

INDIANA GAMING COMMISSION

BUSINESS MEETING

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The Indiana Gaming Commission First Quarter 2010 Business Meeting, taken by Paula A. Morgan, Notary Public in and for the County of Hamilton, State of Indiana, held at Indiana Live Casino, 4200 North Michigan Road, 2nd Floor Clubhouse, Shelbyville, Indiana, commencing at 1:00 p.m. on March 4, 2010.

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APPEARANCES

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On behalf of the Gaming Commission:

Tim Murphy, Chairman

Tom Swihart, Commissioner

Mary Shy, Commissioner

Marc Fine, Commissioner

Robert Morgan, Commissioner

V. Sue Shields, Commissioner

Ernest Yelton, Executive Director

Jennifer Reske, Deputy Director

Phil Sicuso, General Counsel

Tami Timberman-Wright, Administrative Assistant

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MARCH 4, 2010

CHAIRMAN MURPHY: Good afternoon, everyone.
Welcome to the first quarter 2010 meeting of the
Indiana Gaming Commission. The meeting is now called
to order, and the first item will be roll call of the
Commissioners. Commissioner Swihart.

COMMISSIONER SWIHART: Present.

CHAIRMAN MURPHY: Commissioner Fine.

COMMISSIONER FINE: Here.

CHAIRMAN MURPHY: Commissioner Shy.

COMMISSIONER SHY: Here.

CHAIRMAN MURPHY: Commissioner Morgan.

COMMISSIONER MORGAN: Present.

CHAIRMAN MURPHY: Commissioner Shields.

COMMISSIONER SHIELDS: Present.

CHAIRMAN MURPHY: The Chair is present. All
Commissioners are present, and we have a quorum.

First item of business will be the approval of
the minutes of the last meeting. Commissioners,
you've been supplied with the minutes in your
early-mailing material. Are there any questions?

COMMISSIONER SWIHART: Move to accept.

COMMISSIONER SHY: Second.

CHAIRMAN MURPHY: It's been moved and seconded.
All those in favor of approval?

1 (All said aye.)

2 CHAIRMAN MURPHY: The Chair will abstain, as I
3 was not here for the last meeting. The minutes of
4 the last meeting are approved by a vote of five out
5 of six.

6 The next item of business will be the report of
7 the Executive Director.

8 EXECUTIVE DIRECTOR YELTON: Thank you, Chairman
9 Murphy, Ladies and Gentlemen of the Commission. I'll
10 begin with the Staff Update. I can't see anything.
11 I think there are some shadows out there that tells
12 me there's some people, but I couldn't recognize you.
13 So I'll call your name, and hopefully you're there.

14 At our last meeting I had announced that Kesha
15 Rich was selected to replace Andy Means as our
16 documents analyst for the Commission. And today I am
17 pleased to inform you that Sherry Green, who came
18 from our Human Resources division, will serve as our
19 new Occupational License Coordinator. Sherry, thank
20 you.

21 In our Financial Investigator division we welcome
22 Stephanie Berry, who was chosen to replace Joel
23 DeCapua. As you may remember, Joel was selected to
24 be a Special Agent for the FBI. And Stephanie
25 comes to us with a very solid background in Trust

1 from Fifth Third, I believe it was; is that correct?

2 Welcome.

3 Additionally, we would also announce that Rick
4 Grisel from the Indiana State Police has become our
5 latest investigator for Charity Gaming. But he's in
6 the field on duty this morning, up in northern
7 Indiana, and will not be able to join us.

8 And, finally, once again, we are very fortunate
9 to have another intern from the Indiana School of
10 Law, Brian Brenn, Fort Wayne. Brian, there you are.
11 Brian will spend each of his Thursdays with us at the
12 Commission, working with the legal department, and
13 will serve in that capacity through the entire
14 semester.

15 Next is the Commission's Reinvestigations Report.
16 Suppliers WMS, AC Coin, and Shuffle Master were
17 reinvestigated for their three-year period for their
18 licenses during the quarter. We have submitted to
19 the members of the Commission the reports. And, as I
20 indicated, this is not a renewal of their license.
21 This is just the reinvestigation. However, if you
22 have any questions, they can be entertained at this
23 time, and members from our Investigations staff will
24 be more than glad to try and answer them for you.

25 COMMISSIONER SHIELDS: Are you taking them in any

1 order?

2 EXECUTIVE DIRECTOR YELTON: We're taking them
3 with you, Commissioner Shields.

4 COMMISSIONER SHIELDS: Thank you. I had a
5 question. Well, two questions. One was with Shuffle
6 Master. And you'll forgive me. I'm relatively new
7 to the Commission. But in looking through Item V,
8 the gaming regulation violations on Page 8, or
9 commencing on Page 8, if you look at the history back
10 from 2002, relatively few, one in '02, one in '03,
11 one in '04, one in '05, one in '06, two in '07, one
12 in '08. And then we come to '09, and we have one,
13 two, three, four, five, six, and already one in '10.
14 I just wondered if there was -- I found that kind of
15 interesting.

16 MR. BROWN: Yes. Thank you. Good afternoon,
17 Commissioners and executive staff. Garth Brown,
18 Director of Background Investigations.

19 We have noted this. Shuffle Master actually does
20 a terrific job of notifying us of their faults and
21 things that -- incidents that have come up. We
22 typically get reports from them at least quarterly,
23 if not, you know, every month or so, if there's been
24 something material that's happened. So we have been
25 able to follow these.

1 We'd be happy to pursue these further. I don't
2 know -- I don't believe that what happened in 2009 is
3 going to be typical of what we should see going
4 forward, but we definitely will monitor it.

5 COMMISSIONER SHIELDS: And why do you think it
6 will not be typical? I mean, has there been some
7 internal controls? Because a lot of them seem to be
8 of the same type and errors that should be easily
9 corrected.

10 MR. BROWN: Correct. As far as the internal
11 controls and whatnot, I don't believe that I could
12 answer that specifically. I think if -- maybe if we
13 were very concerned, maybe Shuffle Master's people
14 could be here to address that.

15 COMMISSIONER MORGAN: Could we request that?

16 MR. BROWN: Yes, yes. I believe, going forward
17 with this, that it would be wise to request that they
18 come to kind of explain some of these.

19 COMMISSIONER SHIELDS: Thank you.

20 COMMISSIONER MORGAN: And one other thing
21 pertaining to Shuffle Master also, the company
22 litigation, some 70 cases that --

23 MR. BROWN: Yes.

24 COMMISSIONER MORGAN: -- we're a party to.

25 MR. BROWN: Yes.

1 COMMISSIONER MORGAN: Any enlightenment on that?

2 MR. BROWN: I don't have a lot of enlightenment
3 on it. A majority of the -- well, the ones that
4 concerned us the most have been noted specifically in
5 the chart for you. And, again, those are pending.
6 And, again, they do update us on those. So as things
7 start to evolve in those cases, we're going to be
8 following them, and we'll notify you.

9 COMMISSIONER MORGAN: And we could request --

10 MR. BROWN: Again, yes, this would be something
11 that they could speak for on their behalf.

12 COMMISSIONER MORGAN: Very good. We will request
13 that.

14 MR. BROWN: Sure.

15 COMMISSIONER SHIELDS: Then I had one other
16 question on WMS. If you note at Page 6, it was just
17 the comment that it was investigated and found WMS to
18 be uncooperative.

19 MR. BROWN: Correct. That statement was actually
20 made by Frank Brady. And, unfortunately, he is not
21 here to speak on that. But our investigator did meet
22 with Frank, discussed the case. And, again, as you
23 saw within this, Frank did consider the investigation
24 of what happened still open.

