

INDIANA GAMING COMMISSION BUSINESS MEETING

September 13, 2007
Indiana Government Center South Auditorium
Indianapolis, Indiana

Call to Order and Roll Call:

Chairman William Barrett called the meeting to order at approximately 1:05 p.m. local time. A quorum was present.

Present:

Commission Members: William Barrett, Chairman, Tim Murphy, Vice Chair, Tom Swihart, Tim Walsh, Jim Cummings and Mary Shy. Commission Staff: Ernest E. Yelton, Phil Sicuso, Jennifer Arnold, Chris Gray, Larry Rhodes, Angie Bunton, Andrew Klinger, Adam Packer, Lea Ellingwood, Tami Timberman, Kesha Rich, Mark Reder-Yera, Ron McClain, Garth Brown, Bill Peevler, Tom Piskorowski, Joel DeCapua, Jill Clouse, John Hoenstine, Danielle Brooks, Andy Means, Larry Rollins, Diane Freeman, Larry Delaney, Sherry Green, and members of the public.

Approval of the Minutes:

Upon motion by Tom Swihart, second by Tim Murphy, and the unanimous vote of those present, the Commissioners approved the proposed minutes of the June 7, 2007, business meeting.

Report of the Executive Director:

The Executive Director gave a staff update. Superintendent Kevin Mahan submitted his resignation in July after accepting a position in the private sector. As a result, the Superintendent's position has been eliminated and the two sections are now separate sections reporting directly to the Executive Director. Kenny Rowan will be in command of the Enforcement division. The Background and Financial Division will be headed by Director Garth Brown and Interim Director Glen Lloyd. Glen is acting for former Director Jim Beebe, who is no longer with the agency. Danielle Brooks and John Hoenstine have been hired as new investigators. Mark Cosner has replaced Larry Bostic as a background investigator. Training has been delayed until January for agents to be trained for the racinos at the Law Enforcement Academy.

Charity Gaming Director Mark Mitchell has accepted a position with the Office of the Inspector General. Diane Freeman, former Deputy Director, has been promoted to fill the Director position. Larry Delaney has moved up from field auditor to Deputy Director. HEA 1510 became effective July 1. This created two new divisions for the Commission. Col. Larry Rollins

is the new Director of the Gaming Control Officer Division. This division has hired three supervisors and twelve officers. The second division is the License Control Counselor Division, led by Director Jeff Gill. Mark Reder-Yera is the Assistant Director for the Division.

In the Administrative Division, Angie Bunton is the new Assistant Director of Compliance. Sherry Green transferred from the Gaming Agent Division to become the first Personnel Officer.

The sole litigation remaining involves the City of East Chicago and the local developments between it, Resorts, Second Century and the Foundation. The initial rulings remain an interlocutory appeal. Judge David Shaheed has assumed jurisdiction of this case. The Foundation's request for a preliminary injunction in this case was remanded back to Marion County Superior Court and rescheduled for hearing on October 18, 2007.

The Commission lease for the ninth floor of the south tower in the National City Bank building expires the end September. IDOA has approved a new lease for the agency to relocate on the 16th floor. This move increases the square footage and offers more room to expand in the future. Relocation is anticipated by December 1, 2007.

The investigation results of Columbia Sussex were scheduled for this meeting, but the process is taking more time than originally estimated. The results of this investigation should be available by November.

Waiver of Rules and Regulations:

Casino Association Members were granted relief from having the name of the riverboat licensee imprinted on the roulette wheel.

All casino owners were granted relief regarding the location of the dealing shoe used in a pai gow poker game.

Belterra, Caesars, French Lick, Horseshoe, Majestic Star and Resorts were granted relief from the number of security personnel during the bill validator drop from five to four for a sixty day trial period. This relief was granted to these casinos due to the fact that they have not had any significant drop issues.

Blue Chip was granted a waiver allowing the dealer to draw on a soft seventeen for the double deck blackjack tables only.

Caesars was granted a waiver allowing the tip count team to comprise of at least two dealers instead of one dealer and one cage cashier. They were also granted a waiver to utilize a computer system recording only the names of the occupational licensee when inputting a MTL transaction.

Horseshoe was granted a waiver allowing the additional purchase of three different primary chip denominations without the corresponding 50% of secondary chips. These additional chips will continue to use the name Horseshoe Hammond, Inc. They were granted a waiver to switch the secondary chips of a denomination with the primary chips due to the shortage of primary chips.

