

# INDIANA GAMING COMMISSION BUSINESS MEETING

June 7, 2007  
Downtown Marriott  
Indianapolis, Indiana

## **Call to Order and Roll Call:**

Chairman William Barrett called the meeting to order at approximately 1:10 p.m. local time. A quorum was present.

## **Present:**

Commission Members: William Barrett, Chairman, Tim Murphy, Vice Chair, Don Vowels, Secretary, Tom Swihart, Tim Walsh, and Jim Cummings. Commission Staff: Ernest E. Yelton, Phil Sicuso, Jennifer Arnold, Kenny Rowan Mark Mitchell, Chris Gray, Frank Brady, Angie Bunton, Andrew Klinger, Adam Packer, Lea Ellingwood, Tami Timberman, Kesha Rich, Mark Reder-Yera, Matt Parkinson, Marian Coffey, Jannette Thomas, Floretta Sultzer 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 March 8, 2007, business meeting.

## **Report of the Executive Director:**

The Executive Director gave a staff update. Marian Coffey is the Commission's new receptionist. There are also three interns assigned to the Commission from the Governor's Summer Intern Program. They are: Mark Reder-Yera, Matt Parkinson and Joe Cooper.

On June 4, an Ownership Interest Transfer application from Ameristar Casinos Inc. requesting to purchase the Resorts East Chicago Indiana casino property was filed. The Commission also received 9 of 11 Level 1 applications for requested key persons. The other two applications should be received shortly and it is anticipated the investigation will be completed by the fourth quarter Commission meeting.

Evansville Mayor Jonathon Weinzapfel requested the Commission conduct an investigation into statements made by Columbia Sussex prior to the approval of the transfer of Aztar's license and its subsequent actions. Directors Garth Brown and Jim Beebe were appointed to conduct this inquiry. Their results should be available by the Commission's next meeting.

In response to new legislation, the merged Foundations of East Chicago, Inc. filed another lawsuit in Marion Superior Court seeking to have the statute declared unconstitutional. It also filed two motions in Judge Bradford's consolidated lawsuit, which is presently on appeal. First, they asked to amend the pleadings to include the unconstitutionality issue and then filed a motion to consolidate the new case with Judge Bradford's. The City of East Chicago filed a removal of the new litigation in Federal Court and also filed a request for a preliminary injunction with Judge Bradford alleging the Commission failed to renew Resorts license, that it lapsed, and as a result the LDA was terminated and all monies should be paid to the City. A hearing was scheduled on the matter and taken under advisement. The Request for Injunctive Relief was set for hearing on July 16. There will be an effort in Federal Court to have the case remanded to State Court. Second Century sued Resorts and Ameristar alleging conversion and other counts.

**Waiver of Rules and Regulations:**

Aztar was granted a waiver to allow blackjack layouts with five, six or seven spots for wagering. They were further granted a temporary waiver allowing slot technicians to sign for the Electronic Gaming Device CPU key. This waiver is in effect only until the state mandated slot machine audit is completed.

Argosy was granted an extension of the waiver regarding the casinos being in compliance with required surveillance equipment. The original waiver was granted in November 2006. The extension was requested due to the revised date of the completion of the new vessel. They were also granted a temporary waiver to use non-value chips that have not been used on a live table, as valued chips in a poker tournament. The non-value chips will be used only for this one tournament.

French Lick was granted a waiver to allow Slot Operations tip boxes to be dropped weekly instead of daily. They were granted relief from having an employee from the accounting department as part of the soft count team. With the advancement of technology, the need for an employee from a separate department is no longer valid.

Blue Chip was granted relief from the soft count team members verbalizing the live gaming device game type and the identification number of the bill validator box during the count.

**Legislative Update**

SB 128 was a collaborative effort of the DNR, Alcohol and Tobacco Commission and the IGC for pension reform for our agents. Several provisions were adopted and will become effective July 1, 2007.

HEA 1835, slots at the tracks, provides for slot machine parlors at Hoosier Park in Anderson and Indiana Downs in Shelbyville. The Commission will have the licensing and regulatory authority with the tracks as it has with the riverboats. There will be 24 new positions created as a result of 1835.

HB 1510 clarified the manner in which Charity Gaming oversees gaming events and also created a total of 18 new positions for illegal gambling enforcement. The City of East Chicago was able

to include language in this bill concerning the Resorts LDA. It empowers the City to cancel any existing LDA to which it is a party upon the Commission's approval of a transfer of the riverboat license by Resorts to a purchaser. The City would be entitled to any escrowed monies from the LDA and only the city could negotiate a new agreement with the transferor.

### **Report of the Director of Charity Gaming**

The Charity Gaming staff has processed a total of 2,424 license applications and collected over \$4,250,000 dollars in licensing fees.

