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INDIANA GAMING COMMISSION
BUSINESS MEETING
NOVEMBER 13, 2008

ORIGINAL

The above-captioned business meeting was
stenographically taken down by me, Robin L.
Helton, a notary public in and for the County of
Marion, State of Indiana, at 1:00 p.m., on
November 13, 2008, at Hyatt, 101 W. Washington
Street, Cosmopolitan B, 3rd Floor, Indianapolis,
Indiana, and the following transcript is a true
and accurate transcript of the proceedings held.

CIRCLE CITY REPORTING
135 North Pennsylvania
Suite 2050
Indianapolis, IN 46204
(317) 635-7857

A P P E A R A N C E S

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COMMISSION MEMBERS PRESENT:

William Barrett, Chairman

Tim Murphy, Commissioner

Tom Swihart, Commissioner

Mary Shy, Commissioner

Marc Fine, Commissioner

Robert Morgan, Commissioner

Ernest Yelton, Executive Director

Jennifer Reske, Deputy Director

Phil Sicuso, General Counsel

Tamara Timberman-Wright, Secretary

1 CHAIRMAN BARRETT: Good afternoon, ladies and
2 gentlemen. I will call the fourth quarter of the
3 Gaming Commission to order, beginning by taking
4 the roll of commissioners.

5 Commissioner Murphy?

6 COMMISSIONER MURPHY: Present.

7 CHAIRMAN BARRETT: Commissioner Swihart?

8 COMMISSIONER SWIHART: Present.

9 CHAIRMAN BARRETT: Commissioner Shy?

10 COMMISSIONER SHY: Present.

11 CHAIRMAN BARRETT: Commissioner Fine?

12 COMMISSIONER FINE: Here.

13 CHAIRMAN BARRETT: Commissioner Morgan?

14 COMMISSIONER MORGAN: Here.

15 CHAIRMAN BARRETT: The Chair is present.

16 The first thing on our agenda is the approval
17 of the minutes. Commissioners, you have all had a
18 chance to review the minutes, are there any
19 corrections?

20 COMMISSIONER SWIHART: Order 2008-92 on
21 page 5, the vote was 5 to 1 rather than unanimous.

22 CHAIRMAN BARRETT: That's correct, it was.

23 Are there any additional corrections? That
24 correction will be made in the minutes then. Then
25 I will call for a motion to approve the minutes

1 with that correction.

2 COMMISSIONER SWIHART: So move.

3 COMMISSIONER MURPHY: Second.

4 CHAIRMAN BARRETT: All in favor? All opposed?

5 (COMMISSION MEMBERS VOTED AYE.)

6 CHAIRMAN BARRETT: We will begin with the
7 report from our Executive Director.

8 Good afternoon, Executive Director Yelton.

9 EXECUTIVE DIRECTOR YELTON: Good afternoon,
10 Mr. Chairman, Commissioners.

11 I will begin with -- the Executive Director's
12 report with the staff update welcoming three new
13 members to our Commission.

14 The first is Darlene Johnson, she is hard
15 at work at our front desk as our receptionist.
16 She replaced Marian Coffey who has transferred to
17 our Gaming Control Division. She joins us from
18 the Department of Revenue.

19 Next, is Drewella Anderson. She is our new
20 accounts clerk. She comes to us from the Indiana
21 State Police.

22 And finally, Ellana Nelson, our latest field
23 auditor. She was previously employed by Majestic
24 Star, and becomes it by, if my memory is correct,
25 the first administration division employee that we

1 have hired from one of the casinos. So we welcome
2 you.

3 House Enrolled Act 1835 required both Hoosier
4 Park and Indiana Live to make a second license
5 installment payment of \$100 million each before
6 November 1st of this year. I'm pleased to
7 announce that we have received the money, and it
8 has been deposited and processed into Indiana's
9 Property Tax Replacement Fund.

10 Our Seventh Annual Gaming Enforcement Academy
11 graduated on October the 29th of this year, and
12 the class totaled 15 men and women who have now
13 been disbursed throughout the state for duty at
14 the various casinos. As a result we are now fully
15 staffed with our enforcement division, and
16 hopefully will not require to have another
17 selection process throughout the entire year of
18 2009.

19 The Gaming Control Division, under the
20 supervision of Colonel Larry Rollins, has seized
21 694 illegal gaming devices from 95 locations thus
22 far during the calendar year, and a total of 1,193
23 devices since the division was first formed. An
24 additional 3,209 illegal gambling devices have
25 been reported as removed from the State of Indiana

1 by distributors to avoid seizure. One case of
2 interest occurred on September 22, 2008, when the
3 division, with the assistance of the Indiana State
4 Police, served three search warrants at three
5 locations simultaneously. Two bookmaking
6 operations and one illegal poker establishment was
7 closed down, and a total of 15 people were charged
8 with various criminal violations.

9 This morning we met with Don Barden and
10 Majestic Star representatives during our executive
11 session. At our last meeting, Members of the
12 Commission, Mr. Bennett, their CFO, indicated he
13 was unsure of what specific course of action would
14 be pursued when their interest payment became due
15 on October 15th. In fact, Majestic Star chose not
16 to make that installment and is presently in a
17 30-day grace period according to the terms of the
18 loan. They have hired a financial advisor to
19 assist in future decisions, and this morning they
20 provided the Members of the Commission, so the
21 record would show, confidential proprietary
22 financial information and the Commission is
23 monitoring this process very closely.

24 Finally, we have had waiver summary since our
25 last meeting. The members of the Casino

1 Association was granted a waiver allowing the
2 standard permission to destroy entry forms for
3 marketing promotional events, both paper and
4 electronically generated, of nonwinning entries
5 for a period of at least 90 days.

6 Belterra and Grand Victoria were approved to
7 request to place dedicated coverage on progressive
8 displays showing incrementation with a display
9 read the minimum of \$40,000. The account income
10 audit department will be responsible for daily
11 verification of the incremented amounts.

12 Blue Chip was granted relief from having the
13 employee from the accounting department as part of
14 the soft count team.

15 And French Lick was granted relief from
16 requirements to print the name of the cage cashier
17 on a jackpot slip. The cage cashier will still
18 sign and write their occupational license number
19 on the slip.

20 And finally, Horseshoe was approved a request
21 to allow dealers to receive cash as tips only
22 during tournament play.

23 Also, I want the minutes to disclose that
24 today we received formal documentation from the
25 Governor's office which reappoints Mr. Swihart and

1 Mr. Barrett to the Indiana Gaming Commission, and
2 reaffirms Mr. Barrett's selection as the Chair.
3 Congratulations.

4 That concludes the Executive Director's
5 report.

6 CHAIRMAN BARRETT: Mr. Shouse, the voluntary
7 exclusion.

8 MR. SHOUSE: Good afternoon.

9 You have before you 16 orders regarding the
10 voluntary exclusion program. Pursuant to the
11 rules of the program, participants of the
12 voluntary exclusion program must be made
13 confidential.