This is a temporary waiver as the casino will purchase all new chips bearing the name Horseshoe Hammond, LLC following all rules and regulations, prior to the transition to the new vessel. They were also granted a waiver allowing the inscription on the blackjack cloth to read "Dealer Stands On All 17's".

Old Business:

There was no old business.

New Business:

MBE/WBE

Resolution 2007-58

A Resolution Adopting Annual Goals For Minority and Women Owned Business Enterprise Expenditures. This resolution sets a goal of 10.9% utilization in WBE construction effective January 1, 2008.

Action: Upon Motion by Tom Swihart, second by Tim Walsh, and unanimous vote of those present, the Commission approved Resolution 2007-58 as recommended by Commission staff.

Voluntary Exclusion Program:

**Orders Concerning
The Voluntary Exclusion Program**

- Order 2007-59**
- Order 2007-60**
- Order 2007-61**
- Order 2007-62**
- Order 2007-63**
- Order 2007- 64**
- Order 2007-65**
- Order 2007-67**
- Order 2007-68**

Order 2007-59 approved the remittance of winnings by VEP participant John Doe #15 in the amount of \$5,502 as a fine. Argosy Casino withheld the winnings as required by Commission regulations and will remit the fine on behalf of the patron.

Order 2007-60 approved the remittance of winnings by VEP participant John Doe #16 in the amount of \$1,338 as a fine. Aztar withheld the winnings as required by Commission regulations and will remit the fine on behalf of the patron.

Order 2007-61 approved the remittance of winnings by VEP participant John Doe #17 in the amount of \$1,200 as a fine. Blue Chip withheld the winnings as required by Commission regulations and will remit the fine on behalf of the patron.

Order 2007-62 approved the remittance of winnings by VEP participant John Doe #18 in the amount of \$1,973 as a fine. Blue Chip withheld the winnings as required by Commission regulations and will remit the fine on behalf of the patron.

Order 2007-63 approved the remittance of winnings by VEP participant John Doe #19 in the amount of \$1,506.29 as a fine. French Lick Resort Casino withheld the winnings as required by Commission regulations and will remit the fine on behalf of the patron.

Order 2007-64 approved the remittance of winnings by VEP participant John Doe #20 in the amount of \$2,008 as a fine. French Lick Resort Casino withheld the winnings as required by Commission regulations and will remit the fine on behalf of the patron.

Order 2007-65 approved the remittance of winnings by VEP participant John Doe #21 in the amount of \$2,004 as a fine. Grand Victoria Casino withheld the winnings as required by Commission regulations and will remit the fine on behalf of the patron.

Order 2007-67 approved the remittance of winnings by VEP participant John Doe #23 in the amount of \$4,296 as a fine. Majestic Star Casino withheld the winnings as required by Commission regulations and will remit the fine on behalf of the patron.

Order 2007-68 approved the remittance of winnings by VEP participant John Doe #24 in the amount of \$1,500 as a fine. Majestic Star Casino withheld the winnings as required by Commission regulations and will remit the fine on behalf of the patron.

Action: Upon Motion by Tim Murphy, second by Tom Swihart, and unanimous vote of those present, the Commission approved Orders 2007-59, 60, 61, 62, 63, 64, 65, 67 and 68, as recommended by Commission staff.

Occupational License Matters:

Order 2007-69

Order Denying the Application for Occupational License of Lisa Jacobs, FL-DEN-07-10. This is an action wherein Ms. Jacobs' temporary occupational license was revoked for her failure to disclose a previous arrest. Commission staff recommended her license be denied.

Action: Upon Motion by Tim Murphy, second by Tom Swihart, and unanimous vote of those present, the Commission denied the application for the occupational license of Lisa Jacobs in Order 2007-69.

Order 2007-70

An Order Denying the Application for Occupational License of Lafe Mason, FL-DEN-07-11. This in an action involving the failure of Mr. Mason to disclose a felony conviction on his

application for occupational license. Commission staff recommended the denial of Mr. Mason's occupational license

Action: Upon Motion by Tim Murphy, second by Tim Walsh, and unanimous vote of those present, the Commission denied the application for occupational license of Lafe Mason in Order 2007-70.

Order 2007-71

An Order Denying the Application for Occupational License of Stephen Moy, MS-DEN-07-13. This is an action involving Mr. Moy's failure to disclose one or more felony convictions. Commission staff recommended the Commission deny the application for permanent occupation license for Mr. Moy.