25 But this would be another example of where they

1 would be able to come and specifically address this.

2 COMMISSIONER MORGAN: We would request that as
3 well.

4 MR. BROWN: Yes, absolutely.

5 COMMISSIONER SHIELDS: Thank you.

6 EXECUTIVE DIRECTOR YELTON: Anything further?
7 Thank you, Mr. Brown.

8 Since November the IGC has placed 21 individuals
9 on our Exclusion List, which permanently bars these
10 patrons from entering any casino in the state of
11 Indiana. I'll give you a brief description of each.

12 Todd Kennard past-posted Caribbean Stud bets on
13 five separate instances in one day at French Lick. A
14 charge of felony cheating at a gambling game is
15 pending in the Orange County Superior Court.

16 Robert Boggan was seen at Hollywood taking an
17 envelope containing \$900 from another person. A
18 charge of felony theft is still pending in the
19 Dearborn Superior Court.

20 Jason Howard was seen at Indiana Live taking two
21 TITO tickets worth approximately \$2,168 from another
22 patron. A charge of felony theft is still pending in
23 the Shelby County Court.

24 Xiaofei Zhou past-posted 21+3 Blackjack bets on
25 five separate instances in one day at Horseshoe

1 Southern Indiana. A charge of felony cheating at a
2 gambling game is still pending in the Harrison County
3 Superior Court.

4 Cory Wray and Derek Hackney were seen taking
5 possession of another patron's wallet at French Lick
6 Casino. Both entered diversion agreements and paid
7 restitution after being charged with felony theft in
8 the Orange County Superior Court.

9 Joey Simpson was seen at Hollywood taking another
10 patron's wallet. A charge of felony theft is still
11 pending in the Dearborn Superior Court.

12 Lucille Johnson was seen at Hoosier Park taking a
13 TITO worth approximately \$702 from another person.

14 Dorothy Quate was seen at Hoosier Park taking a
15 TITO ticket worth approximately \$701 from another
16 person. She admitted to her actions but failed to
17 make restitution.

18 Chee Keong Onn was observed in the Grand
19 Victoria, Hollywood, and Belterra making or
20 attempting to make fraudulent credit card advances in
21 an attempt to defraud the casinos. He's admitted to
22 his actions.

23 Cynthia Herring was seen at Hollywood taking from
24 another patron a TITO worth approximately \$691. She
25 pled guilty to theft in the Dearborn Superior Court

1 and received Alternate Misdemeanor Sentencing.

2 Tenzin Taming was observed at Indiana Live
3 taking from another patron a TITO worth approximately
4 \$1,000. A felony theft charge is still pending in
5 the Shelby County Superior Court.

6 Michael Riportella was employed as a poker dealer
7 at the Belterra Casino and was seen taking casino
8 chips designated for the Bad Beat Jackpot and placing
9 them in his tip box instead of in the Jackpot fund.
10 He pled guilty to conversion, as a class-A
11 misdemeanor, in the Switzerland County Superior
12 Court.

13 Cheryl Thacker was seen at Hoosier Park taking
14 unlawful possession of another patron's wallet. The
15 wallet contained approximately \$1,000.

16 Scott McGaha was observed at Horseshoe Southern
17 Indiana capping his bets on five separate instances
18 during the same day while playing Three Card Poker.
19 Two counts of felony cheating at a gambling game are
20 still pending in the Harrison County Superior Court.

21 Tony Grider was observed at Hollywood on four
22 separate occasions accepting money as a loan under
23 false pretences from other patrons. He was charged
24 with three counts of felony theft in the Dearborn
25 County Superior Court.

1 Dehaven Butts was observed at Indiana Live taking
2 another patron's Players Card. Mr. Butts,
3 thereafter, used the points on the card at
4 restaurants and stores at the casino. While being
5 questioned by IGC Agents, he admitted to his actions
6 and turned over three other patrons' Players Cards
7 that he unlawfully possessed.

8 Lynn Bowling was working at Hoosier Park and gave
9 lost and misplaced TITO tickets to Thomas Taite, so
10 that he could cash the tickets and split the proceeds
11 with her. She was fired and charged with misdemeanor
12 conversion in Anderson City Court.

13 Gloria Farrington was observed at French Lick
14 taking unlawful possession of an envelope containing
15 three TITO tickets worth \$489 and approximately
16 \$1,700 in cash. While being questioned by the IGC
17 Agents, she admitted her actions with respect to the
18 TITOs but denied taking the cash. She was charged
19 with theft, as a class-D felony, and it's still
20 pending in the Orange County Superior Court.

21 Finally, Charles Whetstone, while working at
22 Horseshoe Hammond, admitted to IGC Agents to passing
23 handwritten TITO tickets to his girlfriend, who would
24 then cash the tickets for cash. Horseshoe fired
25 Whetstone. He was charged with felony theft in the

1 Lake County Superior Court, not to be confused with
2 Representative Matt Whetstone.

3 The IGC placed 33 individuals on the Exclusion
4 List in 2009, bringing the total to 141 individuals
5 who are barred from participating or entering Indiana
6 casinos.

7 Pursuant to 68 IAC 2-3-5, the Commission issues
8 Certificates of Registration to junketeer and
9 junketeer operator applicants who meet the criteria
10 established by the Commission in our Administrative
11 Rules. A Certificate of Registration may be renewed
12 annually if the junketeer/operator submits the
13 appropriate payment not fewer than thirty days before
14 the Certificate expires.

15 Since the Commission's meeting in September, the
16 Commission has issued Certificates of Registration to
17 eight new junketeer applicants and seven new junket
18 operator applicants, bringing the total number of
19 junketeers to 19 and the total number of junket
20 operators to 18 since the Commission began issuing
21 its Certificates in March of 2009. Also, the
22 Commission renewed one Certificate of Registration
23 since our last meeting.

24 And, finally, in our Waiver Summary, there were
25 only two. Hollywood was granted a waiver allowing

1 generic layout for poker tables used only for special
2 tournaments.

3 And Majestic Star's request was approved to
4 temporarily allow the casino to cash Majestic Star's
5 payroll checks for those casino employees that do not
6 have direct deposit. That will only be in effect
7 during the bankruptcy proceedings for Majestic Star.

8 And, Mr. Chair and members of the Commission,
9 that concludes the Executive Director's report,
10 unless there are any questions.

11 CHAIRMAN MURPHY: Thank you, Executive Director
12 Yelton. There being no old business, we'll move on
13 to Patron matters. In the Voluntary Exclusion
14 Program we'll hear from Matt Shouse.

15 Matt, if I'm correct, and Commissioners, we'll
16 take all of the orders and will hear questions on
17 each -- call for questions, excuse me, on each order
18 and vote at the end on all exclusions.

19 MR. SHOUSE: Good afternoon, Commissioners. You
20 have before you 32 orders regarding the Voluntary
21 Exclusion Program. Pursuant to the rules of the
22 program, the identities of Voluntary Exclusion
23 Program participants must remain confidential.

24 Pursuant to 68 IAC 6-3-2 (g), a participant of
25 the program agrees that if he or she violates the

1 terms of the program and enters the gaming area of a
2 facility under the jurisdiction of the Commission,
3 they will forfeit any jackpot or thing of value won
4 as a result of a wager.

5 Under Orders 2010-2 through 33, a total sum of
6 \$24,529.72 was forfeited by John Does 1 through 32.
7 These winnings were collected at Ameristar, Belterra,
8 Blue Chip, Grand Victoria, Hollywood, Hoosier Park,
9 Horseshoe, Indiana Live, and Majestic Star. These
10 winnings were withheld as required by Commission
11 regulations. Commission staff recommends that you
12 approve the remittance of these winnings for John
13 Does 1 through 32.