14 Pursuant to 68 IAC 6-3-2(g), a participant in
15 the program agrees that if he or she violates the
16 terms of the program and enters the gaming area of
17 a facility under the jurisdiction of the
18 Commission, he or she will forfeit any jackpot or
19 thing of value won as a result of a wager.

20 Under Orders 2008-115 through 130, a total sum
21 of \$23,989.97 was forfeited by John Doe 49 through
22 64. These winnings were collected at Ameristar,
23 Argosy, Blue Chip, Grand Victoria, Hoosier Park,
24 Horseshoe South, Horseshoe, Indiana Live and
25 Majestic Star. These names were withheld as part

1 of Commission regulations. Commission staff
2 recommends you approve the remittance of these
3 winnings as fines levied against John Doe 49
4 through 64.

5 CHAIRMAN BARRETT: Thank you, Mr. Shouse.

6 Do the Commission members have any questions?
7 If not, then the Chair will call for a motion in
8 Case Numbers VEP-08-49 through VEP-08-64.

9 COMMISSIONER SWIHART: Move to settlement.

10 COMMISSIONER MURPHY: Second.

11 CHAIRMAN BARRETT: Moved and seconded to
12 approve. All in favor, aye? All opposed, same
13 sign.

14 (COMMISSION MEMBERS VOTED AYE.)

15 CHAIRMAN BARRETT: Thank you, sir. Approved
16 unanimously.

17 Mr. Packer.

18 MR. PACKER: Thank you, Mr. Chairman.

19 I bring before you VEP appeals. This is when
20 a person's whose jackpot has been seized under one
21 of the orders that Mr. Shouse brought before you.
22 Appeals that the seizure -- we send it through the
23 Administrative Law Judge process and the results
24 of that are in front of you today on Order
25 2008-131.

1 The relevant facts are as follows: John Doe
2 32 submitted an application for voluntary
3 exclusion to the Commission on August 4, 2007.
4 This application was for a five-year voluntary
5 exclusion period.

6 On May 19th, 2008, John Doe 32 was apprehended
7 in the Belterra Casino having won a \$64,800
8 jackpot. Belterra withheld the jackpot under the
9 obligations in the VEP program. The Commission
10 approved the remittance of that jackpot at the
11 May 28, 2008 Commission meeting, and Joe Doe 32
12 appealed that. It forced it's way through the
13 administrative process and ALJ, filed confidential
14 findings of facts and recommendation with the
15 Commission on November 3, concluding and
16 recommending that the commission deny John Doe 32
17 appeal of the seizure of that \$64,800 jackpot.

18 In the absence of an objection to the ALJs
19 findings, conclusions and recommendation under the
20 regulations, the Commission must affirm that
21 recommendation and John Doe 32 did not object to
22 the recommendation of the ALJ. Under the
23 regulations, you must affirm the recommendation of
24 the ALJ and approve Order 2008-131.

25 CHAIRMAN BARRETT: When did the ALJ issue her

1 proposed findings?

2 MR. PACKER: November 3, 2008.

3 CHAIRMAN BARRETT: So the time hasn't run for
4 an objection to be filed; is that correct?

5 MR. PACKER: That is correct. The John Doe
6 indicated during the hearing on the record that
7 she -- the judge tipped her hand during the
8 hearing that she was going to rule in the
9 Commission's favor, and going to recommend that
10 the appeal be denied. And the John Doe -- the
11 only defense that the John Doe offered was that
12 the \$64,800 go to charity instead of forfeited to
13 the Commission. She didn't present any arguments
14 against the Commission's position.

15 CHAIRMAN BARRETT: But as far as the procedure
16 of where we are, 15 days out, was John Doe given
17 notice of today's meeting.

18 MR. PACKER: Yes.

19 CHAIRMAN BARRETT: I would disagree with your
20 legal conclusion that we have no choice, because
21 time has not run for the objection to be properly
22 filed. With that said, the nonfinal order was
23 filed and notice of the order and today's meeting
24 given to John Doe, so the case is before us.

25 Have you concluded, Mr. Packer?

1 MR. PACKER: Yes, I have.

2 CHAIRMAN BARRETT: I will call for a motion
3 whether to sustain or object to the nonfinding of
4 the ALJ.

5 COMMISSIONER MURPHY: I will approve the
6 order.

7 COMMISSIONER SWIHART: Second.

8 CHAIRMAN BARRETT: All in favor, Aye? All
9 opposed?

10 (COMMISSION MEMBERS VOTED AYE.)

11 CHAIRMAN BARRETT: Approved unanimously.
12 Okay next one.

13 MR. PACKER: 2008-132, the staff was waiting
14 for a recommendation from the Administrative Law
15 Judge and we did not receive one, so that order is
16 withdrawn, and we will not hear that matter at
17 this Commission meeting. Thank you.

18 CHAIRMAN BARRETT: Thank you.

19 Mr. Hoage.

20 MR. HOAGE: Thank you, Mr. Chairman, and
21 Members of the Commission.

22 You have before you Order 2008-133 concerning
23 the petition for removal from the exclusion list
24 of Mark Killerman. On November 21, 2004,
25 Mr. Killerman was observed by casino personnel and

1 by surveillance of the Blue Chip Casino in
2 Michigan City, Indiana, having a bet of -- at a
3 three-card poker table which resulted in an
4 overpayment of \$150. Mr. Killerman was confronted
5 regarding the situation and admitted to his action
6 and returned the \$150 to the casino. He was
7 ultimately charged with two felony counts of
8 cheating at a gambling game in LaPorte Superior
9 Court and later pled guilty to a lesser charge of
10 criminal conversion.

11 On May 6th, 2005, the Executive Director of
12 the Commission took action pursuant to Indiana
13 Code 4-33-4-7 to exclude Mr. Killerman from
14 riverboat gambling and throughout the State of
15 Indiana. After multiple requests regarding his
16 seeking removal from the Commission's exclusion
17 list, Mr. Killerman was notified on June 25, 2008,
18 that the commission was in the process of
19 articulating standards regarding being removed
20 from the exclusion list and those standards would
21 be presented for approval at the Commission's
22 November meeting.

23 Due to Mr. Killerman's persistence, the
24 Commission staff allowed his petition for removal
25 using these standards prior to their adoption.

1 Mr. Killerman submitted his petition for removal
2 on July 14, 2008. Thereafter, a hearing was
3 conducted on August 20, 2008. And as a hearing
4 officer, I submitted findings of facts and
5 conclusions of law to the Commission and
6 Mr. Killerman on September 22, 2008.

7 Based on Mr. Killerman's inconsistent
8 statements during the investigation, his past acts
9 at the Blue Chip Casino and the fact that alcohol
10 played a role in the incident, the Commission
11 staff recommends you adopt the findings of facts
12 and conclusions of law and recommendations that
13 have been submitted that -- which will ultimately
14 have the effect of denying Mr. Killerman's
15 petition for removal from the exclusion.

16 Mr. Killerman was informed of today's meeting
17 and was given the opportunity to speak if he
18 applied in writing within two weeks of the
19 meeting, and he did not take the offer up.

20 CHAIRMAN BARRETT: Thank you, Mr. Hoage.

21 Do the Commission members have any questions
22 for the staff? If not, the Chair will call for a
23 motion whether to approve or reject proposed Order
24 2008-133.

