

**INDIANA GAMING COMMISSION
BUSINESS MEETING**

March 8, 2007
Indiana Government Center South
Indianapolis, Indiana

Call to Order and Roll Call:

Vice-Chairman Tim Murphy called the meeting to order at approximately 1:07 p.m. local time. A quorum was present.

Present:

Commission Members: Tim Murphy, Vice Chair, Don Vowels, Secretary, Tom Swihart and Tim Walsh, and Jim Cummings. Commission Staff: Ernest E. Yelton, Phil Sicuso, Jennifer Arnold, Kevin Mahan, Mark Mitchell, Chris Gray, Frank Brady, Angie Bunton, Andrew Klinger, Adam Packer, Lea Ellingwood, Tami Timberman, Garth Brown, Jill Clouse, Jim Beebe, Kesha Rich, Kim Barnett, Matt Shouse, Victoria Hayworth, and members of the public.

Approval of the Minutes:

Upon motion by Don Vowels, second by Tom Swihart, and the unanimous vote of those present, the Commissioners approved the proposed minutes of the December 19, 2006, business meeting.

Report of the Executive Director:

Executive Director Yelton introduced Jim Cummings as the sixth member of the Commission. Mr. Cummings engages in residential and commercial real estate sales through his company, Cummings Real Estate, Inc.

In the interlocutory appeal involving the City of East Chicago, Second Century, the two Foundations and the Attorney General, agency counsel filed a brief contesting the order consolidating the declaratory judgment action and the judicial review of an administrative action, both brought by Second Century. A decision is pending. Also, Judge Bradford conducted a hearing on the City of East Chicago's Motion to lift the stay of discovery pending the interlocutory appeal. The Judge denied the City's motion.

Michael Danieleley, an auditor with the State Board of Accounts, has been conducting a biennial Compliance Review, which is an abbreviated audit. He had added Gaming Research to his review. There should be a report on his findings within a month.

The Commission is in the process of hiring a new staff attorney, a receptionist, and a clerical position with the Division of Charity Gaming.

Waiver of Rules and Regulations:

The Members of the Casino Association of Indiana were granted relief from the soft count team members verbalizing the live gaming device game type and the identification number on the bill validator box during the county.

Argosy was granted a waiver to allow semi-annual rotation and count of the reserve and secondary chips.

Marine Structural and Life Safety Standards

On January 23, the Commission published the 10th draft of the proposed Marine Structural and Life Safety Standards for industry and public comment. At the request of the Casino Association of Indiana and corporate officers of Boyd Gaming, the deadline for written responses was extended to March 15. A meeting is being arranged with ABS Consulting, Inc., the U.S. Coast Guard, and the Indiana Dept of Homeland Security to review the standards. It is anticipated a final draft for policy declaration should be ready by the June meeting. It has been rumored that the Coast Guard may announce its decision to abandon all inspections of continuously moored vessels in the upcoming Federal Register. If so, potentially all ten vessels on the lake and river will come under the jurisdiction of the alternate standards.

The Commission was informed by Grand Victoria's local counsel that it is still actively pursuing the sale process. They have not selected a bidder to negotiate with exclusively. Based on negotiations with interested parties, Hyatt Gaming will decide whether to sell or to hold, expand and refinance. The Commission has not received any inquiry from any entity seeking information as to the possibility of transferring the license to another venue.

Legislative Update

The 2007 General Assembly has concluded first chamber action on legislative proposals. HB 1254 is an initiative by the DNR, ATC and Gaming Commission for new provisions to the present pension plan for gaming agents. It was reassigned too late in the session to be heard.

SB 246 provides statutory clarification on the local development agreements between casino licensees and local entities. It would require annual reporting of receipts and distributions of gaming proceeds and recognized the Commission continuing jurisdiction over their operation. It passed the Senate and has been forwarded to the House.

HB 1837's original form was primarily applicable to any construction of a new gaming vessel under the alternate marine structural and life safety standards. The bill was changed to contain a requirement that any new vessel be constructed in Indiana unless the Commission finds it to be either economically or technologically unfeasible, and the Commission, rather than the legislature, would be empowered to approve new casino games. It passed the House and was sent to the Senate.