14 CHAIRMAN MURPHY: Any questions the Commissioners
15 have on the Voluntary Exclusion Program, Orders
16 2010-2 through 2010-33?

17 COMMISSIONER SWIHART: Move to approve.

18 COMMISSIONER MORGAN: Second.

19 CHAIRMAN MURPHY: It's been moved and seconded.
20 All those in favor?

21 (All said aye.)

22 CHAIRMAN MURPHY: Opposed, same sign. Orders
23 2010-2 through 2010-33 are unanimously approved.

24 Thank you, Mr. Shouse.

25 CHAIRMAN MURPHY: Next order of business will be

1 Occupational License matters. We will hear from Jeff
2 Neuenschwander.

3 MR. NEUENSCHWANDER: Thank you, Mr. Chairman.
4 Victor Spaulding applied for a Level 3 occupational
5 license and was granted a temporary license on or
6 about August 5, 2009, to work as a painter at
7 Hollywood Casino.

8 On his application for licensure, Mr. Spaulding
9 indicated that he had no criminal history.

10 The Commission background check revealed multiple
11 criminal charges on Mr. Spaulding's record, including
12 forgery, check fraud, welfare fraud, and check
13 deception. The disposition for some, but not all, of
14 the charges was discovered in the investigation.

15 On September 23, 2009, Mr. Spaulding was served a
16 letter via Gaming Agent stating that the Commission
17 had discovered that Mr. Spaulding had failed to
18 disclose his criminal history on his application.
19 The letter stated that Mr. Spaulding had 30 days from
20 receipt of the letter to provide court documentation
21 on his criminal history. Mr. Spaulding failed to
22 reply to that letter.

23 On January 25, 2010, Executive Director Ernest
24 Yelton issued an order revoking Mr. Spaulding's
25 temporary license based on failure to disclose a

1 criminal record, failure to provide requested
2 documents, and resulting violations of Indiana Code
3 4-33 and 68 IAC.

4 Based on Mr. Spaulding's failure to disclose
5 criminal history on his application and failure to
6 provide documentation concerning his criminal history
7 to the Commission when a further request was made,
8 Commission staff recommends that you deny his
9 application for permanent licensure.

10 CHAIRMAN MURPHY: Thank you, Mr. Neuenschwander.
11 Do the Commissioners have any questions in the Victor
12 Spaulding denial?

13 COMMISSIONER SHY: Move.

14 COMMISSIONER FINE: Second.

15 CHAIRMAN MURPHY: It's been moved and seconded to
16 approve Order 2010-34. All those in favor?

17 (All said aye.)

18 CHAIRMAN MURPHY: Opposed? Order 2010-34 is
19 unanimously approved.

20 MR. NEUENSCHWANDER: Thank you, Mr. Chairman. I
21 have another matter before you that came up at the
22 last meeting, of Mary Shick. It was a settlement
23 agreement.

24 Mary Shick applied for a Level 2 occupational
25 license to work as Director of Marketing at Argosy

1 Casino on or about October 10, 2002. She was granted
2 a permanent occupational license on or about March 7,
3 2003.

4 On May 12 of 2009 Ms. Shick escorted two
5 unauthorized persons onto the casino floor, through
6 the tax-free gate. As a result of this incident,
7 Ms. Shick agreed in writing, on November 5, 2009, to
8 a settlement offer.

9 At the Commission meeting on November 12, 2009,
10 Commission staff presented you with the facts of the
11 above incident, as well as the proposed settlement
12 offer.

13 However, Commission staff also presented you with
14 information that was learned just prior to the
15 meeting and called into question Ms. Shick's need for
16 continued licensure, as her position at the company
17 had changed at least once, and possibly twice, since
18 the aforementioned incident, and the most recent
19 information indicated she had accepted a position at
20 an out-of-state casino. Her need for continued
21 licensure in Indiana was unclear because Penn
22 National had not submitted the Separation from
23 Service form within the required time.

24 After hearing the presentation on Ms. Shick, the
25 Commission voted to table this matter until a further

1 meeting when more complete information was available.

2 On November 16, 2009, Commission staff received
3 an Occupational Licensee Separation from Service form
4 from Penn National, indicating that Ms. Shick had
5 transferred to a Director of Marketing position at a
6 casino in New Mexico.

7 At that time, Ms. Shick's Indiana license was
8 formally terminated. Because Ms. Shick is no longer
9 licensed in Indiana, there is no license against
10 which the Commission may take disciplinary action.

11 Commission staff has made a record of these
12 proceedings, and Ms. Shick has been flagged in the
13 IGC database, so that before she could be re-licensed
14 in Indiana, the May 12, 2009, incident would have to
15 be considered.

16 Commission staff recommends that you take no
17 further action in this matter, as Ms. Shick is no
18 longer an occupational licensee. Are there any
19 questions?

20 CHAIRMAN MURPHY: Do the Commissioners have any
21 questions?

22 COMMISSIONER SHIELDS: For my own information,
23 when was the report made of her change in position?
24 In other words, would New Mexico have known of the
25 issue because she had not been reported as terminated

1 here?

2 MR. NEUENSCHWANDER: I want to make sure I
3 understand your question.

4 COMMISSIONER SHIELDS: What I wanted to know was
5 when was her change in position reported to the IGC?

6 MR. NEUENSCHWANDER: She -- her situation was
7 confusing because she actually changed positions
8 about twice. And her most final change -- we were
9 under the impression that she had changed positions
10 but still needed Indiana licensure because she would
11 still be doing some work in Indiana.

12 COMMISSIONER SHIELDS: Right.

13 MR. NEUENSCHWANDER: We found out, and received
14 the proper paperwork to know for a fact that she
15 would not be doing that, on November 16, is when the
16 IGC received that.

17 COMMISSIONER SHIELDS: November 16 of '09?

18 MR. NEUENSCHWANDER: 2009.

19 COMMISSIONER SHIELDS: And when did she cease
20 doing the work in Indiana?

21 MR. NEUENSCHWANDER: It was actually at a date --
22 I would have to look at the exact date, because she
23 switched, but it was actually, I believe, sometime
24 before that.

25 COMMISSIONER SHIELDS: May or June? Or do you

1 have any idea? Was it months?

2 MR. NEUENSCHWANDER: It was months. It was.

3 COMMISSIONER SHIELDS: Okay. And she was hired
4 in New Mexico when? Do you have that information?

5 MR. NEUENSCHWANDER: She switched -- she worked
6 in Colorado for a time. We were under the impression
7 that she would be working in Colorado and also doing
8 some work at Hollywood. Then we found out, on
9 November 16, that that wasn't the case.

10 And it seemed that it was close to the
11 November 16 date that she was switching from Colorado
12 to New Mexico. But we were under the impression that
13 she had been working in Colorado and Indiana, when in
14 fact she had only been in Colorado.

15 COMMISSIONER SHIELDS: That was reported to you
16 in a timely manner?

17 MR. NEUENSCHWANDER: Yes.

18 COMMISSIONER SHIELDS: Thank you.

19 CHAIRMAN MURPHY: Any other questions?

20 COMMISSIONER MORGAN: Thanks for following that
21 up, so it's clear.

22 CHAIRMAN MURPHY: Commissioners, it's my
23 understanding on this, since this matter was tabled
24 in the last meeting, then there's no longer --
25 although Ms. Shick no longer has a license to act on,

1 that this is informational, and we're not required to
2 take any action.