25 COMMISSIONER SHY: Move to approve.

1 COMMISSIONER SWIHART: Second.

2 CHAIRMAN BARRETT: Moved and seconded.

3 All in favor, aye? All opposed?

4 (COMMISSION MEMBERS VOTED AYE.)

5 CHAIRMAN BARRETT: Approved unanimously.

6 Ms. Ellingwood.

7 MS. ELLINGWOOD: Thank you.

8 You have before you Order 2008-134 and Order
9 2008-135 regarding settlement agreements for Mark
10 Korcz and Sherita Peterson respectively.

11 On June 26th, the Commission staff received an
12 incident report regarding an erroneous fill at
13 Horseshoe Southern Indiana. Table games had
14 submitted a fill request for approximately
15 \$36,000, \$10,000 of which was supposed to be
16 delivered in \$100 chips. The cage, however, sent
17 out \$500 chips instead of \$100 chips. The chips
18 were deposited at the table and the paperwork was
19 dropped.

20 Once the error was discovered, Ms. Peterson
21 and Ms. Korcz instructed the table to submit a
22 second fill request for \$10,000 in \$500 chips, but
23 had -- the cage actually delivered \$10,000 in \$100
24 chips. The purpose of this was to balance the
25 float for the day.

1 Under the correct procedure, if a fill is
2 delivered to a table and the denomination
3 delivered does not match the fill slip, the fill
4 slip is to be marked void by the table game
5 manager and the supervisor and the paperwork and
6 the chips are both to be delivered back to the
7 cage. At that point, a new fill slip request is
8 submitted to the cage and the appropriate chips
9 are sent to the table.

10 Because Mr. Korcz's and Ms. Peterson's actions
11 violated the Horseshoe Southern Indiana internal
12 controls, the Commission staff considered
13 initiating a disciplinary action against them.
14 The staff conducted additional interviews into the
15 matter and determined that a one day voluntary
16 suspension of their license in lieu of the
17 disciplinary action was appropriate in this
18 matter. Both Mr. Korcz and Ms. Peterson have
19 agreed to that offer.

20 The Commission staff respectfully requests you
21 approve Orders 2008-134 and 135, thereby approving
22 settlement agreements.

23 CHAIRMAN BARRETT: Thank you.

24 Do the Commission members have any questions?

25 COMMISSIONER MURPHY: I do have one question.

1 Are the employees paid during their one day
2 suspension?

3 MS. ELLINGWOOD: They are not, no. That is
4 actually a term of the settlement agreement.

5 CHAIRMAN BARRETT: I have a question. Have
6 either of them been a subject of prior
7 disciplinary matters?

8 MS. ELLINGWOOD: No, there wasn't anything in
9 their file. I don't know if they have been
10 subject to any other disciplinary matters that
11 we're not aware of.

12 CHAIRMAN BARRETT: Anyone else?

13 COMMISSIONER SHY: Were they aware what they
14 were doing, or did they not understand the
15 procedure?

16 MS. ELLINGWOOD: The reason they did what they
17 did was because they had learned to do that under
18 informal on-the-job training. It was not part of
19 their formal training as far as we could tell, but
20 they did not seem to realize that it may have been
21 a violation of the internal rules.

22 COMMISSIONER SHY: So is there an overall
23 training?

24 MS. ELLINGWOOD: Possibly. The investigations
25 that we did indicated that there were some other

1 personnel who understand the informal on-the-job
2 training was the same thing. I don't know about
3 any additional investigation into that process,
4 the training process.

5 EXECUTIVE DIRECTOR YELTON: We didn't hear the
6 question.

7 COMMISSIONER SHY: The question was, did they
8 just not understand and was it a training issue?
9 They were not correctly trained?

10 GENERAL COUNSEL SICUSO: My understanding is
11 that there is a possibility informal training they
12 thought they were doing the right thing. They
13 wanted to continue the disciplinary action because
14 they should have known this is an obvious wrong
15 problem. They should not do it this way. They
16 should know their internal controls which were
17 proper. I think they should have known the
18 standards and that was the reason to allow the one
19 day rather than more if we would have proceeded
20 otherwise.

21 COMMISSIONER SHY: I guess my concern is, is
22 there a need to follow up for training --

23 GENERAL COUNSEL SICUSO: We started that with
24 the casino, yes.

25 CHAIRMAN BARRETT: Anyone else? Okay. If

1 not, the Chair will call for a motion in the
2 matters 2008-134 and 2008-135.

3 COMMISSIONER MURPHY: I move we approve the
4 Orders.

5 COMMISSION SWIHART: Second.

6 CHAIRMAN BARRETT: All in favor? All opposed?

7 (COMMISSION MEMBERS VOTED AYE.)

8 CHAIRMAN BARRETT: We unanimously approve the
9 orders. Thank you.

10 Ms. Rich.

11 MS. RICH: Good afternoon.

12 You have before you Order 2008-136 concerning
13 the renewal of supplier licenses. Pursuant to
14 Indiana Code 4-33 and 68 IAC 2-2, the Commission
15 previously approved supplier's licenses for the
16 following four companies: Western Money Systems,
17 Global Surveillance Associates, Aristocrat
18 Technologies, Inc., and Paltronics, Inc.
19 supplier's license is valid for a period of one
20 year.

21 Pursuant to IC 4-33-7-8 and 68 IAC 2-2-8, a
22 supplier's license must be renewed annually and
23 with payment of \$5,000 for the annual renewal fee.
24 Each of these licensees has requested renewal of
25 their license and has paid their renewal fee.

1 The Commission staff recommends you approve
2 the license for the four suppliers.

3 CHAIRMAN BARRETT: Thank you, ma'am. Do the
4 Commission members have any questions for the
5 staff? If not, the Chair will call for a motion
6 regarding proposed Orders 2008-136 and 2008-137.

7 COMMISSIONER SWIHART: Move to approve.

8 COMMISSIONER MURPHY: Second.

9 CHAIRMAN BARRETT: All in favor, aye? All
10 opposed?

11 (COMMISSION MEMBERS VOTED AYE.)

12 CHAIRMAN BARRETT: Approved unanimously.

13 Ladies and Gentlemen, I apologize for the
14 noise.

15 GENERAL COUNSEL SICUSO: Did you do 137 as
16 well?

17 CHAIRMAN BARRETT: Yes. I know you can't
18 hear.

19 MR. BROWN: Good afternoon, Executive Staff
20 and Commissioners.

21 On or about January 10, 2008, Gomes & Cordish
22 Gaming Management, LLC submitted a supplier's
23 license application to conduct gaming related
24 business with an Indiana Casino licensee,
25 specifically what is now known as Indiana Live

1 Casino. Gomes & Cordish are responsible for the
2 development and management of the Indiana Live
3 Casino, along with all of the duties that come
4 with the casino operations.

5 Gomes & Cordish was granted a temporary
6 supplier's license in Indiana on April 1st, 2008.
7 A background and financial investigation was
8 conducted on Gomes & Cordish Management, LLC, and
9 key persons. IGC staff could find no derogatory
10 information that would affect the applicant's
11 suitability.

