

INDIANA GAMING COMMISSION
BUSINESS MEETING
August 05, 2004

The proceedings of the above-mentioned and foregoing matter taken pursuant to notice as to the time and place and pursuant to the statutes of the State of Indiana, typed by Faith M. Bennewate, court reporter and Notary Public within and for the County of Lake, State of Indiana, at the Indiana welcome Center, 7770 Corinne Drive, Hammond, Indiana, on the 5th day of August, 2004.

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A P P E A R A N C E S

INDIANA GAMING COMMISSION BOARD:

DONALD VOWELS,
Chairman;

GLENN R. LAWRENCE,
Executive Director;

JIM OSBORN,
Deputy Director;

ANN BOCHNOWSKI,
Member of the Board;

THOMAS MILCAREK,
Member of the Board;

I. MAURICE NDUKWU,
Member of the Board;

JIM OSBURN,
CHIEF LEGAL COUNSEL.

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A P P E A R A N C E S

ALSO PRESENT:

SUSAN C. BRODNAN,
Deputy Chief Counsel;

CATHERINE E. HOOD,
Staff Attorney;

PHILLIP C. PARENTI;
Harrah's Entertainment, Inc;

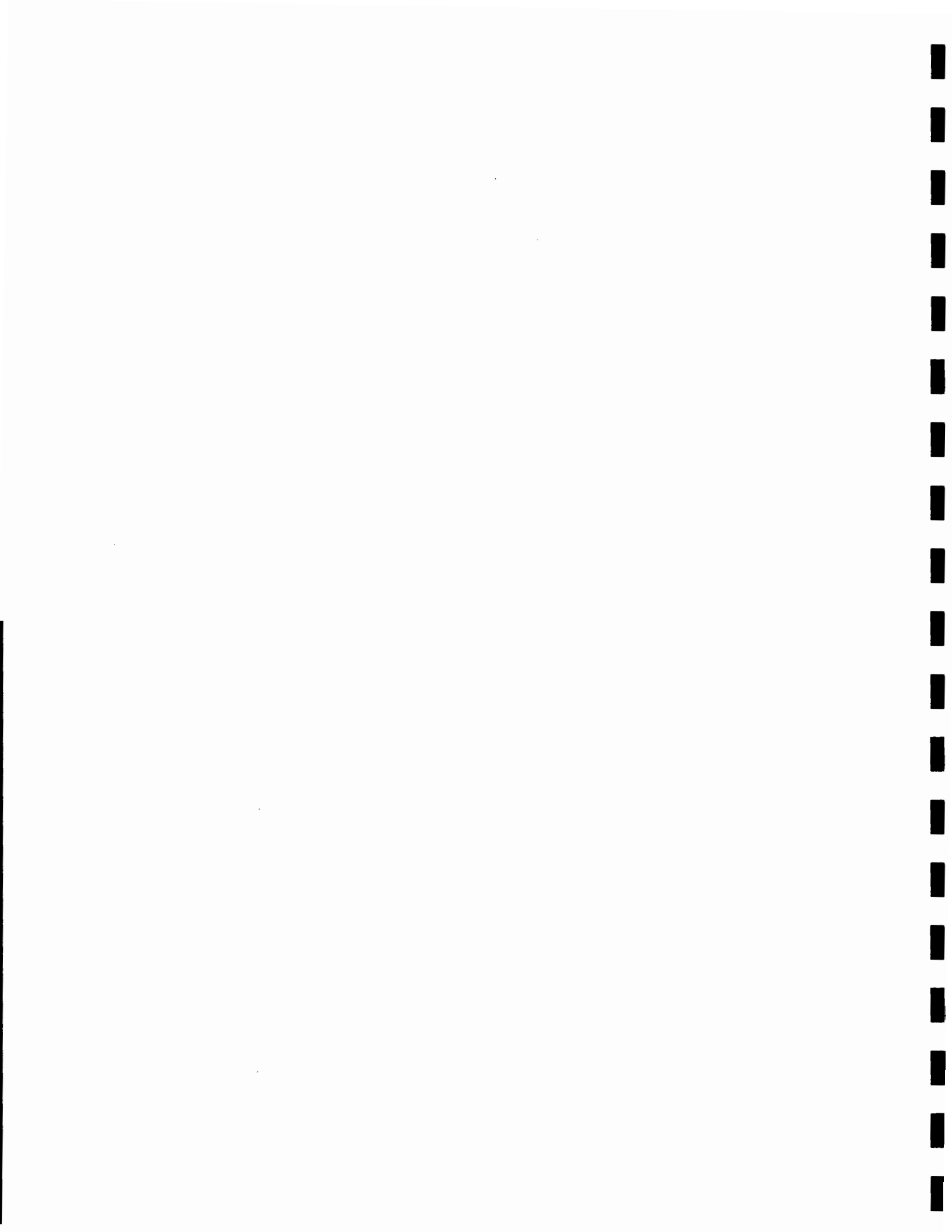
KAY FLEMING,
Ice Miller Legal & Business Advisors;

JAMES E. BUTLER,
Argosy Gaming Company;

ERIN WILLIAMS,
Argosy Gaming Company;

DONNA NEGROTTO,
Pinnacle Entertainment;

RONALD D. GIFFORD,
Baker & Davis.



1 MR. VOWELS: We'll go ahead and call the
2 meeting to order. We have a quorum for the
3 Commission. And the first matter on the agenda
4 then deals with the minutes from the April 30,
5 2004 meeting. We've all had an opportunity to
6 review these minutes. Is there a motion in
7 reference to them?

8 MS. BOCHNOWSKI: Move to approve.

9 MR. VOWELS: Is there a second?

10 MR. NDUKWU: Second.

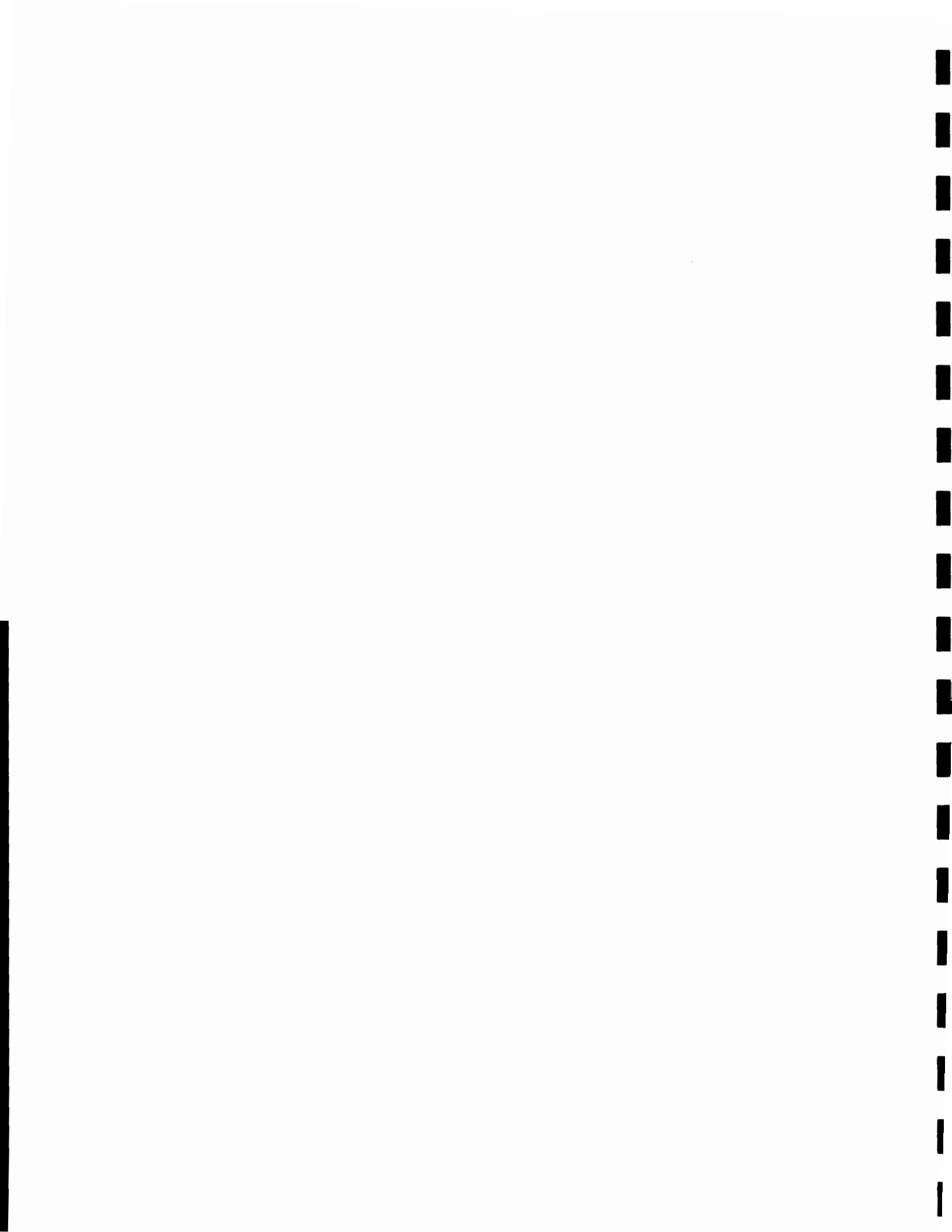
11 MR. VOWELS: Any further discussion?

12 All those in favor say aye.

13 ALL: Aye.

14 MR. VOWELS: They are approved. And the
15 next matter on the agenda is to the Executive
16 Director. That would be you, Mr. Lawrence.

17 MR. LAWRENCE: Thank you, Mr. Chairman.
18 Since the last meeting, I granted the following
19 waivers: Harrah's was granted a waiver of
20 requirement to notify the Commission of intent to
21 destroy duplicate records. Blue Chip and
22 Caesar's were granted waivers of the requirement
23 to conduct hard drops once every four days. This
24 is happening in all the casinos now because of
25 the ticket in/ticket out. They're doing away

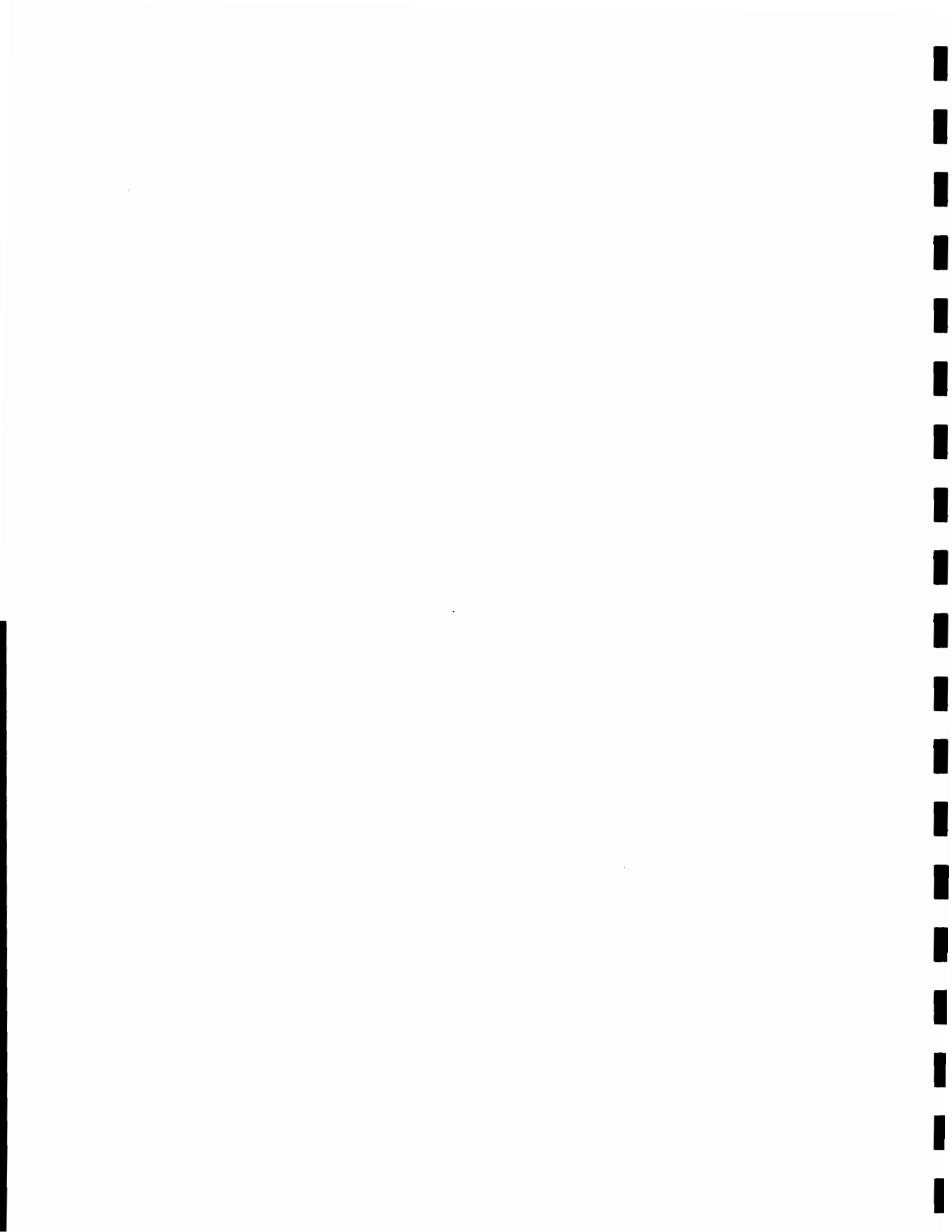


1 with that. Waiver was granted to Aztar,
2 Belterra, and Trump requirement to display a drop
3 door, how many times a drop door that day had
4 been opened. Harrah's was granted a waiver to
5 use Pai-Gow dice which does not meet the size
6 specification as required and all the rules.
7 Aztar, we granted a waiver of requirement that
8 cage cashiers sign pouch pot slips which is less
9 than large amounts. Horseshoe was granted a
10 waiver to allow the cashing of third-party checks
11 written by Harrah's and its affiliates. We had
12 previously denied this. Since now that they own
13 both facilities, it's okay to cash their
14 employees at the two sites or other properties
15 can now cash company checks at the other
16 facilities. Aztar was granted a waiver of
17 requirement for the security escalation of manual
18 jackpot payouts \$.02 slot machine and manual
19 jackpots under 200,000. My waiver report
20 concerns Horseshoe and resolution on April 30,
21 2004 with Commission to adopt Resolution 2004-31
22 approving Harrah's request to acquire Horseshoe.
23 A paragraph was added to the resolution to
24 request that each property will be responsible
25 for maintaining WBE, MBE purchasing goals. That



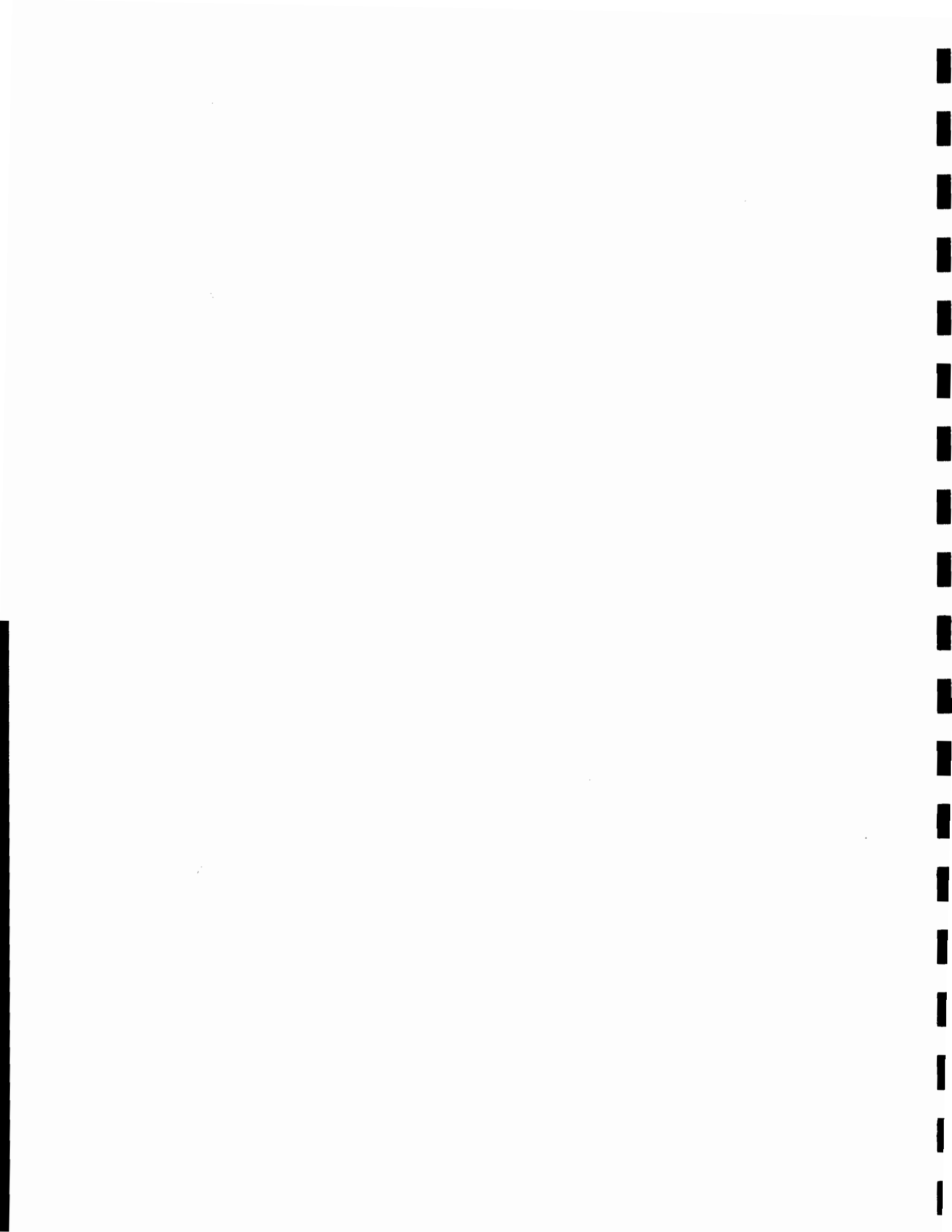
1 and was brought up during the discussion and
2 requirements of control that they had to comply
3 with. Just didn't have that in the resolution at
4 the time but it is on the record. Relative to a
5 correction of the Paul-Son Resolution on April 30
6 although the Resolution 2004-20 approved the
7 request of Paul-Son Gaming Corporation to change
8 name of the supplier licensee. Resolution
9 reflected the new name to be Gaming Partners
10 International Corporation. And in actuality, the
11 name should be Gaming Partners International USA
12 Incorporated. And the correction will reflect
13 that in the resolution.

