

INDIANA GAMING COMMISSION

BUSINESS MEETING

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The Indiana Gaming Commission Third Quarter Business Meeting, taken by Barbara E. Lambers, RMR, Notary Public in and for the County of Hamilton, State of Ohio, held at the Hollywood Casino Party Room, 777 Hollywood Boulevard, Lawrenceburg, Indiana, commencing at 1:00 p.m. on September 17, 2009.

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ORIGINAL

1 APPEARANCES:

2 On behalf of the Gaming Commission:

3 Chairman Tim Murphy

4 Commissioner Marc Fine

5 Commissioner Robert Morgan

6 Deputy Director Jennifer Reske

7 Commissioner Mary Shy

8 Commissioner Tom Swihart

9 Executive Director Ernest Yelton

10 Administrative Assistant Tami

11 Timberman-Wright

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1 SEPTEMBER 17, 2009

2 CHAIRMAN MURPHY: Good afternoon,
3 ladies and gentlemen. I'd like to call
4 the third quarter meeting of the Indiana
5 Gaming Commission to order. The first
6 order of business will be roll call.

7 COMMISSIONER YELTON: Commissioner
8 Shy.

9 COMMISSIONER SHY: Here.

10 COMMISSIONER YELTON: Commissioner
11 Fine.

12 COMMISSIONER FINE: Here.

13 COMMISSIONER YELTON: Commissioner
14 Morgan.

15 COMMISSIONER MORGAN: Here.

16 COMMISSIONER YELTON: Commissioner
17 Swihart.

18 COMMISSIONER SWIHART: Here.

19 COMMISSIONER YELTON: And the
20 chairman is present, and we have the
21 quorum.

22 CHAIRMAN MURPHY: Next order of
23 business will be approval of last
24 meeting's minutes. Is there a motion to
25 approve?

1 COMMISSIONER FINE: So moved.

2 COMMISSIONER SHY: Second.

3 CHAIRMAN MURPHY: Moved and
4 seconded.

5 All in favor?

6 (All said aye.)

7 CHAIRMAN MURPHY: Opposed?

8 The minutes are approved.

9 Next order of business will be the
10 report of the executive director.

11 MR. YELTON: Thank you. On
12 September 1st, Commissioner Justin
13 Christian's term expired. And citing an
14 increased professional and business
15 demand, he's requested that the Governor
16 not reappoint him to the Commission.
17 Although his term was very brief, we're
18 very appreciative of him and wish him
19 continued success at Butcher & Christian
20 Counseling, or Consulting.

21 For staff update, most of the
22 individuals are not here, since we came
23 down to Lawrenceburg. The athletic --
24 Indiana State Athletic Commission was
25 born on July 1st. We're pleased to

1 announce that Wade Lowhorn has accepted
2 the position of Director. Wade comes to
3 us with a long and successful history of
4 public service, and his last position was
5 Deputy Director of the Indiana
6 Professional Licensing Agency.

7 The Assistant Director's position
8 was filled by Andy Means. You may recall
9 that Andy has served as our informational
10 analyst for the past three years.

11 Finally, Joanna Holland has been
12 named the Administrative Assistant to the
13 Commission. Joanna also comes to us from
14 LTLA, which she was administrative
15 assistant for several of the boards and
16 commissions and including the formal
17 Boxing Commission for the state.

18 After serving the Commission since
19 December of 2002, Glen Lloyd, our
20 Director of Financial Investigation has
21 retired. And Joel DeCapua, who was one
22 of our original financial investigators,
23 resigned to accept the position as
24 Special Agent with the FBI. The
25 strategic hiring committee that has been

1 put in place by the Governor and
2 personnel has approved our ability to
3 refill those positions, and we're in the
4 process of doing so at this time.

5 Replacing Andy, an information
6 analyst, will be Kesha Rich. And Kesha
7 is here today. I'll have her stand up to
8 be recognized. Kesha began her career
9 with the Gaming Commission in 2004 as a
10 legal secretary, and later became the
11 Occupation License Coordinator.
12 Congratulations. Thank you.

13 As to junkets. Please note that we
14 closed all of our junkets, and our
15 junketeers who are registered on our
16 website underneath the Casino Licensing
17 tab. Since our last Commission meeting,
18 we have added six junket operators and
19 seven junketeers. That brings our total
20 to date of 11 -- 10 operators, excuse me,
21 and 11 junketeers serving different
22 casinos in Indiana.

23 As to Tropicana. On September 1st
24 of this year the Commission Investigation
25 Division received an Indiana Riverboat

1 owner's application license, license
2 application from Icahn Enterprises, and a
3 Personal Disclosure Form Number 1 from
4 Carl Icahn. Since then the Commission
5 has received seven other PD-1s for the
6 other officers and directors of Icahn and
7 involved in the purchase of a little bit
8 over 43 percent.

9 Tropicana will be submitting
10 transfer ownership in a riverboat owner's
11 license application in conjunction with
12 the transfer of that 43 percent, and it's
13 already submitted seven PD-1 applications
14 for its officers, directors and board
15 members. The division is working
16 diligently on preparing those for your
17 consideration. We do not at this point
18 in time have a definite timetable to let
19 you know when that will occur.

20 There's been several actions,
21 litigation that involved, involves the
22 Commission and the State. On June 30th,
23 the Supreme Court of Indiana issued its
24 opinion on what is commonly referred to
25 as East Chicago I Holding; first of all,

1 that some of the city's claims should
2 survive a motion to dismiss and be heard
3 at the trial court level on the merits of
4 the action.