12 Do you have any questions.

13 CHAIRMAN BARRETT: Commissioners, you have all
14 received the report that Mr. Brown has previously
15 prepared and you've had a chance to review the
16 confidential report. Do the Commissioners have
17 any questions? If not, the Chair will call for a
18 motion on proposed Order 2008-138.

19 COMMISSIONER: Move to approve.

20 COMMISSIONER: Second.

21 CHAIRMAN BARRETT: Moved and seconded. All in
22 favor, aye? All opposed?

23 (COMMISSIONER MEMBERS VOTED AYE.)

24 CHAIRMAN BARRETT: Approved unanimously.

25 Thank you, Mr. Brown.

1 Mr. Sicuso.

2 GENERAL COUNSEL SICUSO: Thank you.

3 The next two orders are related to each other.
4 The first one, 2008-139, relates to the request by
5 Fortress Investment Group and Centerbridge
6 Partners for leave to withdraw their application
7 and transfer of ownership interest in the
8 riverboat owner's license currently held by Penn
9 National Gaming, Inc.

10 The request from Fortress Investment Group and
11 Centerbridge Partners came shortly after the
12 July 2008 execution of an agreement to disband
13 their merger agreement under which Fortress and
14 Centerbridge would have required ownership in Penn
15 National.

16 Given the nature of the terms of that merger
17 breakup agreement, the staff recommends that it is
18 no longer appropriate or necessary to pursue the
19 application for transfer of ownership and pursuant
20 to our regulations that requires an affirmation
21 and leave by the Commission to allow the
22 withdrawal of that application.

23 So we recommend that you allow that today by
24 granting Order 2008-139.

25 CHAIRMAN BARRETT: Thank you.

1 Do the Commission members have any questions?
2 If not, the Chair will call for a motion.

3 COMMISSIONER SWIHART: Move to approve.

4 COMMISSIONER SHY: Second.

5 CHAIRMAN BARRETT: Moved and seconded to
6 approve. All in favor? All opposed?

7 (COMMISSION MEMBERS VOTED AYE.)

8 CHAIRMAN BARRETT: Approved unanimously.

9 GENERAL COUNSEL SICUSO: Order 2008-140 relates
10 to the financing package -- or at least a debt
11 transaction that is related to the breakup of the
12 merger agreement.

13 Pursuant to that agreement, Penn National is
14 to issue \$1.25 billion worth of preferred equity
15 in their company. That is mandatorily redeemable
16 in seven years. So the staff is recommending that
17 we treat this as a debt transaction requiring
18 approval under our regulations. We did provide
19 you a report on that through our outside financial
20 analyst and all of the information that we needed
21 to analyze, that has been submitted.

22 Resolution 2008-74 does require that we take
23 an interim approval which was granted by Executive
24 Director Yelton on October 28th to the
25 Commission's recommendation. And that is what is

1 before you, 2008-140. We recommend that you
2 ratify the approval from October 28 by granting
3 Order 2008-140.

4 CHAIRMAN BARRETT: Thank you.

5 Do the Commission members have any questions?
6 If not, the Chair will call for a motion on
7 proposed Order 2008-140.

8 COMMISSIONER SWIHART: Move to approve.

9 COMMISSIONER MORGAN: Second.

10 CHAIRMAN BARRETT: All in favor? All opposed?
11 (COMMISSION MEMBERS VOTED AYE.)

12 CHAIRMAN BARRETT: Approved unanimously.

13 GENERAL COUNSEL SICUSO: If you don't mind,
14 Mr. Chair, we can do four of these together.
15 There is nothing unique about any of them. Just
16 the standard annual renewal for casinos.

17 So Orders 2008-141, 142, 143 and 145 relate to
18 Argosy, Belterra, Grand Victoria and Horseshoe
19 Southern Indiana. Each of these licensees
20 requests for annual renewal as well as the \$5,000
21 renewal fee. The staff would recommend an
22 approval of all four of these.

23 CHAIRMAN BARRETT: As to any of the four
24 licensees, do the Commission members have any
25 questions? If not, the Chair will call for a

1 motion as to Orders 141, 142, 143 and 145.

2 COMMISSIONER MURPHY: Move to approve.

3 COMMISSIONER SWIHART: Second.

4 CHAIRMAN BARRETT: All in favor, aye? All
5 opposed?

6 (COMMISSION MEMBERS VOTED AYE.)

7 CHAIRMAN BARRETT: Approved unanimously.

8 MS. GRAY: Good afternoon, Commissioners. You
9 have before you 11 settlement agreements. The
10 first settlement agreement is Ameristar Casino,
11 Order 2008-146, which includes two counts. The
12 first count violated the rule requiring log books
13 inside each machine with the progressive
14 controller to be filled out by individual gaming
15 entry into the controller.

16 The second count, the casino did not timely
17 notify the gaming agents regarding the termination
18 of an employee.

19 Ameristar has agreed to a total monetary
20 settlement of \$3,500 in lieu of disciplinary
21 action.

22 Are there any question concerning this one?

23 CHAIRMAN BARRETT: Do the Commissioners have
24 any questions? If not, the Chair will call for a
25 motion.

1 COMMISSIONER: Move to approve.

2 COMMISSIONER: Second.

3 CHAIRMAN BARRETT: It's been moved and
4 seconded to approve Order 2008-146. All in favor?
5 All opposed?

6 (COMMISSION MEMBERS VOTED AYE.)

7 CHAIRMAN BARRETT: Approved unanimously.

8 As to Argosy.

9 MS. GRAY: The second order, 2008-147, is a
10 settlement agreement with Argosy in six counts.

11 In the first count, the casino violated the
12 rule requiring an occupational license to be
13 renewed annually.

14 The second count violated the rule requiring
15 timely notification on the termination of an
16 employee.

17 The third count violated the rules requiring
18 the dealer to announce "no more bets" while the
19 ball is still rotating around the wheel.

20 In the fourth count, Argosy violated their
21 internal control requiring security personnel to
22 keep a designated drop area clear of patrons.

23 In the fifth count, the casino did not notify
24 surveillance that a live table game fill was being
25 processed.

1 In the final count, an underage person was
2 allowed to board the casino.

3 Argosy has agreed to a total monetary
4 settlement of \$33,500 in lieu of a disciplinary
5 action.

6 Are there any questions.

7 CHAIRMAN BARRETT: How did you calculate the
8 fine on this one?

9 MS. GRAY: In Argosy?

10 CHAIRMAN BARRETT: Yes.

11 MS. GRAY: On all of it or just one particular
12 one?

13 CHAIRMAN BARRETT: Well, as to each one. I
14 mean, how did you -- the reason I ask, every
15 meeting when these orders come up, they are
16 announced by the proposed order number and I call
17 for them based on the case number. The reason I
18 call them based on the case number, the case
19 numbers are assigned by the casino and each
20 successive case there is a successive case number.
21 So you hear some with number two and some with
22 number four. So as we go through the year and
23 there are more violations, this is a different
24 number than the last one, that's why I asked. I'm
25 curious as to how the fines are assessed as you go

1 through the year with further violations, even if
2 they be different substantive matters. That is
3 all.

