

## INDIANA GAMING COMMISSION

BUSINESS MEETING

SEPTEMBER 8, 2016

**ORIGINAL**

The Indiana Gaming Commission Business Meeting was stenographically taken down by me, Dianne Lockhart, CRR, RMR, a Notary Public in and for the County of Marion, State of Indiana, held at the History Reference Room of the Indiana State Library, 315 West Ohio Street, Indianapolis, Indiana, commencing at the hour of 2:00 p.m., September 8, 2016. The following transcript is a true and accurate transcript of the proceedings held.

CIRCLE CITY REPORTING  
135 North Pennsylvania  
Suite 1720  
Indianapolis, IN 46204  
(317) 635-7857

## A P P E A R A N C E S

ON BEHALF OF THE GAMING COMMISSION:

Cris Johnston, Chairman

Susan Williams, Commissioner

Joseph Svetanoff, Commissioner

Mike Herndon, Commissioner

Sara Gonso Tait, Executive Director

Jennifer Reske, Deputy Director

Greg Small, General Counsel

## I N D E X

|    | PAGE  |
|----|---|
| 1  |   |
| 2  |   |
| 3  |   |
| 4  |   |
| 5  |   |
| 6  |   |
| 7  |   |
| 8  |   |
| 9  |   |
| 10 |   |
| 11 |   |
| 12 |   |
| 13 |   |
| 14 |   |
| 15 |   |
| 16 |   |
| 17 |   |
| 18 |   |
| 19 |   |
| 20 |   |
| 21 |   |
| 22 |   |
| 23 |   |
| 24 |   |
| 25 |   |
|    | Call to Order and Roll Call ..... 4             |
|    | Approval of Minutes ..... 4                     |
|    | Report of the Executive Director ..... 5        |
|    | Remarks by Brad Hirsch .....10                  |
|    | Old Business .....13                            |
|    | New Business                                    |
|    | Patron Matters                                  |
|    | Voluntary Exclusion Remittance of Winnings ..13 |
|    | Voluntary Exclusion Settlement .....15          |
|    | Voluntary Exclusion Appeal .....16              |
|    | Exclusion List Settlement .....17               |
|    | Exclusion List Removal .....19                  |
|    | Suppliers                                       |
|    | Renewals .....21                                |
|    | Permanent License .....22                       |
|    | Transfer/Merger .....24                         |
|    | Disciplinary Actions .....26                    |
|    | Occupational Licenses                           |
|    | Disciplinary Action .....28                     |
|    | Revocations .....31                             |
|    | Exclusion List Waiver .....33                   |
|    | Felony Waiver .....36                           |
|    | Casinos   |
|    | Disciplinary Actions .....38                    |
|    | Renewals .....43                                |
|    | Financing .....45                               |
|    | Rules .....47                                   |
|    | Presentations .....51                           |

1 CHAIRMAN JOHNSTON: Good afternoon. I'm  
2 Cris Johnston, and I'd like to call the  
3 September 8, 2016, Indiana Gaming Commission  
4 meeting to order. Welcome. We may be a minute  
5 or two behind with all the construction going on  
6 around the Statehouse grounds, so welcome.

7 Let's call the roll.

8 Secretary Svetanoff.

9 COMMISSIONER SVETANOFF: Present.

10 CHAIRMAN JOHNSTON: Commissioner Williams.

11 COMMISSIONER WILLIAMS: Present.

12 CHAIRMAN JOHNSTON: Commissioner Herndon.

13 COMMISSIONER HERNDON: Present.

14 CHAIRMAN JOHNSTON: And Commissioner  
15 Johnston is here. We have a quorum, barely, so  
16 let's continue with the agenda.

17 The first order of business is the review of  
18 the -- and approval of the minutes which were  
19 distributed earlier.

20 Any comments, corrections?

21 Seeing none, is there a motion to approve  
22 the minutes?

23 COMMISSIONER SVETANOFF: Motion to approve  
24 the minutes.

25 COMMISSIONER WILLIAMS: Second.

1 CHAIRMAN JOHNSTON: Motion and a second.

2 All those in favor, say aye.

3 (Chorus of ayes.)

4 Opposed.

5 The minutes are adopted. Thank you very  
6 much.

7 The report from the Executive Director.

8 Sara.

9 EXECUTIVE DIRECTOR TAIT: All right. Thank  
10 you, Mr. Chair.

11 So first I'd like to introduce our three  
12 newest employees.

13 Audrey Courter. Audrey, please stand. She  
14 is our new VEP Coordinator. She is a graduate of  
15 IU with a major in management from SPEA and a  
16 minor in sports marketing and management. She  
17 just bought a condo on the north side and has a  
18 girl puppy named Charlie, so.

19 Caitlyn Hannah. She's not here yet. She is  
20 our newest field auditor. She graduated from the  
21 University of Indianapolis in 2010 with a  
22 criminal justice degree and she started working  
23 for the State at the Department of Child Services  
24 in 2014.

25 Kathy Apple-Denbo is our newest Program

1 Coordinator for the Charity Gaming Division. She  
2 was actually previously employed by the State  
3 Police, where she was a secretary for the  
4 supervisor of the riverboats when the ISP  
5 provided security at the casinos, so small world.  
6 She left there in 2001, went to work for the  
7 Indiana Workforce Development and retired in  
8 2014, cared for her grandchildren for two years  
9 and then decided she wanted to get back to work,  
10 so we're happy to have her join us too.

11 Our Background and Financial Investigations  
12 Division conducted a reinvestigation of supplier  
13 NRT. That report has been submitted with your  
14 confidential materials. Directors Leek and Brown  
15 are here if there are any questions.

16 Chris has been super busy since our last  
17 meeting, and I'm going to try to get through  
18 these efficiently, but we've had 17 waivers since  
19 our last meeting. All casinos were granted the  
20 request to discontinue the storage of par sheets  
21 in the electronic gaming devices.

22 Members of the Casino Association, which  
23 utilize certain Jackpot Kiosk models, are allowed  
24 to dispense TITO tickets as payment.

25 Belterra is allowed to utilize non-gaming

1 personnel 18 and older to work boat top parties.

2 Belterra and Ameristar are granted  
3 permission to store accounting records at the  
4 Las Vegas Service Center of Pinnacle  
5 Entertainment.

6 Blue Chip is allowed to verify multi-level  
7 progressive jackpot meters below \$1,199.99  
8 biweekly for 90 days.

9 Hollywood is allowed to place a sticker on  
10 the electronic table game roulette machines to  
11 inform the players if the promo play on the  
12 machine is not available.

13 Horseshoe Hammond is granted approval to  
14 offer a blackjack game with the winning wager to  
15 be paid out at the odds of six to five.

16 Horseshoe Southern is allowed to drop the  
17 tip boxes at the Slot Department once per week  
18 and utilize a roulette configuration comprised of  
19 one roulette wheel with two layouts.

20 Indiana Grand is granted approval to employ  
21 18- to 20-year-olds in certain non-gaming  
22 positions. They're also granted a limited waiver  
23 to allow certain promotional functions that any  
24 Grand team member, regardless of license level or  
25 position, may perform without advance notice to

1 the Commission and without the performance of  
2 such functions being considered a transfer.

3 Majestic Star is allowed to perform weekly  
4 progressive audits with jackpots under 40,000,  
5 which do not have dedicated camera coverage.

6 Also, they were granted approval to continue  
7 to use tip boxes that are transparent on the face  
8 of the boxes; to increase the aggregate amount  
9 for checks cashed utilizing a check guarantee  
10 service to \$20,000; to place found or abandoned  
11 TITO tickets \$10 or under into a secured drop  
12 box; and, lastly, to allow the second slot  
13 attendant or above the ability to verify, escort  
14 and view the reset for manually paid jackpots up  
15 to \$9,999.99.

16 And then the last waiver, Tropicana was  
17 granted a one-time waiver to bill test one  
18 machine per bank after a conversion to a new slot  
19 system.

20 Since the May meeting, IGC staff has added  
21 thirty individuals to the exclusion list.

22 Of those thirty, three were placed on the  
23 exclusion list for past-posting, pinching or  
24 capping.

25 Eighteen were placed on the exclusion list

1 for taking illegal possession of cell phones,  
2 cash or credits in excess of approximately \$500.

3 Three were placed on the list for conducting  
4 jackpot switches or using false ID.

5 Two were placed on the exclusion list for  
6 conducting fraudulent credit card advances.

7 One was placed on the list for attempting to  
8 obtain free credits using a forged letter.

9 Another was placed on the list for  
10 threatening patrons and battering an IGC agent.

11 One dealer was placed on the exclusion list  
12 for using her position to give a patron an unfair  
13 advantage.

14 And another dealer was placed on the  
15 exclusion list for using his position to steal.  
16 Both of those dealers were terminated from their  
17 positions.