14 Next on my agenda is Belterra requested
15 previously pursuant to Settlement Agreement
16 02-BT-03. The Commission approved that on July
17 29 and Pinnacle was to complete construction of a
18 300 guest room tower at Belterra property within
19 two years. We required them to post a \$5 million
20 bond in escrow pending the completion of the
21 project. Upon completion within the requisite
22 period of time, the \$5 million and any interest
23 on the account was to be paid automatically to
24 Pinnacle. They completed the construction.
25 Staff went down there and toured the facility to



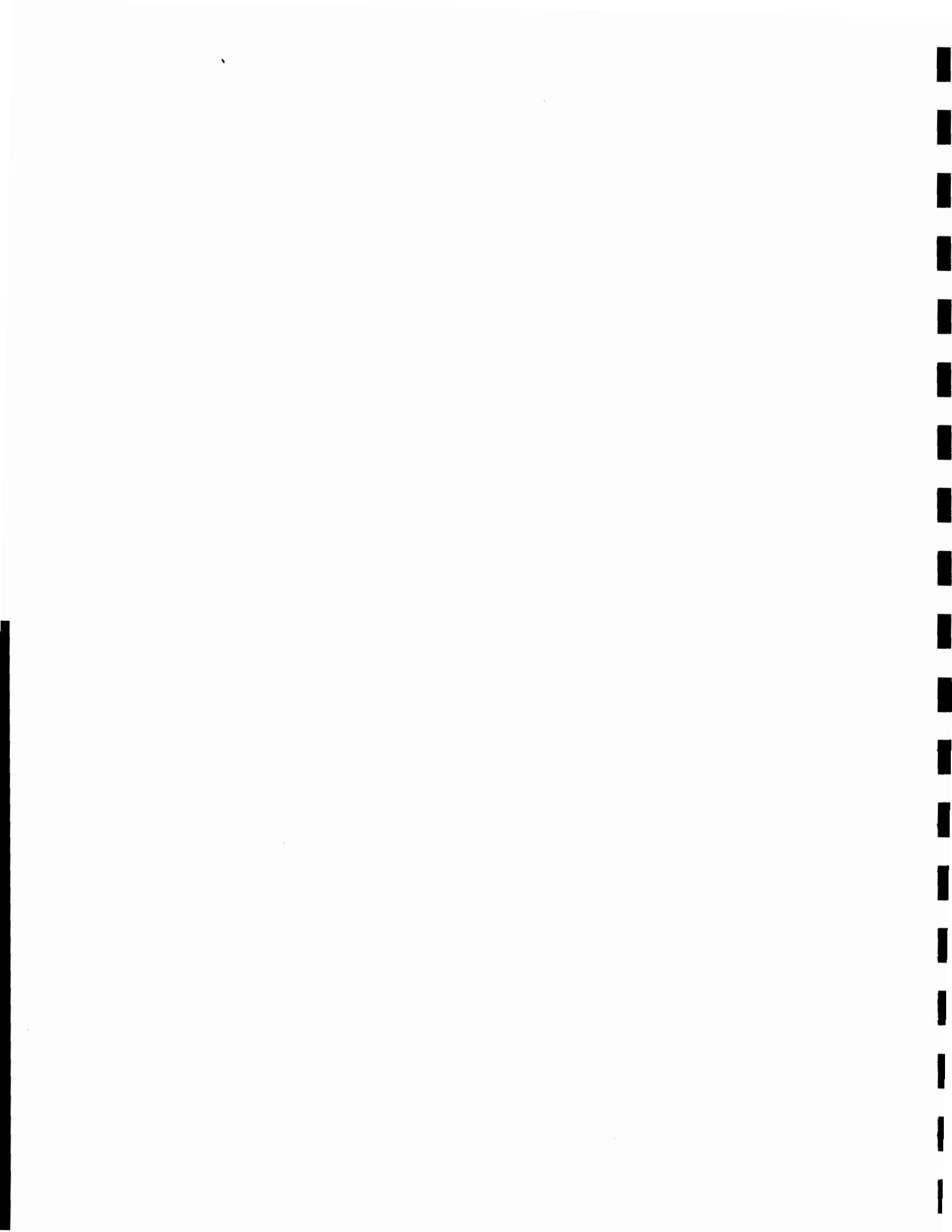
1 ensure that the property was substantially
2 complete. It was at that time except for a fence
3 around the pool. And so the Executive Director
4 advised Pinnacle that they would be allowed to
5 release the money. And I so advised the escrow
6 agent.

7 Finally -- two other things. In my report,
8 Commissioner Dale Gettelfinger has submitted his
9 resignation to the Governor which has been
10 accepted as was previously noted in a number of
11 the meetings prior to our French Lick application
12 process. Mr. Gettelfinger has associated with
13 Trump and its properties and that's why he
14 removed himself from the deliberations of the
15 applications in Orange County. Upon the
16 Commission choosing Trump, Mr. Gettelfinger felt
17 therefore it was a violation of ethics for him to
18 continue on the Commission because he would be
19 making determinations of various things which
20 might impact other casinos or Trump. And
21 therefore, he felt it was necessary for him to
22 resign. His resignation was effective the 21st
23 of last month. Governor's office is in the
24 process with me of searching out a new
25 commissioner. By statute it has to be someone



1 from the River County and a CPA. And that is
2 taking us a period of time. But we are
3 diligently looking.

4 Finally, I wanted to update you on Argosy's
5 plans. I think I advised you that Argosy entered
6 into an agreement with the City of Lawrenceburg.
7 You probably saw it in the newspapers. I think I
8 may have emailed you some articles. Argosy and
9 the City of Lawrenceburg have changed their local
10 agreement and whereby the City has agreed to
11 allow \$5 million per year rebate from fees paid
12 to the City over a period of ten years. These
13 fees -- rebates are conditional upon their making
14 a certain amount of win and AGR but also their
15 commitment to utilize that money for capital
16 improvement expansion. Their first expansion is
17 -- right at the moment they're still in flux and
18 still considering a lot of things but they are
19 looking at a facility for permission of gaming
20 space including furniture fixtures, equipment,
21 parking hotel, other amenities directly
22 associated with a first-class hotel. Their first
23 potential operation is to put a new facility
24 between land and the boat to house additional
25 restaurants and things like that so they can move



1 some of the things off the existing vessel so
2 they can put in more gaming devices then looking
3 at a new parking garage and hotel and conference
4 center. They anticipate over the next ten years
5 at least to be spending somewhere between 125 to
6 150 million dollars.

7 That is my -- is that on now? If you need
8 it on. Can you check it.

9 MR. VOWELS: Ms. Arnold, something you
10 would address.

11 MS. ARNOLD: Thank you, Mr. Chairman. I
12 would like to give a quick update on the French
13 Lick Project. Trump continues to update staff on
14 financing issues. I take that all back.

15 MR. LAWRENCE: She's not ready.

16 MS. ARNOLD: I would really like to give
17 a report on the Voluntary Inclusion Program.

18 MR. VOWELS: That's why I could see you
19 were --

20 MS. ARNOLD: Yes, I was.

21 MR. VOWELS: Go ahead.

22 MS. ARNOLD: We started it on July 1st.
23 We've hired a full-time employee to conduct that
24 program. So far in just a little over a month,
25 73 people have enrolled. I called Angie Button,



1 the program coordinator, she has ten more
2 applications waiting on her desk. Currently the
3 male/female ratio is 50/50. Almost 50 percent of
4 the people have signed up for the lifetime
5 option. And 42 percent are from Indiana, 35
6 percent are from Illinois, and the rest are from
7 Kentucky and Ohio. And as you know, this program
8 allows a person to go to a riverboat casino or
9 IGC office in Indianapolis and sign up to be
10 barred from the boats for one year, five years,
11 or life. If you have any questions, I will be
12 glad to try and answer them.

13 MR. VOWELS: So how many people have
14 requested being barred?

15 MS. ARNOLD: 73 so far.

16 MR. VOWELS: And when did you start
17 this?

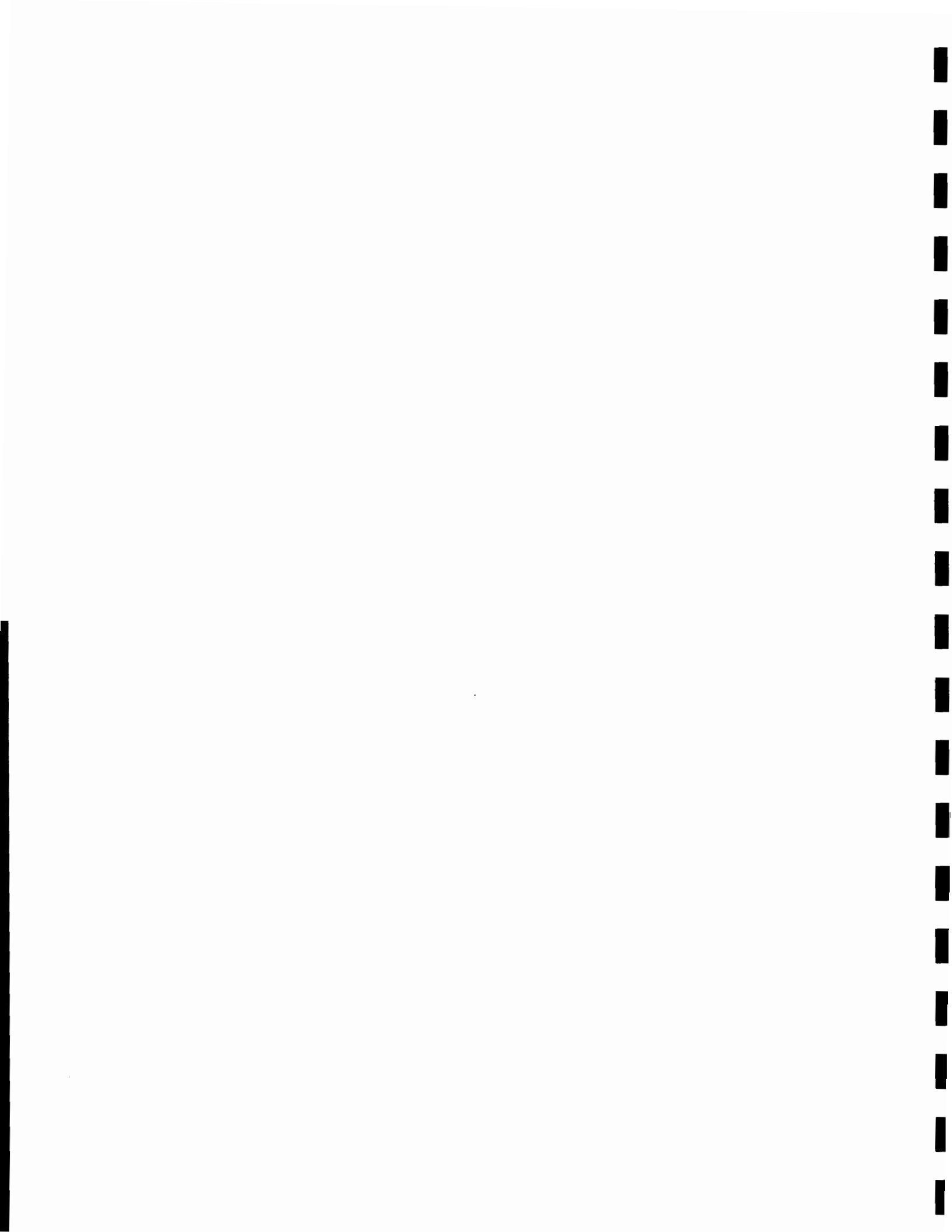
18 MS. ARNOLD: July 1st.

19 MR. LAWRENCE: That's 73.

20 MR. VOWELS: In less than a month.

21 MR. MILCAREK: what if you did have a
22 list of people. what's to prevent them from
23 signing up and still going?

24 MS. ARNOLD: If they're detected at the
25 casino they'll be asked to leave, they could be



1 arrested at that time. It's more likely though
2 that they wouldn't be arrested until such time
3 that they had gone back and violated the program
4 several times.

5 MR. VOWELS: So they could be charged
6 with trespassing second time around?

7 MS. ARNOLD: Yes.

8 MR. LAWRENCE: Unless they forfeit all
9 winnings.

10 MR. VOWELS: Thank you. Any questions
11 for Mr. Lawrence on his report?

12 MR. LAWRENCE: Thank you, Mr. Chairman.

13 MR. VOWELS: Anything further?

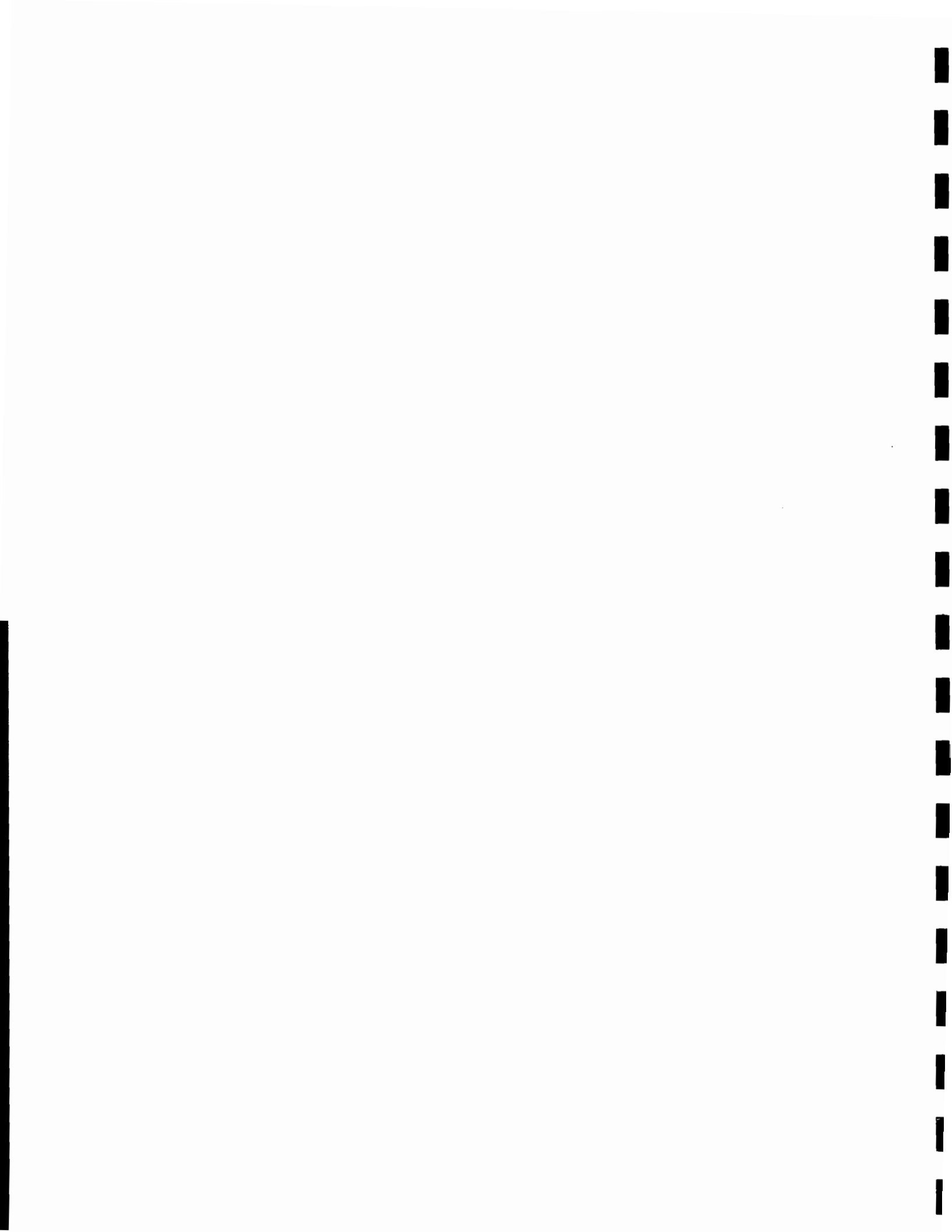
14 MS. ARNOLD: No.