4 MS. GRAY: Well, we look at a number of
5 different things when we assess the fine. We look
6 at self-reporting.

7 CHAIRMAN BARRETT: I know it's hard for us to
8 hear, although it's quiet for the moment. It is
9 good for everyone in the public to hear how these
10 numbers are arrived at. It does not appear to be
11 a black box that a number comes out of. I have
12 asked you about this in other settings, and I want
13 to go through it again because I think it is
14 constructive for everyone.

15 MS. GRAY: We look at several different
16 things. Whether or not they self-report. We also
17 look at the severity of the violation, so to
18 speak. Whether or not it's a recurring violation,
19 or if they have been asked to -- if the violation
20 has been brought to their attention, whether or
21 not they did any corrective action. We look at
22 that.

23 EXECUTIVE DIRECTOR YELTON: I will expand a
24 little more on the process.

25 MS. GRAY: Okay.

1 EXECUTIVE DIRECTOR YELTON: Chris will look at
2 many of these. We do have some structure,
3 particularly with minors, and also with renewal of
4 licenses of employees, but we have opted against
5 having a fine schedule because we want to take
6 into consideration the facts of each incident and
7 each licensee. She will either make a
8 recommendation or meet with the compliance
9 committee to make a recommendation to the staff.
10 I will take those recommendations as they are sent
11 to me and meet with Mr. Sicuso and Mrs. Reske.
12 They will give their opinions to me. I will give
13 a final decision to Chris, who begins the
14 settlement process with that determination. So
15 there are many, many people that have their
16 fingerprints on this before it finally gets to the
17 licensee itself.

18 MS. GRAY: Thank you.

19 CHAIRMAN BARRETT: With that in mind, do the
20 Commissioners have any questions on the proposed
21 settlement?

22 COMMISSIONER MURPHY: I have one question
23 following yours. Do you ever get feedback from
24 casinos that they disagree with the numbers?

25 MS. GRAY: Oh, yes, I do. Every time we send

1 out a settlement agreement, if there are
2 mitigating circumstances the casino will send a
3 response, and we will negotiate from there.

4 COMMISSIONER MURPHY: You have been known to
5 make adjustments of your numbers based on the
6 negotiations?

7 MS. GRAY: Yes.

8 CHAIRMAN BARRETT: Do they ever offer more?

9 MS. GRAY: No. Not up to this time, but I'm
10 open for that.

11 CHAIRMAN BARRETT: Any further questions? If
12 not, the Chair will call for a motion as to the
13 proposed settlement in Case Number 08-AR-04.

14 COMMISSIONER SWIHART: Move to approve.

15 COMMISSIONER SHY: Second.

16 CHAIRMAN BARRETT: Moved and seconded. All in
17 favor, aye? All opposed?

18 (COMMISSION MEMBERS VOTED AYE.)

19 CHAIRMAN BARRETT: Approved unanimously.

20 CHAIRMAN BARRETT: As to Aztar.

21 MS. GRAY: Order 2008-148 is a settlement
22 agreement with Aztar involving two counts. In the
23 first count, an underage person was allowed to
24 board the casino.

25 The second count violated the rule requiring

1 the casino to submit promotional programs to the
2 Commission 20 days before the initiation of the
3 program.

4 Aztar has agreed to a monetary settlement of
5 \$12,500 in lieu of a disciplinary action.

6 Are there any questions.

7 CHAIRMAN BARRETT: Count I provides us the
8 opportunity to review that again on the issue of
9 minor and successive violations over the year.
10 How do you do that?

11 MS. GRAY: This was the second and third time
12 within six months. The first time is \$1,500 and
13 then second time it goes up to \$3,000, \$4,500; so
14 it goes up in increments of \$1,500 each time based
15 on how many times within a rolling six-month
16 period.

17 CHAIRMAN BARRETT: Does anyone have any
18 additional questions? If not, then the Chair will
19 call for a motion as to proposed settlement
20 08-AZ-02.

21 COMMISSIONER MURPHY: I move we approve.

22 COMMISSIONER SWIHART: Second.

23 CHAIRMAN BARRETT: Moved and seconded. All in
24 favor, aye? All opposed?

25 (COMMISSION MEMBERS VOTED AYE.)

1 CHAIRMAN BARRETT: Approved unanimously.

2 CHAIRMAN BARRETT: Belterra.

3 MS. GRAY: The fourth order, 2008-149, is a
4 settlement agreement with Belterra including two
5 counts.

6 In the first count, the casino did not provide
7 an evicted person with an eviction form.

8 In the second count, a roulette wheel was not
9 properly secured.

10 Belterra has agreed to a total monetary
11 settlement of \$6,500 in lieu of disciplinary
12 action.

13 Are there any questions regarding this
14 agreement.

15 CHAIRMAN BARRETT: Do the Commission members
16 have any questions? If not, the Chair will call
17 for a motion in proposed settlement in Case Number
18 08-BT-04.

19 COMMISSIONER SWIHART: Move to approve.

20 COMMISSIONER MURPHY: Second.

21 CHAIRMAN BARRETT: Moved and seconded. All in
22 favor, aye? All opposed?

23 (COMMISSION MEMBERS VOTED AYE.)

24 CHAIRMAN BARRETT: Approved unanimously.

25 French Lick.

1 MS. GRAY: Order 2008-150 is a settlement
2 agreement with French Lick, wherein the casino
3 violated its internal control requiring the
4 collection team to wait until the drop zone is
5 secure.

6 French Lick has agreed to a monetary
7 settlement of \$5,000 in lieu of a disciplinary
8 action.

9 Are there any questions?

10 CHAIRMAN BARRETT: Do the Commission members
11 have any questions? If not, the Chair will call
12 for a motion as to proposed settlement in Case
13 Number 08-FL-03.

14 COMMISSIONER FINE: Move to approve.

15 COMMISSIONER MURPHY: Second.

16 CHAIRMAN BARRETT: Moved and seconded.

17 All in favor, aye? All opposed?

18 (COMMISSION MEMBERS VOTED AYE.)

19 CHAIRMAN BARRETT: Approved unanimously.

20 As to Grand Victoria.

21 MS. GRAY: The sixth order, Order 2008-151, is
22 a settlement agreement with Grand Victoria and
23 includes five counts.

24 In the first count, the casino violated
25 several surveillance rules.

1 In the second count, the casino violated their
2 internal control requiring security personnel to
3 prevent patrons and non-drop employees from
4 entering the drop area while the bill validator
5 drop boxes are being collected.

6 The third count violated the playing card
7 rule.

8 In the fourth count, a fill bank drawer was
9 found unsecured.

10 In the fifth count, an underage person was
11 allowed to board the casino.

12 Grand Victoria has agreed to a total monetary
13 settlement of \$49,000 in lieu of disciplinary
14 actions.

15 Are there any questions?

16 CHAIRMAN BARRETT: Do the Commission members
17 have any questions? If not, the Chair will
18 entertain a motion whether to approve the proposed
19 settlement of Case Number 08-GV-04.