18 So for the year of 2016, the IGC has placed  
19 104 individuals on the list, bringing the grand  
20 total to 615.

21 So two housekeeping matters. That concludes  
22 my official report.

23 First, I'd like to introduce Brad Hirsch.  
24 He is the newest general manager at the Hollywood  
25 Casino in Lawrenceburg, started in May of 2016

1 after serving as the general manager at Harrah's,  
2 Metropolis, Illinois. I've asked Brad to come up  
3 and introduce himself to you all. And then after  
4 he speaks, I'm going to ask Greg to give an  
5 update to the Commissioners on the Lawrenceburg  
6 LDA matter.

7 So, Brad, welcome.

8 MR. HIRSCH: Good afternoon. Thank you. I  
9 want to thank Executive Director Tait, Deputy  
10 Director Reske, the Commissioners and staff for  
11 giving me an opportunity to introduce myself this  
12 afternoon.

13 I'm thrilled to be in Indiana, and  
14 particularly excited to be joining the Hollywood  
15 Lawrenceburg team.

16 As the Executive Director mentioned, my  
17 career in the industry started 13 years ago with  
18 Harrah's Entertainment.

19 And when I joined Harrah's Entertainment, I  
20 had just graduated from Vanderbilt University in  
21 their MBA program from Nashville and joined  
22 Harrah's in customer service and worked my way  
23 through various corporate and operational  
24 leadership roles.

25 So I'm very passionate about service. I'm

1 passionate about offering a compelling gaming  
2 product to our guests and excited to be bringing  
3 that to our Lawrenceburg team that is very  
4 committed, obviously, to the spirit of regulatory  
5 compliance and particularly finding new and  
6 creative ways to help grow our business in  
7 Indiana.

8 On a personal note, I'm originally from  
9 Louisville, Kentucky. I graduated from Miami  
10 University in Oxford, Ohio, for my undergraduate  
11 degree, so it's not only great to be in this  
12 opportunity with the Hollywood Lawrenceburg team,  
13 it's great to be back in the tri-state area with  
14 my family.

15 I look forward to a great working  
16 relationship with our regulatory partners. The  
17 Executive Director and Deputy Director have been  
18 incredibly supportive and helpful as I moved into  
19 my new role, and I thank you both and the  
20 commissioners and staff for that.

21 And like I said, I'm excited to be here and  
22 look forward to a great working relationship.

23 CHAIRMAN JOHNSTON: Thank you. We're  
24 excited as well. Welcome.

25 MR. HIRSCH: Thank you.

1 CHAIRMAN JOHNSTON: And we look forward to  
2 working with you.

3 MR. HIRSCH: Thank you.

4 CHAIRMAN JOHNSTON: Greg.

5 MR. SMALL: As requested by the Commission,  
6 the staff has remained in communication with the  
7 City of Lawrenceburg, the LCD and Hollywood  
8 Casino.

9 Currently four separate easements are being  
10 circulated amongst the parties for review and  
11 comment. The parties report that they anticipate  
12 the easements to be completed and recorded  
13 shortly. Staff will continue to monitor the  
14 situation and will update the Commissioners when  
15 final easements have been reported. We're happy  
16 with the progress the parties have made up to  
17 this point.

18 CHAIRMAN JOHNSTON: Thank you. I'd like to  
19 inform the Commissioners that the staff has been  
20 keeping me informed and giving me updates every  
21 30 days, and it does appear that the progress  
22 that we were seeking with all parties is  
23 happening, and the paperwork is moving forward on  
24 the easements and we look forward to the final  
25 resolution, but it appears that all parties are

1 in currently moving on a path forward.

2 Any questions for Greg?

3 Any questions for Sara on her report?

4 EXECUTIVE DIRECTOR TAIT: I did -- if you  
5 don't mind, Caitlyn walked in. So, Caitlyn, I  
6 already introduced you, but we'll stand and make  
7 you feel embarrassed. Caitlyn Hannah, our newest  
8 auditor, so welcome, Caitlyn.

9 CHAIRMAN JOHNSTON: Welcome. Thank you.

10 Any old business to come before the  
11 Commission?

12 Seeing none, let's move on to new business.

13 Patron matters. Angela Bunton.

14 Welcome.

15 MS. BUNTON: Thank you. Good afternoon,  
16 Commissioners and Executive Staff.

17 You have before you 19 orders regarding the  
18 Voluntary Exclusion Program. Pursuant to the  
19 rules of the program, the identities of Voluntary  
20 Exclusion Program participants must remain  
21 confidential. Pursuant to 68 IAC 6-3-2(g), a  
22 participant in the program agrees that if he or  
23 she violates the terms of the program and enters  
24 the gaming area of a facility under the  
25 jurisdiction of the Commission, they will forfeit

1 any jackpot or thing of value won as a result of  
2 a wager.

3 Order 2016-103 was initially approved at the  
4 May 19, 2016, Commission meeting. Commission  
5 staff has amended Order 2016-103 due to an error  
6 made in the calculation of taxes. The order that  
7 was previously approved reflected an incorrect  
8 amount. The amended order correctly reflects the  
9 appropriate forfeiture amount by John Doe Number  
10 65.

11 Under Orders 2016-144 through 2016-161, a  
12 total sum of \$11,269.89 was forfeited by John  
13 Does 84 through 101. These winnings were  
14 collected at a Ameristar, Blue Chip, French Lick,  
15 Hollywood, Hoosier Park, Horseshoe Hammond,  
16 Horseshoe South, Indiana Grand and Majestic Star.  
17 These winnings were held as required by  
18 Commission regulations.

19 Commission staff recommends that you approve  
20 the remittance of these winnings for John Doe  
21 Number 65 and John Does 84 through 101.

22 CHAIRMAN JOHNSTON: Thank you.

23 Any questions for Angela?

24 Seeing none, what's the pleasure of the  
25 Commission on the Amended Order 103 and then

1 Orders 144 through 161?

2 COMMISSIONER SVETANOFF: Make a motion that  
3 we approve.

4 COMMISSIONER WILLIAMS: Second.

5 CHAIRMAN JOHNSTON: A motion and a second.  
6 All those in favor, say aye.

7 (Chorus of ayes.)

8 Opposed.

9 All the orders are adopted.

10 MS. BUNTON: Thank you.

11 CHAIRMAN JOHNSTON: Thank you. Continuing  
12 on the Voluntary Exclusion Program matters,  
13 settlement matters, Natalie. Good afternoon.

14 MS. RAVER: Members of the Commission, you  
15 have before you Orders 2016-162 through 2016-166  
16 regarding settlements reached in lieu of  
17 administrative proceedings of VEP forfeiture  
18 appeals.

19 These orders relate to John Does 16-54,  
20 16-57, 16-58, 16-60, 16-67 and 16-79, whose  
21 remittance of winnings were approved by the  
22 Commission in Orders 2016-54, 57, 58, 60, 67 and  
23 79. In each of these appeals, Commission staff  
24 offered to settle the matter by refunding a  
25 portion of the money seized in exchange for the

1 VEP participant withdrawing his appeal. Each VEP  
2 participant has agreed to his respective  
3 settlement agreement. Orders 2016-162 through  
4 2016-166 would approve the settlement agreements.

5 Commission staff respectfully recommends  
6 that you approve Orders 2016-162 through 2016-166  
7 at this time.

8 CHAIRMAN JOHNSTON: Thank you.

9 Any questions for Natalie?

10 Is there a motion to approve the orders  
11 approving these settlements?

12 COMMISSIONER WILLIAMS: So moved.

13 COMMISSIONER SVETANOFF: Second.

14 CHAIRMAN JOHNSTON: There's a motion and a  
15 second for Orders 162 through 166.

16 All those in favor, say aye.

17 (Chorus of ayes.)

18 Opposed.

19 The orders are adopted.

20 Please continue.

21 MS. RAVER: Members of the Commission, you  
22 have before you Order 2016-167 regarding a VEP  
23 forfeiture appeal.

24 Order 2016-167 relates to John Doe 15-24,  
25 whose remittance of winnings was approved by the

1 Commission in Order 2015-24. John Doe 15-24  
2 timely submitted an appeal of Order 2015-24. An  
3 administrative hearing was held on May 13, 2016.  
4 The Administrative Law Judge issued findings of  
5 fact, conclusions of law and an order on July 29,  
6 2016. John Doe 15-24 timely objected to that  
7 order.

