

**INDIANA GAMING COMMISSION  
BUSINESS MEETING**

**MINUTES AMENDED AUGUST 23, 2001<sup>1</sup>**

**10:00 a.m. September 18, 2000  
Indiana Gaming Commission Office  
115 W. Washington Street, South Tower, Ste. 950  
Indianapolis, IN 46204**

**PRESENT:** Commission members Donald R. Vowels, Chair; Ann Bochnowski, Vice-Chair; Thomas Milcarek, Secretary; Richard Darko, Robert Swan, Dr. David Ross, and David Carlton. Staff: Jack Thar, Billy Hamilton, Cynthia Dean, Jennifer Arnold, John Krause, Jennifer Chelf, Michelle Marsden, Rhonda Dalton and members of the public.

**Call to Order and Roll Call**

Chairman Donald Vowels called the meeting to order at 10:000 a.m. (local time). A quorum was present.

**Approval of the Minutes**

Upon motion by Robert Swan, second by Dr. Ross, the minutes of the January 27, 2000 telephonic business meeting were unanimously approved.

Upon motion by Robert Swan, second by David Carlton, the minutes of the August ~~22~~ **21**, 2000 business meeting were unanimous approved. Thomas Milcarek abstained from voting due to the fact that he was not present at the meeting.

**Report of the Executive Director**

Jack Thar, Executive Director reported to the Commission on the activities of the riverboats and Commission office.

Personnel changes include the resignation of John Krause, a staff attorney. Mr. Krause will be leaving the first part of October for a position with the City of Indianapolis.

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<sup>1</sup> *This style type* is used to indicate text that has been added within these minutes; ~~this style type~~ is used to indicate text that has been removed. Amendments to these minutes made on August 23, 2001 include the change of date on page 1, and those additions found on pages 6 and 7.

Larry Lamport, Steve Heller, Hulian Campbell, and Frank Urban have joined the agency as Field Auditors. John Dickson was recently hired as an account clerk in the Comptroller Division.

First Sgt. Steve Banks with the Gaming Enforcement Division of the Indiana State Police will be retiring in the near future. F/Sgt. Banks has been with the Gaming Enforcement Division since its inception.

MBE/WBE - John Krause appeared before the Commission to discuss the annual reports detailing Minority Business and Women Owned Business purchasing statistics for the previous calendar year. These reports have been audited by Commission staff and were distributed to each Commissioner. The report reflect an across the board improvement in MBE percentages and WBE percentages.

Unaudited reports for the 2<sup>nd</sup> quarter of 2000 were given to the Commissioners. While the reports showed overall improvement there were instances where the 1999 percentages fell below acceptable levels. Commissioner Swan expressed particular concern about the 3.29% showed by Belterra Casino and Resort.

Purchasing managers continue to meet quarterly to discuss any obstacles they encounter in hiring Minority and Womens' Business Enterprises. Those meetings are attended by staff from the Indiana Gaming Commission and the Office of Minority Business Development.

The Reporting Requirements will be discussed at the next purchasing managers meeting scheduled for early October. The Commissioners expressed support for a rule addressing the issue of MBE/WBE Quarterly Reporting Requirements. The proposed rule will be presented at a Business Meeting in the near future.

Cathy Walker is the new General Manager of Trump Casino. Harrah's Casino has broken ground for a new hotel.

Beltterra Casino will be issuing a press release in the near future regarding the opening of its casino and resort in Vevay.

In a prior meeting, the Commission gave Executive Director Thar the authority to address issues of refinancing involving Shelf registration. Mr. Thar advised the Commissioners that Park Place submitted a request to take \$300m - \$500m of their existing bank debt and change that to bonds. In the end Park Place refinanced \$400m at 8-7/8%.

## **New Business**

### **HORSESHOE GAMING**

Executive Director Thar reported on the Horseshoe Gaming issue. While the Illinois Gaming Board approved the acquisition of Empress by Horseshoe Casino prior to December 1999, they did not approve Jack Binion on an individual basis at that time. The Illinois Gaming Board has subsequently found, in a preliminary order, that Jack Binion is unsuitable to hold a gaming license. The commissioners recommended that the IGC take the following steps in regards to the Horseshoe Gaming issue:

- The IGC will continue to complete its investigation.
- After completion of the investigation, the results will be reported to the Commission.
- If any questionable issues are found during the course or completion of the investigation, the IGC staff will recommend that these issues be presented to the Commission.
- After the Commission has had an opportunity to review the results of the investigation and observe any issues which need to be addressed they will report this to staff and it will be placed on the agenda.
- No action will be taken by the IGC until the findings of the Illinois Gaming Board are final.

#### **Resolution 2000-31**

A Resolution Concerning Financing Matters by Trump Indiana. Robert Pickus, General Counsel for Trump Casino; Don Tabbert, on behalf of Trump; and Peter Hahn, representing Jeffries and Companies appeared before the Commission. Previously, the Commissioners approved refinancing for the hotel loan. Subsequent to the meeting Trump decided to combine the refinancing of the hotel and the gaming vessel in order to secure better interest rates. Trump requested a waiver of 68 IAC 5-3-2(b)(3), the two meeting rule.