5 And, secondly, while the LDA is not
6 terminable at-will by the city, it may
7 indeed be subject to alteration, however,
8 it has to be achieved with appropriate
9 channels involving an approval of the
10 Indiana Gaming Commission. The Supreme
11 Court also granted transfer of East
12 Chicago III, and indicated its intent to
13 conduct oral argument briefing deadlines
14 on those particular issues.

15 This litigation, you may recall,
16 concerns the constitutionality of Section
17 302 of the 2007 budget bill which
18 authorizes the city of East Chicago to
19 unilaterally void the LDA and direct all
20 the LDA monies to the city itself.

21 Finally, the city, the Supreme
22 Court denied transfers in Gary versus
23 Majestic Star Casino, which resulted in
24 the trial court resuming jurisdiction
25 over the contract dispute relating to,

1 first of all, whether the 2005 amendment
2 to Gary LDA is valid; and, secondly,
3 whether the city is in breach of the
4 original LDA or the 2005 amendment.

5 The trial court will first need to
6 determine whether the dispute is subject
7 to arbitration; and, if so, whether or
8 not the Gaming Commission would be bound
9 by the result of that arbitration. While
10 the case is pending the LDA escrow
11 payments made by the city, excuse me, by
12 Majestic Star for the city, will continue
13 to be escrowed until further order of the
14 court.

15 Since our last meeting in June, the
16 Commission has placed four new
17 individuals on our exclusion list,
18 permanently banned these individuals of
19 entering the gaming area of any of these
20 gambling casinos. I'll give you a brief
21 description of each.

22 Tommy Yeager was observed on five
23 separate occasions on both Belterra and
24 Argosy unlawfully taking possession of
25 other patron's TITOs and redeeming the

1 tickets for cash. Mr. Yeager pled guilty
2 of one count of conversion in both
3 Switzerland and Harrison County Courts
4 and received probation.

5 Jerry Gates was observed on five
6 separate occasions, some of which
7 occurred after being warned by casino
8 personnel of posting, past-posting his
9 bets while playing Black Jack at
10 Horseshoe in Southern Indiana.

11 He was charged with cheating in a
12 gambling game which is Class A felony,
13 which is still pending before the
14 Harrison Superior Court.

15 Abedisi Adigun was observed
16 past-posting a \$200 bet while playing
17 Baccarat at Ameristar. He was charged
18 with cheating in a gambling game, also a
19 Class D felony, which is still pending
20 before the Lake Superior Court.

21 Choi Myeong was observed
22 past-posting his bets while playing
23 Baccarat at Ameristar on two separate
24 occasions in 2008. He was convicted by
25 Ameristar for a 48-hour-period after

1 first past-posting and then the
2 Commission excluded him after the last
3 event of past-posting.

4 For the year, IGC has placed a
5 total of six patrons on the exclusion
6 list which brings the grand total to 111
7 individuals who are banned from entering
8 any casino in the State of Indiana.

9 Since our last meeting the
10 Background Investigation Commission has
11 concluded its three years of
12 investigation of suppliers Western Money
13 Systems and Dollman as well. Those
14 reports for renewals have been submitted
15 to you in your materials. If you have
16 any questions, Director Brown is here and
17 will be happy to answer any questions if
18 you have it.

19 Do you have any questions on
20 suppliers?

21 The Legislative Special Session
22 only spot one bill per budget. However,
23 creation of an interim Gaming Study
24 Committee was inserted into it. The
25 committee's comprised of four senators,

1 four representatives and two lay
2 appointments of individuals with
3 expertise at finances. The four caucus
4 shares has named me the ad hoc nonvoting
5 member to the committee.

6 The statute charges the committee
7 with 17 different issues of gaming to be
8 considered for potential legislation to
9 be submitted by December 1st. The
10 committee met on August 24th. They met
11 again last Friday -- this Monday, excuse
12 me, and the next meeting is scheduled for
13 October 19th.

14 Finally, this quarter's waiver
15 summary. Argosy/Hollywood was granted a
16 waiver allowing third-party lottery
17 checks to be cashed only on the days of
18 marketing events. It was granted a
19 waiver to allow celebrity pit dealers to
20 wear non-obscuring facial make-up and
21 props, if necessary. The dealers will
22 also be allowed to keep their own tips.
23 This applies only when celebrity dealers
24 are working in the pit area itself.

25 It also had a request to approve to

1 allow non-gaming under 21 employees
2 access through the casino to go to the
3 employee dining room, which is located on
4 the vessel itself.

5 Belterra was granted a waiver to
6 allow dealers to accept cash tips only
7 during tournament play.

8 Blue Chip was granted a request to
9 include only the titles of individuals
10 allowed to transfer the currency and
11 chips from the soft count room to the
12 main bank and performing internal audit
13 duties to internal control. The
14 individuals' names themselves will not be
15 required to be listed in their internal
16 control.

17 And, finally, both Horseshoe
18 Casinos were granted a waiver to let a
19 dealer, after cutting the cards, to
20 insert the card cut up to one-half of one
21 deck in the back of the stack. And a
22 request was granted for them to allow
23 centralization of outsourcing of accounts
24 payable to third parties outside the
25 State of Indiana as long as digital

1 records of the transaction will be kept
2 in-state as well.

3 And that, Mr. Chairman, and the
4 rest of the Commission concludes the
5 Commissioner's Executive Director's
6 report.

7 CHAIRMAN MURPHY: Thank you,
8 Mr. Executive Director. As there is no
9 old business, we will move on to Patron
10 Matters. The Voluntary Exclusion
11 Program, Matt Shouse.