15 MR. VOWELS: And then we have old
16 business. Any old business? Then under new
17 business we'll move in to. Mr. Lawrence, do we
18 have the Orange County update and Resolution
19 2004-34.

20 MR. LAWRENCE: Yes. Ms. Arnold will do
21 the update of Orange County and then she will do
22 the resolution.

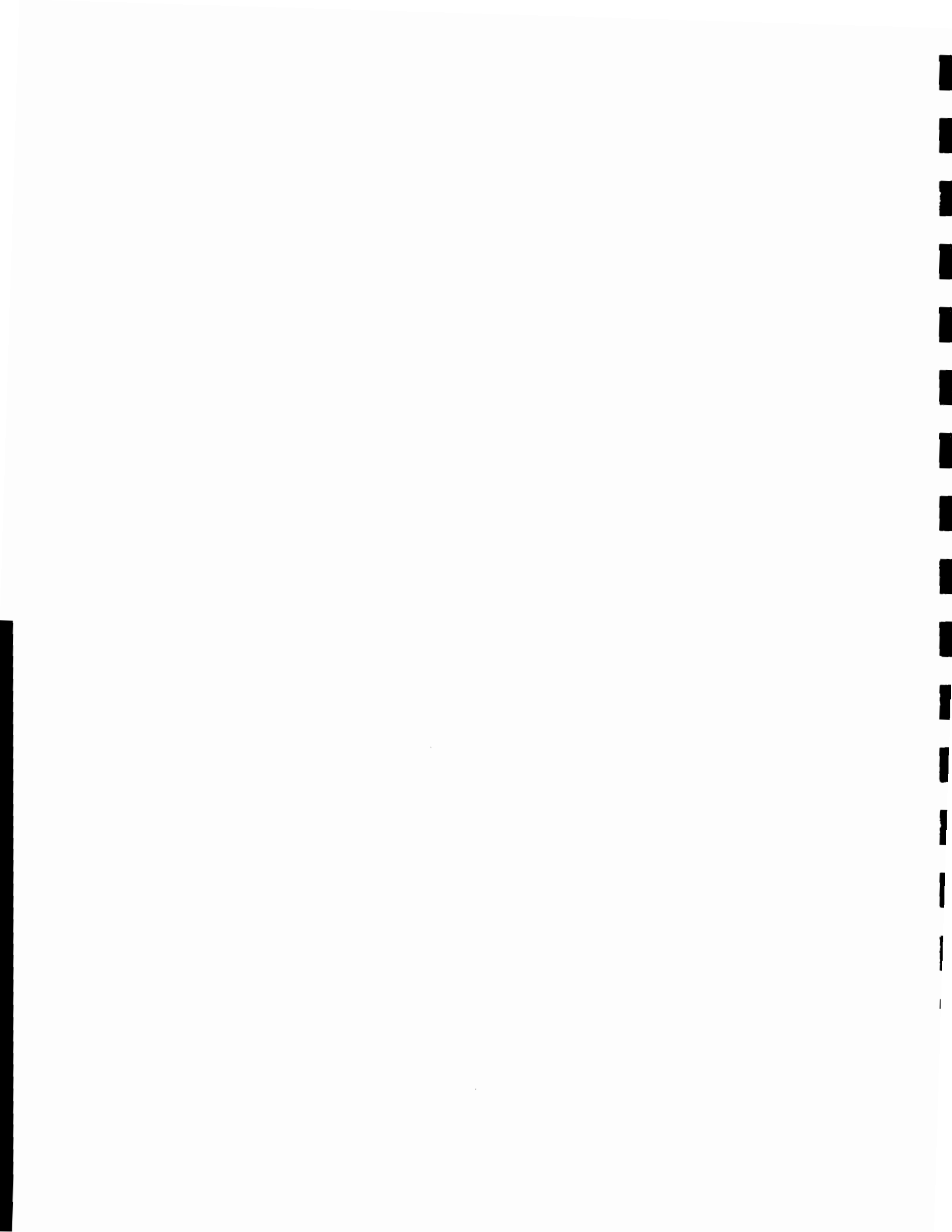
23 MR. VOWELS: We have Resolution 2004-34.

24 MR. LAWRENCE: She is going to give you
25 an update on what has been done since she met at



1 (inaudible).

2 MS. ARNOLD: Trump has continued to
3 update us on their financing issues. Commission
4 staff has forwarded Trump a draft contract for
5 review and comment. And we are prepared to begin
6 negotiations at this time. We've also been
7 working with local representatives as they work
8 to finalize their local agreement. Once the
9 survey of the site is done, IGC staff will
10 accompany the business assistance team or that in
11 an on-site review of the proposed project. That
12 concept is a recent initiative by Governor Hernin
13 to make permitting issues more efficient and
14 expeditious. It will assist companies with state
15 permitting and it will include representatives
16 who are actually decision makers from Indiana
17 Department of Environmental Management,
18 Department of Transportation, and Department of
19 Commerce, Department of Natural Resources
20 including the Historic Preservation Board and the
21 State Fire Marshall's Office. It's our
22 understanding that (inaudible) and Trump are
23 currently working to get that survey done so we
24 have the exact site for the proposed project and
25 by our next meeting we hope to report there's



1 been a ground breaking.

2 MR. LAWRENCE: Now, Mr. Chairman, you
3 have in front of you Resolution 2004-34. This is
4 a resolution concerning granting Executive
5 Director to negotiate and execute the Orange
6 County Operating Agent contract. As you are
7 aware, statute provides that Executive Director
8 may enter into contract; however, the new statute
9 also says that the Commission shall approve
10 contracts with an operating agent. Basically
11 Resolution 2004-34 gives us a process whereby we
12 are proposing -- staff is proposing that the
13 Executive Director, the Chair of the Commission,
14 and an Attorney Member of the Commission review
15 the contract. As Ms. Arnold said, we are in the
16 process of negotiating with Trump and the
17 provision of these contracts. What we feel would
18 be the best process because if your next meeting
19 is in October and the next meeting after that is
20 in December, we don't know whether we will be
21 able to finish the contract before October. We
22 hope certainly that we are, but it might not be
23 until December or October meeting. And so to
24 assist staff and knowing what the Commission's
25 wishes are, we propose this resolution which



1 would have you, Executive Director, and an
2 Attorney Member of the Commission, review the
3 contract and give us advice as to any changes,
4 modifications you would like to see. And then
5 authorize me to execute the contract.

6 MR. VOWELS: And then the contract will
7 be subject to final approval from the commission?

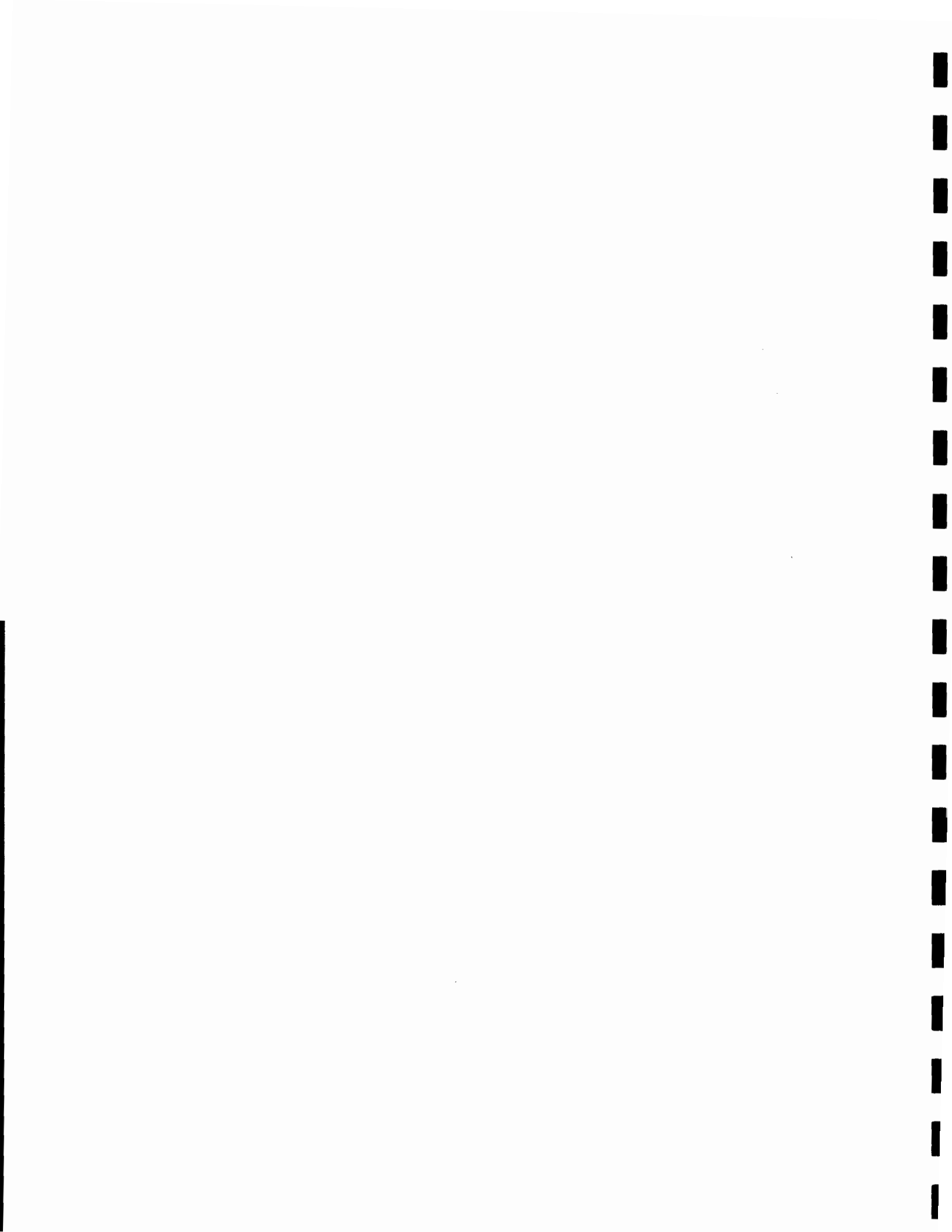
8 MR. LAWRENCE: Yes. It has to go
9 through the Department of Administration,
10 Attorney General, and State. Yet during that
11 period of time, it will be ratified.

12 MR. VOWELS: Paragraph three of the
13 resolution, there's a sentence, the Executive
14 Director must discuss the proposed contract to
15 Commission, the Chair, and other Commissioner who
16 is an attorney. To clarify, that means the two
17 commissioners being the chair and another
18 commissioner who is an attorney rather than four
19 commissioners.

20 MR. LAWRENCE: Yes. The Chairman
21 doesn't have to be an attorney just so long as
22 there is an attorney.

23 MR. VOWELS: But still there would have
24 to be a commissioner.

25 MR. LAWRENCE: Besides you.



1 MR. VOWELS: I got it. Okay. In
2 reference to that particular sentence there that
3 just means when it says propose contract with two
4 commissioners comma --

5 MR. LAWRENCE: The chair and another
6 commissioner who is an attorney.

7 MR. VOWELS: Right. Okay. When you
8 read it sounds like four commissioners.

9 MR. LAWRENCE: No.

10 MR. VOWELS: Any questions? Is there a
11 motion resolution in reference to this
12 resolution?

13 MS. BOCHNOWSKI: Move to past the
14 resolution.

15 MR. VOWELS: Is there a second?

16 MR. MILCAREK: Second.

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

19 ALL: Aye.

20 MR. VOWELS: Show that it is approved.
21 And the next matter on the agenda is with Ms.
22 Hood, Rule 2004 -- Resolution 2004-35. Good
23 afternoon.

24 MS. WOOD: Good afternoon. Before you
25 is Resolution No. 2004-35 concerned with the



1 promulgation of final rules and rule amendments.
2 You have been provided copies of these proposed
3 rules.

4 Pursuant to the promulgation process,
5 Commission staff conducted a public hearing on
6 July 21, 2004. Notice of the hearing was
7 published in the Indiana Register as well as the
8 Indy Star on June 30th, July 1st, and July 2nd.
9 There were no comments during the hearing. We
10 received one written comment regarding our
11 proposed rule amendments. After careful
12 consideration, Commission staff did not feel that
13 any change to proposed amendments is necessary.
14 Should you vote to adopt these rules the final
15 promulgation process will take several months.
16 The rules will first be forward to the Office of
17 the Attorney General for approval. Should the
18 rules be approved be the Attorney General's
19 office, the rules will then be submitted to the
20 Governor's Office. Should the Governor approve
21 these rules, they will then be forwarded to the
22 Secretary of State for filing and will be
23 considered finalized in 30 days after they are
24 accepted for filing.

25 Commission staff recommends that you adopt



1 Resolution No. 2004-35 regarding these new rules
2 and rule amendments.

3 MR. VOWELS: Any questions for Ms. Hood?
4 Thank you. Resolution 2004-35 which adopts a
5 number of Indiana administrative code rules as
6 final rules. Is there a motion in reference to
7 this resolution?

8 MR. NDUKWU: I move that we adopt the
9 resolution.

10 MR. VOWELS: Is there a second?

11 MS. BOCHNOWSKI: Second.

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

14 ALL: Aye.

15 MR. VOWELS: I know, I'm not going to
16 comment on this being the first presentation.
17 They told me I make fun of people when it's their
18 first presentation. So I'm not going to do it.
19 So there. I don't make fun of them. But then
20 there's Miss Brodnan. The new game approval. Go
21 ahead.

22 MS. BRODNAN: I'm sorry, were you going
23 to make fun of me? You have before you for
24 approval Resolution 2004-36 regarding 3-5-7
25 Poker. Condition approval of the game was



1 granted in November pursuant to Resolution
2 2003-51. Majestic Star Casino sponsored the game
3 and has indicated in writing that it wishes to
4 continue offering the game.

5 Commission staff therefore recommends that
6 you grant permanent approval.

7 MR. VOWELS: All right. Any questions for
8 Miss Brodnan? It appears that we got a number of
9 these through 2004-41 and they all deal with
10 approval of these different games, is that
11 correct?

12 Miss Brodnan: Yes. There are two that
13 are up for permanent approval. And the others
14 are new, up for conditional approval.

15 MR. VOWELS: Do any of the Commissioners
16 have a problem if we just go ahead and let her go
17 through each of those, through Resolution 41, and
18 then we'll vote after that? Is that all right
19 with you?

20 Ms. Brodnan: That's fine.

21 MR. VOWELS: Then go ahead.

22 MS. BRODNAN: Resolution 2004-37 is in
23 regards to the game Deuces Wild Hold 'em Fold
24 'em. Conditional approval was also granted in
25 November pursuant to Resolution 2003-53.



1 Caesar's Indiana was the sponsor boat and
2 indicated in writing they wish to continue
3 offering the game.

4 Commission staff therefore recommends
5 permanent approval.

6 Resolution 2004-38 is in regards to
7 Riverboat Hold 'em Poker. It has been submitted
8 for approval by River Gaming Concepts, LLC.
9 Gaming Laboratory International has reviewed the
10 game and has indicated that it is a variation of
11 the approved game of poker. Caesars Indiana
12 would like to be the sponsor boat for this game
13 and proposed internal control procedures.

14 Players may either place a wager on the
15 value of their hand or the value of their hand
16 versus a fixed pay table. Players receive two
17 cards and use three community cards to form a
18 five card poker hand.

19 Commission staff recommends that you grant
20 a six month conditional approval of this game.

21 Resolution 2004-39 is in regards to the
22 game Double Win Poker which has been submitted
23 for approval by Double Win Poker, Incorporated.
24 GLI has reviewed the game and has indicated that
25 it's a variation of the approved game of poker.