3 MR. SICUSO: I think we could vote to reject the
4 settlement proposal that was presented in November.
5 It's still an active issue, if you would like to do
6 that. If you want to take no action today, it will
7 sit there unresolved. I would probably recommend
8 that you reject the settlement proposal, or we can
9 withdraw it.

10 CHAIRMAN MURPHY: That's fine.

11 COMMISSIONER FINE: I move for rejection.

12 COMMISSIONER MORGAN: Second.

13 CHAIRMAN MURPHY: All those in favor?

14 (All said aye.)

15 CHAIRMAN MURPHY: That was an order, correct?

16 MR. SICUSO: Yes.

17 CHAIRMAN MURPHY: So the order is rejected?

18 MR. SICUSO: Yes.

19 CHAIRMAN MURPHY: Thank you. Thank you,
20 Mr. Neuenschwander.

21 MR. NEUENSCHWANDER: Thank you, Mr. Chairman.

22 CHAIRMAN MURPHY: The next item in the
23 Occupational matters is the matter of Mr. William
24 Troy, Order 2010-35.

25 MS. ELLINGWOOD: Good afternoon. You have before

1 you Resolution 2010-35 regarding a settlement
2 agreement between the Indiana Gaming Commission and
3 William Troy. Mr. Troy is a dealer employed at
4 Horseshoe Hammond. As an occupational licensee,
5 Mr. Troy is required by 68 IAC 2-3-8(a) to renew his
6 license annually and to submit the renewal forms to
7 the Commission at least 30 days before his license
8 expires.

9 Mr. Troy failed to renew his license for two
10 years. As a result, he worked at the casino without
11 a valid badge for a period of 25 months.

12 Commission staff initiated negotiations with
13 Mr. Troy prior to filing a complaint against him. As
14 part of those negotiations, Mr. Troy agreed to a
15 two-day voluntary relinquishment of his license.
16 That relinquishment will serve as a de facto
17 suspension without the adverse side effects that a
18 license suspension might have on his ability to get
19 an occupational license in Indiana or another
20 jurisdiction.

21 Mr. Troy and Executive Director Yelton have both
22 signed the settlement agreement. Accordingly,
23 Commission staff recommends that you approve this
24 resolution.

25 CHAIRMAN MURPHY: Are there any questions of

1 Ms. Ellingwood on the matter of William Troy?

2 COMMISSIONER SHY: Do you know why he wasn't
3 renewed for two years?

4 MS. ELLINGWOOD: We don't know why. He had the
5 opportunity to respond in writing, which he did, but
6 he didn't elaborate as to why he didn't fill the
7 paperwork out.

8 I can tell you that he received his permanent
9 license right around May, I think, 19th of 2007. So
10 I don't know if he was just -- it seems as if he
11 never got in the process of filling that paperwork
12 out.

13 COMMISSIONER SHY: Should the HR department have
14 realized that?

15 MS. ELLINGWOOD: I believe, and I may have to
16 have somebody correct me, but I believe our office
17 sends to HR a list of employees whose licenses are
18 going to be expired, and then they contact the
19 employee. But, obviously, there's still some burden
20 on the employee, him or herself, to come to the
21 Commission office to fill out that paperwork timely.

22 COMMISSIONER SHY: The reason I ask my question,
23 I was wondering if the casino actually is partially
24 at fault for not making sure to follow through.

25 MS. ELLINGWOOD: The casino, I believe, is -- and

1 I don't know if it's in this set of matters before
2 you today, but I believe that there's a pending issue
3 with the casino about the fact that he was working on
4 the floor for that long without a valid badge.

5 COMMISSIONER SHY: Okay. Good. Thanks.

6 CHAIRMAN MURPHY: Any other questions?

7 COMMISSIONER MORGAN: Move.

8 COMMISSIONER SHY: I second.

9 CHAIRMAN MURPHY: It's been moved and seconded to
10 approve Order 2010-35. All those in favor?

11 (All said aye.)

12 CHAIRMAN MURPHY: All those opposed? Order
13 2010-35 is approved. Thank you, Ms. Ellingwood.

14 CHAIRMAN MURPHY: Next item of business under
15 Suppliers, Supplier License matters and the
16 Disciplinary Actions. Adam Packer.

17 MR. PACKER: Thank you, Mr. Chairman,
18 Commissioners. The first item of business that I
19 have for you today is Order 36, regarding Cordish
20 Gaming Management. As you may know, Cordish Gaming
21 Management is the company that manages the gambling
22 operations here at Indiana Live.

23 They are the successor to Gomes Cordish, which
24 was issued a permanent supplier license in 2008,
25 specifically Order Number 2008-138.

1 And the significance of that order is that the --
2 that order set the license term from November 13 of
3 2008 through November 12 of 2009, meaning that the
4 Cordish organization's renewal date was November 12
5 of 2009. But they did not request renewal of its --
6 it did not request renewal of its license until
7 December 2 of 2009.

8 The Gaming Commission staff entered into
9 negotiations with Cordish Gaming Management to settle
10 this -- the dispute over this violation prior to the
11 initiation of a disciplinary action. And the
12 settlement agreement exists and has been presented to
13 you and has been signed by the appropriate parties.

14 Cordish Gaming Management has agreed to a fine of
15 \$20,000 in resolution of this issue, in lieu of a
16 disciplinary action stemming from their late renewal
17 of their supplier license.

18 And I believe that there are representatives of
19 Cordish Gaming Management here today, if you have
20 questions for them.

21 COMMISSIONER SHIELDS: Did you say \$20,000?

22 MR. PACKER: \$20,000. That's correct.

23 COMMISSIONER SHIELDS: It says \$21,000 here.

24 MR. PACKER: There were some last-minute
25 negotiations. The current version of the settlement

1 agreement that Commission staff and Cordish agreed to
2 is \$20,000.

3 MR. SICUSO: It's \$1,000 per day that it was
4 late, and we counted the last day erroneously. It
5 was really twenty days, not twenty-one.

6 EXECUTIVE DIRECTOR YELTON: And also for your
7 information -- and, of course, the Vice President is
8 here, if you have questions -- the individual
9 responsible for this action is no longer employed by
10 Cordish Gaming and did not pass on the responsibility
11 to other members of the company. But, nonetheless,
12 it did pass.

13 CHAIRMAN MURPHY: Mr. Packer, do we have
14 precedence for the \$1,000-a-day fine?

15 MR. PACKER: Not in the context of supplier
16 license renewals, or even casino license renewals.
17 We obviously have some precedent for occupational
18 licensing for late renewals.

19 But during the analysis of this, we didn't
20 really -- we didn't think that that paradigm matched
21 up with the supplier license context, especially when
22 we have a supplier licensee who is day-to-day
23 operations at the casinos.

24 Cordish is a unique company with respect to the
25 rest of the Indiana supplier licensees. So this was

1 a unique situation because of the character of the
2 company and what they do in Indiana.

3 CHAIRMAN MURPHY: Any other questions of
4 Mr. Packer?

5 MR. PACKER: If there aren't any other questions,
6 the staff would recommend that you approve the
7 settlement agreement for \$20,000 fine in lieu of
8 disciplinary action.

9 COMMISSIONER MORGAN: Motion to approve.

10 MR. SICUSO: Second.

11 CHAIRMAN MURPHY: It's been moved and seconded.
12 All those in favor?

13 (All said aye.)