Action: Upon Motion by Tim Walsh, second by Tom Swihart, and unanimous vote of those present, the Commission denied the application for occupational license of Stephen Moy in Order 2007-71.

Order 2007-72

An Order Denying the Application for Occupational License of Mary Wisdom, AZ-DEN-07-01. This is an action wherein Ms. Wisdom failed to disclose a felony arrest. Commission staff recommended Ms. Wisdom's application for permanent occupational license be denied.

Action: Upon Motion by Tom Swihart, second by Tim Walsh, and unanimous vote of those present, the Commission denied the application for occupational license of Mary Wisdom in Order 2007-72.

Order 2007-73

An Order Denying the Application for Occupational License of Christopher Newport, HH-DEN-07-01. This is an action wherein Mr. Newport failed to disclose one or more felony arrests to Commission staff. Commission staff recommended Mr. Newport's application for a permanent occupational license be denied.

Action: Upon Motion by Tim Murphy, second by Tom Swihart, and unanimous vote of those present, the Commission denied the application for occupational license of Christopher Newport in Order 2007-73.

Felony Waivers

Order 2007-74

An Order of the Indiana Gaming Commission Concerning the Request for Waiver of Felony Disqualification of Gregory E. Staten, FW-07-08. Commission staff recommends the waiver of Mr. Staten's felony disqualification.

Action: Upon Motion by Tom Swihart, second by Tim Walsh, and unanimous vote of those present, the Commission adopted the recommendation granting Mr. Staten's request for a waiver of his felony conviction.

Order 2007-76

An Order of the Indiana Gaming Commission Concerning the Request for Waiver of Felony Disqualification of Lucette Marie Abell, FW-07-06. Commission staff recommends the waiver of Ms. Abell's felony disqualification.

Action: Upon Motion by Tom Swihart, second by Tim Murphy, and unanimous vote of those present, the Commission adopted the recommendation granting Ms. Abell's request for a waiver of her felony conviction.

Order 2007-77

An Order of the Indiana Gaming Commission Concerning the Request for Waiver of Felony Disqualification of Freddie Paul Ross, FW-07-09. Commission staff recommends the waiver of Mr. Ross's felony disqualification.

Action: Upon Motion by Tim Murphy, second by James Cummings, and unanimous vote of those present, the Commission adopted the recommendation granting Mr. Ross's request for a waiver of his felony conviction.

Suppliers license matters:

Order 2007-78

Order of the Indiana Gaming Commission Concerning the Renewal of Supplier's Licenses concerning the renewal of Supplier's Licenses for GEMACO, Inc., valid August 19, 2007, through August 18, 2008; Progressive Gaming Corp., valid August 19, 2007 through August 18, 2008; Atronic Americas, Inc., valid August 19, 2007 through August 18, 2008; Glory (USA), Inc., valid September 26, 2007 through September 25, 2008; GPI S.A.S., valid September 26, 2007 through September 25, 2008;; GPI U.S.A., valid August 19, 2007 through August 18, 2008; Western Money Systems, valid October 1, 2007 through September 30, 2008; and Global Surveillance Assoc., valid October 1, 2007 through September 30, 2007.

Action: Upon Motion by Tom Swihart, second by Tim Murphy, and unanimous vote of those present, the Commission adopted Order 2007-78 and approved the renewal of the licenses.

Disciplinary Actions:

**Settlement Agreement of
Indiana Gaming Company, L.P.
07-AR-01
Order 2007-79**

A settlement agreement was reached regarding a check cashing violation: a patron without certified credit was able to cash two personal checks. Commission staff recommended and Indiana Gaming Company, L.P. agreed to pay a total fine in the amount of \$7,500.

Action: Upon Motion by Tim Murphy, second by Tom Swihart, and unanimous vote of those present, the Commission approved the proposed terms of the agreement.

**Settlement Agreement of
Belterra Casino and Resort
07-BT-02
07-BT-03
Order 2007-80**

A settlement agreement was reached with Belterra Casino and Resort regarding Ct. 1: A patron discovered an unlocked door on a slot machine. Further, a Gaming Agent discovered a door not completely closed on another slot machine. Ct. 2: A patron discovered an open door on a slot machine, and, Ct. 3: an underage patron was allowed to board the casino. Belterra agreed to a total fine of \$12,000 and Commission staff recommended the approval of this settlement. Another settlement agreement was reached regarding serial numbers on newly delivered shufflers and table games not matching serial numbers in an approved letter from the Commission. Belterra agreed to a total fine of \$10,000 and Commission staff recommended the approval of this settlement.