Jannette Thomas was hired as a clerk in the Charity Gaming Compliance section.

Floretta Sultzer was hired as the receptionist for the Charity Gaming Division.

### **Report of Superintendent**

Kenny Rowan, Director of Enforcement, gave the Report of the Superintendent. The Investigation division will be hiring two additional investigators due to the recent passage of the slots at the track bill. Two international investigations are now underway, one in Italy and the other in Japan.

The Enforcement Division is also in the process of advertising for additional gaming enforcement agents. The deadline for applying is June 17.

### **MBE/WBE Update**

Statute requires the Gaming Commission to conduct a statistical analysis of the utilization of minority and women owned businesses by Indiana's riverboat casinos. Drew Klacik, Center for Urban Policy; Glenn Lawrence, Coleman, Graham and Stevenson, and Debbie Wilson, Engaging Solutions, presented information necessary to the study.

Staff intends to draft revised rules for MBE and WBE compliance, which will be for presentation in September. Staff recommends the review of the 2008 expenditure information in 2009.

### **Old Business:**

There was no old business.

### **New Business:**

**Voluntary Exclusion Program:**

**Orders Concerning  
The Voluntary Exclusion Program**

**Order 2007-25**

**Order 2007-26**

**Order 2007-27**

**Order 2007-28**

**Order 2007-29**

**Order 2007-30**

**Order 2007-31**

**Order 2007-32**

Order 2007-25 approved the remittance of winnings by VEP participant John Doe #7 in the amount of \$1,343.19 as a fine. Resorts East Chicago withheld the winnings as required by Commission regulations and will remit the fine on behalf of the patron.

Order 2007-26 approved the remittance of winnings by VEP participant John Doe #8 in the amount of \$947.99 as a fine. Resorts East Chicago withheld the winnings as required by Commission regulations and will remit the fine on behalf of the patron.

Order 2007-27 approved the remittance of winnings by VEP participant John Doe #9 in the amount of \$1,440 as a fine. Resorts East Chicago withheld the winnings as required by Commission regulations and will remit the fine on behalf of the patron.

Order 2007-28 approved the remittance of winnings by VEP participant John Doe #10 in the amount of \$1,500 as a fine. Belterra Casino withheld the winnings as required by Commission regulations and will remit the fine on behalf of the patron.

Order 2007-29 approved the remittance of winnings by VEP participant John Doe #11 in the amount of \$1,033.11 as a fine. Belterra Casino withheld the winnings as required by Commission regulations and will remit the fine on behalf of the patron.

Order 2007-30 approved the remittance of winnings by VEP participant John Doe #12 in the amount of \$62 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 2007-31 approved the remittance of winnings by VEP participant John Doe #13 in the amount of \$400 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 2007-32 approved the remittance of winnings by VEP participant John Doe #14 in the amount of \$5,000 as a fine. Argosy Casino withheld the winnings as required by Commission regulations and will remit the fine on behalf of the patron.

**Action:** Upon Motion by Tom Swihart, second by Tim Murphy, and unanimous vote of those present, the Commission approved Orders 2007-25, 26, 27, 28, 29, 30, 31 and 32, as recommended by Commission staff.

**Occupational License Matters:**

**Order 2007-34**

Order Denying the Application for Occupational License of Roland Baldazo, MS-DEN-07-03. This is an action wherein Mr. Baldazo's temporary occupational license was revoked for his failure to disclose several arrests. Commission staff recommended his license be denied.

**Action:** Upon Motion by Don Vowels, second by Tim Murphy, and unanimous vote of those present, the Commission denied the application for the occupational license of Roland Baldazo in Order 2007-34.

**Order 2007-35**

An Order Denying the Application for Occupational License of Marlisa Barnes, MS-DEN-07-04. This in an action involving the failure of Ms. Barnes to disclose two misdemeanor arrests and a felony arrest on her application for occupational license. Commission staff recommended the denial of Ms. Barnes occupational license

**Action:** Upon Motion by Don Vowels, second by Tim Murphy, and unanimous vote of those present, the Commission denied the application for occupational license in Order 2007-35.

**Order 2007-36**

An Order Denying the Application for Occupational License of Daniel Huynh, MS-DEN-07-06. This is an action involving Mr. Huynh's failure to disclose one or more arrests. Commission staff recommended the Commission deny the application for permanent occupation license for Daniel Huynh.

**Action:** Upon Motion by Don Vowels, second by Tim Murphy, and unanimous vote of those present, the Commission denied the application in Order 2007-36.

**Order 2007-37**

An Order Denying the Application for Occupational License of Deborah Slone, CA-DEN-07-01. This is an action wherein Ms. Slone failed to disclose requested Court documentation to Commission staff. Commission staff recommended Ms. Slone's application for permanent occupational license be denied.

