR. GETTELFINGER: Yes.

19 CHAIRMAN VOWELS: We will show that.  
20 And then if it's necessary for those  
21 telephone calls, Mr. Gettelfinger, the  
22 Executive Director and myself get involved in  
23 that, then you can always call a meeting in  
24 that concept. All right? Does that satisfy  
25 you now?

1 MS. FLEMING: That takes care of it,  
2 thank you.

3 CHAIRMAN VOWELS: Then the next  
4 matter on the agenda is licensing renewals.  
5 Majestic Star is first. Miss Chelf?

6 MS. CHELF: Before you you have four  
7 orders in which to grant renewal of four  
8 riverboat owners' licenses. With respect to  
9 the first three, these licenses have expired  
10 already -- not expired, but, pursuant to  
11 Resolution 2003-13, Executive Director  
12 Lawrence granted the ability to renew the  
13 riverboat owners' license temporarily, until  
14 the Commission could meet to discuss that.  
15 So with respect to the first three of these  
16 they have already received a letter from  
17 Executive Director Lawrence renewing them in  
18 the meantime, but we will consider the  
19 renewals today.

20 The first one is Majestic Star. The  
21 order would renew Majestic's riverboat  
22 license for a period of one year, from June  
23 2, 2003 to June 1, 2004. Pursuant to  
24 Indiana Code section 4-33-6-12, the  
25 Commission has found that Majestic Star has



1 complied with the directives of Indiana Code  
2 4-33 and Title 68 of the Indiana  
3 Administrative Code. Here representing  
4 Majestic Star is Kay Fleming, do you have  
5 any questions of her?

6 CHAIRMAN VOWELS: Are there any  
7 questions? All right.

8 In front of you is an order from the  
9 Indiana Gaming Commission renewing the  
10 riverboat license of Majestic Star. The  
11 license renewal is for a one-year period.  
12 Is there motion in reference to the renewal?

13 MR. GETTELFINGER: I move for  
14 renewal.

15 CHAIRMAN VOWELS: Is there a second?

16 MS. ROSE: I will second.

17 CHAIRMAN VOWELS: Are there any  
18 further questions?

19 MS. BOCHNOWSKI: I would just like to  
20 ask the Executive Director if he knew of any  
21 reason we should not renew this.

22 MR. LAWRENCE: Not at this time.

23 MS. BOCHNOWSKI: Thank you.

24 CHAIRMAN VOWELS: We have a motion  
25 and a second, is there any further

1 discussion?

2 All in favor say aye.

3 COMMISSIONERS: Aye.

4 CHAIRMAN VOWELS: Show it is  
5 approved.

6 Next is Trump. Go ahead, Miss Chelf.

7 MS. CHELF: You have before you an  
8 order granting the renewal of the riverboat  
9 owner's license of Trump Casino. The order  
10 would renew Trump's riverboat license for a  
11 period of one year, from June 2, 2003 to  
12 June 1, 2004. Pursuant to Indiana Code  
13 section 4-33-6-12, the Commission has found  
14 that Trump has complied with the directives  
15 of Indiana Code 4-33 and Title 68 of the  
16 Indiana Administrative Code.

17 Chris Lincoln, the general manager  
18 for Trump is here today if you have any  
19 questions of him.

20 CHAIRMAN VOWELS: Are there any  
21 questions? Mr. Executive Director are we to  
22 assume that there are not reasons why this  
23 cannot be renewed at this time?

24 MR. LAWRENCE: No, sir.

25 CHAIRMAN VOWELS: Is there a motion

1 in reference to the renewal of the riverboat  
2 owner's license for Trump Indiana?

3 MS. BOCHNOWSKI: I move to renew.

4 CHAIRMAN VOWELS: Is there a second?

5 MR. GETTELFINGER: I will second.

6 CHAIRMAN VOWELS: Is there any

7 further discussion?

8 All in favor say aye.

9 COMMISSIONERS: Aye.

10 CHAIRMAN VOWELS: Show it is renewed.

11 Then Horseshoe.

12 MS. CHELF: Before you you have an  
13 order granting renewal of the riverboat  
14 owner's license for Horseshoe Casino for a  
15 period of one year, from June 20, 2003 to  
16 June 19, 2004. I believe Rick Frasier is  
17 here from Horseshoe, if you have any  
18 questions for him. He's in a pretty good  
19 mood today, I noticed that.

20 CHAIRMAN VOWELS: Are there any  
21 questions? And again, does the Executive  
22 Director have any reason, or the staff have  
23 reason, that this renewal cannot take place?

24 MR. LAWRENCE: No, sir.

25 CHAIRMAN VOWELS: Is there a motion

1 in reference to the order of the Commission  
2 on the renewal of the riverboat owner's  
3 license for Horseshoe, for a period of one  
4 year?