8 Order 2016-167 would adopt the findings of  
9 fact, conclusions of law and order of the  
10 Administrative Law Judge.

11 Commission staff respectfully recommends  
12 that you approve order 2016-167 at this time.

13 CHAIRMAN JOHNSTON: Any questions on this  
14 Order 167?

15 Is there a motion to adopt the order which  
16 affirms the ALJ order?

17 COMMISSIONER SVETANOFF: Motion to adopt.

18 COMMISSIONER HERNDON: Second.

19 CHAIRMAN JOHNSTON: Motion and a second.

20 All those in favor, say aye.

21 (Chorus of ayes.)

22 Opposed.

23 The order is adopted.

24 Order 168.

25 MS. RAVER: Members of the Commission, you

1 have before you order 2016-168 regarding a  
2 settlement reached in lieu of administrative  
3 proceedings of James Stengel's appeal of his  
4 placement on the statewide exclusion list.

5 On March 12, 2016, Mr. Stengel was observed  
6 via video surveillance at the Blue Chip Casino in  
7 Michigan City, Indiana, taking unlawful  
8 possession of another patron's \$516 TITO ticket.  
9 As a result, Mr. Stengel was placed on the  
10 exclusion list on April 26, 2016. After he  
11 timely appealed his placement on the list,  
12 Commission staff offered to settle the matter by  
13 allowing Mr. Stengel to petition to be removed  
14 from the exclusion list after twelve months in  
15 exchange for Mr. Stengel withdrawing the appeal.  
16 Mr. Stengel agreed to the settlement, and the  
17 Administrative Law Judge issued an order  
18 approving the agreement. Order 2016-168 would  
19 approve the ALJ's order approving the settlement.

20 Commission staff respectfully recommends  
21 that you approve Order 2016-168 at this time.

22 CHAIRMAN JOHNSTON: Questions on 168?

23 Is there a motion for approval?

24 COMMISSIONER HERNDON: Motion.

25 COMMISSIONER SVETANOFF: Second.

1 CHAIRMAN JOHNSTON: There's a motion and a  
2 second.

3 All those in favor, say aye.

4 (Chorus of ayes.)

5 Opposed.

6 Order 168 is adopted.

7 Thank you very much.

8 The next order, 169, is exclusion list  
9 removal consideration.

10 Noah.

11 MR. JACKSON: Thank you. Good afternoon,  
12 Commissioners.

13 You have before you Order 2016-169  
14 concerning the petition for removal from the  
15 exclusion list of Mr. Zach Rieselma. On  
16 December 17, 2012, Mr. Rieselma was observed  
17 pinching chips from his wager at Belterra Casino.  
18 On February 26, 2013, Mr. Rieselma was placed on  
19 the exclusion list.

20 On March 24, 2016, the Commission received  
21 Mr. Rieselma's request to be removed from the  
22 exclusion list. A hearing was conducted on  
23 June 10, 2016, regarding Mr. Rieselma's removal  
24 from the exclusion list. Mr. Rieselma accepted  
25 full responsibility for his actions and expressed

1 deep regret for the incidents that he caused.

2 Since the incident, Mr. Rieselman has made a  
3 number of lifestyle changes that will prevent him  
4 from being involved in a similar incident in the  
5 future. Also, Mr. Rieselman has made no attempt  
6 to enter any Indiana casino since his placement  
7 on the exclusion list, but frequents casinos  
8 outside Indiana as a professional poker player.  
9 Mr. Rieselman has not been involved in any  
10 similar incidents in casinos outside of Indiana  
11 since making lifestyle changes.

12 Based on the totality of the factors above,  
13 I concluded that Mr. Rieselman has met the  
14 required standard of clear and convincing  
15 evidence at this time, as reflected in my  
16 findings of fact and recommendation. Adopting my  
17 findings would have the effect of granting  
18 Mr. Rieselman's petition for removal.

19 I respectfully recommend that the Commission  
20 adopt my findings at this time.

21 CHAIRMAN JOHNSTON: Any questions for Noah?

22 Seeing none, what's the pleasure of the  
23 Commission on Order 169?

24 COMMISSIONER WILLIAMS: Move to adopt the  
25 findings of fact.

1 CHAIRMAN JOHNSTON: There's a motion. Is  
2 there a second?

3 COMMISSIONER SVETANOFF: Second.

4 CHAIRMAN JOHNSTON: Motion and a second.  
5 All those in favor, say aye.

6 (Chorus of ayes.)

7 Opposed.

8 Order 169 is adopted.

9 Thank you, Noah. We're going to move to  
10 another topic. Stay right there. Go ahead.  
11 Suppliers.

12 MR. JACKSON: Thank you. Commissioners, you  
13 have before you Order 2016-170. Pursuant to  
14 Indiana Code Section 4-33-7-8 and Title 68 of the  
15 Indiana Administrative Code Section 2-2-8, a  
16 supplier's license must be renewed annually along  
17 with payment of \$7,500 fee. Each of the  
18 following licenses -- licensees submitted a  
19 timely request for renewal and paid the renewal  
20 fee: Everi Games, NRT Technologies, and Gaming  
21 Partners International.

22 Commission staff respectfully recommends  
23 approval of Order 2016-170 to renew the licenses  
24 of those listed.

25 CHAIRMAN JOHNSTON: Thank you, Noah.

1 Any questions?

2 Seeing none, is there a motion to adopt the  
3 order?

4 COMMISSIONER SVETANOFF: Motion to adopt.

5 COMMISSIONER WILLIAMS: Second.

6 CHAIRMAN JOHNSTON: There's a motion and a  
7 second.

8 All those in favor, say aye.

9 (Chorus of ayes.)

10 Opposed.

11 Order 170 is adopted.

12 Thank you very much, Noah.

13 MR. JACKSON: Thank you.

14 CHAIRMAN JOHNSTON: The next order deals  
15 with permanent licensure. Garth Brown. Welcome.

16 MR. BROWN: Welcome. Thank you. Good  
17 afternoon, Commissioners and executive staff.

18 You have before you Order 2016-171, an order  
19 granting a permanent supplier's license to  
20 Advanced Digital Solutions, LLC.

21 On or about December 2, 2015, Advanced  
22 Digital Solutions submitted a supplier's license  
23 application. ADS supplies and services products  
24 related to security and surveillance, including  
25 CCTV access control and perimeter detection

1 products.

2 After a review of the submitted  
3 applications, Commission staff issued a temporary  
4 license to ADS on December 10, 2015. The  
5 temporary license allowed ADS to begin selling  
6 products in Indiana.

7 Commission staff conducted a background and  
8 financial investigation on ADS and substantial  
9 owners and key persons. Commission staff could  
10 find no derogatory information that would affect  
11 the applicant's suitability.

12 Staff's final report regarding ADS is  
13 available for your review. You'll need to grant  
14 or deny ADS's application for a permanent  
15 supplier's license.

16 Staff recommends that you grant the  
17 application.

18 CHAIRMAN JOHNSTON: Any questions for Garth?  
19 Is there a motion on Order 171?

20 COMMISSIONER SVETANOFF: Motion to adopt the  
21 order.

22 CHAIRMAN JOHNSTON: There's a motion. Is  
23 there a second?

24 COMMISSIONER HERNDON: Second.

25 CHAIRMAN JOHNSTON: Motion and a second.

1 All those in favor, say aye.

2 (Chorus of ayes.)

3 Opposed.

4 Order 171 is adopted.

5 MR. BROWN: Thank you.

6 CHAIRMAN JOHNSTON: Thank you. We have a  
7 corporate reorganization or merger. Danielle  
8 Leek.

9 MS. LEEK: Good afternoon. Order 2016-172  
10 is an order regarding the transfer of ownership  
11 in Ainsworth Game Technology to Novomatic.

12 Under 68 IAC 5-1, supplier licensees that  
13 are publicly traded companies must comply with  
14 certain requirements before transferring an  
15 ownership interest, including a suitability  
16 investigation. The Commission may waive a  
17 requirement or procedure set forth in 68 IAC 5 if  
18 the Commission determines that it's impractical  
19 or burdensome and the waiver is in the best  
20 interest of the public and the gaming industry  
21 and is not outside the technical requirements  
22 necessary to serve the purpose of the requirement  
23 or procedure.

24 The proposed transfer of ownership involves  
25 the purchase by Novomatic of the majority of

1 shares of Ainsworth Game Technology. The  
2 transfer will result in Novomatic owning about  
3 53.3 percent of Ainsworth shares. Both Novomatic  
4 and Ainsworth are licensed suppliers in Indiana,  
5 and Ainsworth will retain its supplier license  
6 after the transfer. An analysis was prepared and  
7 has been provided to you in your confidential  
8 materials.