**Action:** Upon Motion by Don Vowels, second by Tim Murphy, and unanimous vote of those present, the Commission denied the application in Order 2007-37.

### **Order 2007-38**

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

**Action:** Upon Motion by Don Vowels, second by Tim Murphy, and unanimous vote of those present, the Commission denied the application in Order 2007-38.

### **Suppliers license matters:**

### **Order 2007-39**

Order of the Indiana Gaming Commission Concerning the Renewal of Supplier's Licenses concerning the renewal of Supplier's Licenses for Konami Gaming, Inc.; valid May 29, 2007, through May 28, 2008; Shuffle Master, Inc.; valid May 29, 2007 through May 28, 2008; Cummins-Allison Corp.; valid June 23, 2007, through June 22, 2008; Giesecke & Devrient America, Inc.; valid June 23, 2007 through June 22, 2008; NRT Technology Corp.; valid June 23, 2007 through June 22, 2008.

**Action:** Upon Motion by Don Vowels, second by Tom Swihart, and unanimous vote of those present, the Commission adopted Order 2007-39 and approved the renewal of the licenses.

### **Financing matters:**

### **Order 2007-40**

An Order ratifying the previously awarded interim waiver and approval of the \$1 billion debt offering proposed by Pinnacle Entertainment, Inc.

**Action:** Upon Motion by Tim Murphy, second by Tom Swihart, and unanimous vote of those present, the Commission adopted Order 2007-40, which approved the Executive Director's June 1, 2007, interim approval and waiver.

### **Order 2007-41**

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 Tim Murphy, second by Tom Swihart, , and unanimous vote of those present, the Commission adopted Order 2007-41, which approved the Executive Director's June 1, 2007, interim approval and waiver.

**Disciplinary Actions:**

**Settlement Agreement of  
Casino Aztar  
07-AZ-02  
Order 2007-42**

A settlement agreement was reached regarding ten counts. The counts were as follows: Ct. 1: sensitive key violation, Ct. 2: sensitive key violation, Ct. 3: sensitive key violation, 4: violations of drop and count of EGD's Ct. 5: violations of drop and count of EGD's, Ct. 6: violations of drop and count of EGD's, Ct. 7: violations of drop and count of EGD's, Ct. 8: violation of drop and count of EGD's, Ct. 9: violations of sensitive key rules, Ct. 10: violations of sensitive key rules, Ct. 11: violation of requirement to house all progressive controllers in a double locked compartment, Ct. 12: violations in reporting of taxes on the RG-1, Ct. 13: violation in recording of admissions, 14: violation of receiving and storing gaming equipment. Commission staff recommended and Casino Aztar agreed to pay a total fine in the amount of \$125,100.

**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  
Blue Chip Casino, LLC  
07-BC-01  
Order 2007-43**

A settlement agreement was reached with Blue Chip regarding Ct. 1: underage patron allowed to board the casino, Ct. 2: underage patron allowed to board the casino, Ct. 3: underage patron allowed to board the casino, Ct. 4: sensitive key violation, Ct. 5: four VEPs were sent direct mail, and Ct. 6: card missing from the deck. Blue Chip agreed to a total fine of \$47,500 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  
RDI/Caesars Riverboat Casino, LLC  
07-CS-02  
Order 2007-44**

A settlement agreement was reached with Caesars regarding Ct. 1: violation regarding Eproms in EGDs, Ct. 2: violation regarding Eproms in EGDs, Ct. 3: violation regarding Eproms in EGDs, and Ct. 4: violation of Caesars' Internal Controls of dealing cards. Caesars agreed to a fine of \$97,500 and Commission staff recommended the approval of this settlement.

**Action:** Upon Motion by Don Vowels, 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-01  
Order 2007-45**

A settlement agreement was reached with French Lick Resort•Casino regarding Ct. 1: violation of EGD coin test rule, and Ct. 2: violation of VEP rule. French Lick Resort•Casino agreed to a fine of \$40,000 and Commission staff recommended the approval of this settlement.

**Action:** Upon Motion by Don Vowels, second by Tim Murphy, 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-01  
Order 2007-46**

A settlement agreement was reached with Grand Victoria Casino and Resort regarding Ct. 1: a violation of the in extending credit, Ct. 2: slot machine door was not secure, Ct. 3: violation of the soft count room, Ct. 4: violation of rule requiring a patron's social security number on a currency transaction report, Ct. 5: two incidents where an underage patron was allowed on the casino floor, Ct. 6 violation of a delivery of an electronic gaming device, Ct. 7: cage employees failure to accurately record the inventory in the cage on two separate occasions, and Ct. 8, court documents were destroyed without proper notice or approval. Grand Victoria Casino and Resort agreed to a fine of \$76,000 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  
Horseshoe Hammond, Inc.  
07-HH-02  
Order 2007-47**

A settlement agreement was reached with Horseshoe Hammond, Inc. regarding Ct. 1: violation of the occupational licensee renewal rule, and Ct. 2: late filings of the RG-1. Horseshoe agreed to a fine of \$4,500 and Commission staff recommended the approval of this settlement.