Action: Upon Motion by Tim Walsh, second by Tim Murphy, and unanimous vote of those present, the Commission approved the proposed terms of the agreement.

**Settlement Agreement of
Blue Chip Casino, LLC
07-BC-03
Order 2007-81**

A settlement agreement was reached regarding Ct. 1: failure to timely process a shipment of table game layouts, and; Ct. 2: an underage patron was allowed to board the casino. Commission staff recommended and Blue Chip Casino, LLC agreed to pay a total fine in the amount of \$19,500.

Action: Upon Motion by Tim Murphy, second by Tom Swihart, and unanimous vote of those present, the Commission approved the proposed terms of the agreement.

**Settlement Agreement of
RDI/Caesars Riverboat Casino, LLC
07-CS-03
Order 2007-82**

A settlement agreement was reached with Caesars regarding Ct. 1: failure to provide documentation of the date and time of repair of audio coverage on a surveillance tape, and further failed to notify Gaming Agents of malfunction; Ct. 2: an underage patron was allowed to board the casino; Ct. 3: cashed checks for a patron who was enrolled in the VEP, and Ct. 4: failure of Table Games Supervisor and Dealer to count cards in a deck and also failure to notice a card was missing, and Ct. 5: a Dual Rate Supervisor left two decks of cards unattended on a poker table for three hours and failed to cancel the cards. Caesars agreed to a total fine of \$29,000 and Commission staff recommended the approval of this settlement.

Action: Upon Motion by Tom Swihart, second by Tim Murphy, and unanimous vote of those present, the Commission approved the proposed terms of the agreement.

**Settlement Agreement of
French Lick Resort•Casino
07-FL-02
Order 2007-93**

A settlement agreement was reached with French Lick Resort•Casino regarding Ct. 1: failure to inform a Gaming Agent that a slot machine was in service after a coin test had been completed, but before a Gaming Agent had approved it; Ct. 2: an underage patron was allowed to board the casino, and Ct 3: a Gaming Agent found two decks of cards in an unlocked drawer. French Lick Resort•Casino agreed to a total fine of \$24,000 and Commission staff recommended the approval of this settlement.

Action: Upon Motion by Tom Swihart, second by Tim Walsh, and unanimous vote of those present, the Commission approved the proposed terms of the agreement.

**Settlement Agreement of
Grand Victoria Casino and Resort LP
07-GV-02
Order 2007-84**

A settlement agreement was reached with Grand Victoria Casino and Resort regarding Ct. 1: failure to change tape in a surveillance camera, resulting in a loss of three hours of footage; and Ct. 2: an underage patron was allowed to board the casino. Grand Victoria Casino and Resort agreed to a fine of \$15,500 and Commission staff recommended the approval of this settlement.

Action: Upon Motion by Tom Swihart, second by Tim Walsh, and unanimous vote of those present, the Commission approved the proposed terms of the agreement.

**Settlement Agreement of
Horseshoe Hammond, Inc.
07-HH-03
Order 2007-85**

A settlement agreement was reached with Horseshoe Hammond, Inc. regarding late filings of the RG-1. Horseshoe agreed to a fine of \$15,000 and Commission staff recommended the approval of this settlement.

Action: Upon Motion by Tom Swihart, second by Tim Murphy, and unanimous vote of those present, the Commission approved the proposed terms of the agreement.

**Settlement Agreement of
Majestic Star Casino I & II
07-MS-03
Order 2007-86**

A settlement agreement was reached with Majestic Star I & II regarding Ct. 1: failure to securely close a roulette wheel cover; Ct. 2: during an inspection of a roulette wheel, the wheel was found to be out of balance and agents ordered it brought back into compliance. The casino failed to bring the wheel back into compliance for approximately 19-20 hours, Ct. 3: two slot attendants paid out approximately one hundred seventy-eight pouch pays without obtaining a verifier for the transaction, Ct. 4: failure to correctly run tests on a malfunction on a slot machine, which resulted in the denomination to be reset to the Philippine dollar, Ct. 5: a total of eight bill validator boxes did not have locks on them, Ct. 6: an underage patron was allowed to board the casino, Ct. 7: a deck of cards was missing from a blackjack table and cards were missing from other decks of cards from a blackjack table and a mini-baccarat table, Ct. 8: a sleeve of dice was missing from a craps table, and Ct. 9: a revoked EPROM was discovered in a slot machine. Majestic Star Casino agreed to a total fine of \$51,500 and Commission staff recommended the approval of this settlement.