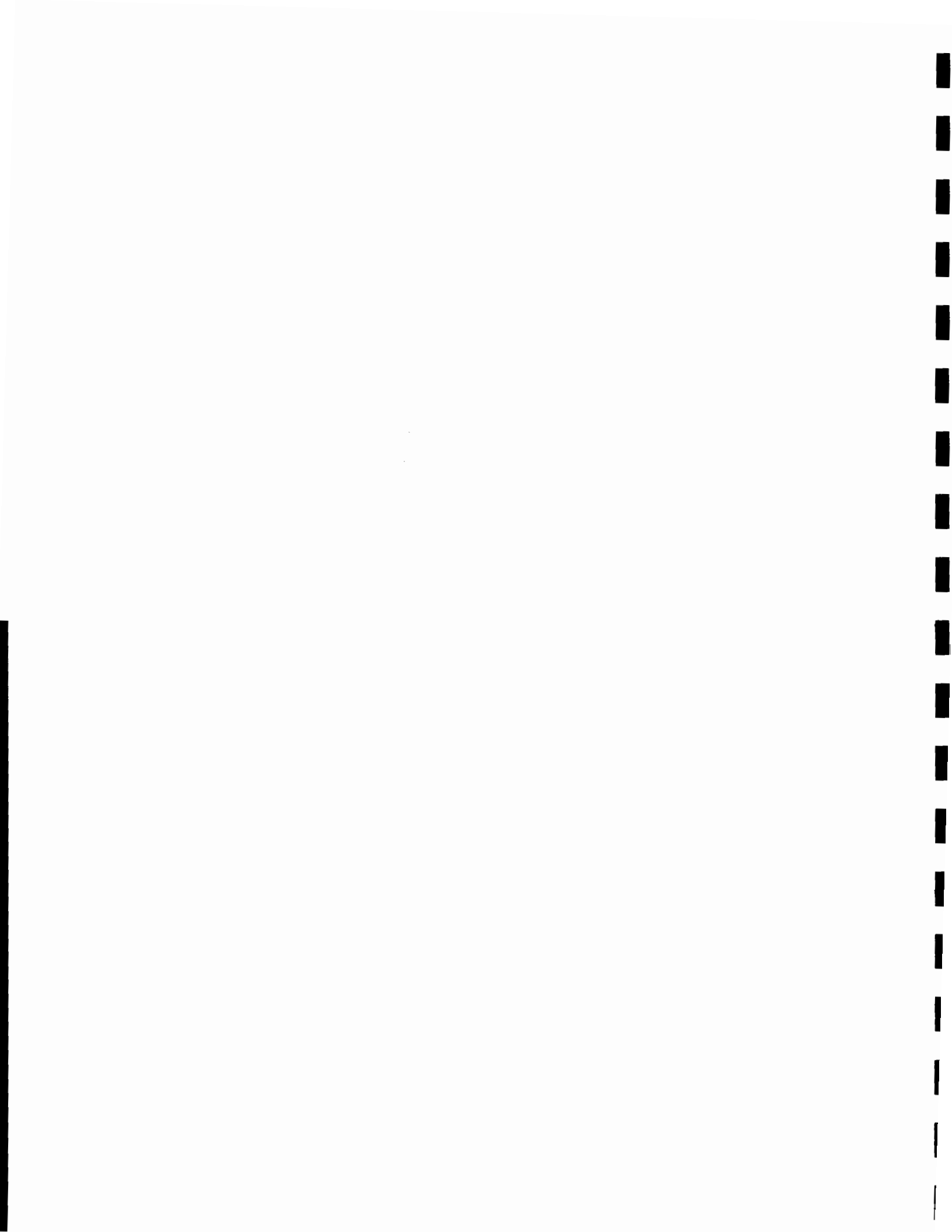
1 Majestic Star Casino has submitted internal
2 control procedures and is the proposed sponsor
3 boat for this game. The game is a variation of
4 standard five card poker with the player having
5 the option to improve his or her hand by buying a
6 common card.

7 The Commission staff recommends that you
8 grant six month conditional approval.

9 Resolution 2004-40 is in regards to Double
10 Attack Blackjack which was submitted for approval
11 by Nu Games. GLI has reviewed the game and has
12 indicated it is a variation of the approved game
13 of blackjack. Trump has indicated it wishes to
14 sponsor the game and has submitted proposed
15 internal control procedures. The game is played
16 with ten point cards being removed from the
17 decks. Players make an ante bet and also have
18 the option of placing two side bets; one that the
19 dealer will bust in three cards, and one that
20 allows the player to increase his or her ante bet
21 after viewing the dealer's first card.

22 Commission staff recommends that you grant six
23 month conditional approval.

24 And the last one, 2004-41 regarding
25 Player's Choice Poker which was submitted by New



1 Vision Gaming. GLI has reviewed the game and
2 indicates it is the variation of the approved
3 game of poker. Grand Victoria Casino has
4 indicated it wishes to sponsor the game and has
5 submitted proposed internal control procedures.
6 The game offers players the opportunity to make
7 up to six wagers to form a variety of different
8 hands; three card, five card, or seven card
9 poker, all with or without jokers. The hands are
10 then compared to a pay table.

11 Commission staff would recommend you grant
12 six month approval of this game.

13 MR. VOWELS: Thank you. Any questions
14 for Miss Brodnan? Thank you. You are still up
15 for occupational license matters. Sit or stand,
16 whatever you would like to do. We're going to
17 move onto this and then come back to you in a
18 moment.

19 Resolution 2004-36 is the approval of the
20 game of 3-5-7 poker. Is there motion -- a motion
21 in reference to this resolution.

22 MR. MILCAREK: Make a motion to approve.

23 MR. VOWELS: Is there a second?

24 MR. NDUKWU: Second.

25 MR. VOWELS: Any further discussion?



1 All those in favor say aye.

2 ALL: Aye.

3 MR. VOWELS: Resolution 2004-36 is
4 approved. Then 2004-37 is the resolution dealing
5 with the approval of the game Deuces wild Hold
6 'em Fold 'em. Is there a motion in reference to
7 this resolution?

8 MS. BOCHNOWSKI: Move to approve.

9 MR. VOWELS: Is there a second?

10 MR. MILCAREK: Second.

11 MR. VOWELS: All those in favor say aye.

12 ALL: Aye.

13 MR. VOWELS: Show Resolution 2004-37 is
14 approved. Then there's 2004-38. Conditional
15 approval of the game of Riverboat Hold 'em Poker.
16 Is there a motion in reference to this
17 resolution?

18 MR. NDUKWU: Move to approve.

19 MR. VOWELS: Is there a second?

20 MR. MILCAREK: Second.

21 MR. VOWELS: Any further discussion?

22 All those in favor say aye.

23 ALL: Aye.

24 MR. VOWELS: Show Resolution 2004-38 is
25 approved. Resolution 2004-39 conditional approval



1 of Double Win Poker. Is there a motion in
2 reference to this resolution?

3 MR. MILCAREK: Move to approve.

4 MR. VOWELS: Is there a second?

5 MR. NDUKWU: Second.

6 MR. VOWELS: Any further discussion?

7 All those in favor say aye.

8 ALL: Aye.

9 MR. VOWELS: Show that it is approved.

10 Resolution 2004-40 is conditional approval of
11 Double Attack Blackjack. Is there a motion in
12 reference to this resolution?

13 MR. NDUKWU: Move to approve.

14 MR. VOWELS: Is there a second?

15 MS. BOCHNOWSKI: Second.

16 MR. VOWELS: Any further discussion?

17 All those in favor say aye.

18 ALL: Aye.

19 MR. VOWELS: Show 2004-40 is approved.

20 2004-41 is a resolution in reference to the
21 conditional approval of the game Players Choice
22 Poker. Is there a motion in reference to this
23 resolution?

24 MR. MILCAREK: Move to approve.

25 MR. VOWELS: Is there a second?



1 MR. NDUKWU: Second.

2 MR. VOWELS: Any further discussion?

3 All those in favor say aye.

4 ALL: Aye.

5 MR. VOWELS: Show they are all approved.

6 Congratulations, Miss Brodnan, we completely

7 followed your recommendations.

8 MS. BRODNAN: Thank you.

9 MR. VOWELS: Let's move on to
10 occupational licenses matters.

11 MS. BRODNAN: The first matter raised is
12 in regards to Frank Taylor. On September 14,
13 1999, Mr. Taylor received a temporary level two
14 license to work as a security officer at
15 Harrah's. Commission staff has since discovered
16 that Mr. Taylor failed to disclose his complete
17 criminal history on his application. He
18 submitted a written statement denying any
19 additional criminal arrests; however, Commission
20 staff obtained fingerprint cards and arrest
21 photos from the arrests that he failed to
22 disclose, which were analyzed by the Indiana
23 State Police and the results revealed that the
24 arrests were in fact for Mr. Taylor. He was
25 interviewed by a commission agent in March and



1 admitted that the arrests pertained to him. His
2 temporary license was revoked on June 8, 2004 due
3 to his failure to disclose his criminal history.
4 you will need to grant or deny his application
5 for permanent license.

6 Commission staff recommends that you deny
7 the application. And if you do so, he will have
8 the opportunity to appeal.

9 MR. VOWELS: Are there any questions for
10 Miss Brodnan in reference to Mr. Taylor? We have
11 in front of us then this commission action
12 revocation of the temporary license denial of the
13 application of an occupational license of Frank
14 Taylor. Is there a motion to deny or approve the
15 application of the occupational license?

16 MR. MILCAREK: Move to deny the
17 application.

18 MR. VOWELS: Is there a second?

19 MR. NDUKWU: Second.

20 MR. VOWELS: Any further discussion?

21 All those in favor say aye.

22 ALL: Aye.

23 MR. VOWELS: Show it is denied. And
24 then next is Jonathan Campbell.

25 MS. BRODNAN: Jonathan Campbell received



1 a level two temporary occupational license on
2 October 8, 2003 to work as cage cashier at
3 Argosy. He disclosed several criminal arrests on
4 his application. Commission staff requested
5 documentation regarding these arrests and sent
6 him three letters requesting this paperwork. Two
7 of the letters were hand delivered to him by a
8 commission agent at Argosy. Mr. Campbell did not
9 submit the requested documentation. Commission
10 staff therefore revoked his temporary
11 occupational license due to failure to provide
12 the information as required by commission
13 regulations. You will need to vote to grant or
14 deny his application.

15 Commission staff recommends that you deny
16 the application. And if you do so, he will have
17 the opportunity for appeal.

18 MR. VOWELS: Any questions for Ms.
19 Brodnan? Is there a motion in reference to
20 Jonathan Campbell to deny or approve the
21 application for an occupational license in
22 revocation to temporary license?

23 MR. NDUKWU: Move to deny.

24 MR. VOWELS: Is there a second?

25 MS. BOCHNOWSKI: Second.



1 MR. VOWELS: Any further discussion?

2 All those in favor say aye.

3 ALL: Aye.

4 MR. VOWELS: Show the application is
5 denied. Miss Brodnan.

6 MS. BRODNAN: On April 21, 2004, Tonya
7 Gardner submitted application and received a
8 level three temporary license to work at Belterra
9 as a cook. On or about June 10, 2004, her
10 employment was terminated after it was determined
11 that she took money from the cash register
12 without authorization. This activity was
13 conducted during the performance of her duty as a
14 cook. Commission staff therefore revoked her
15 temporary license and denied her application for
16 a permanent license. You will need to vote to
17 grant or deny the application.

18 Commission staff recommends that you deny
19 the application. If you do so, she will be able
20 to appeal.

21 MR. VOWELS: Any questions for Ms.
22 Brodnan? Application of occupational license
23 along with revocation of a temporary license of
24 Tonya Gardner.

25 MS. BOCHNOWSKI: Move to deny.



1 MR. VOWELS: Is there a second?

2 MR. NDUKWU: Second.

3 MR. VOWELS: Any further discussion?

4 All those in favor say aye.

5 ALL: Aye.

6 MR. VOWELS: Show that it is denied.

7 And then Mr. Tedesco, is what it says next.

8 MS. BRODNAN: Yes. On or about October
9 21, 2003, Robert Tedesco submitted an application
10 for a level two occupational license to work in
11 hotel operations at Grand Victoria Casino. He
12 disclosed a 1984 misdemeanor conviction on his
13 application. Commission staff requested and Mr.
14 Tedesco submitted more paperwork regarding this
15 conviction. Additional paperwork --

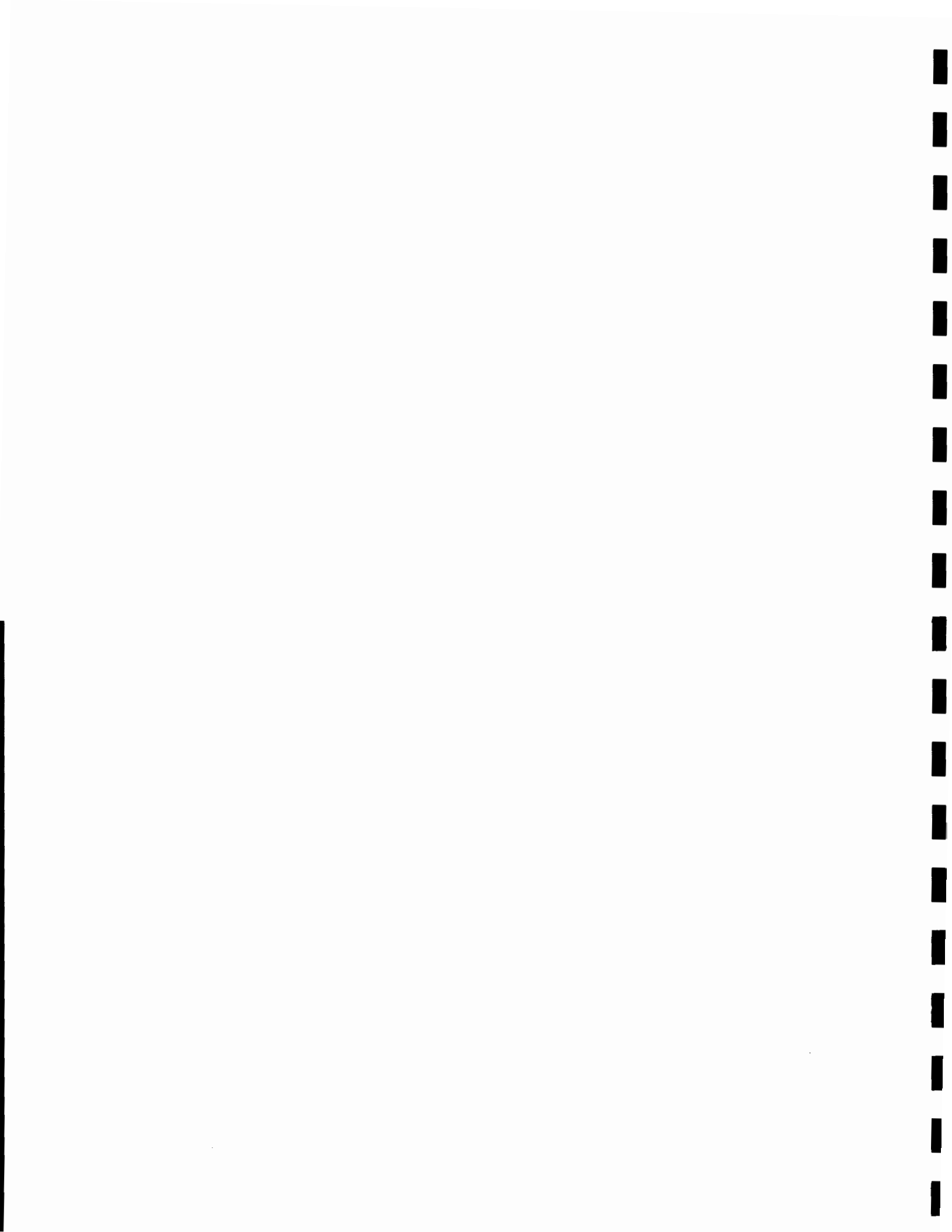
16 MR. VOWELS: You don't have that one?

17 MS. BOCHNOWSKI: No, I don't see it.

18 MS. BODNAN: It should be in your
19 packets that you received today.

20 MR. VOWELS: Go ahead, we'll be all
21 right.

22 MS. BRODNAN: Additional research
23 revealed that due to the punishment that Mr.
24 Tedesco could have received, the conviction would
25 qualify as a felony conviction under law.



1 Pursuant to Indiana Code, his temporary license
2 was revoked on July 28, 2004. On or about July
3 29, he submitted a request for a waiver of the
4 felony disqualification. A hearing was held to
5 conduct his waiver request on August 2nd on the
6 property of the Grand Victoria. I was appointed
7 by the Executive Director to act as the reviewing
8 officer for the hearing and have submitted
9 Written Findings of Fact and Recommendation to
10 you that his request for felony waiver be
11 granted. The paperwork was not contained in the
12 package given to you earlier due to the fact that
13 we held the hearing on Monday. And I just wrote
14 it the other day.