HB 1510 is the Charity Gaming omnibus bill. Much of the legislation is a statutory cleansing that treats qualified organizations and qualified events equally. The balance is an attempt to statutorily authorize previous existing practices licensed by the Department of Revenue. This initiative authorizes participation of full time paid employees. The Commission has replaced the regulatory creation of calendar raffles with an annual raffle license which allows 50/50's and weekly drawings which are presently occurring with significant frequency. The Commission is further asking the legislature to determine whether card charity game nights should be treated the same as other events. We are further requesting approval for all Indiana institutions of higher education to qualify as an organization.

Report of the Director of Charity Gaming

Mark Mitchell, Director of Charity Gaming, reported that Victoria Hayworth filled the full time receptionist position. He further reported that Kim Barnett was promoted to the position of Administrative Assistant 3 for the investigative and legal staff.

Since July 1, 2006, Charity Gaming has processed a total of one thousand, five hundred thirty six license applications and collected one million four hundred thousand twenty six dollars in licensing fees.

In response to public requests, Charity Gaming has added a list of manufacturers and distributors licensed by the Commission, plus a list of the organizations qualified by the Commission to conduct charity gaming events, to the Indiana Gaming Commission's website. The lists will be updated on a monthly basis.

On January 3, 2007, a fourth public hearing was held in the Indiana Gaming Conference room to collect verbal and written comments from the public on the proposed rule for Charity Gaming.

Report of Superintendent

Kevin Mahan, Superintendent, reported that the fifth and final transitional gaming agent class graduated from the ILEA on February 28. He further reported that by midnight, March 18, 2007, all ten casino properties will have been transitioned from the Indiana State Police to the Division of Gaming Agents.

The Investigative section has completed a total of 61 investigations thus far this year and are preparing to start their second international investigation. They have also hired Jill Clouse as their new background investigator.

MBE/WBE Update

Deputy Director Jennifer Arnold reported that the Indiana Gaming Commission has received a draft of our gaming industry specific disparity study from the Center for Urban Policy and will distribute it to members of the Commission and advisory committee. The Commission is also in

the process of contracting with the Indianapolis law firm of Coleman Graham & Stevenson for a legal review of the study. At the next meeting, staff will present the final product to the Commission, along with recommendations regarding the establishment of minority and women's business utilization goals.

Legal

Kesha Rich was promoted to the position of Occupational Licensing Coordinator, while Matt Shouse was hired as the department's new legal secretary.

Old Business:

There was no old business.

New Business:

Voluntary Exclusion Program:

**Orders Concerning
The Voluntary Exclusion Program**

Order 2007-01

Order 2007-02

Order 2007-03

Order 2007-04

Order 2007-05

Order 2007-06

Order 2007-01 approved the remittance of winnings by VEP participant John Doe #1 in the amount of \$72 as a fine. Argosy Casino withheld the winnings as required by Commission regulations and will remit the fine on behalf of the patron.

Order 2007-02 approved the remittance of winnings by VEP participant John Doe #2 in the amount of \$2,148 as a fine. Argosy withheld the winnings as required by Commission regulations and will remit the fine on behalf of the patron.

Order 2007-03 approved the remittance of winnings by VEP participant John Doe #3 in the amount of \$2,250 as a fine. Caesars withheld the winnings as required by Commission regulations and will remit the fine on behalf of the patron.

Order 2007-04 approved the remittance of winnings by VEP participant John Doe #4 in the amount of \$1,152.48 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 2007-05 approved the remittance of winnings by VEP participant John Doe #5 in the amount of \$1,424 as a fine. Majestic Star withheld the winnings as required by Commission regulations and will remit the fine on behalf of the patron.

Order 2007-06 approved the remittance of winnings by VEP participant John Doe #6 in the amount of \$1,278.15 as a fine. Majestic Star withheld the winnings as required by Commission regulations and will remit the fine on behalf of the patron.

Action: Upon Motion by Don Vowels, second by Tom Swihart, and unanimous vote of those present, the Commission approved Orders 2007-1, 2, 3, 4, 5 & 6, as recommended by Commission staff.