9 As licensed suppliers, both Novomatic and  
10 Ainsworth have been and continue to be subject to  
11 the jurisdiction of the Commission. For this  
12 reason, staff has determined that there's little  
13 to gain from applying the requirements of  
14 68 IAC 5-1 to the present transaction. The  
15 requirements are impractical and burdensome to  
16 this transfer and the waiver is in the best  
17 interests of the public and the gaming industry  
18 and is not outside the technical requirements  
19 necessary to serve the purpose of the transfer  
20 regulations.

21 Based on this information, staff recommends  
22 that you approve the order to waive 68 IAC 5-1 as  
23 necessary to allow the proposed transfer of  
24 ownership interests in Ainsworth to Novomatic.

25 CHAIRMAN JOHNSTON: Thank you, Danielle.

1 Any questions?

2 As Danielle mentioned, the analysis was in  
3 our packet.

4 So what is the pleasure of the Commission on  
5 Order 172?

6 COMMISSIONER SVETANOFF: Motion to adopt the  
7 order.

8 CHAIRMAN JOHNSTON: There's a motion.

9 Is there a second?

10 COMMISSIONER HERNDON: Second.

11 CHAIRMAN JOHNSTON: Motion and a second.

12 All those in favor, say aye.

13 (Chorus of ayes.)

14 Opposed.

15 Order 172 is adopted. Thank you very much.

16 MS. LEEK: Thank you.

17 CHAIRMAN JOHNSTON: Moving on to  
18 disciplinary matters. Chris. Welcome.

19 MS. GRAY: Good afternoon, Commissioners and  
20 executive staff.

21 You have before you three settlement  
22 agreements concerning disciplinary actions  
23 against licensed suppliers.

24 Order 2016-173 is a settlement agreement  
25 with Advanced Digital Solutions wherein the

1 supplier failed to timely notify the Commission  
2 of a termination. Advanced Digital Solutions has  
3 agreed to a monetary settlement of \$1,000 in lieu  
4 of a disciplinary action.

5 Order 2016-174 is a settlement agreement  
6 with Gaming Partners International wherein the  
7 supplier failed to timely notify the Commission  
8 of the employment of a person required to hold a  
9 level 1 license. Gaming Partners International  
10 has agreed to a monetary settlement of \$3,000 in  
11 lieu of disciplinary action.

12 Order 2016-175 is a settlement agreement  
13 with IGT wherein the supplier shipped items  
14 together that are required to be shipped  
15 separately. IGT has agreed to a monetary  
16 settlement of \$3,000 in lieu of disciplinary  
17 action.

18 The Commission staff recommends that you  
19 approve Orders 2016-173 through 2016-175.

20 CHAIRMAN JOHNSTON: Thank you.

21 Any questions for Chris on Orders 173  
22 through 175?

23 What's the pleasure of the Commission on  
24 those orders?

25 COMMISSIONER SVETANOFF: Motion to adopt all

1 orders.

2 COMMISSIONER HERNDON: Second.

3 CHAIRMAN JOHNSTON: There's a motion and a  
4 second.

5 All those in favor, say aye.

6 (Chorus of ayes.)

7 Opposed.

8 Orders 173, 174 and 175 are adopted. Thank  
9 you.

10 MS. GRAY: Thank you.

11 CHAIRMAN JOHNSTON: Occupational licensing.  
12 Natalie.

13 MS. RAVER: Hello again. Members of the  
14 Commission, you have before you Order 2016-176,  
15 which concerns a settlement agreement between  
16 Commission staff and occupational licensee Thomas  
17 Burns. During the background investigation  
18 process, the Commission investigators determined  
19 that Mr. Burns was in violation of 68 Indiana  
20 Administrative Code Section 2-3-5(c).

21 In lieu of disciplinary action, Commission  
22 staff offered Mr. Burns a settlement agreement  
23 which would have him agree to an unpaid,  
24 voluntary relinquishment of his occupational  
25 license for a period of three regularly scheduled

1 working days, with no vacation or other paid time  
2 off to be used. Mr. Burns agreed to the terms of  
3 the settlement agreement.

4 Order 2016-176 would approve the settlement  
5 agreement entered into by the parties, and  
6 Commission staff respectfully recommends that you  
7 approve Order 2016-176 at this time.

8 CHAIRMAN JOHNSTON: Let's just continue  
9 through all of them and then we'll consider them  
10 all.

11 MS. RAVER: Perfect. You also have before  
12 you Orders 2016-177 through 2016-192, which  
13 concern settlement agreements between Commission  
14 staff and occupational licensees Michelle  
15 Borowiec, James Crockett, Reginald Exom, Adam  
16 Gard, Lawrence Gardner, Jerry Goolsby, Theresa  
17 Graham, Jason James, Darius Johnsons, Nicholas  
18 Lewis, Lakeyvia Mitchell, Chris Ondas, Crystal  
19 Plair, Gerri Spencer, Lin Trinh, and Chris Walsh.

20 These licensees submitted applications for  
21 three-year reinvestigations of their occupational  
22 licenses. The background reinvestigation process  
23 revealed that each licensee failed to properly  
24 comply with 68 Indiana Administrative Code  
25 Section 2-3-9.

1           In lieu of disciplinary action, Commission  
2 staff offered each licensee a settlement  
3 agreement which would have him or her agree to an  
4 unpaid, voluntary relinquishment of his or her  
5 occupational license for a period of three  
6 regularly scheduled working days, with no  
7 vacation or other paid time off to be used. Each  
8 licensee has agreed to the terms of the  
9 settlement agreements.

10           Orders 2016-177 through 2016-192 would  
11 approve the settlement agreements entered into by  
12 the parties, and Commission staff respectfully  
13 recommends that you approve Orders 2016-177  
14 through 2016-192 at this time.

15           CHAIRMAN JOHNSTON: Any questions of Natalie  
16 before we consider 176 and then also 177 through  
17 192, so any questions on any of the settlement  
18 agreements or on these disciplinary matters?

19           What is the pleasure of the Commission?

20           COMMISSIONER WILLIAMS: Move to adopt.

21           COMMISSIONER HERNDON: Second.

22           CHAIRMAN JOHNSTON: Motion to adopt and a  
23 second. This is for Orders 176 through 192.

24           All those in favor, say aye.

25           (Chorus of ayes.)

1           Opposed.

2           The orders are adopted. Thank you very  
3 much.

4           CHAIRMAN JOHNSTON: Noah, come on back.

5           MR. JACKSON: Thank you. Members of the  
6 Commission, I present for your consideration  
7 Orders 2016-193 through 2016-199. These orders  
8 all deny individuals' applications for permanent  
9 occupational licenses to work in Indiana casinos.

10           Pursuant to Indiana Code 4-33-8-3(4), the  
11 Commission may not issue an occupational license  
12 to an individual unless the individual has met  
13 the standards adopted by the Commission for  
14 holding an occupational license.

15           An applicant for a level 2 or level 3  
16 occupational license must include the applicant's  
17 criminal history in his or her application  
18 pursuant to 68 Indiana Administrative Code  
19 2-3-4(e)(14) and 68 Indiana Administrative Code  
20 2-3-4(f)(10).

21           Any misrepresentation or omission made with  
22 regard to the application may be grounds for  
23 denial of the application pursuant to 68 Indiana  
24 Administrative Code 2-3-4(b)(2). Additionally,  
25 an applicant must comply with all other requests

1 for information, documents, or other materials  
2 relating to the applicant and his or her  
3 application conducted by the Commission pursuant  
4 to 68 Indiana Administrative Code 2-3-5(b)(9).

5 As part of the routine background  
6 investigation into each applicant, the Commission  
7 investigators and staff discovered that the  
8 applicants represented in Orders 2016-193 through  
9 2016-199 failed to meet the established standards  
10 for licensure. The Executive Director revoked  
11 the temporary licenses of each applicant upon  
12 completion of the investigations.

13 All individuals were given the opportunity  
14 to withdraw their applications from consideration  
15 for permanent licensure at that time. Detailed  
16 information regarding the investigation into each  
17 individual's specific orders can be found in the  
18 confidential materials provided to the  
19 Commission.

20 Because the applicants failed to provide  
21 complete criminal histories in their  
22 applications, Commission staff respectfully  
23 recommends that the applications for permanent  
24 licensure be denied in Orders 2016-193 through  
25 2016-199.