15 Commission staff recommends that you adopt
16 the recommendation and grant his request for a
17 waiver.

18 MR. VOWELS: Okay. I just want to read
19 this. So your recommendation is that his request
20 for waiver be granted.

21 MS. BRODNAN: Yes.

22 MR. VOWELS: Any questions for Ms.
23 Brodnan?

24 MS. BOCHNOWSKI: So he actually did not
25 have a felony conviction, is that correct?



1 MS. BRODNAN: It was in another state.
2 And under that state's law, it was not a felony
3 conviction. But due to the punishment he could
4 have received, we determined that it would be a
5 felony here.

6 MS. BOCHNOWSKI: Okay.

7 MR. VOWELS: Right. But my thought
8 definition of a misdemeanor was anything less
9 than a year. It does look like this could have
10 been up to five years.

11 MS. BRODNAN: Yes.

12 MR. LAWRENCE: It would be under
13 (inaudible).

14 MR. VOWELS: Okay. Whatever.

15 MS. BOCHNOWSKI: Do you have information
16 on that?

17 MR. VOWELS: It was manufacturing
18 marijuana and possession of a controlled
19 substance. That the one you were talking about?

20 MS. BRODNAN: Yes.

21 MR. VOWELS: Another thing that went by
22 the waste side in another state. Battery of
23 which he was acquitted. Which means he got in a
24 fight with somebody and he won the fight so he
25 was the person charged. That's the way it works.



1 Hey, I always like to see acquittals unless it's
2 something on -- and it's morally wrong.

3 MR. MILCAREK: Was the battery more than
4 one instance? Because it has 1998 and 1999.

5 MS. BRODNAN: No. He was not entirely
6 sure of the exact date.

7 MR. VOWELS: He started fighting on New
8 Year's Eve, it went on for a long time. Okay.
9 Anything else on this?

10 MS. BOCHNOWSKI: How old is he now?

11 MS. BRODNAN: He's 40 now and this
12 happened when he was 19.

13 MS. BOCHNOWSKI: If we were to make a
14 motion we would move to -- oh, you can tell us.

15 MR. VOWELS: The recommendation is to
16 grant the waiver and so motion would be either to
17 adopt or reject the recommendation. Is there a
18 motion to adopt or reject those recommendations
19 for the waiver?

20 MS. BOCHNOWSKI: I move to adopt.

21 MR. VOWELS: Is there a second?

22 MR. NDUKWU: Second.

23 MR. VOWELS: Any further discussion?

24 All those in favor say aye.

25 ALL: Aye.



1 MR. VOWELS: Show that it is granted and
2 adopted and waived. And then, Ms. Hood, we're
3 back with you.

4 MS. HOOD: On or about March 17, 2004,
5 Aapri Ilaya Alexander received a level two
6 temporary occupational license to work as a cage
7 cashier at Casino Aztar. And on or about April
8 24, 2004, Ms. Alexander was terminated by the
9 casino after it was discovered she had stolen
10 \$125.00 from her cash drawer. This conduct
11 occurred during the performance of her duty as
12 cage cashier and was recorded by surveillance.
13 Based on Ms. Alexander's theft, commission staff
14 revoked her license on May 14th. Commission
15 staff attempted to formally advise Ms. Alexander
16 of this action by certified letter dated May 14.
17 This letter was returned after several attempts
18 by the post office to deliver it. Commission
19 staff again attempted to advise Ms. Alexander by
20 regular and certified mail dated June 9. Only
21 the certified copy was returned.

22 You'll need to vote to grant or deny her
23 application for an occupational license.

24 Commission staff recommends that you deny
25 the application. If you do deny the application,



1 Ms. Alexander will have the opportunity to
2 appeal.

3 MR. VOWELS: Any questions for Ms.
4 Hood? In front of us we have the revocation of
5 the temporary license and the denial of the
6 application for permanent occupational license of
7 Aapri Alexander. Is there a motion to deny or
8 approve the application for the occupational
9 license?

10 MR. NDUKWU: Move to deny.

11 MR. VOWELS: Is there a second?

12 MS. BOCHNOWSKI: Second.

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

15 ALL: Aye.

16 MR. VOWELS: Show that the application
17 is denied. Then you have Kathleen Sullivan, is
18 that right?

19 MS. HOOD: That's correct. Ms. Kathleen
20 Sullivan received a level two occupational
21 license to work as a dealer at Horseshoe Casino
22 in February of 2004. She obtained her temporary
23 license March 18, 2004. On her application, Ms.
24 Sullivan disclosed a 1996 misdemeanor gambling
25 conviction. Pursuant to Indiana Code, Ms.



1 Sullivan was notified that in order to be
2 eligible to receive a permanent occupational
3 license, she would be required to repeat the
4 misdemeanor gambling waiver process. Ms.
5 Sullivan applied for a waiver of this conviction
6 and a hearing was held on July 21 of this year on
7 the property of the Horseshoe Casino. I acted as
8 the review officer at the hearing and submitted
9 written Findings of Fact and Recommendation to
10 the Commission that Ms. Sullivan's request for
11 misdemeanor gambling waiver be granted.

12 Commission staff recommends that you adopt
13 the recommendation of the review officer.

14 MR. VOWELS: So you came up here on July
15 21?

16 MS. HOOD: That's correct.

17 MR. VOWELS: And weren't you French Lick
18 on July 20?

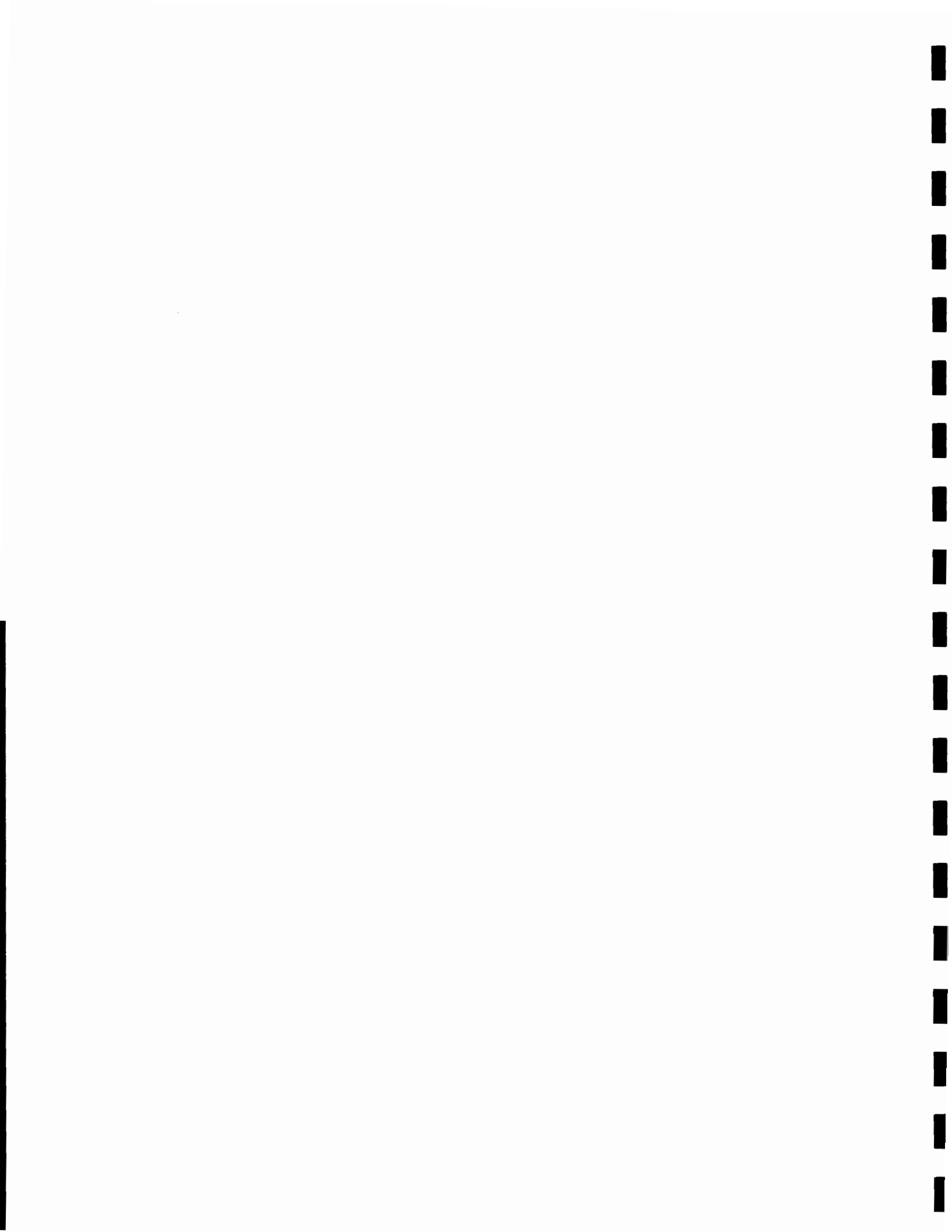
19 MS. HOOD: Yes.

20 MR. VOWELS: You drove all the way from
21 French Lick up here.

22 MS. HOOD: Yes.

23 MR. VOWELS: See, that's why I don't
24 make fun of her.

25 MS. BRODNAN: I was with her, so.



1 MR. VOWELS: So it took two of you?

2 MR. LAWRENCE: Please, yes.

3 MR. VOWELS: Do you have any questions
4 for Ms. Hood in reference to Ms. Sullivan? All
5 right, then in front of us we have the Indiana
6 Game Commission of order concerning the
7 misdemeanor gambling waiver request of Ms.
8 Kathleen Sullivan. The recommendation is to
9 waive -- grant the waiver. Is there a motion to
10 adopt or reject the recommendation?

11 MS. BOCHNOWSKI: I move to adopt the
12 recommendation.

13 MR. VOWELS: Is there a second?

14 MR. MILCAREK: Second.

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

17 ALL: Aye.

18 MR. VOWELS: Show that it is granted.
19 And then you have another.

20 MS. HOOD: Yes. It has come to the
21 attention of the Commission staff in the last
22 year that several occupational licensees who are
23 working as captains have drug and/or alcohol
24 related criminal violations. Indiana gaming
25 regulations state that a captain may not have



1 violated any drug or alcohol statutes in any
2 jurisdiction. Commission began to act on this
3 knowledge soon after receiving it. Indiana
4 gaming regulations allows for the commission to
5 waive this licensing requirement.

6 The next five occupational licensees are
7 captains. Should I begin with the first one?

8 MR. VOWELS: Oh, sure. Go ahead.

9 MS. HOOD: James -- Mr. James Nelick.
10 On or about May 13, 1996, Mr. James Nelick
11 received a temporary level one occupational
12 license to work at Majestic Star Casino as a
13 captain. On or about October 24 of 2003 he
14 received a permanent license. On his application
15 for occupational license, he revealed that he had
16 been convicted of Public Intoxication in 1986 and
17 Driving While Intoxicated in 1987 in the State of
18 Texas. Due to these violations, Mr. Nelick and
19 Commission staff entered into a waiver agreement
20 dated July 22, 2004.

21 Commission staff recommends that you adopt
22 this waiver agreement.

23 MR. VOWELS: Then in reference to Mr.
24 Nelick, are there any questions to Ms. Hood? I
25 don't know if you know this, Ms. Hood or Director



1 Lawrence, what do these captains do since these
2 boats don't move? Do they just have to hang out
3 there?

4 MR. LAWRENCE: They do a lot of
5 technical work keeping the boats up and running.
6 Making sure that in the event tomorrow they are
7 required to sail, they would be in a condition to
8 do so. They do a lot of maintenance work. Keep
9 up on the radar, on charts, changes in
10 navigational rules. It's a very boring job but
11 every time I've been there, they've been busy.

12 MR. VOWELS: I was wondering since the
13 boats don't move. Any questions then on Mr.
14 Nelick?

15 MR. MILCAREK: Is there something in the
16 position that all these captains were charged
17 with alcohol violations wouldn't be doing if a
18 ship was moving?

19 MR. VOWELS: No drinking, no driving
20 then.

21 MS. BOCHNOWSKI: The waiver would be --

22 MR. VOWELS: Yeah. For the arrest
23 referred to for the use of alcohol, illegal drug
24 use. Okay. These all seem to be about the same
25 thing. So do you want to go ahead and allow Ms.



1 Hood to go through all these before we take any
2 action? why don't you go ahead.

3 MS. HOOD: Mr. Robert Henderson. On or
4 about June 6, 1996, Mr. Henderson received a
5 temporary level one occupational license to work
6 for Horseshoe Casino as a captain. And on or
7 about June 7, he received -- June 7 of 2004 -- he
8 received a permanent license. On his application
9 for an occupational license, he revealed he had
10 been convicted of operating a vehicle while
11 intoxicated in 1981 and in 1986 in the State of
12 Florida. Due to these violations, Mr. Henderson
13 and the Commission staff entered into a waiver
14 agreement dated July 19 of 2004.

15 Commission staff recommends that you adopt
16 this waiver agreement.

17 MR. VOWELS: Then you have Mr. Werts who
18 is next.

19 MS. HOOD: On or about April 18, 1997,
20 Mr. Bruce Werts received a temporary level one
21 occupational license to work for Harrah's as a
22 captain. On his application for an occupational
23 license, he revealed that he had been -- that he
24 had been convicted of Driving while Intoxicated
25 in 1980, 1981, and 1990 in the State of Michigan.



1 Due to these violations, Mr. Henderson and the
2 Commission staff entered into a waiver agreement
3 dated July 21 of 2004. Commission staff
4 recommends that you adopt this waiver agreement.

5 MR. VOWELS: And then Mr. Bloom.

6 MS. HOOD: On or about May 13, 1996, Mr.
7 John Bloom received temporary level one
8 occupational license to work at Majestic Star
9 Casino as captain. And or about October 25 of
10 2003 he received a permanent license. On his
11 application for an occupational license, he
12 revealed that he had been convicted of Possession
13 of Marijuana in 1974 in the State of Louisiana.
14 Due to these violations -- violation, Mr. Bloom
15 and Commission staff entered into a waiver
16 agreement dated July 29, 2004. Commission staff
17 recommends that you adopt this waiver agreement.

18 MR. VOWELS: And then Mr. Sweeney.

19 MS. HOOD: On or about October 6, 2000,
20 Mr. Trevor Sweeney received a temporary level one
21 occupational license to work for Belterra Casino
22 as captain. On his application for an
23 occupational license, he revealed he had been
24 convicted of Driving Under the Influence in 1986
25 in the State of Illinois, Public Intoxication in



1 1997, and Operating a Vehicle while Intoxicated
2 in 2002 in the State of Indiana. Due to these
3 violations, Mr. Bloom and the Commission staff
4 entered into a waiver agreement dated July 28,
5 2004.

6 Commission staff recommends that you adopt
7 this waiver agreement.

8 MR. VOWELS: Okay. Any questions then
9 for Ms. Hood on any of these.

10 MS. BOCHNOWSKI: Well, just some of them
11 have several violations not just one. But you
12 felt that when you talked to them that they
13 wouldn't do this while they were driving the boat
14 even if they don't have to drive it, I guess.

15 MS. HOOD: Yes. Commission staff felt
16 confident of their recommendation.

17 MS. BOCHNOWSKI: They understand the
18 problem?

19 MR. VOWELS: The last person, that was
20 in Indiana?

21 MS. HOOD: Yes.

22 MR. VOWELS: I would assume it was a
23 misdemeanor and he's off probation.

24 MS. HOOD: That's right.

25 MR. VOWELS: Was -- do you know if it



1 was a conviction in that 2002?

2 MS. HOOD: I believe that it was.

3 MR. VOWELS: Just as you may know, but
4 in Indiana if you get a conviction within -- of
5 misdemeanor drunk driving within five years after
6 that it's a felony if you get arrested again so.

7 MS. BOCHNOWSKI: So if he were to get
8 arrested it would be a felony?

9 MR. VOWELS: He would be looking close.
10 And some of these others '88, '81 and '90.
11 Possession of marijuana in '74.

12 MS. BOCHNOWSKI: That's okay. I mean,
13 I'm just thinking it seems like it's a lot of
14 time in between. I don't know.

15 MR. LAWRENCE: She didn't say that's
16 okay on the record.

17 MS. BOCHNOWSKI: I can understand
18 somebody in 1974 and today is 2004.

19 MR. VOWELS: I was 16 in 1974 but my
20 understanding was that all adults had to smoke
21 marijuana back in 1974. All right. Okay. Well
22 you have a handle on this. Particularly Mr.
23 Sweeney who has had at least had one recently,
24 there was one back in '86, and public
25 intoxication in '97. But the others seem to be



1 distant.

2 MR. MILCAREK: This Mr. Sweeney bothers
3 me some what. I don't know what to do. He is
4 not going to take the ship out, but there must be
5 a certain amount of importance attached to the
6 job of keeping the ship up and running. If there
7 was an emergency or something, certainly the
8 captain would be crucial in whatever has to be
9 done to evacuate the people or whatever. God
10 forbid that happen.