5 MS. BOCHNOWSKI: I move to renew.

6 CHAIRMAN VOWELS: Is there a second?

7 MR. MILCAREK: I will second.

8 CHAIRMAN VOWELS: Any further  
9 discussions?

10 All in favor say aye.

11 COMMISSIONERS: Aye.

12 CHAIRMAN VOWELS: Show it is renewed.  
13 Then last but not least is Blue Chip.

14 MS. CHELF: Blue Chip Casino has  
15 submitted a request to renew their riverboat  
16 owner's license for a period of one, year  
17 from August 18, 2003 to August 17, 2004. I  
18 believe Kay Fleming is here for Blue Chip,  
19 if you have any questions.

20 CHAIRMAN VOWELS: Are there any  
21 questions? Again, at this time is there any  
22 reason why renewal cannot take place?

23 MR. LAWRENCE: No, sir.

24 CHAIRMAN VOWELS: Is there a motion  
25 in reference to the renewal of the license

1 for Blue Chip Casino?

2 MR. MILCAREK: I move to renew the  
3 license.

4 CHAIRMAN VOWELS: Is there a second?

5 MS. ROSE: I will second.

6 CHAIRMAN VOWELS: Any further  
7 discussion?

8 All in favor say aye.

9 COMMISSIONERS: Aye.

10 CHAIRMAN VOWELS: Show it is  
11 approved.

12 Now we will go back to the Homeland  
13 security issues. I have asked Mike Smith,  
14 the executive director of the Indiana Casino  
15 Association, to update us.

16 You've probably been hearing some  
17 chatter about what's going on in Homeland  
18 security and how it impacts the courts and  
19 the industry associated with the casino,  
20 especially in Indiana. Mike's been working  
21 with National Association of Homeland  
22 Security, and the Coast Guard, and the  
23 Department of Justice, and I think he might  
24 be able to give you an update on that.

25 MR. SMITH: I want to briefly touch

1 on what the association is doing in reference  
2 to casinos in the Homeland security area.

3 The American Gaming Association has  
4 become an alternative provider for the plan  
5 to the Coast Guard. We have ongoing  
6 meetings every month that have been  
7 happening. We have people on both the Ohio  
8 River properties as well as the Lake Michigan  
9 properties as part of this task force  
10 regarding the Homeland Security area, working  
11 to get approval of the Coast Guard by the  
12 end of the year. It's still a work in  
13 progress, and we will be working very closely  
14 with the Coast Guard as the need arises.

15 We look at this as an ongoing  
16 process. There will probably be tweaks and  
17 changes that will have to be made, but we  
18 feel very certain that we will have  
19 everything in place for our properties by the  
20 end of the year, as the Coast Guard has  
21 desired. Unless you have any questions I  
22 will end with that. Thank you.

23 CHAIRMAN VOWELS: Are there any  
24 questions?

25 MS. BOCHNOWSKI: I have a question.

1 Do you think being dock side, does that  
2 impact favorably or unfavorably on your  
3 ability to maintain these safety  
4 requirements?

5 MR. SMITH: Because we still are  
6 capable of moving, we still meet the  
7 category, and this I think is called a  
8 moored vessel, permanently moored vessel,  
9 which meets Coast Guard certification. We  
10 still could get underway, which is what the  
11 Coast Guard can require us to do. So at  
12 this point, no, it hasn't made a difference  
13 as far as the Coast Guard is concerned.

14 CHAIRMAN VOWELS: Anything else?  
15 Thank you.

16 The next matter on the agenda is  
17 disciplinary actions. Miss Brodnan.

18 MS. BRODNAN: The first settlement  
19 agreement pertains to Casino Aztar. Pursuant  
20 to Indiana law and gaming regulations a  
21 person under the age of 21 should not be  
22 present on a riverboat.

23 On or about February 23rd, 2003, a 16  
24 year old boarded Casino Aztar without being  
25 asked for identification. Aztar employees

1 became aware of the minor's presence  
2 approximately ten minutes later, and  
3 subsequently escorted the minor from the  
4 property.

5 Commission staff and Aztar agree that  
6 a sanction be imposed. The Commission staff  
7 recommends and Aztar will agree to pay a  
8 fine in the amount of \$1,500. A settlement  
9 agreement has been executed, and Commission  
10 staff recommends that you approve the  
11 settlement agreement.

12 CHAIRMAN VOWELS: Any questions with  
13 reference to the settlement agreement on the  
14 part of the Commission with regard to Casino  
15 Aztar?