14 CHAIRMAN MURPHY: Opposed? Order 2010-36 is
15 unanimously approved. Thank you, Mr. Packer.

16 And the next item of business will be Licensing
17 matters. And Mr. Packer.

18 MR. PACKER: Thank you, Mr. Chair. The next
19 order that I'll be presenting is Order 37, regarding
20 the licensing of Data Financial. Data Financial
21 provides electronic gaming device services in
22 Indiana.

23 The licensing process for Data Financial began
24 back in June of 2008. They inquired as to whether
25 they would need a supplier license to do business in

1 the state of Indiana.

2 After viewing a Letter of Intent that Data
3 Financial obtained from a casino customer in Indiana
4 and doing some internal analysis, Commission staff
5 determined that Data Financial did need a license.

6 They submitted their applications in March of
7 2009. They were granted a temporary license in June
8 of 2009, which allowed them to begin doing business
9 in Indiana. Commission staff completed its
10 investigation in November of 2009, and the fruits of
11 that investigation have been made available to you in
12 the form of final reports for both the company and
13 the key persons.

14 Investigation staff is also available if you have
15 any questions of them. If you do not have any
16 questions of the Investigations staff, the final
17 conclusion of Investigations was that Data Financial
18 is substantially compliant with the regulations and
19 the statutes, and they have fulfilled their
20 responsibilities for supplier licensure. And for
21 that reason the Commission staff recommends that you
22 approve Order 37, granting a permanent supplier
23 license to Data Financial.

24 CHAIRMAN MURPHY: Any questions regarding
25 2010-37? If not, is there a motion to approve?

1 COMMISSIONER SHY: I move to approve.

2 COMMISSIONER FINE: Second.

3 CHAIRMAN MURPHY: It's been moved and seconded.

4 Al those in favor of approval?

5 (All said aye.)

6 CHAIRMAN MURPHY: Opposed? Order 2010-37 was
7 unanimately approved.

8 MR. PACKER: The next order under Supplier
9 Licensing will be for Incredible Technologies.
10 Incredible Technologies inquired as to whether they
11 would need a supplier license to do business in
12 Indiana in March of 2009.

13 Incredible Technologies is mostly known for the
14 popular Golden Tee video game that you'll find in
15 bars and restaurants. And they are branching out
16 into electronic gaming devices.

17 So they obtained a Letter of Intent from Indiana
18 Casino in June of '09. That is the prerequisite to
19 submitting supplier applications. They submitted
20 their applications in July of 2009. They obtained a
21 temp license in August of 2009. And the final
22 reports, which were completed last month, have been
23 made available to you for both the company and the
24 key persons.

25 Investigations staff is available if you have any

1 questions about the final reports. And, if not, due
2 to the fact that Incredible Technologies'
3 investigation found that they were substantially
4 compliant with the regs and the statutes and they are
5 suitable to be a supplier licensee, Commission staff
6 recommends that you approve Order Number 38, which
7 would grant a permanent supplier license to
8 Incredible Technologies.

9 CHAIRMAN MURPHY: Any questions for Mr. Packer on
10 Order Number 38? If not, is there a motion to
11 approve?

12 COMMISSIONER MORGAN: Motion.

13 COMMISSIONER FINE: Second.

14 CHAIRMAN MURPHY: It's been moved and seconded.
15 All those in favor?

16 (All said aye.)

17 CHAIRMAN MURPHY: Opposed? Order 2010-38 is
18 unanimously approved. The next item of business will
19 be Transfer of Minority Interest. And, Adam, will
20 you also handle that?

21 MR. PACKER: I will. The order for transfer of
22 minority interest in a supplier licensee is Order 39,
23 regarding AC Coin and ALEA Partners.

24 AC Coin is licensed by the Indiana Gaming
25 Commission as a supplier and provides various gaming

1 products to Indiana casinos. And, as you heard
2 earlier in the Executive Director's report, AC Coin
3 has just undergone its three-year reinvestigation.

4 ALEA Partners, LLC has entered into an agreement
5 to acquire minority interest in AC Coin. The terms
6 of that acquisition and the Investigations division's
7 final reports on ALEA Partners and its key persons
8 have been provided to you. And if you have any
9 questions about ALEA Partners or about the
10 investigation, Investigations staff is available to
11 take those questions.

12 AC Coin and ALEA have submitted all appropriate
13 applications. The Investigations' final reports and
14 Commission staff have determined that ALEA meets the
15 requirements and the regulations in the statute for
16 suitability as a substantial owner of AC Coin.

17 And for that reason and in accordance with 68 IAC
18 5-2, the transfer regulations, the Commission staff
19 recommends that you approve Order 39, which would
20 approve the transfer of minority interest in AC Coin
21 to ALEA Partners.

22 CHAIRMAN MURPHY: Any questions on Order
23 Number 39? If not, is there a motion to approve?

24 COMMISSIONER SHY: Move to approve.

25 COMMISSIONER FINE: Second.

1 CHAIRMAN MURPHY: It's been moved and seconded.
2 All those in favor?

3 (All said aye.)

4 CHAIRMAN MURPHY: Opposed? Order 2010-39 is
5 unanimously approved.

6 MR. PACKER: Thank you, Chair.

7 CHAIRMAN MURPHY: Thank you, Mr. Packer. The
8 next item of business on the agenda will be Renewal
9 matters, to be presented by Sherry Green.

10 MS. GREEN: Thank you and good afternoon. You
11 have before you Order 2010-40, concerning the renewal
12 of supplier licenses. Pursuant to Indiana Code 4-33
13 and 68 IAC 2-2, the Commission has previously
14 approved a permanent supplier's license for the
15 following four companies: Cordish Gaming Management,
16 LLC, IGT, Midwest Game Supply Company, and AC Coin,
17 Inc.

18 A supplier's license is valid for a period of one
19 year, pursuant to IC 4-33-7-8 and 68 IAC 2-2-8. A
20 supplier's license must be renewed annually, and
21 payment of \$7,500 for the annual renewal fee must be
22 resubmitted.

23 Each of these licensees has requested renewal of
24 their license and has paid the appropriate renewal
25 fees. The Commission staff recommends that you

1 approve the renewal of the licenses for the four
2 suppliers.

3 CHAIRMAN MURPHY: Any questions on Order
4 Number 40 for Ms. Green? If not, is there a motion
5 to approve?

6 COMMISSIONER SHIELDS: I so move.

7 COMMISSIONER SHY: I second.

8 CHAIRMAN MURPHY: It's been moved and seconded.
9 All those in favor?

10 (All said aye.)

11 CHAIRMAN MURPHY: Opposed? Order Number 2010-40
12 is unanimously approved. Thank you, Ms. Green, and
13 congratulations on your promotion.

14 MS. GREEN: Thank you very much.

15 CHAIRMAN MURPHY: Next item of business will be
16 Casino matters. And Jeff Neuenschwander on
17 Financing.

18 MR. NEUENSCHWANDER: Thank you, Mr. Chairman.
19 This is concerning Order 2010-41 of Pinnacle
20 Entertainment. Pinnacle Entertainment, through
21 counsel, requested an interim approval for a
22 financing request on December 15, 2009.

23 In accordance with the procedures identified in
24 Resolution 2008-74, Commission Chair Tim Murphy and
25 Executive Director Ernest Yelton considered

1 Pinnacle's request and consulted with Commission
2 financial analyst David Charlesworth, CFA. Chairman
3 Murphy and Director Yelton agreed that the proposed
4 debt transaction should be approved, and Director
5 Yelton issued an interim approval letter on
6 February 2, 2010.

7 The proposed financing was described in the
8 confidential interim approval letter dated
9 February 2, 2010, and in confidential documents
10 provided to the Commission.

11 Resolution 2008-74 requires that the interim
12 approval be reported to you at this meeting for
13 consideration and a final ratification or other
14 direction from the Commission.