11 I feel a little bit uncomfortable. That's
12 just two years ago. He's been operating the boat
13 since 2000, and two years later he still doesn't
14 take it quite serious enough. That one is the
15 only one that bothers me.

16 MR. VOWELS: You and Ms. Brodnan both
17 dealt with these, is that right?

18 MR. OSBORN: Mr. Chairman, if I may.
19 All the legal staff looked at these and granted
20 that one prior because it has more problems than
21 others because of the recentness of the offense.
22 But one of the reasons we're all fairly
23 comfortable with this is that we got the ability
24 to revoke immediately if they do offend in any
25 way and they're agreeing to that. So there won't



1 be any challenge with it. If these boats were
2 actually going out into the water, that would be
3 one thing. But since they're not, that combined
4 with the fact that they're already making an
5 agreement that they are going to get revoked
6 gives us some comfort.

7 MR. LAWRENCE: We also have in here
8 random drug testing.

9 MS. BOCHNOWSKI: Okay then.

10 MR. LAWRENCE: And they have agreed to
11 it.

12 MS. BOCHNOWSKI: Does this kind of take
13 care of -- was this kind of a backlog or
14 something that --

15 MS. HOOD: Yes, it was.

16 MS. BOCHNOWSKI: -- that you became
17 aware of.

18 MR. MILCAREK: We all have an impression
19 on our minds of the ferry in New York. And you
20 know, what would happen if something happened
21 would it be --

22 MR. VOWELS: Okay. But the staff feels
23 comfortable with having him. Did you talk to
24 these people face to face?

25 MS. HOOD: I did.



1 MR. VOWELS: Okay.

2 MS. BRODNAN: I'm sorry. These are all
3 level one licenses and the State Police did
4 conduct interviews with them. Pursuant to level
5 one application, we did not speak with them in
6 particular.

7 MR. VOWELS: Someone in your area did.
8 Okay. So we'll go through with these one at a
9 time then. There's a commission order concerning
10 the waiver of Mr. Nelick. Is there a motion in
11 reference to granting or denying that waiver?

12 MS. BOCHNOWSKI: I move to grant the
13 waiver. Right?

14 MR. VOWELS: I think that's what we're
15 supposed to do.

16 MR. VOWELS: Okay. There's a motion to
17 grant waiver. Is there is a second?

18 MR. NDUKWU: Second.

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

21 ALL: Aye.

22 MR. VOWELS: Show that it is granted.
23 And then reference to Mr. Robert Henderson. Is
24 there a motion to grant or deny the waiver?

25 MR. NDUKWU: Move to grant the waiver.



1 MR. VOWELS: Is there a second?

2 MS. BOCHNOWSKI: Second.

3 MR. VOWELS: Any further discussion?

4 All those in favor say aye.

5 ALL: Aye.

6 MR. VOWELS: Show waiver is granted.

7 Next is Mr. Bruce Werth. Is there a motion to
8 grant the waiver of Mr. Bruce Werth?

9 MR. MILCAREK: Move to grant.

10 MR. VOWELS: Is there a second?

11 MR. NDUKWU: Second.

12 MR. VOWELS: Is there any further
13 discussion? All those in favor say aye.

14 ALL: Aye.

15 MR. VOWELS: Show that it was granted.

16 And in reference to Mr. John Bloom, is there a
17 motion to grant or deny, which is what I should
18 have said back on Mr. Werth. Is there motion to
19 grant or deny the waiver of Mr. Bloom?

20 MS. BOCHNOWSKI: Move to grant.

21 MR. VOWELS: Is there a second?

22 MR. NDUKWU: Second.

23 MR. VOWELS: Any further discussion?

24 All those in favor say aye.

25 ALL: Aye.



1 MR. VOWELS: Show that it is granted.
2 And Trevor Sweeney. Is there motion to grant or
3 deny the waiver of Mr. Sweeney?

4 MR. NDUKWU: Move to grant.

5 MR. VOWELS: Is there a second?

6 MS. BOCHNOWSKI: I'll second.

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

9 ALL: Aye.

10 MR. VOWELS: Show that it is granted.
11 The other commission, correct me if I'm wrong, is
12 listed in the waiver that we've just granted.
13 And when we have it in front of us, those orders
14 concerning the waiver of which has certain
15 conditions to accept the recommendations the
16 staff will grant the waiver above -- upon the
17 above conditions and that's essentially what we
18 did. With all the conditions that were recited
19 to us.

20 MS. BOCHNOWSKI: That's part of it. I
21 assume that by granting the waiver, the
22 conditions were included.

23 MR. VOWELS: And I assume without
24 anybody speaking about that that's what the
25 commission opted for was to accept the



1 recommendation of the staff and grant the waiver
2 upon the recited conditions. Does that help you.

3 MS. BRODNAN: Yes, thank you.

4 MR. VOWELS: I'm here to help. Now it's
5 your turn to help us. Suppliers license matters
6 renewal 2004-42.

7 MS. BRODNAN: You have before you
8 Resolution 2004-42 regarding the renewal of
9 supplier licenses held by Atronic Americas, LLC;
10 Gemaco, Inc.; Gaming Partners International USA,
11 Inc.; Osborne Coinage Co.; Kilmartin Industries,
12 Inc. doing business as Roger Williams Mint;
13 Mikohn Gaming Corporation; Vendingdata
14 Corporation; and Spin for Cash Wide Area
15 Progressive Joint Venture.

16 These licensees have requested renewal of
17 licensure and have submitted the appropriate
18 renewal fee. They will be responsible for any
19 outstanding investigation fees as directed by the
20 Commission staff. The licensees remain in
21 compliance with Indiana Code and Title 68 of
22 Indiana Administrative Code.

23 And Commission staff recommends that you
24 renew these licenses.

25 MR. VOWELS: Are there any questions for



1 Ms. Brodnan? Resolution 2004-42 concerns the
2 renewal of suppliers license as listed there
3 within the resolution. Is there a motion to
4 approve -- or a motion to grant the renewal of
5 the suppliers license?

6 MR. MILCAREK: I move we approve the
7 resolution and grant the licenses.

8 MR. VOWELS: Is there a second?

9 MR. NDUKWU: Second.

10 MR. VOWELS: Any further discussion? It
11 appears that there are conditions placed on each
12 of the suppliers license. They have to request
13 renewal at least 30 days prior to the expiration
14 of the license. They have to pay \$5,000 renewal
15 fee in accordance with Indiana Administrative
16 Code. With all of this in mind there's been
17 motion to second. Any further discussion in
18 reference to that? All those in favor say aye.

19 ALL: Aye.

20 MR. VOWELS: Show that they are renewed.
21 And then, Ms. Brodnan, next you have granting
22 temporary supplier's license.

23 MS. BRODNAN: Yes. Resolution 2004-43.
24 Cummins-Allison Corporation who submitted an
25 application for a supplier's license to



1 distribute ticket redemption machines to Indiana
2 riverboats. Cummins-Allison has submitted all
3 appropriate Personal Disclosure Forms and related
4 fees. A preliminary investigation has indicated
5 that the company meets the criteria set forth in
6 Indiana Code 4-33. The Gaming Enforcement
7 Division will conduct a complete background
8 investigation before permanent license is issued.
9 There are several conditions outlined in the
10 resolution that will be required of Cummins if
11 they are issued a temporary license.

12 Commission staff recommend that you adopt
13 the resolution and grant a temporary supplier's
14 license.

15 MR. VOWELS: Any questions for Ms.
16 Brodnan? Is there a motion in reference to
17 Resolution 2004-43 which is granting a temporary
18 supplier's license to Cummins-Allison
19 Corporation?

20 MR. NDUKWU: Move to grant the temporary
21 license.

22 MR. VOWELS: Is there a second?

23 MS. BOCHNOWSKI: Second.

24 MR. VOWELS: Any further discussion?

25 All those in favor say aye.



1 ALL: Aye.

2 MR. VOWELS: Show that it is granted.
3 And then you have the Resolution 2004-44.

4 MS. BRODNAN: Yes. Regarding Acres
5 Gaming Incorporated. Acres was issued a
6 temporary supplier's license in September of
7 1996. In September 1995, a temporary license was
8 issued to IGT, whose parent company is
9 International Gaming Technology. They have since
10 been issued a permanent license. In September
11 2003, you adopted Resolution 2003-41 granting
12 International Game Technology's request to
13 acquire 100 percent of equity interest of Acres.
14 The transaction closed in October of 2003 and
15 acres became a wholly owned subsidiary
16 International Game Technology. Commission staff
17 was notified in June that Acres will be
18 integrating into IGT and Acres legal entity will
19 no longer exist. And as such all Acres' products
20 will be sold and invoiced by IGT. And therefore,
21 Acres has requested the ability to withdraw its
22 temporary supplier's license.

23 Commission staff recommends that you grant
24 that request.

25 MR. VOWELS: Any questions of Ms.



1 Brodnan? Is there a motion in reference to the
2 resolution -- request concerning the request of
3 Acres Gaming withdrawing their temporary
4 supplier's license?

5 MR. MILCAREK: I move we grant the
6 Resolution.

7 MR. VOWELS: Is there a second?

8 MR. NDUKWU: Second.

9 MR. VOWELS: Any further discussion?

10 All those in favor say aye.

11 ALL: Aye.

12 MR. VOWELS: We show that the resolution
13 that grants the request to withdraw temporary
14 supplier's license is approved. And then the
15 denial section.

16 MS. BRODNAN: Resolution 2004-45 in
17 regards to the license application submitted by
18 Gaming Systems International. The application
19 was submitted in September of 1996 to supply
20 software systems for player tracking and
21 accounting purposes. In January of 1997, the
22 company requested a suspension of the processing
23 of its application. Commission staff attempted
24 to contact Gaming Systems International several
25 times in June of 1999 and October and November of



1 2003 to inquire if the company wished to proceed
2 or withdraw the application. We were unable to
3 obtain a response regarding the status of the
4 application. Therefore to close this matter,
5 Commission staff recommends that you deny the
6 application.

7 MR. VOWELS: Anybody know if this
8 company even exists any more? I know when we've
9 had discussions in the past denying a license --
10 did they have a temporary license?

11 MS. BRODNAN: They did not have a
12 license at all. We're not making any
13 recommendation to its suitability issues.

14 MR. VOWELS: Because that was my
15 concern. If they do exist in another state, then
16 that red flag goes up. There would be some
17 clarification here if they ever pop back up. So
18 this is not up somewhere else.

19 MS. BRODNAN: Right. We don't have any
20 of that language in the resolution.

21 MR. VOWELS: We can work through that.
22 Okay. Any questions for Miss Brodnan? 2004-45
23 refers to the denial of supplier's license to
24 Gaming Systems International. Is there a motion
25 to approve this resolution?



1 MS. BOCHNOWSKI: Move to approve the
2 resolution.

3 MR. VOWELS: Is there a second?

4 MR. NDUKWU: Second.

5 MS. BOCHNOWSKI: Meaning that we denied,
6 right?

7 MR. VOWELS: Right. And we have a
8 second. Is there any further discussion? All
9 those in favor of denying suppliers license say
10 aye.

11 ALL: Aye.

12 MR. VOWELS: Show that it was denied.
13 Then we go over to Global surveillance
14 Associates.

15 MS. BRODNAN: Resolution 2004-46 is in
16 regard to supplier's license application
17 submitted by Global Surveillance Associates.
18 Global was advised on November 24, 2003, that a
19 supplier's license was needed to supply
20 surveillance equipment to Harrah's Casino.
21 Global acknowledged receipt of the application on
22 November 26. On December 8, 2003, commission
23 received Global's license application and
24 appropriate fees. An investigation was conducted
25 and issues were revealed relative to the



1 company's suitability.

2 In January 2003, Commission agent at
3 Harrah's notified the Commission staff that
4 Global had been performing duties at Harrah's
5 during November and December of 2003. Vendor
6 logs received from Harrah's verified this
7 information. Global performed duties at Harrah's
8 on nine separate days from November 24, the day
9 that they were advised they needed a license,
10 through December 31 of 2003. At no time relevant
11 to this matter did commission issue a supplier's
12 license to Global, either temporary or
13 permanently. Earlier this year pursuant to
14 settlement agreement 04-HA-1. Harrah's remitted
15 a fine in the amount of \$5,000 for conducting
16 business with Global without proper licensure.

17 Upon review of this information, Commission
18 staff has determined that Global Surveillance
19 Associates is not suitable to hold a supplier's
20 license.

21 And the Commission staff recommends you
22 deny it's application.

23 MR. VOWELS: Any questions for Ms.
24 Brodnan? And then we have resolution 2004-46
25 which is a resolution denying supplier's license



1 to Global Surveillance Associates. Is there a
2 motion in reference to this resolution that
3 denies that application -- or denies the
4 supplier's license?

5 MS. BOCHNOWSKI: Move to deny.

6 MR. VOWELS: Is there a second?

7 MR. NDUKWU: Second.

8 MR. VOWELS: Any further discussion?

9 MS. BOCHNOWSKI: May I?

10 MR. VOWELS: Go ahead.

11 MS. BOCHNOWSKI: I have a question.

12 Maybe I'm missing it here. They were performing
13 duties at Harrah's without a license. Harrah's
14 then --

15 MS. BRODNAN: Harrah's. There was a
16 fine that we imposed on Harrah's. There was a
17 part in there they paid \$5,000; yes.

18 MS. BOCHNOWSKI: Okay.

19 MR. VOWELS: Any further discussions?
20 All those in favor of the motion and second say
21 aye.

22 ALL: Aye.

23 MR. VOWELS: Show that the supplier's
24 license is denied. And then we go to Miller
25 Pizza Company.



1 MS. BRODNAN: On April 30, pursuant to
2 resolution 2004-16, the Commission denied Miller
3 Pizza's application for a supplier's license to
4 provide services on the riverboats located in
5 Buffington Harbor. On May 17, Miller Pizza
6 submitted a request for hearing to appeal that
7 denial. Miller Pizza currently operates a kiosk
8 in the pavilion area which does not require a
9 supplier's license.

10 The matter was forwarded to Administrative
11 Law Judge David Rimstidt for action. During the
12 appeal process, the Commission and Miller Pizza
13 have agreed to a settlement. A copy of the
14 agreement was forwarded to you. Judge Rimstidt
15 submitted a recommendation that pending the
16 approval -- your approval of the settlement
17 agreement the appeal be dismissed.

18 You will need to vote to either approve or
19 disapprove the settlement agreement and adopt or
20 reject Judge Rimstidt's recommendation.

21 MR. VOWELS: Okay. Apparently there's
22 one person who is 100 percent owner of this pizza
23 company's stock. And there's another person who
24 the owner is providing written verification is
25 not associated with the business. Is that the



1 bottom line here?

2 MS. BRODNAN: Yes. We've received that.

3 MR. VOWELS: What's wrong with guy No.
4 Two?

5 MS. BRODNAN: Guy No. Two, there was
6 some failure to disclose issues and there was
7 also some pending criminal charges.

8 MR. VOWELS: Okay. Okay. Any questions
9 for Ms. Brodnan? Let' see what do you -- we have
10 here. This comes in two parts then. Okay. What
11 we have here on -- you all got it? What I'm
12 looking at is the page at the top where it says.
13 Indiana Gaming Commission action in Re: Miller
14 Pizza Company Inc. appealed before the
15 Administrative Law Judge which has approve or
16 disapprove. After reviewing the attached
17 settlement agreement, the Indiana Gaming
18 Commission hereby approves or disapproves
19 proposed terms of the settlement agreement. And
20 after having reviewed this matter, the Indiana
21 Gaming Commission hereby accepts or rejects the
22 recommendation filed by the Administrative Law
23 Judge. Is there a motion to do one thing or the
24 other there?

25 MR. NDUKWU: I move that we approve the



1 settlement agreement. And I also move that we
2 accept the Judge's recommendation to dismiss.

3 MR. VOWELS: All right. Is there a
4 second to that?

5 MS. BOCHNOWSKI: Second.

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

8 ALL: Aye.

9 MR. VOWELS: Show those were approved
10 and accepted. And then we go to riverboat
11 owner's matters and you're still up.

12 MS. BRODNAN: You have before you an
13 order regarding the riverboat owner's license
14 held by Blue Chip LLC. Blue Chip's license was
15 renewed on July 11, 2003 and the effective date
16 through August 17, 2004. Blue Chip has requested
17 the renewal of its license and has submitted the
18 required application fee. Blue Chip is in
19 compliance with Indiana Code 4-33 and Title 68 of
20 the Indiana Administrative Code.