16 Is there a motion to approve or  
17 disapprove the terms of the settlement  
18 agreement?

19 MR. GETTELFINGER: Move to approve.

20 CHAIRMAN VOWELS: Is there a second?

21 MS. ROSE: I will second.

22 CHAIRMAN VOWELS: Any further  
23 discussion?

24 All in favor say aye.

25 COMMISSIONERS: Aye.



1 CHAIRMAN VOWELS: Show it is  
2 approved.

3 And the other matter that you have?

4 MS. BRODNAN: Pursuant to Indiana  
5 gaming regulations, riverboat licensees must  
6 inform Commission agents on property when an  
7 occupational licensee's employment is  
8 terminated, suspended, on a leave of absence,  
9 or transferred to another position. The  
10 information must be submitted to the  
11 Commission within 15 days of the occurrence  
12 of the change or action.

13 Commission staff was notified of two  
14 incidents where Trump failed to provide  
15 notification of employee changes. The first  
16 incident involved an employee whose  
17 occupational license expired while they were  
18 on medical leave. The employee was  
19 terminated later and the Commission was  
20 notified of that. However, she was  
21 reinstated, but that was not conveyed to the  
22 Commission agents. The employee did not  
23 renew her gaming badge and worked for  
24 approximately three months with an expired  
25 badge.

1           The second incident involved an  
2 employee who was terminated for license  
3 compliance. The termination information was  
4 conveyed to the Commission agents on the  
5 property, but approximately six months later  
6 it was discovered that the paperwork referred  
7 to the wrong employee. As a result, an  
8 employee worked for approximately six months  
9 while appearing as an inactive employee in  
10 the Commission's database.

11           The Commission staff and Trump agree  
12 that a sanction be imposed. Commission staff  
13 recommends and Trump will agree to pay a  
14 fine in the amount of \$1500. A settlement  
15 agreement has been executed, and Commission  
16 staff recommends that you approve the terms  
17 of that agreement. A representative of Trump  
18 is here if you have any other questions  
19 about this matter.

20           CHAIRMAN VOWELS: Are there any  
21 questions? In reference to this settlement  
22 agreement is there a motion to approve or  
23 disapprove the terms of the agreement?

24           MR. GETTELFINGER: I move to approve.

25           CHAIRMAN VOWELS: Is there a second?

1 MS. ROSE: I will second.

2 CHAIRMAN VOWELS: Any further  
3 discussion?

4 All in favor say aye.

5 COMMISSIONERS: Aye.

6 CHAIRMAN VOWELS: Show it is  
7 approved.

8 And then next on the agenda is Miss  
9 Chelf, concerning the Rising Sun development  
10 agreement.

11 MS. CHELF: Resolution 2003-35 is  
12 concerning the Fourth Amendment to the  
13 Project Agreement between the City of Rising  
14 Sun and Grand Victoria Casino and Resort.  
15 The project agreement was originally entered  
16 into prior to the opening of Grand Victoria  
17 in 1994, maybe. That agreement was also  
18 made a part of the Certificate of Suitability  
19 issued to Grand Victoria. Victor Sayers  
20 (sic) and Kay Fleming, representing the City  
21 of Rising Sun, are here if you have  
22 questions about the contents of the Fourth  
23 Amendment.

24 CHAIRMAN VOWELS: Why don't the two  
25 attorneys come on up, Miss Fleming and Mr.

1 Sayers.

2 MR. SAYERS: I'm an architect not an  
3 attorney.

4 CHAIRMAN VOWELS: It seems you've  
5 gone through mediation a couple of times.

6 MS. FLEMING: Twice.

7 CHAIRMAN VOWELS: How is the  
8 relationship between the city and Grand  
9 Victoria now? Is it a strained or a good  
10 relationship?

11 MR. SAYERS: The relationship between  
12 the city and the boat, I think, has always  
13 been good on this particular topic. The  
14 relationship between the city and Grand  
15 Victoria is solid and will continue to be.

16 MS. FLEMING: The city and  
17 representatives from the riverboat did work  
18 together on releases, and there will be a  
19 press conference this week, so they are  
20 continuing to get along well together.

21 CHAIRMAN VOWELS: Thank you.  
22 Resolution 2003-35 is a resolution concerning  
23 the Fourth Amendment to the project agreement  
24 by and between the City of Rising Sun and  
25 Grand Victoria Casino and Resort. Is there

1 a motion to approve the request or deny the  
2 request to approve the agreement?

3 MS. BOCHNOWSKI: I move we grant this  
4 request.

5 CHAIRMAN VOWELS: Is there a second?

6 MS. ROSE: I will second.

7 CHAIRMAN VOWELS: Any further  
8 discussion?

9 All in favor say aye.

10 COMMISSIONERS: Aye.

11 CHAIRMAN VOWELS: Show it is granted.

12 It appears that we have run out of  
13 everything on the agenda. There is a item  
14 we need to go back to.

15 We received a fax from the clerk of  
16 Orange County.

17 MR. LAWRENCE: We have received a fax  
18 from the clerk of Orange County. It is  
19 dated today.

20 There was some confusion regarding  
21 the referendum being placed on the ballot for  
22 the November election. The question  
23 concerning the riverboats being placed on the  
24 ballot must be in the office by August 1,  
25 2003. The money needed to conduct the

1 special election is not due in the clerk's  
2 office by August 1, 2003, and to my  
3 knowledge there has not been a deadline set.  
4 I apologize for the misunderstanding  
5 concerning this issue.