15 Commission staff recommends that you ratify
16 Executive Director Yelton's interim approval letter.

17 CHAIRMAN MURPHY: Are there any questions?

18 COMMISSIONER SWIHART: Is there a representative
19 from --

20 EXECUTIVE DIRECTOR YELTON: Yes. It's hard to
21 see, but I believe Libby Cierzniak, who's the Indiana
22 counsel for Pinnacle, is here. Are you here to
23 represent today for this matter, Libby?

24 MS. CIERZNIAK: I am.

25 EXECUTIVE DIRECTOR YELTON: I think the

1 Commissioners may have a question or two.

2 MS. CIERZNIAK: Thank you, Mr. Chairman. I'm
3 Libby Cierzniak from Baker & Daniels, representing
4 Pinnacle Entertainment.

5 COMMISSIONER SWIHART: The question I have -- and
6 maybe it's just more of a concern and I want to hear
7 from you -- is when you're doing this financing and,
8 of course, you're using Indiana assets as collateral,
9 is some of this financing going to be back into
10 Indiana for improvement and upkeep of the property,
11 or is it strictly external to the state of Indiana?

12 MS. CIERZNIAK: Thank you, Commissioner Swihart.
13 As you know from reading the documentation, this is
14 in the nature of a global financing, intended to
15 improve Pinnacle's overall liquidity and financial
16 strength, which will allow it to continue to make
17 investments in the Indiana property.

18 The form 10-K that Pinnacle filed last week
19 showed that over the past three years Pinnacle has
20 invested close to \$27 million in the Indiana
21 property, including \$7 million in 2009. And we would
22 anticipate in 2010 an increase over the 2009
23 investments. So the answer to your question is yes.

24 COMMISSIONER SWIHART: That's the reassurance I
25 needed to hear.

1 MS. CIERZNIAK: Thank you.

2 COMMISSIONER SWIHART: Thank you.

3 CHAIRMAN MURPHY: If there are no further
4 questions, is there a motion to approve Order
5 Number 41?

6 COMMISSIONER SWIHART: So moved.

7 COMMISSIONER SHY: I'll second.

8 CHAIRMAN MURPHY: It's been moved and seconded.
9 All those in favor?

10 (All said aye.)

11 CHAIRMAN MURPHY: Opposed? Order No. 2010-41 is
12 unanimately approved. Thank you, Mr. Neuenschwander.

13 MR. NEUENSCHWANDER: Thank you, Mr. Chairman.

14 CHAIRMAN MURPHY: The next item under Casino
15 matters will be Renewals, presented by Joe Hoage.

16 MR. HOAGE: Thank you, Mr. Chairman, members of
17 the Commission. You have before you Order No.
18 2010-42, that would renew the owner's license for the
19 Indiana Gaming Company, otherwise known as the
20 Hollywood Casino, for a period of one year.

21 On December 10, 2009, pursuant to the authority
22 granted to the Executive Director by the Commission
23 under Resolution 2003-13, Hollywood's riverboat
24 owner's license was renewed until such time as the
25 Commission would be able to consider the request at

1 the next regularly scheduled business meeting, which
2 today is the date of that meeting.

3 Hollywood's application for renewal and fees were
4 timely presented to the Commission. And the staff's
5 position is that the licensee is in substantial
6 compliance with all gaming laws in Indiana, and we
7 would recommend at this time that the license be
8 renewed for a period of one year.

9 CHAIRMAN MURPHY: Any questions of Mr. Hoage
10 regarding Hollywood's licensing? If not, is there a
11 motion to approve?

12 COMMISSIONER MORGAN: Motion to approve.

13 COMMISSIONER SHY: Second.

14 CHAIRMAN MURPHY: It's been moved and seconded.
15 Order Number 2010-42 is approved. Thank you,
16 Mr. Hoage.

17 The next item under Casino matters involves
18 Transfer of Minority Interest. And Phil Sicuso.

19 MR. SICUSO: Thank you, Mr. Chair. As proposed,
20 Order 2010-43 would approve the transfer of minority
21 in Indiana Downs, LLC, which is the parent company of
22 the Indiana Live Casino. The individual acquiring
23 ownership interest would be a person by the name of
24 Carol Cohen.

25 As is explained in your materials, this transfer

1 is expected to take place when ANC Trust, which is a
2 current 7.4 percent holder of the indirect ownership
3 interest in the company, transfers its holdings to
4 Mrs. Cohen, who is currently a 1.35 percent interest
5 holder. At the end of the transaction she will hold
6 approximately 8.76 percent, which puts her above the
7 threshold of a substantial owner, which requires her
8 to be a Level 1 licensee.

9 The Background and Financial Investigations unit
10 has completed a thorough investigation of Ms. Cohen
11 and has found no derogatory information that would
12 prevent licensure or recommend that the Commission
13 deny her application.

14 So with those facts in mind, the staff does
15 recommend that you approve Order 2010-43 and
16 authorize the transfer of minority ownership interest
17 in Indiana Downs, LLC.

18 CHAIRMAN MURPHY: Any questions of Mr. Sicuso?

19 COMMISSIONER SWIHART: Motion to approve.

20 COMMISSIONER MORGAN: Second.

21 CHAIRMAN MURPHY: It's been moved and seconded.
22 All those in favor of the approval of Order 2010-43
23 signify by saying aye.

24 (All said aye.)

25 CHAIRMAN MURPHY: Opposed? Order 2010-43 is

1 unanimously approved. Thank you, Mr. Sicuso.

2 The next item under Casino matters will be
3 Disciplinary issues. And Chris Gray.

4 Ms. Gray, this also will be an item that we will
5 listen to each one of the orders, call for questions,
6 but vote at the end on all together, correct?

7 MS. GRAY: Yes.

8 CHAIRMAN MURPHY: Thank you.

9 MS. GRAY: Good afternoon, Commissioners. You
10 have before you nine settlement agreements concerning
11 disciplinary actions.

12 The first settlement is with Aztar, Order
13 2010-44, which includes two counts. In the first
14 count an underage person was allowed on the casino
15 floor on two different occasions. In the second
16 count the casino allowed an employee to work with an
17 expired badge.

18 Aztar has agreed to a total monetary settlement
19 of \$8,500 in lieu of a disciplinary action. Are
20 there any questions?

21 The second order, 2010-45, is a settlement
22 agreement with Belterra, wherein the casino violated
23 the VEP rules. Belterra has agreed to a monetary
24 settlement of \$1,500 in lieu of disciplinary action.
25 Are there any questions concerning this order?

1 The third order, 2010-46, is a settlement
2 agreement with Blue Chip and includes two counts. In
3 the first count the casino violated the rule
4 regarding the soft count room. In the second count
5 the casino failed to timely notify the Gaming Agents
6 of a terminated employee.

7 Blue Chip has agreed to a total monetary
8 settlement of \$3,500 in lieu of a disciplinary
9 action. Are there any questions?

10 Order 2010-47 is a settlement agreement with
11 Hollywood involving six counts. In the first count
12 the casino failed to timely notify the Gaming Agents
13 of the termination of three employees and allowed two
14 employees to work with an expired badge.

15 In the second count the casino allowed an
16 underage person onto the casino floor.

17 The third count violated the rule regarding
18 sensitive keys.

19 In the fourth count the casino violated the rule
20 regarding non-value chips.

21 In the fifth count the inside of a slot machine
22 was accessible.

23 The sixth count violated the rule regarding
24 playing card specifications.

25 Hollywood has agreed to a monetary settlement of

1 \$36,500 in lieu of a disciplinary action. Are there
2 any questions?