Occupational License Matters:

Order 2007-7

Order Regarding the Administrative Hearing on the Denial of Occupational License of Brenda Wilson. This is an action wherein Administrative Law Judge White recommended that the Commission reinstate Ms. Wilson's occupational license.

Action: Upon Motion by Don Vowels, second by Tom Swihart, and unanimous vote of those present, the Commission approved the reinstatement of the occupational license of Brenda Wilson in Order 2007-7.

Order 2007-8

Order of the Indiana Gaming Commission approving Settlement Agreement: Re: Andres J. Martinez. This in an action involving the failure of Mr. Martinez to report an arrest for Operating While Intoxicated within the 10 day time frame in 68 IAC 2-3-9-1. Commission staff recommended and Mr. Martinez agreed to his occupational license being suspended for one working day.

Action: Upon Motion by Tom Swihart, second by Don Vowels, and unanimous vote of those present, the Commission approved Order 2007-8.

Order 2007-9

Order of the Indiana Gaming Commission concerning the request for a waiver of felony disqualification of Daniel Stiemann, FW-06-04. This is an action wherein Mr. Stiemann requested a waiver of his felony disqualifications. Commission staff recommended the Commission grant a waiver of felony disqualification to Mr. Steinman.

Action: Upon Motion by Don Vowels, second by Tom Swihart, and unanimous vote of those present, the Commission approved Order 2007-9.

Order 2007-10

Order of the Indiana Gaming Commission concerning the request for a waiver of felony disqualification of Anthony Louis Barba, FW-07-01. This is an action wherein Mr. Barba

requested a waiver of his felony disqualifications. Commission staff recommended Mr. Barba's request for a felony waiver be granted.

Action: Upon Motion by Don Vowels, second by Tom Swihart, and unanimous vote of those present, the Commission adopted Order 2007-10.

Order 2007-11

Order of the Indiana Gaming Commission concerning the request for a waiver of felony disqualification of Jason D. Guthrie, FW-06-06. This is an action wherein Mr. Guthrie requested a waiver of his felony disqualifications. Commission staff recommended Mr. Guthrie's request for a felony waiver be granted.

Action: Upon Motion by Don Vowels, second by Tom Swihart, and unanimous vote of those present, the Commission adopted Order 2007-11.

Order 2007-12

Order of the Indiana Gaming Commission concerning the request for a waiver of felony disqualification of Donald Lee Hepp, FW-07-03. This is an action wherein Mr. Hepp requested a waiver of his felony disqualifications. Commission staff recommended Mr. Hepp request for a felony waiver be granted.

Action: Upon Motion by Tom Swihart, second by Don Vowels, and unanimous vote of those present, the Commission adopted Order 2007-12.

Suppliers license matters:

Order 2007-13

Order of the Indiana Gaming Commission concerning the renewal of Supplier's Licenses for Midwest Game Supply, valid through January 25, 2008, IGT, valid until January 25, 2008, Fidelity National Transaction Services, Inc., valid through February 25, 2008, AC Coin, valid through February 25, 2008, WMS Gaming, valid through March 16, 2008, Bally Technologies, Inc., valid through March 29, 2008, and Dallman Systems, valid through March 30, 2008.

Action: Upon Motion by Tom Swihart, second by Don Vowel, and unanimous vote of those present, the Commission adopted Order 2007-13 and approved the renewal of the licenses.

Financing matters:

Order 2007-14

An Order ratifying the previously awarded interim waiver and approval of additional financing up to \$2.25 Billion Proposed by Harrah's Operating Company, Inc.

Action: Upon Motion by Tom Swihart, second by Tim Walsh, and unanimous vote of those present, the Commission adopted Order 2007-14, which approved the Executive Director's February 6, 2007, interim approval and waiver.

Order 2007-15

An Order ratifying the previously awarded interim waiver and approval of the \$750 million debt offering proposed by Pinnacle Entertainment, Inc.

Action: Upon Motion by Tom Swihart, second by Tim Walsh, and unanimous vote of those present, the Commission adopted Order 2007-15, which approved the Executive Director's February 6, 2007, interim approval and waiver.