1 CHAIRMAN JOHNSTON: Thank you. Questions  
2 for Noah?

3 These Orders 193 through 199, if adopted,  
4 will be denying a permanent licensure.

5 What is the pleasure of the Commission?

6 COMMISSIONER SVETANOFF: Motion to adopt all  
7 orders.

8 COMMISSIONER WILLIAMS: Second.

9 CHAIRMAN JOHNSTON: There's a motion and a  
10 second.

11 All those in favor, say aye.

12 (Chorus of ayes.)

13 Opposed.

14 Orders 193 through 199 are adopted.

15 Please continue.

16 MR. JACKSON: Thank you. Commissioners, you  
17 have before you Order 2016-200 regarding a waiver  
18 requested by Majestic Star Casino employee Sean  
19 Krueger.

20 Mr. Krueger has been an employee of the  
21 Majestic Star Casino since 2010. During that  
22 time period, he has met all suitability  
23 requirements for holding an occupational license  
24 as set forth by the Commission.

25 Pursuant to 68 Indiana Administrative Code

1 Section 2-3-5(c)(5), an occupational license  
2 holder may not be included on the exclusion list  
3 of any other casino. Additionally, pursuant to  
4 68 Indiana Administrative Code Section 2-3-9, all  
5 occupational licensees have a continuing duty to  
6 maintain suitability for licensure and must  
7 notify the Commission of any changes to  
8 information submitted in the licensee's  
9 application or any information that may render  
10 the licensee ineligible to hold an occupational  
11 license.

12 In early 2016, Mr. Krueger became aware for  
13 the first time that he was included in the -- on  
14 the exclusion list of the Four Winds Casino  
15 operated by the Pokagon Gaming Board, where he  
16 was previously an employee.

17 Per 68 Indiana Administrative Code Section  
18 2-3-9, Mr. Krueger immediately informed casino  
19 staff and Commission staff of his inclusion on  
20 the Four Winds Casino exclusion list.

21 Pursuant to 68 Indiana Administrative Code  
22 Section 2-3-12, the Commission may waive, alter  
23 or restrict any licensing requirement or  
24 procedure if the Commission determines that the  
25 requirement or procedure is impractical or

1 burdonsome and that such a waiver, alteration or  
2 restriction is in the best interest of the public  
3 and the gaming industry.

4 Commission staff reviewed the facts  
5 surrounding Mr. Krueger's inclusion on the Four  
6 Winds Casino exclusion list, along with his  
7 timely submitted request for waiver and the  
8 letter from Majestic Star Casino staff requesting  
9 waiver on Mr. Krueger's behalf due to their wish  
10 to retain him as an employee.

11 Approving Order 2016-200 would have the  
12 effect of waiving Section 2-3-5(c)(5) and  
13 allowing Mr. Krueger to retain his occupational  
14 license and continue employment with the Majestic  
15 Star Casino.

16 After reviewing all materials pertinent to  
17 this matter, Commission staff respectfully  
18 recommends approval of Order 2016-200 and waiver  
19 of 68 Indiana Administrative Code Section  
20 2-3-5(c)(5).

21 CHAIRMAN JOHNSTON: Thank you. Any  
22 questions on this matter or order for Noah?

23 Seeing none, is there a motion from the  
24 Commission?

25 COMMISSIONER SVETANOFF: Motion to adopt the

1 order.

2 CHAIRMAN JOHNSTON: There's a motion.

3 COMMISSIONER HERNDON: Second.

4 CHAIRMAN JOHNSTON: And a second.

5 All those in favor, say aye.

6 (Chorus of ayes.)

7 Opposed.

8 Order 200 is adopted. Thank you.

9 MR. JACKSON: Thank you. Members of the  
10 Commission, you have before you Order 2016-201  
11 concerning the felony waiver application of  
12 Gerald Lacey.

13 Pursuant to Indiana Code 4-33-8-3, an  
14 individual who has been convicted of a felony may  
15 not be issued an occupational license. Indiana  
16 Code 4-33-8-11 and 68 Indiana Administrative Code  
17 2-4-2 allow the applicant who has been convicted  
18 of a felony to request a waiver if he or she  
19 meets certain criteria.

20 The Commission may grant a felony waiver  
21 allowing the applicant to obtain an occupational  
22 license if the individual has demonstrated his  
23 rehabilitation by clear and convincing evidence  
24 after considering the several factors laid out in  
25 Indiana Code 4-33-8-11(c).

1 Pursuant to 68 Indiana Administrative Code  
2 Section 2-4, I was the Executive  
3 Director-appointed review officer for this felony  
4 waiver application. Commission staff, after  
5 conducting the required review of the application  
6 and considering the factors listed in Indiana  
7 Code Section 4-33-8-11(c), found that Mr. Lacey  
8 is rehabilitated and may serve as a level 2  
9 security officer at Indiana Grand Casino.

10 Mr. Lacey disclosed a single felony  
11 conviction on his application of second degree  
12 burglary in 1971. The felony occurred many years  
13 ago and Mr. Lacey has since gone on to have a  
14 family and a successful career with AT&T and  
15 formerly Ameritech, reaching an executive level  
16 position. Additionally, Mr. Lacey took full  
17 responsibility for his actions in 1971 and stated  
18 that he immediately sought out a new life and new  
19 friendships following his conviction.

20 Accordingly, Commission staff respectfully  
21 recommends that you approve Order 2016-201, that  
22 adopts the findings of fact and recommendations,  
23 thus approving Mr. Lacey's application for felony  
24 waiver with the condition that if he experiences  
25 a job change, title change or promotion, he be

1 required to submit a new felony waiver  
2 application.

3 CHAIRMAN JOHNSTON: Thank you. Any  
4 questions for Noah?

5 As Noah stated, Order 201, if approved,  
6 adopts the findings of fact and then also  
7 approves the felony waiver.

8 What's the pleasure of the Commission?

9 COMMISSIONER WILLIAMS: Move to adopt the  
10 order.

11 CHAIRMAN JOHNSTON: There's a motion to  
12 adopt.

13 COMMISSIONER HERNDON: Second.

14 CHAIRMAN JOHNSTON: And a second.

15 All those in favor, say aye.

16 (Chorus of ayes.)

17 Opposed.

18 The order is adopted.

19 At ease.

20 Casino matters. Chris, welcome back.

21 MS. GRAY: Thank you. Good afternoon again,  
22 Commissioners and executive staff. You have  
23 before you eight settlement agreements concerning  
24 disciplinary actions.

25 The first settlement is with French Lick,

1 Order 2016-202 and includes three counts.

2 In the first count, the casino failed to  
3 follow the procedures for a manually paid  
4 jackpot.

5 In the second count, an underage person was  
6 allowed on the casino floor.

7 The third count violated the rules regarding  
8 annual renewal of licenses and timely  
9 notification of terminations.

10 French Lick has agreed to a total monetary  
11 settlement of \$5,000 in lieu of disciplinary  
12 action.

13 Order 2016-203 is a settlement agreement  
14 with Hollywood and includes three counts.

15 In the first count, the casino allowed an  
16 underage person on the casino floor on two  
17 separate occasions.

18 The second count violated the rules  
19 regarding the destruction of records and the  
20 timely notification of a rule violation.

21 The third count violated the rules for the  
22 distribution and return of vendor badges.

23 Hollywood has agreed to a total monetary  
24 settlement of \$24,500 in lieu of disciplinary  
25 action.

1           Order 2016-204 is a settlement agreement  
2 with Hoosier Park and includes two counts.

3           In the first count, the casino allowed an  
4 underage person on the casino floor.

5           The second count violated the rules  
6 regarding surveillance coverage and the  
7 procedures for a manually paid jackpot.

8           Hoosier Park has agreed to a total monetary  
9 settlement of \$6,500 in lieu of disciplinary  
10 action.

11           Order 2016-205 is a settlement agreement  
12 with Horseshoe Hammond wherein an underaged  
13 person was allowed on the casino floor.

14           Horseshoe Hammond has agreed to a monetary  
15 settlement of \$3,000 in lieu of disciplinary  
16 action.

17           The fifth order, 2016-206, is a settlement  
18 agreement with Horseshoe Southern Indiana and  
19 includes four counts.

20           In the first count, the casino violated the  
21 VEP rules on two separate occasions.

22           In the second count, the casino failed to  
23 document an unusual situation in the soft count  
24 room.

25           The third count violated the rules regarding

1 live table game fills.

2 In the fourth count, an underage person was  
3 allowed on the casino floor.

4 Horseshoe Southern Indiana has agreed to a  
5 monetary settlement of \$10,500 in lieu of  
6 disciplinary action.

7 Order 2016-207 is a settlement agreement  
8 with Indiana Grand wherein the casino, on two  
9 separate occasions, failed to complete the forms  
10 required by the IRS.