12 MR. SHOUSE: Good afternoon. You
13 have before you 28 orders regarding the
14 Voluntary Exclusion Program. Pursuant to
15 the rules of the program, all names of
16 the Voluntary Exclusion Program
17 participants must remain confidential.
18 Pursuant to 68 IAC 6-3-2(g): A
19 participant in the program agrees that if
20 he or she violates the terms of the
21 program and enters the gaming area of a
22 facility under jurisdiction of the
23 Commission, he or she will forfeit any
24 jackpot or thing of value won as a result
25 of the wager.

1 Under Orders 2009-113 through 140,
2 a total sum of \$36,755.11 was forfeited
3 by John Does 56 through 83.

4 These winnings were collected at
5 Ameristar, Aztar, Belterra, Blue Chip,
6 Grand Victoria, Hollywood, Horseshoe,
7 Horseshoe South, Indiana Live and
8 Majestic Star. These winnings were
9 withheld as required by Commission
10 regulations.

11 The Commission staff recommends
12 that you further approve these winnings
13 of John Does 56 through 83.

14 CHAIRMAN MURPHY: Thank you, Matt.

15 Are there any questions on orders
16 2009-113 through 2009-140?

17 If not, is there a motion to
18 approve the orders?

19 COMMISSIONER MORGAN: Motion to
20 approve.

21 COMMISSIONER SWIHART: Second.

22 CHAIRMAN MURPHY: It's seconded.

23 All those in favor?

24 (All said aye.)

25 CHAIRMAN MURPHY: All opposed?

1 Thank you. Orders 2009-113 through
2 2009-140 are approved.

3 Thank you, Matt.

4 Next item of business, Occupational
5 Licensee Matters and Denial and
6 Settlements. Jeff Neuenschwander.

7 MR. NEUENSCHWANDER: Thank you,
8 Mr. Chair, and members of the Commission.
9 The denial for your consideration is
10 Mr. Daniel Davis, Order 2009-141.

11 Mr. Davis applied for a Level 3
12 Occupational License on April 10, 2009,
13 and in his application he disclosed one
14 misdemeanor driving charge which he noted
15 as dismissed.

16 The Commission staff's
17 investigation into his application
18 revealed several additional criminal
19 matters regarding him, including a
20 possible felony. The charges included
21 theft; possession of under 15 grams of
22 heroin; possession of cannabis; unlawful
23 use of a weapon by a felon; no firearm's
24 owner identification; failed to register
25 firearm; discharging a firearm in the

1 city; felony possession use of the weapon
2 or firearm; criminal damage to property;
3 and knowingly damaging property. The
4 latest charge revealed against Mr. Davis
5 was from 2002.

6 As this Commission staff's
7 practice, due to the fact that an
8 applicant bears the responsibility of
9 submitting complete information and a
10 complete application, we contacted
11 Mr. Davis and informed him that he needed
12 to completely disclose his entire
13 criminal history.

14 He submitted one piece of
15 documentation showing a clear criminal
16 record from Lake County, but the above
17 charges were mostly from Chicago Police
18 Department. We did inform him that he
19 needed to specifically disclose
20 information on the charges in Chicago,
21 but he again failed to do so. His
22 temporary license was revoked on
23 September 4th, 2009, and he has since
24 then failed to provide the requested
25 information to Commission staff.

1 Due to Mr. Daniel's repeated
2 failures to disclose, his failure to
3 provide information, and his failure to
4 submit a complete and accurate
5 application, at this time the Commission
6 staff respectfully requests you deny his
7 application for licensure as described
8 Order 2009-141. Thank you.

9 CHAIRMAN MURPHY: Commissioners
10 have any questions?

11 I have one, Jeff. How long --
12 from reading the facts, I'm trying to
13 determine how long Mr. Davis held his
14 temporary license --

15 MR. NEUENSCHWANDER: As far as I
16 understand --

17 CHAIRMAN MURPHY: -- before you
18 found the Chicago PD match?

19 MR. NEUENSCHWANDER: As far as I
20 understand, Mr. Chair, those came up
21 shortly after he applied for his
22 temporary license.

23 CHAIRMAN MURPHY: Looks like about
24 15 days.

25 MR. NEUENSCHWANDER: Yes. It was

1 April 22nd that he was sent the letter
2 that they came up.

3 CHAIRMAN MURPHY: And then was he
4 able to work? How long after that was he
5 able to actually work?

6 MR. NEUENSCHWANDER: He was sent
7 several letters requesting that he fully
8 comply, and actually his license was
9 pulled. He received a final letter on
10 September 4th, that's when his license
11 was revoked.

12 CHAIRMAN MURPHY: So, he used it
13 about five months?

14 MR. NEUENSCHWANDER: Yes.

15 CHAIRMAN MURPHY: If there are no
16 other questions on Order 2009-141, the
17 Chair would entertain a motion to
18 approve.

19 COMMISSIONER SWIHART: So moved.

20 COMMISSIONER SHY: Second.

21 CHAIRMAN MURPHY: All those in
22 favor?

23 (All said aye.)

24 CHAIRMAN MURPHY: Opposed?

25 Order 2009-141 is approved.

1 Next matter under Occupational
2 Licensee Matters Denial and Settlements.
3 Lea Ellingwood.

4 MS. ELLINGWOOD: Thank you. You
5 have before you Resolution 2009-142
6 regarding a settlement agreement between
7 the Indiana Gaming Commission and James
8 Scott.

9 Mr. Scott is a hard count room
10 attendant at Majestic Star Casino.
11 Indiana Administrative Code 68 IAC
12 2-3-8(a) requires an occupational
13 licensee to renew his or her license
14 annually, and to submit those renewal
15 forms to the Commission at least 30 days
16 before the license expires.