**Action:** Upon Motion by Don Vowels, 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-02  
Order 2007-48**

A settlement agreement was reached with Majestic Star I & II regarding Ct. 1: violations of the main bank accountability and surveillance rules, and Ct. 2: underage patron on the casino floor, and Ct. 3: revoked eprom inside a slot machine. Majestic Star Casino agreed to a total fine of \$33,500 and Commission staff recommended the approval of this settlement.

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

**Renewal of Riverboat Owner's Licenses**

**Resolution 2007-49**

An Order of the Indiana Gaming Commission Renewing the Riverboat Owner's License of Horseshoe Hammond, LLC.

**Action:** Upon Motion by Don Vowels, second by Tim Murphy, and unanimous vote of those present, the Commission approved the renewal of Horseshoe Hammond's riverboat license.

**Resolution 2007-50**

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

**Action:** Upon Motion by Tim Murphy, second by Tom Swihart, and unanimous vote of those present, the Commission approved the renewal of Majestic Star Casino LLC's riverboat license.

**Resolution 2007-51**

An Order of the Indiana Gaming Commission Renewing the Riverboat Owner's License of Majestic Star Casino II, Inc.

**Action:** Upon Motion by Tim Murphy, second by Tom Swihart, and unanimous vote of those present, the Commission approved the renewal of Majestic Star Casino II, Inc. riverboat license.

**Resolution 2007-52**

An Order of the Indiana Gaming Commission Renewing the Riverboat Owner's License of RIH Acquisitions IN, LLC.

**Action:** Upon Motion by Don Vowels, second by Tim Murphy, and unanimous vote of those present, the Commission approved the renewal of RIH Acquisitions IN, LLC riverboat license.

## **Executive Director Resolutions**

### **Resolution 2007-53**

A Resolution Granting the Executive Director the Authority to Exercise all Charity Gaming Powers and Duties.

**Action:** Upon Motion by Tom Swihart, second by Tim Walsh, and unanimous vote of those present, the Commission adopted Resolution 2007-53, which gives the Executive Director the authority to act in the name of the Commission with respect to exercising all Charity Gaming Powers and Duties.

### **Resolution 2007-54**

A Resolution Temporary Granting the Executive Director the Authority to Exercise Commission Powers Under HEA 1510 and 1835, Emergency Acts of the Indiana Gaming Commission.

**Action:** Upon Motion by Tom Swihart, second by Tim Murphy, and unanimous vote of those present, the Commission adopted Resolution 2007-54, which temporarily gives the Executive Director the authority to exercise Commission powers under HEA 1510 and 1835, Emergency Acts of the Indiana Gaming Commission.

## **Marine Standards**

### **Resolution 2007-55**

A Resolution Adopting Marine Structural and Life Safety Standards, which will be the measure by which Indiana's alternate certification of riverboat gaming vessels will be judged in order to receive a certificate of compliance.

**Action:** Upon Motion by Don Vowels, second by Tim Murphy, and unanimous vote of those present, the Commission adopted Resolution 2007-55.

## **Emergency Rule**

### **Resolution 2007-56**

A Resolution Adopting an Emergency Rule Regarding Riverboat, Racino, and Supplier License Transfers.

**Action:** Upon Motion by Tom Swihart, second by Tim Murphy, and unanimous vote of those present, the Commission adopted Resolution 2007-56.

**French Lick**

**Resolution 2007-57**

An Order Concerning the French Lick Casino Settlement and Transfer of Ownership Interest of Lauth Resorts & Casino, LLC to BSR OC Acquisitions, LLC

**Action:** Upon Motion by Tom Swihart, second by Tim Murphy, and unanimous vote of those present, the Commission approved Resolution 2007-57.

**Next Meeting:**

The next business meeting of the Commission will be September 13, 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 3:10 p.m.

**Minutes:**

Robin L. Helton transcribed the June 7, 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,

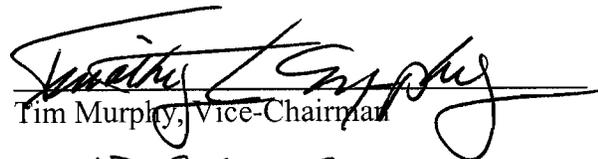


Tami Timberman

THE INDIANA GAMING COMMISSION:



William Barrett, Chairman



Tim Murphy, Vice-Chairman

13 SEP 07  
Date