11 Indiana Grand has agreed to a monetary  
12 settlement of \$3,000 in lieu of disciplinary  
13 action.

14 Order 2016-208 is a settlement agreement  
15 with Majestic Star wherein the casino left  
16 unsecured cards at a table game on three separate  
17 occasions.

18 Majestic Star has agreed to a monetary  
19 settlement of \$3,000 in lieu of disciplinary  
20 action.

21 Order 2016-209 is a settlement agreement  
22 with Tropicana and includes two counts.

23 In the first count, the casino allowed an  
24 underage person to enter the casino on two  
25 separate occasions.

1           The second count violated the rule requiring  
2 the casino to timely inform the Gaming  
3 Enforcement Agents of an apparent criminal  
4 activity.

5           Tropicana has agreed to a total monetary  
6 settlement of \$8,500 in lieu of disciplinary  
7 action.

8           The Commission staff recommends that you  
9 approve Orders 2016-202 through 2016-209, each of  
10 which approves one of the settlement agreements  
11 that we have just discussed.

12           CHAIRMAN JOHNSTON: Thank you very much.  
13 Questions for Chris?

14           COMMISSIONER WILLIAMS: I have a question.  
15 2016-203, that, in terms of my tenure on the  
16 Commission, is the largest fine, which suggests  
17 to me that there's something fairly egregious  
18 here, and as I review the executive summary, I'm  
19 not able to sort of focus in on what -- what got  
20 you to \$24,000 on that one.

21           MS. GRAY: Okay. Well, this would be the  
22 second count, which there were records that were  
23 destroyed, and that was the one that was a  
24 deciding -- was the most amount, so there were a  
25 large number of records, accounting records, that

1 were destroyed and they were -- they had not been  
2 stored for five years.

3 COMMISSIONER WILLIAMS: Thank you.

4 CHAIRMAN JOHNSTON: Any other questions on  
5 these disciplinary matters?

6 Seeing none, what is the pleasure of the  
7 Commission on Orders 202 through 209?

8 COMMISSIONER SVETANOFF: Motion to adopt all  
9 orders.

10 CHAIRMAN JOHNSTON: There's a motion.

11 COMMISSIONER HERNDON: Second.

12 CHAIRMAN JOHNSTON: And a second.

13 All those in favor, say aye.

14 (Chorus of ayes.)

15 Opposed.

16 The orders are adopted.

17 Thank you.

18 MS. GRAY: Thank you.

19 CHAIRMAN JOHNSTON: A couple of casino  
20 renewals. Noah.

21 MR. JACKSON: Thank you. Commissioners, you  
22 have before you Orders 2016-210 and 2016-211  
23 regarding the annual renewal of casino owner's  
24 licenses for Gaming Entertainment Indiana and  
25 Blue Chip Casino, LLC, operating as Rising Star

1 Casino and Blue Chip Casino respectively. Both  
2 of these entities filed proper paperwork and paid  
3 the required fees necessary for renewal.

4 The Blue Chip Casino license renewal date  
5 was August 17, 2016. Under Resolution 2013-13,  
6 Executive Director Tait issued an interim renewal  
7 of Blue Chip, LLC's, license to bridge the gap  
8 between its renewal date and this Commission  
9 meeting.

10 The license for Rising Star Casino would  
11 expire on September 15, 2016.

12 By Orders 2015-148 and 2015-149, the  
13 Commission approved the power of attorney for  
14 Blue Chip Casino and Rising Star Casino  
15 respectively. Those approvals expire upon the  
16 renewal of each casino owner's license. For that  
17 reason, all casinos must either request renewal  
18 of the Commission's approval of power of attorney  
19 concurrently with the request for license renewal  
20 or present the Commission with a new power of  
21 attorney naming a new trustee-in-waiting.

22 Blue Chip has stated its intent to keep  
23 Maunty Collins as trustee-in-waiting, and Rising  
24 Star has stated its intent to keep Ron Gifford as  
25 trustee-in-waiting.

1 Commission staff respectfully requests  
2 approval of Orders 2016-210 renewing the  
3 application -- or renewing the license of Blue  
4 Chip and Order 2016-211 prospectively renewing  
5 the license of Rising Star Casino.

6 CHAIRMAN JOHNSTON: Any questions on these  
7 renewals?

8 If not, what's the pleasure of the  
9 Commission on Orders 210 and 211?

10 COMMISSIONER WILLIAMS: Move to adopt.

11 CHAIRMAN JOHNSTON: Motion.

12 COMMISSIONER SVETANOFF: Second.

13 CHAIRMAN JOHNSTON: And a second.

14 All those in favor, say aye.

15 (Chorus of ayes.)

16 Opposed.

17 The orders are adopted.

18 MR. JACKSON: Thank you.

19 CHAIRMAN JOHNSTON: The next agenda item is  
20 a financing matter. Greg.

21 MR. SMALL: Thank you, Chairman.

22 On August 9, 2016, Boyd Gaming Corporation,  
23 Jones Blue Chip Casino, requested permission to  
24 act on a proposed financial action. Boyd also  
25 requested a waiver of the two meeting requirement

1 in accordance with the Commission's authority  
2 pursuant to 68 IAC 5-3-6. The confidential  
3 details of the proposed financing have been  
4 provided to the Commissioners.

5 In accordance with the procedures identified  
6 in Resolution 2014-56, Commission Chair Johnston,  
7 Commissioner Sherman and Executive Director Tait  
8 considered Boyd's request and consulted with  
9 Commission financial analyst Stephanie Berry.

10 Commission Chair Johnston, Commissioner  
11 Sherman and Executive Director Tait agreed that  
12 the proposed transaction should be approved.

13 Executive Director Tait issued an interim  
14 approval letter on August 29, 2016.

15 Resolution 2014-56 requires that the interim  
16 approval be reported to the Commission for its  
17 consideration for either a final ratification or  
18 other direction.

19 Commission staff recommends ratification of  
20 Executive Director Tait's interim approval  
21 letter.

22 Thank you.

23 CHAIRMAN JOHNSTON: Any questions for Greg  
24 on this ratification of the interim approval?

25 Seeing none, is there a motion for

1 Order 212?

2 COMMISSIONER SVETANOFF: Motion to adopt the  
3 order.

4 COMMISSIONER WILLIAMS: Second.

5 CHAIRMAN JOHNSTON: There's a motion and a  
6 second.

7 All those in favor, say aye.

8 (Chorus of ayes.)

9 Opposed.

10 The order is adopted.

11 The next agenda item, or next couple of  
12 items, resolutions dealing with rule-making  
13 matters. The first is dealing with paid fantasy  
14 sports, a new responsibility for the Indiana  
15 Gaming Commission, and with some background on  
16 this emergency rule proposal, Greg.

17 MR. SMALL: Thank you. As you may recall,  
18 at the previous meeting we received a little  
19 background on Senate Enrolled Act 339, which was  
20 signed by Governor Pence on March 24, 2016, which  
21 authorized paid fantasy sports in Indiana.

22 The emergency rule before you addresses  
23 Indiana Code 4-33-24, which directs the  
24 Commission to adopt standards and rules for paid  
25 fantasy sports operator licensees and paid

1 fantasy sports operator applicants.

2 Commission staff requested approval from the  
3 Office of Management & Budget to promulgate the  
4 paid fantasy sports emergency rule as an  
5 exception to the governor's regulatory  
6 moratorium. The OMB approved the request on  
7 August 17, 2016.

8 Commission staff is currently working on a  
9 final rule and anticipates it'll be ready for  
10 Commission action by the June 2017 business  
11 meeting.

12 While we take the proposed rule to the  
13 formal promulgation process, this resolution  
14 adopts the emergency rule which will, in the  
15 meantime, provide administrative rules regarding  
16 paid fantasy sports operators and contests.

17 Commission staff respectfully asks that you  
18 approve the resolution adopting the emergency  
19 rule. The emergency rule will become effective  
20 upon acceptance by the publisher for filing after  
21 this meeting.

22 Thank you.

23 CHAIRMAN JOHNSTON: Questions for Greg?

24 You may have stated this. Do you have an  
25 anticipation completion date in terms of when the

1 full rules will be completed?

2 MR. SMALL: It's hopeful that we will be  
3 through the process and hopefully have something  
4 to you at the June 2017 meeting.

5 CHAIRMAN JOHNSTON: Very good.

6 MR. SMALL: Hopeful.

7 EXECUTIVE DIRECTOR TAIT: We'll see.

8 CHAIRMAN JOHNSTON: It is quite the process,  
9 so thank you very much.

10 If there are no questions, what's the  
11 pleasure of the Commission on Order 213 on this  
12 emergency rule for paid fantasy sports?