17 Mr. Scott failed to renew his
18 license for two years consecutively.

19 Commission staff initiated some of
20 the negotiations with Mr. Scott prior to
21 filing a disciplinary complaint.

22 Mr. Scott agreed to a two-day voluntary
23 relinquishment of his license, which will
24 serve as the de facto suspension without
25 the adverse side affects those

1 suspensions might have on his ability to
2 obtain an occupational license in Indiana
3 or another jurisdiction.

4 Mr. Scott and Executive Director
5 Yelton have both signed the settlement
6 agreement.

7 Commission staff recommends
8 approval of this resolution.

9 CHAIRMAN MURPHY: Are there any
10 questions for Ms. Ellington?

11 If not, is there a motion to
12 approve?

13 COMMISSIONER FINE: So moved.

14 COMMISSIONER MORGAN: Second.

15 MR. MURPHY: Moved and seconded.

16 All those in favor?

17 (All said aye.)

18 MR. MURPHY: Opposed?

19 Order 2009-142 is approved. Thank
20 you.

21 Next item of business is Supplier
22 License Matters. And Kesha Rich.

23 MS. RICH: Good afternoon. You
24 have before you order 2009-143,
25 concerning the renewal of supplier's

1 license. Pursuant to Indiana Code 4-33
2 and 68 IAC 2-2, the Commission has
3 previously approved a permanent
4 supplier's license for the following five
5 companies: GEMACO, Inc., Atronic
6 Americas, LLC, GPI USA, Inc., PokerTek,
7 Inc., and Western Money Systems, Inc.

8 A supplier's license is valid for a
9 period of one year. Pursuant to IC
10 4-33-7-8 and 68 IC 2-2-8: A supplier's
11 license must be renewed annually, and a
12 payment of \$7,500 for the annual renewal
13 fee must be remitted.

14 Each of these licensees has
15 requested renewal of their license and
16 have paid the appropriate renewal fee.

17 The Commission staff recommends you
18 approve the renewal of the licenses for
19 these five suppliers.

20 CHAIRMAN MURPHY: Are there any
21 questions of the Commissioners of Ms.
22 Rich?

23 If not, is there a motion to
24 approve?

25 COMMISSIONER FINE: Motion to

1 approve.

2 COMMISSIONER MORGAN: Second.

3 CHAIRMAN MURPHY: Moved and
4 seconded.

5 All those in favor?

6 (All said aye.)

7 CHAIRMAN MURPHY: Opposed?

8 Motion 2009-143 is approved. Thank
9 you, Ms. Rich.

10 MS. RICH: Thank you.

11 CHAIRMAN MURPHY: Under
12 Disciplinary matters, Chris Gray.

13 MS. GRAY: Good afternoon,
14 Commissioner. You have before you Order
15 Number 2009-144. It's a settlement
16 agreement with Gaming Partners
17 International wherein an incorrect
18 shipment went back to Argosy Casino.

19 Gaming Partners International has
20 agreed to a monetary settlement of 2,500
21 in lieu of disciplinary action.

22 The Commission staff recommends
23 that you approve Order 2009-144.

24 CHAIRMAN MURPHY: Are there any
25 questions of Ms. Gray?

1 If not, is there a motion to
2 approve?

3 COMMISSIONER SWIHART: Move to
4 approve.

5 COMMISSIONER FINE: Second.

6 CHAIRMAN MURPHY: Thank you.

7 All those in favor?

8 (All said aye.)

9 CHAIRMAN MURPHY: Opposed?

10 Order 2009-144 is approved.

11 Thank you.

12 MS. GRAY: Thank you.

13 CHAIRMAN MURPHY: Under Casino
14 Matters. Jeff Neuenschwander.

15 MR. SICUSO: I think I am going to
16 take the first one. In fact, I have the
17 next three.

18 CHAIRMAN MURPHY: Yeah, you do.

19 MR. SICUSO: The first of these
20 2009-146 -- the first of three financing
21 matters that we're handling today, this
22 one relates to Harrah's.

23 As the order is proposed, it would
24 ratify the interim waiver Executive
25 Director Yelton issued on September 8,

1 2009, via letter. Subject to the
2 conditions that are outlined in that
3 letter which are incorporated into the
4 order, Harrah's was authorized to issue
5 up to \$720 million in First Priority Lien
6 Senior Secured Notes to 2017. They were
7 able to do so without receiving prior
8 approval from the full Commission or
9 satisfying the two-meeting rule.

10 The proceeds of the note issuance
11 are to be used to reduce, pay down debt
12 under the company's credit facility. In
13 advance of today's matter, we provided
14 you a copy of Charlene Sullivan's report
15 and analysis. And we are bringing it for
16 you today to consider, if you would like
17 to recommend additional or a different
18 action.

19 The staff recommends that you
20 approve the order in which ratifies the
21 interim approval.

22 CHAIRMAN MURPHY: Are there any
23 questions of Mr. Sicuso?

24 If not, I would entertain a motion
25 to approve the Order 2009-146.

1 COMMISSIONER MORGAN: So moved.

2 COMMISSIONER FINE: Second.

3 CHAIRMAN MURPHY: Seconded.

4 All those in favor?

5 (All said aye.)

6 CHAIRMAN MURPHY: Opposed?

7 Motion 2009-146 is approved.

8 MR. SICUSO: 2009-147 relates to
9 Penn National, and to two separate
10 interim waivers and approval letters that
11 Director Yelton issued on August 7th and
12 August 31st, respectfully. Subject to
13 the conditions that are outlined in those
14 letters which are incorporated into the
15 draft order, Penn was authorized
16 essentially to do two things prior to
17 getting full Commission approval, or
18 satisfy the two-meeting rule. And those
19 two things are: Issuing up to \$1 billion
20 in senior subordinated notes over the
21 next 12 months; and to make certain
22 amendments to its Senior Secured Credit
23 Facility.