20 COMMISSIONER SWIHART: Move to approve.

21 COMMISSIONER FINE: Second.

22 CHAIRMAN BARRETT: Moved and seconded.

23 All in favor, aye? All opposed?

24 (COMMISSION MEMBERS VOTED AYE.)

25 CHAIRMAN BARRETT: Approved unanimously.

1 Hoosier Park.

2 MS. GRAY: The seventh order, Order 2008-152,
3 is a settlement agreement with Hoosier Park and
4 includes five counts.

5 The first count, violated the VEP rule.

6 In the second count, an underage person was
7 allowed to enter the casino.

8 In the third count, the soft count door was
9 left unsecured with currency inside the room.

10 The fourth count violated the rule to collect
11 the validator boxes.

12 In the final count, a bill validator box with
13 money and tickets inside was left on the casino
14 floor and the security report written regarding
15 this violation was destroyed.

16 Hoosier Park agreed to a total monetary
17 settlement of \$50,708 in lieu of disciplinary
18 action.

19 Are there any questions?

20 CHAIRMAN BARRETT: What is the staff's
21 assessment of procedures that Hoosier Park has in
22 place now? This is their first case and their
23 first go-around. Have there been any discussions
24 with them?

25 MS. GRAY: Well, I have spoken with Jim Brown,

1 and he has assured me that they have taken a
2 number of steps to address each one of these
3 issues.

4 CHAIRMAN BARRETT: Anyone else?

5 The Chair will call for a motion as to the
6 proposed settlement.

7 COMMISSIONER SWIHART: Move to approve.

8 COMMISSIONER MORGAN: Second.

9 CHAIRMAN BARRETT: All in favor, aye? All
10 opposed?

11 (COMMISSION MEMBERS VOTED AYE.)

12 CHAIRMAN BARRETT: Approved unanimously.

13 Horseshoe Hammond?

14 MS. GRAY: Order 2008-153 is a settlement
15 agreement with Horseshoe and includes two counts.

16 In the first count, the casino allowed an
17 underage person in the casino.

18 The second count violated the rule requiring
19 an occupational license to be renewed annually.

20 Horseshoe has agreed to a total monetary
21 settlement of \$2,500 in lieu of disciplinary
22 action.

23 Are there any questions?

24 CHAIRMAN BARRETT: Do the Commission members
25 have any questions? If not, the Chair will call

1 for a motion as to proposed settlement in Case
2 Number 08-HH-04.

3 COMMISSIONER SHY: Move to approve.

4 COMMISSIONER FINE: Second.

5 CHAIRMAN BARRETT: Moved and seconded. All in
6 favor, aye? All opposed?

7 (COMMISSION MEMBERS VOTED AYE.)

8 CHAIRMAN BARRETT: Approved unanimously.
9 Horseshoe Southern.

10 MS. GRAY: Order 2008-154 is a settlement
11 agreement with Horseshoe Southern Indiana and
12 includes five counts.

13 The first count violated the rules requiring
14 playing cards not being utilized at a gaming table
15 to be kept in a locked compartment, and inventory
16 of all cards to be maintained.

17 The second count violated the rule requiring
18 the roulette wheel to be covered and locked when
19 the roulette table was not open for gaming.

20 In the third count, a table game did not have
21 a drop box attached to it.

22 In the fourth count, the casino did not have
23 proper surveillance coverage of a pit area.

24 The fifth count violated the rule requiring an
25 occupational license to be renewed annually.

1 Horseshoe Southern Indiana has agreed to a
2 total monetary settlement of \$36,000 in lieu of a
3 disciplinary action.

4 Are there any questions?

5 CHAIRMAN BARRETT: Do the Commission members
6 have any questions? If not, the Chair will call
7 for a motion as to proposed settlement in Case
8 Number 08-CS-03.

9 COMMISSIONER SWIHART: Move to approve.

10 COMMISSIONER MORGAN: Second.

11 CHAIRMAN BARRETT: All in favor, aye?

12 All opposed?

13 (COMMISSION MEMBERS VOTED AYE.)

14 CHAIRMAN BARRETT: Approved unanimously.

15 CHAIRMAN BARRETT: Indiana Live.

16 MS. GRAY: The tenth order, Order 2008-155, is
17 a settlement agreement with Indiana Live and
18 includes two counts.

19 In the first count, the casino failed to
20 follow the VEP rules.

21 In the second count, an underage person was
22 allowed to enter the casino.

23 Indiana Live has agreed to a total monetary
24 settlement of \$30,880 in lieu of disciplinary
25 actions.

1 Are there any questions?

2 CHAIRMAN BARRETT: So this was the third
3 underage person that they have had?

4 MS. GRAY: Yes.

5 CHAIRMAN BARRETT: They opened when?

6 MS. GRAY: They opened, I believe, the end of
7 May.

8 CHAIRMAN BARRETT: So six weeks.

9 MS. GRAY: They have taken steps to try and
10 alleviate this in the future.

11 CHAIRMAN BARRETT: Total fine of \$30,880.
12 Does anyone else have any questions?

13 COMMISSIONER MORGAN: I have one question.
14 It's a relatively short time, can we make a note
15 and keep following up on this, because this is not
16 looking good.

17 MS. GRAY: We know.

18 EXECUTIVE DIRECTOR YELTON: One of the
19 problems is that they are not required to have a
20 admission tax so, therefore, they do not have
21 turnstiles. But we have had discussions with them
22 before opening both casinos that we will be
23 watching this process very closely because with
24 the width of their ingresses and egresses, it
25 could be easy for minors to get through. We are

1 aware of this and we are watching it closely.

2 MS. GRAY: And they have changed the layout of
3 how they allow the patrons to enter.

4 CHAIRMAN BARRETT: Anyone else? If not, the
5 Chair will call for a motion.

6 COMMISSIONER SWIHART: Move to approve.

7 COMMISSIONER SHY: Second.

8 CHAIRMAN BARRETT: Moved and seconded.

9 All in favor, aye? All opposed?

10 (COMMISSION MEMBERS VOTED AYE.)

11 CHAIRMAN BARRETT: Approved unanimously.
12 Majestic Star.

13 MS. GRAY: The final order, Order 2008-156, a
14 settlement agreement with Majestic Star involving
15 three counts.

16 In the first count, a table game did not have
17 a drop box attached to it.

18 The second count violated the rule requiring a
19 submission of a report for an expenditure made in
20 the previous calendar year regarding MBE/WBE.

21 In the third count, the casino failed to have
22 adequate security on each casino floor.

23 Majestic Star has agreed to pay a total
24 monetary settlement of \$28,000 in lieu of
25 disciplinary actions.

1 Are there any questions?

2 COMMISSIONER MURPHY: I have one question. On
3 the MBE/WBE violation, have you seen that before,
4 that type of violation?