13 COMMISSIONER WILLIAMS: Move to adopt.

14 COMMISSIONER SVETANOFF: Second.

15 CHAIRMAN JOHNSTON: There's a motion and a  
16 second.

17 All those in favor, say aye.

18 (Chorus of ayes.)

19 Opposed.

20 Order 213 is adopted.

21 Thank you.

22 We have a revised rule on the moratorium of  
23 some rules and other revisions. Natalie.

24 MS. RAVER: Members of the Commission, you  
25 have before you Resolution 2016-214 regarding LSA

1 Document Number 16-52.

2 Governor Pence's Executive Order 13-03  
3 instructed the Commission to work directly with  
4 the Office of Management & Budget to identify  
5 rules that needed to be amended or repealed to  
6 ease their regulatory impact. LSA Document 16-52  
7 removes numerous sections of Title 68 of the  
8 Administrative Code that contain duplicative and  
9 obsolete language. It also ensures that Title 68  
10 conforms with the Indiana Code relating to ethics  
11 rules.

12 Commission staff respectfully recommends  
13 that you adopt Resolution 2016-214 at this time.

14 CHAIRMAN JOHNSTON: Questions for Natalie?  
15 You had a lot of material in there, it did appear  
16 significant duplication in many sections of the  
17 rules.

18 Seeing none, Order 214 approves these  
19 revisions.

20 Is there a motion from the Commission?

21 COMMISSIONER SVETANOFF: Motion to approve  
22 the resolution.

23 COMMISSIONER HERNDON: Second.

24 CHAIRMAN JOHNSTON: There's a motion and a  
25 second.

1 All those in favor, say aye.

2 (Chorus of ayes.)

3 Opposed.

4 The motion is adopted.

5 COMMISSIONER WILLIAMS: Mr. Chairman, just  
6 as a comment, this appears to have been a  
7 tremendous amount of work. Congratulations.

8 CHAIRMAN JOHNSTON: Yes, absolutely.

9 The next item, we're looking forward to  
10 this, we've had presentations from the Local  
11 Development Agreement participants and  
12 recipients. And today we have representatives  
13 from Michigan City, and we welcome them,  
14 Mr. Miller and Mr. Hulse.

15 The microphone is yours. Thank you very  
16 much.

17 MR. HULSE: Good evening, Commissioners. My  
18 name is Clarence Hulse. I'm the director of the  
19 Economic Development Corporation in Michigan  
20 City.

21 I have a short presentation to give to you.  
22 It should come in about ten seconds. Technology,  
23 right.

24 But we passed out a copy of our annual  
25 report for 2015 to give you a snapshot of what

1 happened over the past year, and I kind of wanted  
2 to give you an update of the past three years of  
3 things we've done with the Local Agreement  
4 through the Blue Chip Casino. They've been a  
5 great partner for us in Michigan City.

6 Our mission is to develop and implement  
7 policies and procedures for economic and  
8 community development in Michigan City. We work  
9 through a variety of stakeholders, through  
10 collaboration and consensus in our community.  
11 And we do have Indiana's only beach, I hope you  
12 guys know that.

13 But Blue Chip Casino is our partner in our  
14 efforts in Michigan City, and has been from our  
15 earliest stages.

16 Our goals, objectives are to, number one,  
17 work on workforce development in our community,  
18 business retention and expansion, business  
19 attraction and development, integration with our  
20 community development, and making sure we can  
21 maintain our organization over the years to come.

22 We work with regional partners in Northwest  
23 Indiana Forum, our community, LaPorte County and  
24 the City of LaPorte. We work with local  
25 industries. We work closely with our partners in

1 the nonprofits. They help with issues of  
2 homelessness, issues of housing, so we tend to  
3 have a broad reach into the community.

4 We don't do their jobs for them. We make  
5 contacts, collaborations, we make things happen,  
6 because we need to around to all the businesses  
7 in the community.

8 Here are some of our partners: NIPSCO, the  
9 two cities, LaPorte, Michigan City City Councils  
10 and Redevelopment Commissions, the Indiana  
11 Economic Development Corporation, Center for  
12 Workforce Innovations, we work closely with all  
13 those regional groups, local groups. PNW, Purdue  
14 Northwest, Ivy Tech and the local Michigan City  
15 area schools. Those are all the partners we work  
16 together with to accomplish what we've done in  
17 the past -- for the past six years, but over the  
18 past three years for sure.

19 We also as part of what we do, we work to  
20 get investors from the business community within  
21 our community. And on that list you'll see some  
22 of our investors at the various levels. We  
23 partner with the City of LaPorte and we jointly  
24 do fundraising every three years together, so  
25 these are our investors over the past two and a

1 half years.

2 Over the past three years we have realized  
3 in new investment \$191 million, 720 new jobs in  
4 our community, 155 retained jobs and we have done  
5 173 retention visits. These have been probably  
6 our backbone because of the companies we have  
7 been able to keep within our community by trying  
8 to figure out what are the workforce issues to be  
9 resolved, permitting issues to be resolved, or  
10 even connecting them with other companies where  
11 we can, out of Ohio or Illinois. A lot of times  
12 companies are unaware that the neighbors one  
13 community away is making the same product. And  
14 so I think for us it's been a great way to  
15 connect companies to the county.

16 Again, 2015, engagement, investment and  
17 growth, gives you kind of a snapshot of where we  
18 spent our time in the last 12 months. We were  
19 able to help almost 40 companies in the  
20 community. Last year alone we were able to  
21 create over \$24 million in new capital  
22 investments, 103 jobs in 2015. We were able to  
23 create over 2.7 million payroll, 304 jobs  
24 retained, companies that were looking to move or  
25 expand out of state or out of the community, and

1 so we retained over \$10.9 million in payroll.

2 I want to give you a quick snapshot of some  
3 of those companies. Commercial Vehicle Group,  
4 CVG. If you ever see a wiper blade on a large  
5 bus or a Humvee, they make blades, and so they  
6 invested \$1.8 million in our community last year,  
7 and were able to add six new jobs, retain 93 jobs  
8 in our community.

9 St. Andrews Products, locally -- local grown  
10 company from 1989. They make promotional  
11 products and distribute them in the region,  
12 retained 50 jobs, created 10 jobs.

13 This is a old historical building, been  
14 empty for probably 20 years. We had an investor,  
15 we were able to help restore the building. It's  
16 going to be a microbrewery, and then also we're  
17 going to restore the old hotel to make it a  
18 boutique hotel. And the investment -- not the  
19 investment to buy the property, but just to  
20 improve the property so far has been over  
21 \$700,000 and the creation of 25 new jobs.

22 Michigan City Paper Box, this is probably  
23 the oldest company in Michigan City, over a  
24 hundred years old. If you ever buy jewelry or a  
25 watch, they make those boxes, and so it's made in

1 Michigan City. So they were able to retain 16  
2 jobs. They currently have probably 80 jobs  
3 within the company right now. And we're looking  
4 at a possibility of an expansion with them,  
5 probably 100,000 square feet, so.

6 Vermilion, this is a residential care  
7 facility that's underway right now, they'll be  
8 breaking ground in about 60 days, \$20 million  
9 investment, 40 new full-time jobs, \$2 million  
10 payroll, so this is new for us, something we've  
11 just gotten into, but we were able to help this  
12 company find the properties, work with them  
13 through the zoning process and we were working  
14 through the bonding process with them, so. We  
15 spent about a year and a half and so we're  
16 finally about to see the groundbreaking in about  
17 60 days.

18 Dekker Technologies, a little, homegrown  
19 company, been growing over 30 percent in the last  
20 four years, they're able to expand their facility  
21 36,000 square feet, retain 63 jobs and create 10  
22 new jobs, and so this company, they do a lot of  
23 vacuuming pumps and they actually export overseas  
24 to Africa and the Middle East.

25 That's a snapshot from last year for what

1 happened within our office. Again, we do this  
2 with partners like the Blue Chip Casino, the city  
3 councils, the local business communities, other  
4 nonprofits, and if you look in our report, we  
5 list who those people are.

6 And we just want to say thank you for your  
7 support and for helping making Michigan City  
8 wonderful partners and working closely with them  
9 to do what all they do in our community, we  
10 couldn't do without them.

11 So I'm here for questions.

12 CHAIRMAN JOHNSTON: What's the range of  
13 tools that you use? Obviously you're in the  
14 economic development business, and you mentioned  
15 the revolving loan fund and then I think you  
16 mentioned maybe using your volume cap for private  
17 activity bonds to help support some of these  
18 businesses.