24 The proceeds of the note offering
25 would be to pay down -- excuse me, here,

1 refinancing existing Senior Secured debt,
2 and the Credit Facility Amendment would
3 primarily allow for the temporary
4 increase and capacity of the company's
5 senior secured revolver.

6 Again, in this case, we provided
7 you with a copy of Doctor Sullivan's
8 written analysis of both transactions.
9 And we recommend that you approve the,
10 ratify the initial approval that Ernie
11 had issued.

12 CHAIRMAN MURPHY: Are there any
13 questions of Mr. Sicuso regarding the
14 financing?

15 If not, is there a motion to
16 approve?

17 COMMISSIONER SHY: Move to approve.

18 CHAIRMAN MURPHY: Second?

19 COMMISSIONER MORGAN: Seconded.

20 CHAIRMAN MURPHY: It's been moved
21 and seconded.

22 All those in favor?

23 (All said aye.)

24 CHAIRMAN MURPHY: Opposed?

25 Order 2009-147 is approved.

1 COMMISSIONER SICUSO: The third
2 order relating to finances 2009-148,
3 which again ratifies the interim waiver
4 and approval that was issued by Executive
5 Director Yelton, at this time on
6 July 30th.

7 That interim approval authorized
8 Pinnacle to issue up to \$450 million in
9 senior notes due in 2017, again, without
10 prior approval and full Commission
11 following the two-meeting rule.

12 Proceeds of the notes would be used
13 to repurchase certain outstanding notes,
14 to pay down company's revolving credit
15 facility, also for general corporate
16 purposes.

17 You have also received a separate
18 report from Doctor Sullivan on this
19 particular proposed issuance, and staff
20 recommends that you ratify Executive
21 Director Yelton's interim approval.

22 CHAIRMAN MURPHY: Are there any
23 questions of Mr. Sicuso regarding
24 Pinnacle's financing?

25 If not, is there a motion to

1 approve?

2 COMMISSIONER SWIHART: Move to
3 approve.

4 COMMISSIONER FINE: Second.

5 CHAIRMAN MURPHY: Move has been
6 seconded.

7 All those in favor?

8 (All said aye.)

9 CHAIRMAN MURPHY: Opposed?
10 Order 2009-148 is approved.

11 COMMISSIONER SICUSO: I'm going to
12 handle the next two as well, Mr. Chair.

13 These are annual renewals of casino
14 licenses, Orders 2009-149 and 2009-150.
15 As they are drafted, we would renew for
16 one year the owners' licenses as held by
17 Blue Chip Casino, LLC, and Grand Victoria
18 Casino Resort, LLP.

19 Each of these licensees timely
20 requested renewal, they also paid their
21 requisite \$5,000 fee. And staff has
22 determined that they are in substantial
23 compliance with all gaming laws in the
24 State of Indiana, and we recommend that
25 they get their annual renewal granted by

1 granting these orders.

2 CHAIRMAN MURPHY: We're taking both
3 149 and 150 together?

4 COMMISSIONER SICUSO: Yes.

5 CHAIRMAN MURPHY: That's fine. Are
6 there any questions regarding those
7 orders of Mr. Sicuso?

8 If not, motion to approve?

9 COMMISSIONER SHY: Move to approve.

10 COMMISSIONER FINE: Second.

11 CHAIRMAN MURPHY: Moved and
12 seconded.

13 All those in favor?

14 (All said aye.)

15 CHAIRMAN MURPHY: Opposed?

16 Orders 2009-149 and 50 are
17 approved.

18 Thank you, Mr. Sicuso.

19 Under the next item of business,
20 Disciplinary Action. Ms. Gray.

21 MS. GRAY: Good afternoon. Again,
22 you have before you 12 settlement
23 agreements concerning disciplinary
24 action.

25 The first settlement is with

1 Ameristar Casino, Order 2009-151, which
2 includes two counts. In the first count
3 on three separate occasions an underage
4 person was allowed on the casino floor.

5 In the second count a slot machine
6 was placed into service before it was
7 coin tested.

8 Ameristar has agreed to a total
9 monetary settlement of \$12,500 in lieu of
10 disciplinary action.

11 Are there any questions?

12 COMMISSIONER MORGAN: I got a
13 question: How did you arrive at that
14 amount? I asked you this before, I'm
15 just always curious.

16 MS. GRAY: Okay. First of all, in
17 the first order, which had the three
18 separate occasions of the underaged
19 person, that's fine, that's across the
20 board for everyone. So, for the first
21 one -- and it's within a rolling
22 six-month period -- so, the first
23 underage person would be \$1,500. The
24 second one was then \$3,000 because they
25 go in \$1,500 increments. The final one

1 was 4,500. When you add them all up
2 together it's 9,000. Okay.

3 In the second one it also is
4 another one that we have seen at several
5 other casinos, and the amount is usually
6 2,500. However, this time there was an
7 issue, I believe, with -- the problem,
8 the Machine Entry Access Log, which the
9 slot person is supposed to sign, it was
10 ineligible -- illegible, so they went
11 ahead and added another 1,000.

12 MR. MORGAN: Thank you for
13 explaining that. I always find that
14 curious.

15 MS. GRAY: We should invite you to
16 one of our meetings.

17 COMMISSIONER MORGAN: Before there
18 was some concern about repeating the
19 offenses, some of these situations?

20 MS. GRAY: We usually try to be
21 consistent if it's the same one, however,
22 sometimes we have to look at some other
23 circumstances which may change the amount
24 of time.