Action: Upon Motion by Tim Murphy, second by Tom Swihart, and unanimous vote of those present, the Commission approved the proposed terms of the agreement.

**Settlement Agreement of
RIH Acquisitions IN, LLC
07-RS-01
Order 2007-88**

A settlement agreement was reached with RIH Acquisitions IN, LLC, regarding Ct. 1: five slot machines containing revoked EPROMS, and Ct. 2: A VEP participant won and was paid

winnings from a jackpot. This was done during a time that the casino's system was offline. RIH Acquisitions IN, LLC agreed to a fine of \$13,732 and Commission staff recommended the approval of this settlement.

Action: Upon Motion by Tim Murphy , second by Tim Walsh, and unanimous vote of those present, the Commission approved the proposed terms of the agreement.

Financing matters:

Order 2007-88

An Order ratifying the previously awarded interim waiver and approval of the \$2 billion bank financing proposed to Pinnacle Entertainment, Inc.

Action: Upon Motion by Tom Swihart, second by Tim Murphy, and unanimous vote of those present, the Commission adopted Order 2007-88, which ratifies the Executive Director's September 6, 2007, interim approval and waiver.

Transfer of Ownership License

Order 2007-90

An Order Concerning the Application of Ameristar East Chicago Holdings, LLC to Acquire Ownership of RIH Acquisitions IN, LLC.

Action: Upon Motion by Tim Murphy , second by Tim Walsh, and unanimous vote of those present, the Commission approved the financing package proposed by Ameristar.

Renewal of Riverboat Owner's Licenses

Resolution 2007-91

An Order of the Indiana Gaming Commission Renewing the Riverboat Owner's License of Blue Chip Casino, LLC.

Action: Upon Motion by Tom Swihart, second by Tim Walsh, and unanimous vote of those present, the Commission approved the renewal of Blue Chip's riverboat license.

LSA Document?***

Resolution 2007-92

A Resolution Adopting LSA Document #07-354 as a Final Rule.

Action: Upon Motion by Tim Murphy, second by Tom Swihart, and unanimous vote of those present, the Commission adopted Resolution 2007-92, which will be submitted to the Indiana Register for filing.

Charity Gaming

Resolution 2007-93

A Resolution Adopting an Emergency Rule Regarding the Conduct of Charity Gaming Under I.C. 4-32.2

Action: Upon Motion by Tom Swihart, second by Tim Murphy, and unanimous vote of those present, the Commission adopted Resolution 2007-93.

Administrative Law Judge

Resolution 2007-94

Indiana Gaming Commission Appointment of Administrative Law Judge.

Action: Upon Motion by William Barrett, second by Tim Murphy, and unanimous vote of those present, the Commission adopted Resolution 2007-94, which appoints Mary Lee Comer as Administrative Law Judge.

Donald R. Vowels Resolution

Resolution 2007-95

A Resolution Honoring Donald R. Vowels for his Dedicate Service on the Indiana Gaming Commission.

Action: Upon Motion by Tim Murphy, second by Tom Swihart, and unanimous vote of those present, the Commission adopted Resolution 2007-95.

Next Meeting:

The next business meeting of the Commission will be November 8, 2007, at the Ameristar Casino in East Chicago, Indiana.

Adjournment:

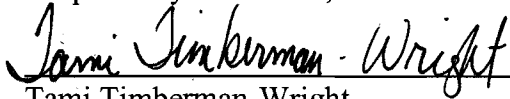
The meeting was adjourned at approximately 4:25 p.m.

Minutes:

Robin L. Helton transcribed the September 13, 2007, business meeting. The transcript is a complete record of the meeting. Anyone wishing to see the transcript may review it at the Commission Office at 115 West Washington Street, South Tower, Suite 950, Indianapolis, Indiana.

These minutes were prepared by Tami Timberman-Wright, Administrative Assistant for the Indiana Gaming Commission.

Respectfully Submitted,


Tami Timberman-Wright

THE INDIANA GAMING COMMISSION:


William Barrett, Chairman


Tom Swihart, Secretary

11/8/07
Date