3 COMMISSIONER FINE: Were these self-reported?

4 MS. GRAY: Let me check. No, they were all not.
5 A majority of them were but not all of them. Some of
6 them were observed by our Agents.

7 COMMISSIONER FINE: Okay. Thank you.

8 MS. GRAY: The fifth order, 2010-48, is a
9 settlement agreement with Hoosier Park, wherein the
10 casino failed to have the required number of
11 employees monitoring operations.

12 Hoosier Park has agreed to a monetary settlement
13 of \$5,000 in lieu of a disciplinary action. Are
14 there any questions regarding this agreement?

15 Order 2010-49 is a settlement agreement with
16 Horseshoe Hammond, wherein the casino allowed an
17 underage person to enter the casino floor and allowed
18 the person to leave before notifying the Gaming
19 Agents.

20 Horseshoe Hammond has agreed to a monetary
21 settlement of \$4,000 in lieu of a disciplinary
22 action. Are there any questions regarding this
23 agreement?

24 The seventh order, 2010-50, is a settlement
25 agreement with Horseshoe Southern Indiana and

1 includes two counts. In the first count the casino
2 allowed two underage persons onto the casino floor.
3 In the second count a float lid was left unsecured.

4 Horseshoe Southern Indiana has agreed to a
5 monetary settlement of \$8,000 in lieu of disciplinary
6 action. Are there any questions?

7 The eighth order, 2010-51, is a settlement
8 agreement with Indiana Live and includes five counts.
9 The first three deal with violations occurring at the
10 casino, while the last two were violations at the
11 corporate level.

12 In the first count the casino allowed an underage
13 person onto the casino floor.

14 The second count violated the VEP rules.

15 In the third count an employee was allowed to
16 work with an expired badge, and the casino failed to
17 timely report the termination of nine employees.

18 In the fourth count the casino continued to use
19 the services of a supplier that had failed to timely
20 renew its license.

21 In the fifth count the casino failed to disclose
22 a substantial owner when applying for a gaming
23 license.

24 Indiana Live has agreed to pay a total monetary
25 settlement of \$49,000 in lieu of disciplinary action.

1 Are there any questions?

2 The final order, 2010-52, is a settlement
3 agreement with Majestic Star, which includes two
4 counts.

5 In the first count the casino failed to secure
6 the float lids on table games, and the second count
7 violated the rule regarding surveillance of a
8 progressive display.

9 Majestic Star has agreed to pay a monetary
10 settlement of \$7,500 in lieu of a disciplinary
11 action. Are there any questions?

12 CHAIRMAN MURPHY: Are there any questions for
13 Ms. Gray?

14 COMMISSIONER FINE: I have one question. In the
15 determination of the settlement amounts that are
16 proposed, is there a factor that is relative to
17 whether it's self-reported or not self-reported?

18 MS. GRAY: Yes, that is taken into consideration.
19 Does that answer your question?

20 COMMISSIONER FINE: Yes.

21 MS. GRAY: Okay.

22 CHAIRMAN MURPHY: Any other questions for
23 Ms. Gray?

24 EXECUTIVE DIRECTOR YELTON: Ms. Gray, would you
25 again repeat, going back to Indiana Downs, because I

1 think we have an error in the materials, the total
2 amount of the settlement agreement.

3 CHAIRMAN MURPHY: \$52,000?

4 MS. GRAY: It should be \$49,000.

5 EXECUTIVE DIRECTOR YELTON: The materials are
6 incorrect. Just make sure you understand what you're
7 voting on and what's proposed.

8 CHAIRMAN MURPHY: Any other questions for
9 Ms. Gray today? If not, is there a motion to approve
10 orders 2010-44 through 2010-52?

11 COMMISSIONER MORGAN: Motion to approve.

12 COMMISSIONER FINE: Second.

13 CHAIRMAN MURPHY: It's been moved and seconded.
14 All those in favor of approval of the orders signify
15 by saying aye.

16 (All said aye.)

17 CHAIRMAN MURPHY: Opposed? Orders 2010-44
18 through 2010-52 are approved.

19 MS. GRAY: Thank you.

20 CHAIRMAN MURPHY: Thank you, Ms. Gray.

21 The next item under Casino matters will be
22 Trustee Agreements, to be presented by Phil Sicuso.
23 And, Phil, these are also orders that we'll hear
24 individually, take questions, and then vote in mass?

25 MR. SICUSO: Yes, sir. I'll present them

1 together. I'll pull one out, but I'll explain in a
2 second.

3 All of these orders, 2010-53 through 65, if they
4 are approved, would authorize the Power of Attorney
5 agreements for each of Indiana's thirteen casinos
6 that were mandated by House Enrolled Act 1285 and
7 which went into effect in 2009.

8 Since the effective date of that law, staff has
9 worked hard to prepare a model Power of Attorney, as
10 is required by the statute, that would serve as the
11 standardized template for all of the casinos.

12 In doing so, we did take considerable time to
13 consider the opinions and recommendations of the
14 industry, while at the same time remaining true to
15 the statutory mandate, to the best interests of
16 gaming in Indiana, and to what our understanding was
17 of why the Power of Attorney concept was created in
18 the first place.

19 Those same factors governed our negotiations with
20 each of the casinos as they proposed particular
21 provisions for exhibits to the model, each of which
22 were negotiated individually but in a manner to
23 remain consistent with all.

24 At the end of the day we arrived at thirteen
25 individual Power of Attorney documents, with ten

1 separate trustees being identified for those casinos.
2 So there are a handful of individuals who are serving
3 as the trustee for two casinos.

4 The staff has made an effort and we can confirm
5 that we've received evidence and information which
6 has been presented to you justifying the
7 qualifications of each of these trustees. We've also
8 verified that we've received both appropriate
9 signatures and licensure applications from everybody
10 except one casino, Grand Victoria. But we expect and
11 have confirmed that those will be received tomorrow
12 at our office.

13 So we do recommend that you approve all thirteen
14 orders. Order 2010-58 for Grand Victoria, we
15 recommend that you make it contingent upon receipt of
16 the licensure application for the trustee and fully
17 executed Power of Attorney document, again, which we
18 expect to receive tomorrow.

19 The other thing I'll bring your attention to is
20 in each of these orders we have recommended that you
21 delegate to the Executive Director the authority to
22 approve proposed amendments to these agreements due
23 primarily to the quarterly meeting scheduled that the
24 Commission has. And there may be need for more
25 immediate action. When there are material changes,

1 things that are not typos or simple mistakes, we will
2 take that to the Commission for ratification at the
3 next business meeting.

4 So we recommend the approval of 2010-53 through
5 65, again, with the caveat for 2010-58 for Grand
6 Victoria.

7 CHAIRMAN MURPHY: Are there any questions for
8 Mr. Sicuso? If not, is there a motion to approve the
9 orders?

10 COMMISSIONER SWIHART: So moved.

11 COMMISSIONER FINE: Second.

12 CHAIRMAN MURPHY: It's been moved and seconded.
13 All those in favor?

14 (All said aye.)

15 CHAIRMAN MURPHY: Opposed? Orders 2010-53
16 through 2010-65 are approved. Thank you, Mr. Sicuso.

17 EXECUTIVE DIRECTOR YELTON: Mr. Chairman, if I
18 may interrupt here and make a couple of comments. In
19 the five-plus years I've been Executive Director,
20 I've never seen any more professional and qualified
21 and expert effort as we did see for Mr. Sicuso and
22 the legal staff in getting these documents all
23 prepared. And they really do deserve a great deal of
24 credit for putting these very complicated things
25 together, which we believe would be to your

1 satisfaction.