25 COMMISSIONER MORGAN: Very good.

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THE COURT: We will take these all as one motion.

MS. GRAY: Okay. Okay. In the second order, 2009-152, Settlement Agreement with Argosy Casino, which includes six counts. In the first count, Argosy failed to prohibit the marking of cards. Did not maintain correct surveillance logs, and did not completely fill out a currency transaction report.

The second count violated the rule regarding playing card's specifications.

In the third count the casino failed to timely inform gaming agent of the termination of 11 employees.

The fourth count violated the rule regarding tax-free passes.

And the fifth count the casino did not offer the shooter at a craps table at least five dice.

In the sixth count the casino allowed an underaged person on the casino floor.

Argosy has agreed to a total monetary settlement of \$57,500, in lieu

1 of disciplinary action.

2 Are there any questions concerning
3 this order?

4 CHAIRMAN MURPHY: Commissioners
5 have any questions?

6 MS. GRAY: And I will tell you
7 probably the next one it will be
8 Hollywood, so they will not be second.
9 Since this was mostly Argosy, we have it
10 with Argosy.

11 In the third order, 2009-153
12 Settlement Agreement with Aztar includes
13 three counts.

14 In the first count the casino
15 failed to secure the lid covering the
16 chips on a table game.

17 The second count violated the rules
18 requiring the coin test of slot machines
19 to ensure that they were communicating
20 with the central computer system.

21 In the third count on two different
22 occasions an underage person was allowed
23 on the casino floor.

24 Aztar agreed to a total monetary
25 settlement of \$14,500 in lieu of

1 disciplinary action.

2 Are there any questions?

3 Order 2009-154 is a settlement
4 agreement with Belterra involving two
5 counts.

6 In the first count an underaged
7 person was allowed on the casino floor.

8 The second count violated the rule
9 requiring the casino to offer five dice
10 to a shooter at a craps table.

11 Belterra has agreed to a monetary
12 settlement of \$4,500 in lieu of
13 disciplinary action.

14 Are there any questions?

15 CHAIRMAN MURPHY: Proceed.

16 MS. GRAY: The fourth order
17 2009-155 is a settlement agreement with
18 Blue Chip, it includes four counts.

19 The first count is a violation of
20 the rules requiring cards and dice not
21 being utilized at a live table game to be
22 kept in a locked compartment.

23 In Count II, a count room
24 supervisor tore up three incorrect
25 transfer slips instead of voiding them

1 and attaching them to the completed slip.

2 In Count III, an even exchange
3 between two poker tables was handled
4 incorrectly.

5 In Count IV, the casino failed to
6 timely inform gaming agent of the
7 termination of an employee.

8 Blue Chip has agreed to a monetary
9 settlement of \$18,000 in lieu of
10 disciplinary action.

11 Are there any questions regarding
12 this? Thank you.

13 Order 2009-156 is the settlement
14 agreement with French Lick and includes
15 five counts.

16 In the first count a float lid was
17 left unsecured.

18 In the second count a deck of cards
19 was left unsecured.

20 In the third count a table game
21 fill was handled incorrectly.

22 The fourth count violated the rule
23 requiring surveillance coverage of an
24 arrest and eviction.

25 In the fifth count a roulette wheel

1 was left unsecured.

2 French Lick has agreed to a
3 monetary settlement of \$15,500 in lieu of
4 disciplinary action.

5 Are there any questions?

6 CHAIRMAN MURPHY: Okay.

7 MS. GRAY: In the fifth order,
8 2009-157 is a settlement agreement with
9 Grand Victoria wherein security employees
10 allowed patrons to walk through the
11 designated drop area during the drop.

12 Grand Victoria has agreed to a
13 monetary settlement of \$2,500 in lieu of
14 disciplinary action.

15 Are there any questions?

16 The seventh order, 2009-158 is a
17 settlement agreement with Hoosier Park
18 and includes two counts.

19 In the first count the casino
20 failed to provide surveillance coverage
21 of a progressive display showing the
22 incrementation of a progressive jackpot.

23 In Count II, a security employee
24 allowed patrons to walk through the
25 designated drop area during the drop.

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Hoosier Park has agreed to a total monetary settlement of \$4,000 in lieu of disciplinary action.

Are there any questions?

Order 2009-159 is a settlement agreement with Horseshoe and includes two counts.

In the first count the casino failed to timely inform gaming agents of the termination of three employees.

And in the second count the casino allowed six employees to work with an expired badge.

Horseshoe has agreed to a total monetary settlement of \$10,000 in lieu of disciplinary action.

Are there any questions?

Order 2009-160 is a settlement agreement with Horseshoe Southern Indiana wherein an underage person was allowed on the casino floor.

Horseshoe Southern Indiana has agreed to a monetary settlement of \$6,000 in lieu of disciplinary action.

Are there any questions?

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Order 2009-161 is a settlement agreement with Indiana Live and includes two counts.

The first count violated the rule requiring the casino to receive permission to convert a slot machine.

In the second count the casino failed to provide complete surveillance coverage in a timely manner.

Indiana live has agreed to pay a total monetary settlement of \$10,000 in lieu of disciplinary action.

Are there any questions?

The final order, Order 2009-162 is a settlement agreement with Majestic Star wherein the casino failed to timely inform the gaming agent of a terminated employee.

Majestic Star has agreed to pay a monetary settlement of \$2,000 in lieu of disciplinary action.

The Commission staff recommends that you approve orders 2009-151 through 2009-162, each of which approves one of the settlement agreements that we have

1 just discussed.

2 CHAIRMAN MURPHY: If there are no
3 further questions of Ms. Gray, the
4 Chairman entertains a motion to approve
5 Orders 2009-151 through 2009-162.