5 MS. GRAY: I do believe this is the first time
6 we have had this type of issue with that.

7 COMMISSIONER MURPHY: How did you arrive at
8 that fine?

9 MS. GRAY: It was based pretty much on how
10 much of the material was not presented at first to
11 us.

12 COMMISSIONER MURPHY: So this would imply to
13 me there was a significant amount that was not
14 presented?

15 MS. GRAY: Correct.

16 COMMISSIONER MURPHY: Do you think that was
17 just carelessness?

18 MS. GRAY: I think that there were a number of
19 things. I think that it was the first time -- we
20 now have a system that is set in place where they
21 can file all of their expenditures online. We had
22 to go and -- all of the casinos were shown how to
23 enter it and how to put everything in there. And
24 I think that at the time that the casino just
25 failed to do follow up, basically.

1 CHAIRMAN BARRETT: Does anyone else have any
2 questions? If not, the Chair will call for a
3 motion as to proposed settlement of Case Number
4 08-MS-04.

5 COMMISSIONER SWIHART: Move to approve.

6 COMMISSIONER MORGAN: Second.

7 CHAIRMAN BARRETT: Moved and seconded. All in
8 favor, aye? All opposed?

9 (COMMISSION MEMBERS VOTED AYE.)

10 CHAIRMAN BARRETT: Approved unanimously.
11 Thank you.

12 MR. PACKER: Thank you, Mr. Chair.

13 The next item is the final rule changing the
14 definition of "slot machine," which is located in
15 68 IAC 1182.

16 The Commission staff held a public hearing on
17 November 12, 2008, on this rulemaking. Two
18 members of the public attended the public hearing.
19 There were no comments made at the hearing. There
20 were no written or oral comments by the public.

21 The IABC has returned its findings on the
22 economic impact of the rule and does not object.
23 The state budget agency recommends that this rule
24 be approved. The rule has not changed in its form
25 since this rulemaking has begun, and you have

1 passed emergency rules and a previous final rule
2 on the same topic. The Commission staff
3 recommends approval.

4 CHAIRMAN BARRETT: No substantive change in
5 the language at all?

6 MR. PACKER: Correct.

7 CHAIRMAN BARRETT: Do the Commission members
8 have any questions regarding the proposed final
9 rule? If not, I will call for a motion as to
10 Resolution 2008-157.

11 COMMISSIONER SWIHART: Move to approve.

12 COMMISSIONER MORGAN: Second.

13 CHAIRMAN BARRETT: Moved and seconded. All in
14 favor, aye? All opposed?

15 (COMMISSION MEMBERS VOTED AYE.)

16 CHAIRMAN BARRETT: Approved unanimously.

17 MR. PACKER: Resolution 2008-158 is the final
18 rule adding a variety of definitions to the
19 administrative rules, reordering and amending
20 several definitions to comply with procedure and
21 practice. Eliminating Executive Director approval
22 as a necessary step for adding progressive
23 jackpots. Amending the exclusion process and
24 really overhauling the exclusion process to
25 complete what the rules may have contemplated

1 before but never provided for. I can talk about
2 that some more, if you would like.

3 Conforming the 68 IAC 13 seizure forfeiture
4 and disciplinary process to the Administrative
5 Orders and Procedures Act. Adding seizure
6 forfeiture and civil penalty procedures to punish
7 individuals who violate the gambling statutes or
8 regulations. Amending surveillance requirements
9 and audit terminology and making numerous
10 technical changes.

11 This rulemaking was the result of several
12 independent reviews of various different
13 procedures that take place in the Commission. And
14 insofar as sort of an omnibus rulemaking, there
15 are a lot of moving parts to it, but the only ones
16 that makes major changes, in my opinion and
17 staff's opinion, are the amendments to the
18 exclusion process namely adding specific and
19 detailed procedure for an excluded individual to
20 remove himself or herself from the exclusion list.
21 Currently, there is no procedure for that, but --
22 the rules state the intent for removal but they
23 don't provide any procedure for it, so we are
24 adding that.

25 And streamlining the seizure and forfeiture

1 procedures to match more closely with the
2 Administrative Orders and Procedures Act.

3 The Commission staff has taken this rule
4 through the promulgation process. Commission
5 staff held a public hearing on September 16, 2008.
6 One member of the public attended, there were no
7 comments made either oral or written. IABC does
8 not object to the economic impact of this rule,
9 and the state budgeting agency recommends that the
10 Commission approve this rule. The staff now asks
11 you to approve Resolution 2008-158, which adopts
12 this final rule.

13 CHAIRMAN BARRETT: Thank you.

14 Do the Commission members have any questions?

15 COMMISSIONER MORGAN: Did you get feedback
16 from the gaming facilities?

17 MR. PACKER: The gaming facilities, as far as
18 I recall, did not have much feedback on this
19 because most of the things that were changing in
20 this rulemaking are more internal than external.

21 One area that the members of the industry I
22 have spoken with liked was this catchall
23 definition of "casino" and "casino gambling
24 operation" and "casino licensing," because it
25 eliminates the sometimes confusing and lengthy

1 discussions of gaming licensees, riverboat
2 licensees, and French Lick and bunched them into
3 one category that we can use to refer to them
4 generally.

5 CHAIRMAN BARRETT: Does anyone else have any
6 questions?

7 I have one comment, I want to commend the
8 staff for its work on this sort of tedious work in
9 the trenches of doing administrative regulations.
10 Thank you for doing it.

11 MR. PACKER: It's a lot of fun, Mr. Chairman.

12 CHAIRMAN BARRETT: I will call for a motion as
13 to Resolution 2008-158.

14 COMMISSIONER SHY: Approve.

15 COMMISSIONER MORGAN: Second.

16 CHAIRMAN BARRETT: All in favor, aye? All
17 opposed?

18 (COMMISSION MEMBERS VOTED AYE.)

19 CHAIRMAN BARRETT: Approved unanimously.

20 MR. PACKER: Resolution 2008-159 is much more
21 straightforward. Every year a number of the
22 administrative rules are set to expire. There are
23 specific procedures for readopting those rules and
24 the Commission staff has followed that procedure
25 so far by publishing notice. The 30-day statutory

1 period for filing an objection to this readoption
2 has passed. The notice was published
3 September 24, 2008, so it's far passed. The staff
4 did not receive any objections or requests to
5 remove specific rules from the readoption.

6 Commission staff asks that you readopt the
7 articles, rules and sections that are provided for
8 you. If approved, these readopted rules, articles
9 and sections will become effective in 30 days
10 after the final readoption action is filed with
11 the Legislative Services Agency. I anticipate
12 doing that either this afternoon or tomorrow
13 morning. And the rules will not be edited or
14 changed in any manner between now and their
15 readoption. I ask you to approve Resolution
16 2008-159.

17 CHAIRMAN BARRETT: Do the Commission members
18 have any questions? The Chair will call for a
19 motion as to Resolution 2008-159.

20 COMMISSIONER FINE: Move to approve.

21 COMMISSION MORGAN: Second.

22 CHAIRMAN BARRETT: All in favor, aye? All
23 opposed?

24 (COMMISSION MEMBERS VOTED AYE.)

25 CHAIRMAN BARRETT: Approved Resolution

1 2008-159 unanimously.