21 Commission staff therefore recommends that
22 you grant one year approval effective through
23 August 17, 2005.

24 MR. VOWELS: All right. Any questions
25 for Ms. Brodnan? This is --



1 MS. BRODNAN: I'm sorry. I went out of
2 order.

3 MR. VOWELS: That's fine. We were
4 following along right with you. In reference to
5 Blue Chip, there's an order there in front of us
6 that Indiana Gaming Commission renew the
7 riverboat owner's license of Blue Chip Casino
8 LLC. The recommendation of the staff is that
9 this renewal for one year period from August 18,
10 2004 to August 17, 2005 be granted. Is there a
11 motion in reference to that order renewing the
12 riverboat owner's license?

13 MR. MILCAREK: I move to approve and
14 grant the license for that period of time.

15 MR. VOWELS: And is there a second?

16 MS. BOCHNOWSKI: Second.

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

19 ALL: Aye.

20 MR. VOWELS: And then you have Grand
21 Victoria for the three-year period.

22 MS. BRODNAN: Yes. 2004-47 is in regards
23 to riverboat owner's license held by Grand
24 Victoria Casino and Resort, LP. Pursuant to
25 Indiana Code 4-33-6-12(b) a licensed owner shall



1 undergo a complete investigation every three
2 years. The three year investigation coincides
3 with Grand Victoria's annual license renewal,
4 which is due in September 2004. Commission has
5 not yet completed the reinvestigation at this
6 time. And the Commission intends to hold a
7 public hearing later in the year where Grand
8 Victoria will have an opportunity to make a
9 presentation regarding their renewal. Grand
10 Victoria has submitted the payment of renewal fee
11 and renewal application. Grand Victoria is
12 currently in compliance with Indiana Code 4-33
13 and Title 68 of the Indiana Administrative Code.
14 And Commission staff recommends that you grant
15 Resolution 2004-47.

16 MR. VOWELS: So technically this thing
17 expires around September 16 or so.

18 MS. BRODNAN: Yes.

19 MR. VOWELS: And then we're going to
20 have a meeting sometime in October, December or
21 whatever. Okay. Resolution 2004-47 concerns
22 renewal of the riverboat owner's license held by
23 Grand Victoria. And this is essentially an
24 extension of this until we can get preliminary
25 termination to review or renew or terminate



1 invalid. Is there a motion to renew or
2 terminate? Although terminate would make better
3 news coverage.

4 MR. NDUKWU: Move to renew.

5 MR. VOWELS: Always so anti-climatic up
6 here. All right. There's a motion to renew. Is
7 there a second?

8 MR. MILCAREK: Second.

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

11 ALL: Aye.

12 MR. VOWELS: We'll show that it is
13 renewed. Had them sweating there, didn't I.
14 Okay. Then, Mr. Osborn, we will review with you
15 on these financing matters.

16 MR. OSBORN: Yes, thank you, Mr.
17 Chairman. First, I will call Kay Fleming. Kay
18 actually represents Harrah's on the first two
19 matters and she will also represent Blue Chip and
20 Aztar. And if we could, I would like to do 48,
21 49, 52 and 53 rather than have her sit down and
22 come back up later.

23 MR. VOWELS: 48, 49, 52, and 53.

24 MR. OSBORN: Resolution 2004-48 pertains
25 to a finance matter by Harrah's. And the gist of



1 it is 1348 private placement and approximately
2 \$575 million in secured notes with an interest
3 rate of 5.5 percent with a maturity date of July
4 2010. This is already gone through the waiver
5 approval process pursuant to Resolution 2003-2
6 and was approved on June 25, 2004. Harrah's now
7 comes before you to answer whatever questions you
8 may have. And also to ask you that you ratify
9 the (inaudible) waiver and approval of financing
10 that was originally granted on the 25th.

11 MS. FLEMING: Mr. Osborn, if I may.

12 There was an amended letter.

13 MR. OSBORN: My mistake.

14 MR. VOWELS: Is that in paragraph three
15 where it says 575 is should say 750?

16 MS. FLEMING: 750,000.

17 MR. OSBORN: 750 and also paragraph one.

18 MR. VOWESL: Any questions for Mr.
19 Osborn or Ms. Fleming? And I'm sorry, the
20 gentleman?

21 MR. PARENTI: Phillip Parenti, Chief
22 Regulatory and Compliance Officer for Harrah's.

23 MR. VOWELS: If both of you could make
24 sure the reporter has cards. Any questions for
25 anyone?



1 MS. BOCHNOWSKI: This is new money.
2 This isn't replacing?

3 MS. FLEMING: This is not replacing.
4 They will require some for general corporate
5 purposes.

6 MS. BOCHNOWSKI: So there isn't a
7 specific use for this.

8 MR. VOWELS: Okay. Mr. Osborn, the
9 difference with the 575 and 750. That's
10 something you had considered, the 750?

11 MR. OSBORN: Actually, it's 750. I
12 apologize to the Commission.

13 MR. VOWELS: That's okay. I just want
14 to make sure we just didn't get up by --

15 MR. OSBORN: Kay is always very --

16 MR. VOWELS: Figure it's what, \$175,000.
17 That's what that is.

18 MR. LAWRENCE: Don't do numbers again,
19 Mr. Chairman.

20 MR. VOWELS: All right. Resolution
21 2004-48 concerns financing of Harrah's which
22 comes in two parts. The request for waiver of
23 the two-meeting rule. And then if it would make
24 it that far, then the request for the
25 ratification of private placement of 750 million.



1 MS. BOCHNOWSKI: So this will have to be
2 retyped.

3 MR. VOWELS: Right. Is there a motion
4 in reference to those two parts?

5 MS. BOCHNOWSKI: I move to approve the
6 waiver and to approve the private notes.

7 MR. VOWELS: Okay. Is there a second?

8 MR. NDUKWU: Second.

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

11 ALL: Aye.

12 MR. VOWELS: Show that are approved in
13 both aspects. And the other one that you are
14 doing is 49.

15 MR. OSBORN: That's correct, Mr.
16 Chairman. And it also concerns financing matter
17 by Harrah's. And I hope that I got this amount
18 correct. Harrah's is amending and restating Bank
19 of America to allow up to \$3 billion at a
20 variable interest rate. This has also gone
21 through the Resolution 2003-2 process and has
22 been waived and approved by the Chairman,
23 Executive Director, and CPA member at the time.
24 And now Harrah's is coming before the Commission
25 to request ratification of both the waiver and



1 the approval. And I don't know if there are any
2 questions you might have.

3 MS. BOCHNOWSKI: When you -- it says
4 current credit agreement. Is that a line of
5 credit or is it --

6 MS. FLEMING: It's their credit
7 agreement. It's composed of two parts, both a
8 term loan and revolving loan. And it is paying
9 off -- they use the proceeds to pay off their
10 other one. It just kind of all gets rolled up
11 into one.

12 MS. BOCHNOWSKI: So this is already
13 where you've been before but it's --

14 MS. FLEMING: It's adding a little bit
15 more than previously approved.

16 MS. BOCHNOWSKI: Okay. It says varying
17 interest rates. Is it a concern that I just read
18 that interest rates are rising? I mean this is a
19 lot of money. A little bit of an increase on
20 interest rates makes a big difference.

21 MR. VOWELS: But I heard the economy is
22 turning a corner. I heard that on the radio.

23 MS. BOCHNOWSKI: I heard that a lot too.
24 In fact our 18-year-old son makes us watch the
25 Daily Show. So I heard that ten times last



1 night. No. But I just read in the paper that
2 the Fed is probably going to be raising the
3 interest rate. This is a lot of money that adds
4 up a lot. Does that make a difference? Do you
5 then not use as much if interest rates get too
6 high? Do you have a limit? I'm just curious how
7 that works.

8 MS. FLEMING: Obviously they always take
9 that into account. And when they agree upon a
10 floating rate, they take into account it could
11 increase over the period of time depending upon
12 what the Feds do and everything else. One of the
13 things about Harrah's is because of their credit
14 worthiness, they do tend to get one of the lower
15 interest rates. We've seen several times where
16 they've come in at fairly low interest rate for
17 the gaming industries comparatively.

18 MS. BOCHNOWSKI: Okay. Just curious.

19 MR. VOWELS: Anything else you would
20 like to add?

21 MS. FLEMING: (Shaking head.)

22 MR. VOWELS: Any other questions?
23 Resolution 2004-49 concerning financing by
24 Harrah's again is in two parts. They are
25 requesting to waive the two-meeting rule and



1 request for their approval of the amendment
2 restatement of current credit facility with Bank
3 of America to allow \$3 billion debt pursuant to
4 Resolution 2003-2. Is there a motion in
5 reference to approving this or disapproving?

6 MR. NDUKWU: Move that we approve the
7 waiver of the two-meeting rule. I also move that
8 we approve the amendment and restatement of this
9 line of credit.

10 MR. VOWELS: Is there a second?

11 MS. BOCHNOWSKI: Oh, second.

12 MR. LAWRENCE: It's only 3 billion.

13 MS. BOCHNOWSKI: Well there's only three
14 of us. I guess we're kind of waiting.

15 MR. VOWELS: The polite commissioner.
16 Any further discussion? All those in favor of
17 not so lightly granting \$3 billion.

18 MR. LAWRENCE: 3 to 1.

19 MR. VOWELS: Say aye.

20 ALL: Aye.

21 MR. VOWELS: We'll show it's approved.

22 MS. FLEMING: Thank you.

23 MR. VOWELS: 2004-52.

24 MR. OSBORN: Thank you, Mr. Chairman.

25 This concerns the financing of Boyd Corporation.



1 Boyd recently purchased the Sun Harbor Budget
2 Suites in Las Vegas for \$43 million. As part of
3 the purchase price they intend to assume Sun
4 Harbor's authority mortgage by \$17 million at an
5 interest rate of 8.77 percent. And this has not
6 gone through the resolution process. So Boyd is
7 now in front of you asking for a waiver of the
8 two-meeting rule, to answer what questions you
9 may have, and also ask you to approve the
10 assumption of mortgage.

11 MR. VOWELS: What's the deal with Star
12 Dust? Do they own Star Dust?

13 MS. FLEMING: They own the Star Dust.
14 This land is adjacent to the site. They plan, in
15 a few years, to raise this property and expand
16 the Star Dust. The interest rate of 8.77 was
17 fixed in mortgage. And the reason they're not
18 paying it off with their existing line of credit,
19 there are some pretty heavy prepayment penalties.
20 So it makes more economic sense to pay with 8.77
21 rate. Once those prepayment penalties expire
22 they plan to pay it off and roll it into their
23 existing credit. But economically it didn't make
24 sense to go ahead and pay it off now.

25 MR. VOWELS: Are there any other



1 questions for Ms. Fleming or Mr. Osborn?

2 MS. BOCHNOWSKI: This doesn't have any
3 impact on the financial well-being of our
4 property here?

5 MS. FLEMING: No. It is guaranteed by
6 the piece of property in Las Vegas. And it is
7 being handled through non-gaming subsidiary. So
8 other than the wholly owned subsidiaries, Boyd is
9 assuming it. There's no guarantee by any of Boyd
10 properties. The piece of property is the only
11 thing that collateralized the loan.

12 MS. BOCHNOWSKI: Thank you.

13 MR. VOWELS: All right then. Resolution
14 2004-52 concerns financing by Boyd comes in two
15 parts. They're asking that the two-meeting rule
16 be waived. And approval of the assumption of
17 mortgage. Is there a motion in reference to
18 approving or disapproving?

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

21 MR. VOWELS: Is there a second?

22 MR. NDUKWU: Second.

23 MR. VOWELS: We get more efficient as
24 the day wears on. Any further discussion? All
25 those in favor say aye.



1 ALL: Aye.

2 MR. VOWELS: Show that it is approved.

3 MS. FLEMING: Thank you.

4 MR. VOWELS: And then 2004-53.

5 MR. OSBORN: Yes, Mr. Chairman. And
6 this concerns a resolution that was already
7 passed by the Commission in the previous April 30
8 meeting, Resolution 2004-28 where the Commission
9 approved Aztar's request to issue up to \$300
10 million in 2014 Notes, coupon not to exceed 7.25
11 percent. Shortly after that resolution was
12 approved, the interest rates changed
13 significantly and Aztar was not able to get under
14 the 7.25 ceiling. They immediately requested us
15 to request through the Resolution 2003-2 process
16 to raise the ceiling from 7.25 percent to 8.5
17 percent. And the Executive Director, and the
18 Chairman, Mr. Gettelfinger, approved that on May
19 19 of 2004. Aztar did then request both
20 ratification of that waiver and approval toward
21 the interest rate ceiling that was tendered upon
22 approval of May 19, 2004. And my recollection is
23 that they did actually secure a 7.75 percent.

24 MS. FLEMING: 7.7 I believe.

25 MR. OSBORN: That's actually been closed



1 already. We just want to make sure the
2 resolution is consistent with the facts.

3 MS. BOCHNOWSKI: The higher interest
4 rate, was that just market conditions?

5 MS. FLEMING: Market volatility,
6 correct.

7 MR. VOWELS: All right. What we have in
8 front of us then is that draft. Is there any
9 significant difference in the final?

10 MR. OSBORN: No.

11 MR. VOWELS: Other than the (inaudible).

12 MR. OSBORN: There is that.

13 MR. VOWELS: Now you know why my
14 secretary is glad I'm gone today. Resolution
15 2004-53 is they're asking waiver of the
16 two-meeting rule and approval of the increase of
17 interest rate. Is there a motion in reference to
18 those?

19 MR. NDUKWU: Move that we approve the
20 waiver of the two-meeting rule. And I also move
21 that we approve the new interest rate.

22 MR. VOWELS: All right. Is there a
23 second?

24 MR. MILCAREK: Second.

25 MR. VOWELS: All those in favor say aye.



1 ALL: Aye.

2 MR. VOWELS: Show that it is approved.

3 MS. FLEMING: Thank you.

4 MR. VOWELS: And then we're still with
5 2004-50 and 51. All right, Mr. Osborn,
6 resolution 2004-50.

7 MR. OSBORN: That's correct. And that's
8 concerning financing by Argosy Gaming. Miss Erin
9 Williams and Mr. James Butler are here
10 representing Argosy and to answer any questions
11 the Commission may have. This comes before the
12 Commission, Argosy is seeking approval to place
13 its current credit facility with Wells Fargo
14 Bank. Currently Argosy has a \$400 million
15 revolving credit facility with a \$275 million
16 term loan. They plan to replace these
17 instruments with a \$500 million credit facility
18 and up to a \$175 million term loan. Thereby
19 shifting the amounts between their revolving and
20 term loan. But they also seek a \$200 million
21 green shoe provision in addition to \$275 million
22 term loan. They're requesting that the
23 Commission waive the two-meeting rule. They're
24 here to answer whatever questions the Commission
25 may have. And they also seek approval of the



1 financing with wells Fargo.

2 MR. VOWELS: There was an e-mail that I
3 received from you at some point in time and it
4 had the green shoe. Is this the same?

5 MR. OSBORN: Yes. This is it.

6 MR. VOWELS: And I remember e-mailing
7 you back and asking you what green shoe was. You
8 e-mailed me and told me what it is, and I don't
9 remember what it is.

10 MS. WILLIAMS: A green shoe is simply an
11 option to increase the size of the facility at a
12 later date with all the same terms and
13 conditions.

14 MR. VOWELS: Care to tell us the
15 derivation why it's called green shoe?

16 MS. WILLIAMS: I don't know that one.

17 MR. VOWELS: Okay. All right. Any
18 questions then? Okay. Resolution 2004-50
19 concerns the financing by Argosy and it's two
20 parts again. They request that the two-meeting
21 rule be waived and that they have approval of the
22 placement of their current credit facility from
23 the numbers there that you see. Is there a
24 motion in reference to these?

25 MR. NDUKWU: Move that we approve the



1 waiver of the two-meeting rule. And also move to
2 obtain the loan.

3 MR. VOWELS: All right. Is there a
4 second.

5 MS. BOCHNOWSKI: Second.

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

8 ALL: Aye.

9 MR. VOWELS: We show Resolution 2004-50
10 is approved. And then we have -- if you'll be
11 certain that the lady there has your card. And
12 then 2004-51.

13 MR. OSBORN: Yes, Mr. Chairman. The
14 last resolution in finance matters concerns the
15 financing of Pinnacle Entertainment. And the
16 resolution that you have before you isn't current
17 at this point. Mr. Gifford indicated there are
18 some adjustments to the terms that we originally
19 put in the Resolution. And rather than trying to
20 summarize those, I will allow Mr. Gifford to
21 explain them to you.

22 MR. GIFFORD: Thank you Mr. Chairman. I
23 would like to introduce Donna Negrotto to Don and
24 the Associate General Counsel. She's up visiting
25 from Mississippi and certainly enjoying the



1 wandering Indiana territory.