6 COMMISSIONER MORGAN: Motion to
7 approve.

8 COMMISSIONER SWIHART: Second the
9 motion.

10 CHAIRMAN MURPHY: It's been moved
11 and seconded.

12 All those in favor?

13 (All said aye.)

14 CHAIRMAN MURPHY: Opposed?

15 Orders 2009-151 through 2009-162
16 are approved.

17 Thank you, Ms. Gray.

18 MS. GRAY: Thank you.

19 CHAIRMAN MURPHY: Next item of
20 business involves Rules, and we will hear
21 from Adam Packer on that.

22 MR. PACKER: Thank you, Mr. Chair.
23 Good afternoon members of the Commission.

24 Resolution 163 would approve LSA
25 Rule Making 09-475, which is the yearly

1 Readoption Rule Making. As you may
2 recall, rules are set to expire seven
3 years after adoption or amendment. So,
4 each year there are a certain number of
5 rules and sections that come up for
6 readoption. If the Commission does not
7 readopt these rules by December, they
8 expire on January 1st. And so, this
9 resolution simply handles the matter of
10 readopting those sections of the Gaming
11 Commission's Administrative Code that
12 would otherwise expire.

13 Staff recommends Adoption of
14 Resolution 163.

15 CHAIRMAN MURPHY: Are there any
16 questions of Mr. Packer?

17 If not, is there a motion to
18 approve the Resolution?

19 COMMISSIONER SHY: Move to approve.

20 COMMISSIONER FINE: Second.

21 CHAIRMAN MURPHY: It's been moved
22 and seconded.

23 All those in favor?

24 (All said aye.)

25 CHAIRMAN MURPHY: Opposed?

1 Motion to adopt 2009-163 is
2 approved.

3 MR. PACKER: Thank you.

4 Resolution 164 would approve a
5 Final Rule in LSA 09-361, which is a Rule
6 Making regarding administrative
7 adjudications. The proposed -- well, the
8 Final Rule rather, will amend 68 IAC
9 7-1-10 to more closely follow and track
10 the AOPA's provision regarding
11 administrative proceedings, specifically,
12 the burden of proof on the Gaming
13 Commission in administrative proceedings,
14 these would be licenses, disciplinary
15 actions, revocations, things like that.
16 And the old rule did not match up with
17 the AOPA, which is the State's
18 Administrative Orders and Procedures
19 Acts, shifting of the burden of proof to
20 the Commission in all cases.

21 This Rule Making would correct that
22 section of the Administrative Code and
23 have the burden of proof always be on the
24 Commission in these cases.

25 Commission staff recommends

1 adoption of Resolution 164.

2 CHAIRMAN MURPHY: Are there any
3 questions of Mr. Packer regarding
4 Resolution 2009-164?

5 If not, is there a motion to
6 approve?

7 COMMISSIONER SWIHART: Moved.

8 COMMISSIONER MORGAN: Second.

9 CHAIRMAN MURPHY: All those in
10 favor?

11 (All said aye.)

12 CHAIRMAN MURPHY: Opposed?

13 Motion 2009-64 is approved.

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

15 Resolution 165 would approve a
16 Final Rule in LSA Rule Making 09-218,
17 which is Rule Making regarding drop boxes
18 and tip boxes, specifically, the security
19 of those elements of a live table game.

20 I am not a live table game expert,
21 but my understanding is that the drop
22 boxes are where dealers and table game
23 personnel put all official paper
24 documents and money that's changed in in
25 exchange for chips. It's attached to the

1 table game.

2 This Rule Making tightens up some
3 of the language in the Administrative
4 Code requiring that those drop boxes be
5 affixed to the table.

6 And also referring to tip boxes,
7 those are also affixed to the gaming live
8 table game, and that's where the dealers
9 and other table personnel put their tips.
10 And the Rule Making is a short rule
11 making that makes what was once
12 permissive language about those boxes
13 being affixed to the tables more
14 mandatory language.

15 Commission staff recommends
16 adoption of Resolution 165.

17 CHAIRMAN MURPHY: Are there any
18 questions of Mr. Packer regarding
19 Resolution 2009-165?

20 If not, is there a motion to
21 approve?

22 COMMISSIONER FINE: Move to
23 approve.

24 COMMISSION FINE: Second.

25 CHAIRMAN MURPHY: Moved and

1 seconded.

2 All those in favor?

3 (All said aye.)

4 CHAIRMAN MURPHY: Opposed?

5 Resolution 2009-165 is approved.

6 MR. PACKER: Thank you.

7 CHAIRMAN MURPHY: 166.

8 MR. PACKER: We do have 166, but

9 Phil is going to handle that one.

10 COMMISSIONER SICUSO: Resolution

11 2009-166, if adopted, would adopt LSA

12 Number 09-144, which is a Final Rule that

13 relates to the testing of gaming

14 equipment and technologies. The proposed

15 language amends the portion of the

16 Administrative Code that has been in

17 existence for over a decade without any

18 sort of amendment.

19 The new language and the public

20 comments that you have received prior to

21 the meeting all cover a handful of issues

22 relating to the testing of equipment.

23 Among those worth noting are three;

24 first, the new language does a much more

25 complete job, we feel, of specifically

1 identifying the types of technologies and
2 items that actually need to be tested
3 before they can be put into use in
4 Indiana.

5 The second thing is that it creates
6 a framework under which the Gaming
7 Commission would be allowed to contract
8 with multiple independent qualified
9 gaming laboratories. Once the qualifying
10 laboratories are identified by the
11 State's RP process and once the contract
12 exists, the gaming manufacturers would
13 then be able to select among the
14 qualified laboratories to do the
15 certification work.