**Action:** Upon motion by Tom Milcarek, second by Ann Bochnowski, and unanimous vote of those present, the Commission approved the waiver of the two meeting rule.

Upon motion by Robert Swan, second by David Carlton, and unanimous vote of those present, the Commission approved the request of Trump Indiana to enter into a secured loan in an amount of up to \$30 million subject to a review and approval of the terms of the final draft and associated documents by Commission staff.

#### **Resolution 2000-32**

A Resolution Concerning Financing Matters by Buffington Harbor Parking Associates, LLC, a company formed by Trump and Majestic Star as a part of a joint venture for the

purpose of building a covered parking facility. David Wolf, of Majestic Star, as well as representatives from Trump, appeared before the Commission to discuss financing.

**Action:** Upon motion by Tom Milcarek, second by Ann Bochnowski, and unanimous vote of those present, the Commission approved the waiver of the two meeting rule.

Upon motion by Ann Bochnowski, second by Richard Darko, and unanimous vote of those present, the Commission approved the request for approval of Buffington Harbor Parking Associates, LLC's secured loan in an amount of up to \$28,875,000 million subject to review and approval of the terms of the final draft and associated documents by the Commission staff.

### **Request for Approval of Debt Acquisition Argosy Casino**

Don Malloy, General Counsel and Dale Black, Chief Financial Officer of Argosy appeared before the Commission and staff concerning the refinancing and restructuring of existing debt.

### **Bond Reductions**

#### **Request for Bond Reduction Blue Chip Casino, LLC.**

Pursuant to the Surety Bond posted by Blue Chip Casino, LLC ("Blue Chip"), the amount of \$3,500,000.00 was posted to secure the performance by Blue Chip of its obligation to construct a 188-room hotel and 75 vehicle parking garage in Michigan City, Indiana. As of March 3, 2000 construction of both the hotel and parking garage was completed. Therefore, the amount of the Surety Bond posted by Blue Chip that is allocated to the construction and completion of the hotel and may be reduced by \$3,500,000.00

Pursuant to Section 6.2 of the Riverboat Development Agreement ("Agreement") between Michigan City Parties and Blue Chip, Blue Chip agreed to make payments to the Enrichment Corporation on July 31 and January 31 of each year. The amount of \$1.6 million was posted to secure the performance by Blue Chip of its obligation to make payments to the Enrichment Corporation. Payments to the Enrichment Corporation have been made by Blue Chip in July and January of 1998, 1999 and 2000. Therefore, the amount of the Surety Bond posted by Blue Chip may be reduced by \$960,000, representing 3/5 of the obligation to make payments to the Enrichment Corporation.

**Action:** Upon motion by Thomas Milcarek, second by Ann Bochnowski, and unanimous vote of those present, the Commission authorizes the Fidelity and Deposit Company of

Maryland to reduce the Surety Bond posted by Blue Chip in a total amount of \$4,460,000.00.

### **Request for Bond Reduction Casino Aztar**

On February 25, 2000, May 8, 2000, June 5, 2000, July 7, 2000 and August 3, 2000, Casino Aztar made the following identical payments to the City of Evansville pursuant to the Development Agreement between Casino Aztar and the City of Evansville and as a condition of the Riverboat Owner's License issued to Casino Aztar:

Downtown Revitalization	\$ 83,333.33
Economic Development	16,666.67
Pigeon Creek Greenway	<u>4,166.67</u>
Total	\$104,166.67

**Action:** Upon motion by Robert Swan, second by David Carlton, and unanimous vote of those present, the Commission authorizes the National City Bank to reduce Letter of Credit 102, posted by Casino Aztar, in a total amount of \$520,833.35.

### **Request for Bond Reduction The Majestic Star Casino, LLC.**

Pursuant to the Surety Bond posted by The Majestic Star Casino, LLC ("Majestic Star"), the amount of \$10,000,000.00 was posted to secure the performance by the Majestic Star of its obligation to construct certain economic development projects (or contribute funds in lieu thereof) to the City of Gary pursuant to the Development Agreement dated March 26, 1996, as amended. As of September 14, 2000 Majestic Star had completed the commitments made to the City of Gary as evidenced by letters dated September 1, 2000, September 13, 2000, and September 14, 2000 from Mayor Scott King. Therefore, the amount of the Surety Bond posted by Majestic Star may be reduced by \$10,000,000.00.

**Action:** Upon motion by Ann Bochnowski, second by Richard Darko, and unanimous vote of those present, the Commission authorizes the United States Fidelity and Guaranty Company of Maryland as Surety, and USF & G Corporation, as Guarantor, to reduce the Surety Bond posted by Majestic Star by the amount of \$10,000,000.00.

### **Suppliers' License Issues**

#### **Resolution 2000-33**

A Resolution Granting Supplier's License to Spin For Cash Wide Area Progressive Joint Venture and Hornblower Marine Services.