Disciplinary Action:

**Settlement Agreement of
Casino Aztar
07-AZ-01
Order 2007-16**

A settlement agreement was reached regarding ten counts. The counts were as follows: Ct. 1: Three Sensitive Key Issues, Ct. 2: Failure to Inform, Ct. 3: Admissions, Ct. 4: Four Minor Issues, Ct. 5: Unsecured Chips, Ct. 6: Four Unlocked Sensitive Door Issues, Ct. 7: Playing Card Issue, Ct. 8: Missing Bill Validator Box, Ct. 9: Late Filing of Tax Forms, and Ct. 10: Roulette Issue. Commission staff recommended and Casino Aztar agreed to pay a total fine in the amount of \$160,500.

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
Belterra Casino and Resort
07-BT-01
Order 2007-17**

A settlement agreement was reached with Belterra regarding an underage patron entering the casino. Belterra agreed to a fine of \$4,500 and Commission staff recommended the approval of this settlement agreement.

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

**Settlement Agreement of
Blue Chip Casino, LLC**

**07-BC-01
Order 2007-18**

A settlement agreement was reached with Blue Chip regarding three underage patrons on the casino floor. Blue Chip agreed to a total fine of \$18,000 and Commission staff recommended the approval of this settlement.

Action: Upon Motion by Don Vowels, 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-01
Order 2007-19**

A settlement agreement was reached with Caesars regarding cage paperwork that was corrected improperly. Caesars agreed to a fine of \$3,000 and Commission staff recommended the approval of this settlement.

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

**Settlement Agreement of
Horseshoe Hammond, Inc.
07-HH-01
Order 2007-20**

A settlement agreement was reached with Caesars regarding an underage person allowed to board the vessel. Horseshoe agreed to a fine of \$3,000 and Commission staff recommended the approval of this settlement.

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

**Settlement Agreement of
Majestic Star Casino, LLC.
07-MS-01
Order 2007-21**

A settlement agreement was reached with Majestic Star Casino regarding Ct. 1: The failure of a cage cashier to sign out her key at the beginning of her shift, and Ct. 2: Allowing an underage person to board the casino. Majestic Star Casino agreed to a total fine of \$5,500 and Commission staff recommended the approval of this settlement.

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

Emergency Rule

Resolution 2007-22

A Resolution Adopting an Emergency Rule Changing the Definitions for “Key Person” and “Substantial Owner”.

Action: Upon Motion by Tom Swihart, second by Tim Walsh, and unanimous vote of those present, the Commission adopted Resolution 2007-22.

Charity Gaming

Resolution 2007-23

A Resolution Adopting LSA Document #06-335 as a Final Rule.

Action: Upon Motion by Tom Swihart, second by Tim Walsh, and unanimous vote of those present, the Commission adopted Resolution 2007-23, which adopted the LSA Document #06-335 as a Final Rule.

Executive Director Resolution

Resolution 2007-24

A Resolution Granting the Executive Director the Authority to Approve Changes in the Odds That a Riverboat May Offer in the Game of Craps.

Action: Upon Motion by Tom Swihart, second by Don Vowels, and unanimous vote of those present, the Commission adopted Resolution 2007-24, which gives the Executive Director the authority to act in the name of the Commission with respect to requests to change odds in a craps game.

Next Meeting:

The next business meeting of the Commission will be June 21, 2007, at a yet undetermined place.

Adjournment:

Upon motion by Don Vowels, second by Tom Swihart, and unanimous vote of those present, the meeting was adjourned at approximately 2:35 p.m.

Minutes:

Robin L. Helton transcribed the March 8, 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.

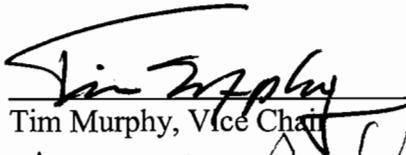
These minutes were prepared by Tami Timberman, Administrative Assistant for the Indiana Gaming Commission.

Respectfully Submitted,



Tami Timberman

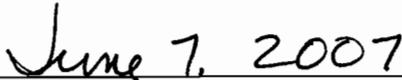
THE INDIANA GAMING COMMISSION:



Tim Murphy, Vice Chair



Donald Vowels, Secretary



Date