16 The third thing, the third primary
17 thing that it does is it makes it clear
18 that the Gaming Commission will now only
19 be in the business of approving the items
20 of technologies that are specifically
21 intended for the use in the State of
22 Indiana.

23 This process, as developed by
24 Indiana regulations, does require some
25 additional participation by the casino

1 licensee, which has not been required in
2 the past, but we strongly feel that it's
3 necessary to create substantial
4 efficiency improvement for the staff and
5 the Gaming Commission.

6 If there are any questions about
7 any of the proposed regulations before
8 you vote, we would be happy to answer
9 them.

10 CHAIRMAN MURPHY: If there are no
11 questions of Mr. Sicuso, is there a
12 motion to approve Resolution 2009-166?

13 COMMISSIONER FINE: Move to
14 approve.

15 COMMISSIONER SHY: Second.

16 CHAIRMAN MURPHY: It's been moved
17 and seconded.

18 All those in favor?

19 (All said aye.)

20 CHAIRMAN MURPHY: Opposed?
21 Resolution 2009-166 is approved.

22 Thank you, Mr. Sicuso.

23 The next item of business is
24 Charity Gaming. Julien Agnew.

25 MR. AGNEW: Good afternoon. You

1 have before you Order 2009-167, an order
2 approving the Administrative Law Judge's
3 findings of fact and conclusions of law
4 in a disciplinary action against a Crisis
5 Center, a qualified organization located
6 in Kokomo. For purposes of charity
7 gaming, a qualified organization is
8 required to pay an annual renewal fee,
9 which is calculated on the organization's
10 gross income from previous gaming.

11 On June 4, 2009, the Center
12 submitted to the Gaming Commission an
13 application to renew its annual bingo
14 license, along with a check for the
15 licensee renewal in the amount of
16 \$13,000.

17 Commission staff issued the Center
18 its license, and then presented the check
19 for payment, however, the check was
20 returned nonsufficient funds on June 15,
21 2009.

22 Commission staff contacted the
23 Center and attempted to receive payment,
24 however, the Center declined to pay. As
25 a result, Commission staff initiated a

1 disciplinary action against the Center to
2 revoke its license.

3 An evidentiary hearing was held on
4 August 25, 2009. At the hearing the
5 Administrative Law Judge found that the
6 Center failed to pay its license fees and
7 recommended that the Commission revoke
8 the Center's annual bingo license, and
9 levied a fine against the Center in the
10 amount of \$1,000.

11 The Administrative Law Judge issued
12 the recommended order on September 8,
13 2009, memorializing her findings.

14 Staff recommends approval of Order
15 2009-167.

16 CHAIRMAN MURPHY: I have one
17 question, Mr. Agnew. Does this action --
18 can Kokomo come back to us and renew
19 their license at a later date?

20 MR. AGNEW: They could reapply.

21 CHAIRMAN MURPHY: Make an
22 application?

23 MR. AGNEW: Correct. They could
24 still reapply at a later date, however,
25 we would consider this in future license

1 applications.

2 CHAIRMAN MURPHY: Any other
3 questions?

4 COMMISSIONER MORGAN: I have one.
5 You have had a NSF like this in the past?

6 MR. AGNEW: We have had others.
7 However, once we contact the
8 organization, typically payment arrives.

9 COMMISSIONER MORGAN: They take
10 care of it?

11 MR. AGNEW: Correct.

12 CHAIRMAN MURPHY: If there are no
13 other questions of Mr. Agnew, is there a
14 motion to approve Order 2009-167?

15 COMMISSIONER SHY: Move to approve.

16 COMMISSIONER FINE: Second.

17 CHAIRMAN MURPHY: It's been moved
18 and seconded.

19 All in favor?

20 (All said aye.)

21 CHAIRMAN MURPHY: Opposed?

22 Order 2009-167 is approved.

23 Thank you, Mr. Agnew.

24 Before we adjourn, I would like to
25 take just a moment to say thank you to

1 the management and staff of Belterra and
2 the management and staff of Grand
3 Victoria for our informative and nice
4 tours of the properties yesterday.

5 I'd also like to take a moment to
6 say thank you -- on behalf of the
7 Commission, say thank you to Hollywood
8 for hosting our meeting today.

9 COMMISSIONER MORGAN: Very nice
10 casino we have here.

11 CHAIRMAN MURPHY: If there's no
12 other business to come before the
13 Commission, I would entertain a motion to
14 adjourn.

15 COMMISSIONER SWIHART: So moved.

16 COMMISSIONER YELTON: Typically,
17 the fourth quarter will be conducted on
18 the 12th of November, typically at the
19 State Library in Indianapolis, subject to
20 change, of course.

21 CHAIRMAN MURPHY: Thank you.

22 (PROCEEDINGS CONCLUDED AT 1:43 P.M.)

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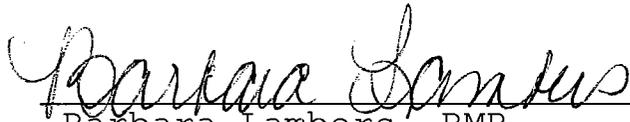
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C E R T I F I C A T E

STATE OF OHIO :
: SS
COUNTY OF HAMILTON :

I, Barbara Lambers, RMR, a court reporter and Notary Public in and for the State of Ohio, that said meeting was taken in stenotypy and transcribed by computer under my supervision.

IN WITNESS WHEREOF, I have set my hand and seal at Cincinnati, Ohio, this 13th day of October, 2009.



Barbara Lambers, RMR
Notary Public - State of Ohio
My Commission Expires:
June 23, 2010