2 Ms. Ellingwood.

3 MS. ELLINGWOOD: Thank you.

4 You have before you Resolution 2008-160
5 regarding an emergency rule considering charity
6 gaming. In March 2008, House Enrolled Act 1153
7 was passed, and that law went into effect on
8 July 1st, which made changes to existing charity
9 gaming licenses, created an exception to certain
10 prohibitions regarding workers and operators, and
11 required the Commission adopt rules for the euchre
12 games.

13 On May 28th, the Commission adopted an
14 emergency rule addressing those changes. As
15 required, Commission staff then began to adopt
16 the rule through the formal rulemaking process.
17 However, that process will not be completed by the
18 time the emergency rule expires.

19 Unfortunately, neither the current statute or
20 administrative rules are adequate to address those
21 needs. In addition to the changes of the last
22 emergency rule, Commission staff included some new
23 provisions including the definition of gross
24 revenue and winner take all drawings, conditions
25 under which refunds may be given, the

1 establishment of a fee for license amendments,
2 language that requires organizations to change the
3 location of certain events, publishing of the new
4 location in an appropriate newspaper, language
5 requiring organizations that conduct a raffle or
6 door prize event conduct their own drawing. And,
7 finally, a prohibition against holding a charity
8 gaming event at a bar or tavern or a facility
9 connected to a bar or tavern other than those that
10 are owned by a qualified organization.

11 These new provisions are included in the rules
12 and currently in the middle of the formal
13 rulemaking process.

14 The Commission staff respectfully requests you
15 to adopt the emergency rule before you. The staff
16 will continue the regular administrative
17 rulemaking process to formally adopt this rule.

18 CHAIRMAN BARRETT: Thank you.

19 Do the Commission members have any questions?
20 If not, the Chair will call for a motion as to
21 Resolution 2008-160.

22 COMMISSIONER SWIHART: Move to approve.

23 COMMISSIONER MORGAN: Second.

24 CHAIRMAN BARRETT: Moved and seconded. All in
25 favor, aye? All opposed?

1 (COMMISSION MEMBERS VOTED AYE.)

2 CHAIRMAN BARRETT: Approved unanimously.

3 MR. REDER: Good afternoon. Before you is
4 Resolution 2008-161 adopting the rule regarding
5 junket operations. The Commission passed LSA
6 08-327, a rule regarding junket operations, on
7 August 28, 2008. Following Commission approval,
8 Commission staff presented the rules to the office
9 of the Attorney General. To prevent the office of
10 the Attorney General from rejecting the rule, the
11 Commission staff made three legal changes to the
12 rule.

13 One, we rearranged the language in 68-IAC
14 2-3.5-1 into two sections. Two, we modified the
15 analytical framework in 68-IAC 2-3.5-2 to create
16 more ascertainable standards. And three, we
17 deleted the redundant language in 68-IAC 2-3.5-3.
18 We respectfully ask you adopt the junket
19 operations rule as amended.

20 CHAIRMAN BARRETT: Does anyone have any
21 questions? If not, I will call for a motion as to
22 Resolution 2008-161.

23 COMMISSIONER SWIHART: Move to approve.

24 COMMISSIONER MORGAN: Second.

25 CHAIRMAN BARRETT: Moved and seconded. All in

1 favor, aye? All opposed?

2 (COMMISSION MEMBERS VOTED AYE.)

3 CHAIRMAN BARRETT: Approved unanimously.
4 Resolution 2008-162.

5 MR. REDER: As to Resolution 162, the
6 Commission may, by resolution, assign to the
7 Executive Director any duty imposed upon the
8 Commission by IC 4-33 and IC 4-35. The Commission
9 staff believes the requirement of the Commission
10 to meet for the purposes of issuing certificates
11 of registration to junket operators and junketeers
12 unresponsive to the needs of the junket operations
13 and the casino gambling industry. Requiring
14 junket operators and junketeers to seek Commission
15 approval before undertaking regular business
16 operations would frustrate the need to get these
17 operations up and running in a short time.

18 If the Commission were to retain this
19 authority, junket operators and junketeers would
20 have to wait until the March 2009 Commission
21 meeting to be authorized to begin operation. Such
22 a delay would delay the benefits not only to the
23 casino industry but to the State of Indiana in
24 terms of tax revenue to the State and revenues to
25 the casinos in general.

1 We respectfully ask you to approve this
2 resolution delegating authority to issue junket
3 operators and junketeers certificates of
4 registrations to the Executive Director.

5 CHAIRMAN BARRETT: Thank you.

6 Does anyone have any questions? If not, I
7 will call for a motion as to Resolution 2008-162.

8 COMMISSIONER SHY: Move to approve.

9 COMMISSIONER MORGAN: Second.

10 CHAIRMAN BARRETT: Moved and seconded. All in
11 favor, aye? All opposed?

12 (COMMISSION MEMBERS VOTED AYE.)

13 CHAIRMAN BARRETT: Approved unanimously.
14 Thank you, Mr. Reder.

15 GENERAL COUNSEL SICUSO: Order 2008-163, as
16 it's proposed, would approve the application of
17 Resorts Indiana, LLC, which is a subsidiary of
18 Eldorado Resorts, LLC, to purchase 100 percent of
19 the outstanding membership interest of Aztar
20 Indiana Gaming Company.

21 As indicated in the text of the order you have
22 received, Eldorado has filed all of the necessary
23 applications, IGC staff has completed the related
24 suitability investigation and you've been provided
25 with the final investigatory report.

1 It includes three standard conditions to the
2 approval. First, the Commission approval and
3 closing of a final financing package. The second,
4 is closing of the settlement agreement with
5 Tropicana. The third, is the general requirement
6 that Eldorado maintain in remaining compliance
7 with all of the standards, gaming laws and
8 regulations that are related to the operations of
9 a casino in Indiana.

10 The current status of the credit market has
11 caused Commission staff to require that Eldorado
12 provide information about the final terms of their
13 proposed financing package and a date that is near
14 to closing. The staff expects to address the
15 financing approval rapidly via the internal
16 approval process that was reauthorized by the
17 Commission earlier this year in Resolution
18 2008-74.

19 The staff recommends that you authorize a
20 proposed transfer and approve Order 163.

21 CHAIRMAN BARRETT: Thank you.

22 Do the Commission members have any questions?
23 Commissioners, there are representatives here from
24 Tropicana and other interested parties. Do any of
25 you care to hear comments from them? If not, I

1 will call for a motion as to Order 163.

2 COMMISSIONER SHY: I move to approve.

3 COMMISSIONER FINE: Second.

4 CHAIRMAN BARRETT: Moved and seconded.

5 All in favor, aye? All opposed?

6 (COMMISSION MEMBERS VOTED AYE.)

7 CHAIRMAN BARRETT: Approved unanimously.

8 Our next meeting, Ladies and Gentlemen, will
9 be in mid-March. We don't have a final date yet.
10 Thank you for your attention and tolerance of the
11 noise. Everyone have a happy holiday.

12 Motion to adjourn?

13 (COMMISSION MEMBERS VOTED AYE.)

14 CHAIRMAN BARRETT: We are adjourned.

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