2 MR. LAWRENCE: This is her choice?

3 MR. GIFFORD: Yes. It was out of all
4 the things she could have done, this was it.

5 MR. VOWELS: When you say wandering
6 Indiana, do you mean just driving up here from
7 Indianapolis?

8 MR. LAWRENCE: Trying to find the place.

9 MR. GIFFORD: We took the industrial
10 tour on our way here.

11 MS. BOCHNOWSKI: That's actually a great
12 tour.

13 MS. NEGROTTO: It was a great tour.
14 Very scenic.

15 MS. BOCHNOWSKI: I am very defensive of
16 the Northwest.

17 MR. GIFFORD: We were dead serious.
18 Actually, the only change -- really the only
19 change is in the credit agreement and the
20 request. There is a green shoe, I'm glad we
21 already got that out of the way. There's a green
22 shoe that we -- that was added in that this deal
23 was in final terms, just finalized earlier in the
24 week. That would allow an additional 125 million
25 in term loans, but not to exceed a total



1 aggregate debt of 475 million. So the request is
2 for an amendment to the existing facility up to
3 400 million on the credit agreement, up to 125
4 million on the green shoe with the term loans,
5 but not to exceed any aggregate 475. Let me make
6 that more clear. We're pretty confident that the
7 credit agreement is only going to be 350 million.
8 But since they're still fiddling around with the
9 deal terms right now, we want to make sure we've
10 covered ourselves with the request of 40. But if
11 they were to raise the credit agreement to 400
12 million the green shoe would ratchet down to 7.

13 MS. BOCHNOWSKI: Oh, I see. You would
14 never go above.

15 MR. GIFFORD: If we go 50, the green
16 shoe will only be 125. If we go 400 on the
17 credit agreement, the green shoe will only be 75.
18 It will never be 475.

19 MS. BOCHNOWSKI: So we're really looking
20 at a 400,000 --

21 MR. GIFFORD: Up to 400 million on the
22 credit agreement. But we need to word it and
23 scratched out some language from Mr. Osborn.

24 MR. VOWELS: Mr. Osborn, has the
25 difference of 400 to what may be 475, does that



1 impact your thought?

2 MR. OSBORN: No, our recommendation
3 would still be to approve the financing.

4 MR. VOWELS: Any questions. Resolution
5 2004-51 starting financing by Pinnacle. Is there
6 a motion in reference to waive the two-meeting
7 rule and the request for approval of amending the
8 current credit facility?

9 MS. BOCHNOWSKI: I move to approve and
10 approve.

11 MR. VOWELS: All right. Is there a
12 second?

13 MR. MILCAREK: Second.

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

16 ALL: Aye.

17 MR. VOWELS: And it is approved. And if
18 you will be certain the court reporter has your
19 card. And you're staying with us. What else do
20 we have here. Okay. So we're up to the MBE and
21 WBE with Ms. Brodnan and Mr. Gifford also.

22 MS. BRODNAN: On December 6, 2001, the
23 Commission approved an MBE, WBE compliance plan
24 submitted by Belterra. The plan was submitted
25 due to Belterra -- excuse me -- Belterra's



1 failure to meet the statutory goals during MBE,
2 WBE purchases. There are several components of
3 the plan. Some of the main points were that
4 Belterra was to set aside escrow fund of \$750.
5 It was designed to help support minority and
6 women businesses. All money has since been
7 distributed. They were also required to submit
8 monthly progress reports regarding their
9 purchasing, which they have done. And appear at
10 all live Commission meetings since that time
11 which they have done since January of 2002. They
12 have submitted their quarterly and annual reports
13 since that time. And it shows that they have
14 been satisfying statutory goals for those
15 periods. And we would recommend -- they
16 requested the ability to be released from the
17 obligations imposed by the December 6, 2001
18 quarter. And we recommend that you grant that
19 request. But I think Mr. Gifford has some
20 additional information to provide to you.

21 MR. VOWELS: Mr. Gifford.

22 MR. GIFFORD: We prepared -- put
23 together just for your information a chart that
24 laid out the -- that lays out -- if you wouldn't
25 mind passing that. Laid out the specific items



1 in the action plan and what Belterra has done
2 since 2000 and 2001 to comply. I would note
3 there have been a lot of changes in Belterra
4 since that plan was put in place. Most
5 significantly, management changes both at the
6 corporate and property levels and both corporate
7 and operational property level. There is a deep
8 commitment to making sure the statutory goals are
9 complied with on a forward basis. And just to
10 highlight a couple of points on here. You'll see
11 it under the first point, Point No. 1. You'll see
12 what the MEWB numbers have been in 2002, 2003,
13 and 2004. You'll see that the property has
14 significantly exceeded the statutory goals in the
15 last three years. Item No. 2, I might note I
16 kind of sneaked that in. Actually, the action
17 plan didn't require Belterra to go back and sort
18 of get right on a project wide basis but that was
19 a goal of new management. And in January of this
20 year, the so-called shortfall which was about
21 fifteen or sixteen million dollars was
22 eliminated. That is, the purchases as of today,
23 Belterra is in compliance with statutory
24 purchasing goals on a project wide basis from the
25 first day of operations in Indiana. As Miss



1 Brodnan pointed out, the \$750,000 has been
2 distributed. On the second page you will see a
3 list of those vendors. We'll be happy to answer
4 any questions that you might have about the
5 specifics of things that are going on. I share
6 with you again and Ms. Negrotto will say the
7 same, the company has deep commitments to
8 ensuring that its compliance with the statutory
9 goals continues and strong effort will be
10 continued in that regard to make sure that that's
11 the case.

12 MS. BOCHNOWSKI: I have a couple of
13 questions. One is, I know that you were able to
14 make up for a lot of this because you have some
15 construction going on. And I think it's easier
16 to get the big numbers when you have a
17 construction project. Do you feel confident that
18 going forward just in your every day operations,
19 you'll be able to maintain goals.

20 MR. GIFFORD: Yes. And they've looked
21 at that. And they segregated out operational
22 construction to make sure that during the
23 construction phase there wasn't -- there weren't
24 any issues creeping in on the operational side
25 day-to-day. There's been very significant to



1 achieve the goals. If you were just to look at
2 those numbers. One thing that was part of the
3 action plan that's been very successful
4 (inaudible) is the amount of food and beverage
5 products purchased through the WBE vendors. They
6 got a very strong vender base there. They'll
7 continue with strong purchases there for example.

8 MS. BOCHNOWSKI: And once, assuming
9 that we let you out of this, you are aware of
10 course that you still have to submit quarterly
11 reports.

12 MR. GIFFORD: Absolutely. Obviously
13 we're not asking to be relieved of any of the
14 existing statutory or regulatory requirements.
15 And I would note that the issue of compliance
16 with MBE and WBE items will become a regular part
17 of the monthly compliance committee. So there
18 will be a continual look at these numbers with
19 the executive staff and through the properties
20 compliance committee.

21 MR. VOWELS: Any other questions?
22 The commission action, if I'm reading this
23 correctly, simply would be to release Pinnacle, I
24 mean Belterra from having to appear at each
25 committee meeting, submitting monthly progress



1 reports. And that's what the request is, to be
2 released from that obligation. Is that where we
3 are here?

4 MR. GIFFORD: I think it's a practical
5 matter ongoing. So it's what the ongoing
6 requirements that were in the action plan that
7 were over and above the statutory and regulatory
8 requirements.

9 MR. LAWRENCE: Expenditure of \$750,000.
10 Their committee is no longer.

11 MR. GIFFORD: The committee no longer
12 exists because the money is gone.

13 MR. VOWELS: There was a bond that was
14 put up. Because that's coming up.

15 MR. LAWRENCE: No. That you already
16 agreed to.

17 MR. VOWELS: We agreed to that already
18 at an early meeting. All right. So this
19 commission action just deals with the request not
20 to be obligated to be at all commission meetings,
21 and submit progress reports prior to each
22 meeting. Is there a motion in reference to this
23 commission action that we grant that request or
24 deny that request?

25 MS. BOCHNOWSKI: I move we grant the



1 request.

2 MR. VOWELS: Is there a second?

3 MR. NDUKWU: Second.

4 MR. VOWELS: Any further discussion?

5 All those in favor say aye.

6 ALL: Aye.

7 MR. VOWELS: Show that it is granted.

8 MR. GIFFORD: Thank you.

9 MR. VOWELS: Then Miss Hood. Are we
10 back to you on this part? Looks like the first
11 one is Belterra.

12 MS. HOOD: It is.

13 MR. VOWELS: Notice how he ran away.

14 MR. LAWRENCE: He got that release
15 first.

16 MR. VOWELS: Go ahead.

17 MS. HOOD: Pursuant to Indiana Gaming
18 Regulations, a riverboat must have an EMT on
19 board at all times patrons are on board.
20 Belterra has implemented -- has also implemented
21 an Emergency Response Plan that re-enforces that
22 obligation. On or about March 25, 2004, the
23 certified EMT working that night left the vessel
24 for a total of 35 minutes while patrons were
25 still on board.



1 Also pursuant to Indiana Code and Gaming
2 Regulations, a riverboat licensee must remit
3 taxes by the end of the following business day.
4 During the last part of March 2004, four days of
5 wagering taxes were paid late. Specifically for
6 gaming day March 18, 2004, the wagering tax was
7 paid one day late on March 23. For gaming days
8 March 19, 20, 21 wagering tax was paid one day
9 late on March 24.

10 Commission staff and Belterra agree that a
11 sanction be imposed due to these violations.
12 Commission staff recommends that Belterra will
13 agree to pay a fine in the amount of \$22,500.
14 A settlement agreement has been executed.

15 Commission staff recommends that you
16 approve the settlement agreement and resolution
17 in this matter.

18 MR. VOWELS: Any questions for Ms.
19 Hood? This pay taxes, from what you said, is
20 because their bank had a problem with the
21 breakdown in electronic fund transfer?

22 MS. HOOD: Yes.

23 MS. BOCHNOWSKI: I just have a quick
24 question. I know it's really not relevant to
25 whether we approve or disapprove. How do you



1 find out that an EMT was gone for 35 minutes?

2 MS. HOOD: I believe there was a
3 commission agent on the boat wrote up an
4 investigation.

5 MR. GIFFORD: We turned ourselves in.
6 We self report.

7 MS. BOCHNOWSKI: That's good. All
8 right.

9 MR. VOWELS: All right.

10 MS. BOCHNOWSKI: Just curious.

11 MR. LAWRENCE: That's why it was only
12 22,500.

13 MR. VOWELS: If somebody choked on some
14 food, it would have been much higher.

15 MR. NDUKWU: That's actually a big
16 problem.

17 MR. VOWELS: There's the doctor.

18 MR. NDUKWU: A lot of heart attacks on
19 those boats.

20 MR. VOWELS: I know. I'm going to smoke
21 as soon as this meeting is over. He was talking
22 about unhealthy smoking last time we were
23 together in French Lick. I said, you're like a
24 police officer complaining about criminals, you
25 know. What are you going to do without us.



1 Anyway, commission action regarding the
2 settlement agreement with Belterra. Is there a
3 motion to approve or disapprove the proposed
4 terms of the settlement agreement?

5 MS. BOCHNOWSKI: Move to approve.

6 MR. VOWELS: Is there a second?

7 MR. NDUKWU: Second.

8 MR. VOWELS: Any further discussion?

9 All those in favor say aye.

10 ALL: Aye.

11 MR. VOWELS: Show that it is approved.

12 And the next matter you have is with Blue Chip or
13 Aztar?

14 MS. HOOD: Blue Chip. Pursuant to
15 Indiana Code, a person under 21 years old may not
16 be present on a riverboat where gambling is
17 conducted. On or about May 4, 2004, a deckhand
18 allowed three vendors on board. A security
19 officer directed the three vendors on to the
20 vessel without asking for identification. It was
21 noticed by another security officer that one of
22 the vendors did not have a vendor's badge and
23 asked his age. The vendor replied that he was 19
24 years old. Commission agents on board were not
25 notified of the incident by security.



1 Commission staff and Blue Chip agree that a
2 sanction be imposed due to this violation.

3 Commission staff recommends and Blue Chip will
4 agree to pay a fine in the amount of \$4,500. A
5 settlement agreement has been executed.

6 Commission staff recommends that you approve the
7 the terms of the settlement agreement in
8 resolution of this matter.

9 MR. VOWELS: Any questions for Miss
10 Hood? Is there a motion to approve or disapprove
11 the proposed terms of the settlement agreement?

12 MR. MILCAREK: Move to approve the
13 terms.

14 MR. VOWELS: Is there a second?

15 MR. NDUKWU: Second.

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

18 ALL: Aye.

19 MR. VOWELS: Show that it is approved.
20 And then you have Aztar.

21 MS. HOOD: That's correct. Pursuant to
22 Indiana Code a person less than 21 years old may
23 not be on a riverboat near gambling. On April
24 11, 2004, a minor presented identification to a
25 security officer which clearly indicated his age.



1 The officer reviewed the identification and then
2 allowed the minor on to the vessel. On June 6,
3 2004, four patrons boarded the riverboat. None
4 of the four were asked for identification. Two
5 of these patrons were later asked for
6 identification and one of them was found to be
7 only 20 years old. On June 5, 2004, another
8 minor was asked for identification -- excuse me.
9 On June 5, a minor was not asked for
10 identification when boarding the vessel with an
11 adult.

12 Pursuant to Indiana Code, a riverboat
13 licensee must operate in accordance with the
14 authorized provisions concerning operating days
15 and hours or the Commission may rescind this
16 authorization. In the Flexible Boarding Plan,
17 Aztar stated that its daily hours of operation
18 are 8:00 a.m. to 5:00 a.m. Also pursuant to
19 Indiana Gaming Regulations, patrons boarding the
20 riverboat must pass through a turnstile or other
21 approved patron counting equipment. On May 6,
22 2004, at 7:30 a.m. a security officer allowed a
23 patron onto the vessel to play slots and he let
24 him through the employee turnstile.

25 Pursuant to Indiana Code and Gaming



1 Regulations, a riverboat licensee must remit
2 taxes by the end of the following business day --
3 by the end of the next following business day.
4 On April 12, 2004, an audit was conducted by
5 Commission staff which revealed three regulatory
6 violations. The first violation involved a
7 failure of the soft count team to count nine bill
8 validator boxes for the gaming day April 8. The
9 boxes were found and counted on April 10. Taxes
10 for gaming day April 1 were not filed until April
11 6. Taxes for gaming day April 6 were filed one
12 day late on April 9. Commission staff and Aztar
13 agree that a sanction be imposed due to these
14 violations. Commission staff recommends and
15 Aztar will agree to pay a fine in the amount of
16 \$38,500. A settlement agreement has been
17 executed. And Commission staff recommends that
18 you approve the terms of the Settlement Agreement
19 in resolution of this matter.

20 MR. VOWELS: From this incident where
21 the four people came on the boat in June and it
22 says one had identification. Let's see. Three
23 of the patrons were asked for identification.
24 One had identification, was found to be only 20
25 years old. what happened with the other three



1 people, do you know? I mean I would assume there
2 were some adults that came on the boat with
3 somebody who is a minor.

4 MS. HOOD: I believe that two of them
5 were found to be 21, or at least 21 or older.
6 And I think that third one just didn't have
7 identification so they weren't sure.

8 MR. VOWELS: Was there anything done
9 about the other three who allowed the 20 year old
10 to come on with them, do you know?

11 MS. HOOD: No, I don't know.

12 MR. VOWELS: Any questions then for Miss
13 Hood? Is there a motion to approve or disapprove
14 the proposed terms of the settlement agreement
15 with Aztar?

16 MS. BOCHNOWSKI: Move to approve.

17 MR. VOWELS: Is there a second?

18 MR. NDUKWU: Second.

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

21 ALL: Aye.

22 MR. VOWELS: Show that it is approved.
23 And then other business.

24 MR. LAWRENCE: I'm not aware of any, Mr.
25 Chairman.



1 MR. VOWELS: Okay. Then the next
2 meeting will be?

3 MR. LAWRENCE: October 1st in
4 Indianapolis.

5 MR. VOWELS: October.

6 MR. VOWELS: In Indianapolis. And, of
7 course, we got tomorrow's meeting which is
8 dealing with licenses. It's not a business
9 meeting. It's the license of three boats. Is
10 there a motion to adjourn?

11 MS. BOCHNOWSKI: Move to adjourn.

12 MR. VOWELS: Is there a second?

13 MR. NDUKWU: Second.

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

16 ALL: Aye.

17 MR. VOWELS: Thank you. We are
18 adjourned.

19
20 INDIANA GAMING COMMISSION BUSINESS MEETING

21 ADJOURNED.
22
23
24
25



C E R T I F I C A T E

1
2
3 I, Faith M. Bennewate, a Notary Public
4 within and for the County of Lake, State of
5 Indiana, do hereby certify that the record of
6 proceedings of the Indiana Gaming Commission
7 Business Meeting that was taken on my shorthand
8 machine and transcribed from my shorthand notes
9 is true and accurate to the best of my ability on
10 the 5th day of August, 2004, taken at the Indiana
11 welcome Center, 7770 Corinne Drive, Hammond,
12 Indiana.

13
14
15 

16 Faith M. Bennewate

17 My commission expires: May 26, 2012
18
19
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24
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