6 So, in essence, the question is to be  
7 certified by August 1, but it is not  
8 necessary that the money be in the clerk's  
9 office by August 1. That's the only thing  
10 that has changed from earlier.

11 On a practical matter, the clerk felt  
12 that if she certified it she was doing  
13 something that was going to cost money, so  
14 she felt she ought to have the money in  
15 hand. She was concerned about there not  
16 being an applicant come forward to pay for  
17 the election. That was her real concern.  
18 She has since had some discussions with  
19 attorneys and other folks in Orange County,  
20 and they have advised her that the election  
21 board could decertify the question. If no  
22 applicant came forward by the time specified  
23 by the Commission to pay for the election,  
24 then the question would be decertified.

25 Therefore, we are recommending that

1 we do not have to establish that date prior  
2 to August 1st. So the public interested  
3 parties may have a little bit more time to  
4 do due diligence, and not fork out \$50,000  
5 and rush through this.

6 We still feel this needs to be a two  
7 step process however, because the  
8 applications are going to have a lot of  
9 information required on there, of how they  
10 are going to operate, how they are going to  
11 fund, and how they are going to do the  
12 various things. So we feel that they will  
13 probably need to be -- let's see, two months  
14 -- let me look at a calendar. Let me see,  
15 September 12th through -- anywhere between  
16 the date of September 12th and September  
17 19th, I believe.

18 CHAIRMAN VOWELS: So what you're  
19 saying is we will know who the applicants  
20 are by September 19th?

21 MR. LAWRENCE: I think that would be  
22 adequate.

23 CHAIRMAN VOWELS: So how should we  
24 proceed with this?

25 MS. DEAN: I believe Resolution

1 2003-22, section 5, adopts a deadline for  
2 filing. The Commission would need to go in  
3 and change that date from July 25, 2003 to  
4 September 19, 2003.

5 MS. BOCHNOWSKI: I will make that  
6 motion.

7 CHAIRMAN VOWELS: Is there a second?

8 MR. GETTELFINGER: I will second.

9 CHAIRMAN VOWELS: Any further  
10 discussion?

11 All in favor say aye.

12 COMMISSIONERS: Aye.

13 CHAIRMAN VOWELS: Show the resolution  
14 is approved.

15 MS. DEAN: I would also suggest that  
16 the Commission vote to amend Resolution  
17 2003-22, to strike the dates referring to  
18 payment having to be made by August 1st,  
19 2003, and that payment should be made as  
20 directed by Orange County election officials.

21 MS. BOCHNOWSKI: I will make that  
22 motion, what she said.

23 CHAIRMAN VOWELS: Do we have a  
24 second?

25 MS. ROSE: I will second.



1 CHAIRMAN VOWELS: Any further  
2 discussions?

3 All in favor say aye.

4 COMMISSIONERS: Aye.

5 CHAIRMAN VOWELS: Show that  
6 Resolution 2003-22 as amended is now  
7 approved.

8 Before we adjourn I would like to  
9 take notice that Billy Hamilton has been a  
10 deputy executive director for a while, and he  
11 has informed us that he is going to retire  
12 as of the 15th of August.

13 Would you like to say anything?

14 MR. HAMILTON: It's really been an  
15 experience I will never forget.

16 CHAIRMAN VOWELS: It's been a real  
17 pleasure working with you.

18 I think we're finished. Is there a  
19 motion to adjourn?

20 MR. GETTELFINGER: So moved.

21 CHAIRMAN VOWELS: Is there a second?

22 MS. ROSE: I will second.

23 CHAIRMAN VOWELS: Any discussion?

24 All in favor say aye.

25 COMMISSIONERS: Aye.

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CHAIRMAN VOWELS: This meeting is  
adjourned. The next meeting will be  
September 12th at the same time, down at  
Caesar's.

1 STATE OF INDIANA

2 SS:

3 COUNTY OF MARION

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

12 I do further certify that I am a  
13 disinterested person in this cause of action;  
14 that I am not a relative or attorney of  
15 either party, or otherwise interested in the  
16 event of this action, and am not in the  
17 employ of the attorneys for either party.

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IN WITNESS WHEREOF, I have hereunto  
set my hand and affixed my notarial seal  
this 8th day of August, 2003.

*Peggy Morgan*

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Peggy Morgan, Notary Public

My Commission Expires:

December 16, 2006

County of Residence:

Hendricks