2 And I also would be remiss if I didn't recognize
3 the industry because -- and I assume there's one from
4 every casino out there. I can't see. But their
5 professionalism in working with Mr. Sicuso and the
6 Agency and getting this accomplished was very
7 impressive, and we're very grateful for their
8 efforts.

9 MR. SICUSO: Adam Packer worked every bit as hard
10 as I did. Thank you.

11 CHAIRMAN MURPHY: Thank you, Mr. Sicuso,
12 Mr. Packer, and Executive Director Yelton.

13 The next item on the agenda is MBE and WBE
14 matters and will be presented by Lea Ellingwood.

15 MS. ELLINGWOOD: Yes. Thank you. There are two
16 Minority and Women Business Enterprise issues
17 requiring follow-up since the last meeting.

18 First, the Commission agreed to allow French Lick
19 to provide additional information regarding its
20 Minority and Women Business participation for 2008.
21 At that time, data received from French Lick
22 indicated that WBE participation in the construction
23 category equaled 8.35 percent, short of the
24 Commission's established goal of 10.9 percent. This
25 translated into a spending shortfall of \$334,273.77.

1 As part of a self-imposed corrective action plan
2 implemented in 2009, French Lick exceeded the goal,
3 achieving 21.15 percent WBE construction
4 participation. French Lick has asked us to allow the
5 overage for 2009 to count toward their shortfall for
6 2008. By agreeing to do so, the Commission would
7 accept that French Lick exceeded the goal for the
8 two-year period by \$58,174.25, attaining an overall
9 participation percentage of 11.24 percent.

10 In considering the information presented by
11 French Lick, Commission staff believes compliance
12 achieved over a two-year period indicates good-faith
13 effort and that the self-imposed corrective action
14 plan implemented by French Lick was successful in
15 fulfilling the requirements of the statute.

16 Chris Leininger, COO at French Lick, is present
17 if you have any questions or comments regarding this
18 matter.

19 CHAIRMAN MURPHY: Do the Commissioners have any
20 questions?

21 MS. ELLINGWOOD: The second issue requiring
22 action is Aztar's failure to meet the WBE
23 construction goal by 10.72 percent, or approximately
24 \$38,000, in 2008. Aztar has submitted an action plan
25 explaining that staff reductions and management

1 decisions implemented by Columbia Sussex that led to
2 the shortfall have been corrected and that Aztar has
3 renewed its commitment to diversity.

4 They have reinstated networking opportunities
5 with MBE and WBE vendors, including a recent event
6 where minority and women-owned firms had the
7 opportunity to participate in a detailed overview of
8 anticipated construction opportunities following
9 Aztar's emergence from bankruptcy. Most importantly,
10 Aztar has committed to making up the WBE construction
11 shortfall as soon as possible, but no later than the
12 end of 2012.

13 Commission staff recommends approval of Aztar's
14 corrective action plan and has prepared Order 2010-66
15 for your consideration. This order accepts the plan
16 and places a reporting requirement upon Aztar.

17 If you have any questions, both Aztar GM Grady
18 Aitken and Finance Director Jennifer Morgan are here
19 and available to address the Commission.

20 COMMISSIONER SHY: I have a question. It might
21 not be that you can address it, Lea. What's
22 determining the date of 2012 versus next year?

23 MS. ELLINGWOOD: I believe that that's the amount
24 of time they indicated in their plan that they'd be
25 able to get all the changes implemented and meet the

1 goals. But I certainly would defer to them to answer
2 that question.

3 EXECUTIVE DIRECTOR YELTON: We have
4 representatives from Aztar. Grady?

5 MR. AITKEN: I think the best way to address that
6 is that under the circumstances we are under and not
7 knowing exactly when the ownership will change over,
8 we're not really aware of when funds will be
9 available for us to do this over the course of the
10 coming year.

11 Our full intention is to have it done over the
12 course of the coming year. With the good news we got
13 recently, we're hoping we will be able to get the
14 funds to meet that obligation as quick as possible.

15 COMMISSIONER SHY: So the thinking is there may
16 not be any funds for improvement until later, like in
17 2011?

18 MR. AITKEN: Not necessarily. What I'm saying is
19 that when we prepared this report, there was still
20 some uncertainty as to when that final date may come.
21 And it seems we've reached that point now. So we
22 believe that we will be able to meet that obligation
23 much sooner than the 2012 date. At least that would
24 be our intention. Any more questions?

25 CHAIRMAN MURPHY: Any other questions?

1 MS. ELLINGWOOD: Are there any other questions
2 for me?

3 CHAIRMAN MURPHY: Thank you. Is there a motion
4 to approve order 2010-66?

5 COMMISSIONER MORGAN: Moved.

6 COMMISSIONER FINE: Second.

7 CHAIRMAN MURPHY: It's been moved and seconded.
8 All those in favor?

9 (All said aye.)

10 CHAIRMAN MURPHY: Opposed? Order 2010-66 is
11 unanimately approved. Thank you, Ms. Ellingwood.

12 We've had one request to speak before the
13 Commission today from the Ameristar Casino General
14 Manager Pete Savage. Is he here today? Welcome,
15 Pete.

16 MR. SAVAGE: Thank you. Good afternoon,
17 Mr. Chairman, Commissioners. I had the great
18 pleasure last November to meet Mr. Yelton and
19 Ms. Reske and Mr. Sicuso. Very nice to see you
20 again.

21 Thank you for your time today. I just wanted to
22 stop by and introduce myself and actually compliment
23 the great team at Ameristar in Chicago. The IGC team
24 there, Johnny and his group, have been very helpful
25 to the new guy and most welcoming.

1 We have a great team at Ameristar in Chicago, our
2 staff. And we have many, many good guests there.
3 And it's been a pleasure to be there the last 90
4 days. Everybody's been very warm, welcoming, and
5 embraced me. And it's wonderful to be here in
6 Indiana, to have the opportunity to work here and
7 live here.

8 So I just want to take a few minutes of your time
9 and give you a quick history of my background in the
10 business, off and on, for about 38 years. I have
11 about 25 years of experience. I started out as a
12 busboy at Caesars Palace. I've had good fortune and
13 have been able to become a Senior Vice President and
14 General Manager.

15 I've been a General Manager for about seven years
16 now. Most recently I ran two casinos in upstate New
17 York, so this is kind of giving me a little déjà vu
18 here today. Prior to that I was in Colorado for
19 about four and a half years.

20 Again, it's a pleasure to be here. I've always
21 prided myself on having a great relationship with
22 great leaders, be it Nevada, Colorado and New York,
23 and look forward to working with you and having a
24 great partnership. So thank you very much for your
25 time.

1 CHAIRMAN MURPHY: Thank you, Mr. Savage.

2 The next item on the agenda is our next meeting.
3 And our next meeting will be June 17 in Indianapolis.

4 Also, before we adjourn, I would like to take a
5 moment on behalf of the Commission and myself to --
6 and the staff as well, excuse me, to thank General
7 Manager Richard Kline for the informative tour this
8 morning and also for hosting us today. Thank you
9 very much.

10 There being no more business to come before the
11 Commission today, I would entertain a motion to
12 adjourn.

13 COMMISSIONER SWIHART: Move.

14 COMMISSIONER MORGAN: Second.

15 CHAIRMAN MURPHY: It's been moved and seconded.

16 All those in favor?

17 (All said aye.)

18 CHAIRMAN MURPHY: Opposed? We stand adjourned.

19 (Proceedings concluded at 2:04 p.m.)
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