**Action:** Upon motion by David Carlton, second by Thomas Milcarek, and unanimous vote of those present, the Commission granted Suppliers' Licenses to Spin For Cash Wide Area Progress Joint Venture, and Hornblower Marine Services. The suppliers' licenses will be valid for a period of one (1) year, from September 18, 2000 through September 17, 2001.

#### **Resolution 2000-34**

A Resolution Concerning the Renewal of Suppliers' License for VLC, Inc.

**Action:** Upon motion by Robert Swan, second by Ann Bochnowski, and unanimous vote of those present, the Commission granted the renewal of the suppliers' licenses for VLC, Inc. The renewed suppliers' licenses will be valid for a period of one (1) year from the date of Issuance.

#### **Resolution 2000-35**

A resolution concerning the request of Logical Solutions International Inc. to withdraw its application for a supplier's license.

**Action:** Upon motion by Ann Bochnowski, second by Richard Darko, and unanimous vote of those present, the Commission approved the request Logical Solutions to withdraw its application for a supplier's license.

### **Settlement Agreement Blue Chip/Boyd Gaming Failure to Disclose**

#### **Resolution 2000-37**

***A resolution approving the settlement agreement presented by Boyd Gaming Corporation and Blue Chip Casino, LLC concerning the specific distribution of the voluntary contributions in the amount of \$900,000, and the fine imposed by the Commission in the amount of \$100,000.***

On May 12, 2000 the Commission approved the settlement of Boyd Gaming Corp and Boyd Indiana, Inc. for failure to list a Consulting Agreement with Field Street, Inc. on the Riverboat Owner's License Application. Pursuant to the settlement agreement Boyd/Blue Chip is to pay a \$100,000 fine and make \$900,000 in charitable and civic contributions. The following individuals appeared before the Commission to express their support for the distribution of the funds: Kay Fleming, local Counsel for Boyd Gaming; Mike Driggs, Vice President and General Manager of Blue Chip Casino; Sheila Brillson, Mayor of Michigan City; Kathleen A. Chroback, Mayor City of LaPorte; Dr. Peggy Hinckley, Superintendent of LaPorte Community School Corporation; Marlow J.

Harmin, President of LaPorte County Board of Commissioners; Ron Clindaniel, LaPorte County Council; and Richard R. Stalbrink, Jr., representing towns of Wanatah and LaCrosse.

The \$900,000.00 will be distributed in the following manner:

Senior Center Computer Lab with Internet Access	\$ 10,000
Pullman Neighborhood Park Recreation Facilities	35,000
Salvation Army Building Fund	15,000
Boys and Girls Club Master Plan Development	10,000
YMCA Capital Improvement Fund	10,000
City Kids Day Camp	10,000
Park School Computer Lab: Software for Math and Language Arts	10,000
Washington Park Zoo – Primate House Renovation	50,000
City Wide Projects	750,000

***Action: Upon motion by Richard Darko, second by Ann Bochnowski, and unanimous vote of those present, the Commission accepted the proposal made by Boyd to resolve the disciplinary matter.***

#### **Resolution 2000-38**

A Resolution Concerning the Second Amendment to the Riverboat Gaming Development Agreement Between Blue Chip Casino, LLC and the City of Michigan City.

Action: Upon motion by Robert Swan, second Thomas Milcarek, and unanimous vote of those present, the Commission granted the request of the City of Michigan City and Blue Chip Casino LLC to approve the Second Amendment to the Development Agreement by and between the City of Michigan City and Blue Chip Casino, LLC.

#### **New Game Approval**

#### **Resolution 2000-36**

Conditional Approval of The Game of TRE' Card Stud.

***Action:*** Upon motion by Richard Darko, second by David Carlton, and unanimous vote of those present, the Commission granted conditional approval of the game of "Tre' Card Stud" for a trial period of six (6) months for use on Indiana riverboats.

## Next Meeting

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

## Adjournment

The meeting was adjourned at approximately 12:15 p.m. upon motion by Robert Swan, second by Ann Bochnowski, and unanimous vote of those present.

## Minutes

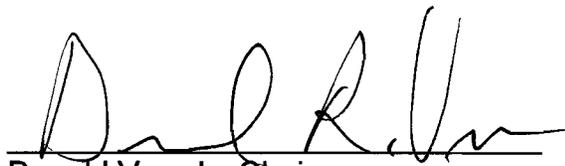
Baynes & Shirey Reporting Services transcribed the September 18, 2000 business meeting. Consequently, the transcript is the complete record of the meeting. Anyone wishing to see the transcript can review it in the Commission office or obtain a copy of the transcript from Baynes & Shirey, Bank One Center/Circle Center, 111 Monument Circle, Ste. 582, Indianapolis, IN 46207. (317) 231-9003.

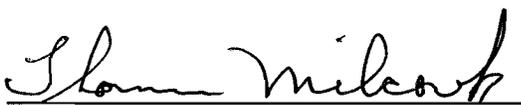
Rhonda K. Dalton, Executive Secretary of the Indiana Gaming Commission Staff, prepared these minutes.

Respectfully Submitted,

  
Rhonda K. Dalton

## THE INDIANA GAMING COMMISSION

  
Donald Vowels, Chair

  
Thomas Milcarek, Secretary