19 Are those the primary tools that you use, or  
20 do you give grants?

21 MR. HULSE: It varies. We don't do grants.  
22 We will do loans, we will work with -- to do  
23 bonds through the city bonding capacity. We also  
24 work with the city -- we work with the city to do  
25 tax abatements, so we'll do both personal and

1 real property tax abatements for the city. So we  
2 work with companies to get the application  
3 through and we monitor to make sure they're in  
4 compliance.

5 CHAIRMAN JOHNSTON: So you might do the  
6 financial analysis for the city council?

7 MR. HULSE: Yes. Yes. We are the agents,  
8 so to speak, the face of the city, so to speak,  
9 and can be also the leader, so.

10 CHAIRMAN JOHNSTON: Okay. Thank you.

11 MR. HULSE: Thank you.

12 EXECUTIVE DIRECTOR TAIT: Was the 24 million  
13 a normal number for you all or was 2015 a bigger  
14 year?

15 MR. HULSE: That's pretty big for one  
16 project. Typically for a city of our size, we  
17 probably get between \$5 to \$7 million a year, so  
18 this year ought to be huge, yeah.

19 CHAIRMAN JOHNSTON: Very good. Thank you.

20 MR. MILLER: Clarence is being modest. The  
21 next two years, there are going to be an  
22 explosion of projects in Michigan City. You'll  
23 hear a lot about them.

24 My name is Ron Miller. I'm the manager of  
25 WEFM Radio in Michigan City and vice president of

1 the Michigan City Community Enrichment  
2 Corporation.

3 I have had some exposure to the Gaming  
4 Commission over the years. I was in a bus in  
5 January too many more years ago than I want to  
6 remember with members of the Gaming Commission  
7 and members of the city going to the various  
8 sites that were proposed for the original casino  
9 in Michigan City, and also attended all five of  
10 the grand openings of the five boats that are on  
11 Lake Michigan. I was in the room when the  
12 original license for Blue Chip was granted, and I  
13 was in the room when it was transferred to Boyd  
14 Gaming, so I've experienced some of your -- your  
15 deliberations and decisions over the years.

16 Speaking of Boyd Gaming, I think as a  
17 resident of Michigan City for the past 35 years  
18 and a news reporter for most of that time, I can  
19 tell you that Michigan City's extremely fortunate  
20 to have an organization like Boyd Gaming in  
21 Michigan City. They are very community involved.

22 The Enrichment Corporation I'm about to tell  
23 you about is a perfect example of that. But  
24 another one just happened this weekend when Boyd  
25 Gaming and Blue Chip sponsored the visit to

1 Michigan City of the 9/11 Traveling Memorial  
2 Museum. It was in Blue Chip's parking lot, and  
3 over the Labor Day weekend residents of Michigan  
4 City as well as visitors were able to view that  
5 museum for free, talk to New York firefighters,  
6 view the exhibits. And some of the things you're  
7 going to hear about on the anniversary of 9/11  
8 this weekend are very fresh in our minds because  
9 of that visit to Michigan City.

10 The Michigan City Community Enrichment  
11 Corporation was created as part of the operating  
12 agreement between the city and Blue Chip Casino.  
13 And as part of that agreement, they provide  
14 \$750,000 a year. Most of that money goes to  
15 not-for-profit organizations, 501(c)(3)  
16 corporations, and I'll tell you about that, but  
17 the first \$100,000 as part of the operating  
18 agreement goes to Michigan City's Washington Park  
19 Zoo.

20 And this is their brochure. I want to read  
21 just a little bit from that brochure, tell you a  
22 little bit about the zoo, because not so many  
23 years ago -- and we are fortunate, especially  
24 with a community of our size, to have an asset  
25 like the zoo.

1           It was founded in 1928, encompasses 15 acres  
2           on a hilly sand dune located near the southern  
3           shore of Lake Michigan. It actually is in our  
4           Washington Park and near the beach to  
5           Lake Michigan. The zoo exhibits more than 90  
6           species originating around the world. The  
7           animals are exhibited in natural settings,  
8           surrounded by botanical plantings.

9           Among the exhibits are Bengal tigers,  
10          cotton-top tamarins, don't know what that is,  
11          American alligators, a grizzly bear, gray wolves,  
12          those were added last year, two baby wolves  
13          actually, ring-tailed lemurs, river otters, bald  
14          eagles and more. And just last month we added  
15          two- to three-year-old lion cubs that will be --  
16          they were actually displayed for the first time  
17          just a couple of weeks ago.

18          The first \$100,000 of -- by part of the  
19          operating agreement goes to the Washington Park  
20          Zoo.

21          The other \$650,000, or roughly about that,  
22          is distributed to 501(c)(3) not-for-profit  
23          corporations in the Michigan City area.

24          We meet monthly. We're composed of a board  
25          of nine members. We're all volunteers. And we

1 work extremely hard to make sure that we keep our  
2 expenses to a minimum. We have a part-time paid  
3 executive director who does our -- our paperwork  
4 and that sort of thing, and an attorney, and just  
5 about everything else is donated.

6 We meet monthly year around. A year ago we  
7 converted our process to all online applications,  
8 which was an interesting process because some  
9 not-for-profits are not used to that, but it went  
10 extremely smoothly. And when we start the next  
11 grant cycle in the first week in November, we're  
12 expecting it to go even more smoothly.

13 Again, we distribute about \$650,000. I'm  
14 going to read a few of these in just a moment.  
15 We -- last year we had over 80 applications for  
16 about \$1.6 million. So while we do distribute a  
17 lot of money, we have a lot more need than we  
18 have money to distribute, but we think over the  
19 years that this money has been provided to us and  
20 what the -- the status of some of our  
21 not-for-profits would be were this money not  
22 available, so it really is -- it's a major  
23 inclusion into the community both for our  
24 not-for-profits and also for our city.

25 I'm just going to read a few of these,

1 because there's 45 of them on the list. We  
2 actually award these individual checks during an  
3 award ceremony in March at Blue Chip, every  
4 March, and we start the cycle again in November.

5 Boys and Girls Club of Michigan City Summer  
6 Day Camp Program, \$49,600. Citizens Concerned  
7 for the Homeless, Volunteer Growth Program, Keys  
8 to Hope, \$2,500. Festival Players Guild 2016  
9 Canterbury Summer Theater, \$3,000. Michigan City  
10 Hours for Ours, School Based Mentoring, \$12,000.  
11 LaSalle Council Boy Scouts of America, After  
12 School Scouting, \$12,000. Michiana Resources,  
13 Transportation Services for the Elderly, Disabled  
14 and Medically Fragile, \$45,000. Michigan City  
15 Chamber Music Festival, A Community Resource For  
16 Access to Fine Music, \$3,000, some of the money  
17 that we distribute. Last year we distributed  
18 \$630,450.

19 And we've developed a pretty interesting  
20 process to award that money. Each of the  
21 individual nine members of the board reviews  
22 every application individually and we score them  
23 on a 1 to 4 basis. We compile those. We put  
24 them in a list from the highest to the lowest and  
25 we get together at a meeting. Last year Blue

1 Chip was gracious enough to invite us and  
2 actually provide us with some snacks and so  
3 forth. And we start at the top and go to the  
4 bottom. As long as there's money left, we keep  
5 going.

6 We do keep some money aside. We had a  
7 situation last year where a local transportation  
8 organization for the elderly ran out of money and  
9 we were able to have enough money set aside that  
10 we were able to provide that, so we're pretty  
11 careful about how we manage our money and we're  
12 obviously very concerned about making sure that  
13 every last dollar we possibly can goes to those  
14 organizations.

15 Finally, I want to read just briefly, this  
16 is the Michigan City News-Dispatch from March  
17 20th of 2015. I particularly like this one  
18 because my picture is on the front page of the  
19 paper. Usually when it's on the front page of  
20 the paper, it's not a good thing.

21 And the reporter says, "Nearly \$650,000  
22 grants -- in grants were distributed to  
23 nonprofits in Michigan City Wednesday night,  
24 awarded by the Michigan City Community Enrichment  
25 Corporation. The recipients, 45 in all, were

1 selected from among those requesting more than  
2 \$1.6 million."

3 This headline is from this year, from March  
4 17th of this year, and it says -- the headline is  
5 "Hitting the Jackpot. A group of people walked  
6 out of Blue Chip Casino on Wednesday with more  
7 than \$630,000, but it wasn't won at the slot  
8 machines or poker table. It was awarded through  
9 the Michigan City Community Enrichment  
10 Corporation during its annual banquet held  
11 Wednesday at Blue Chip."

12 So that's the Enrichment Corporation. It  
13 has been a very, very -- a critical thing,  
14 crucial thing for a lot of the not-for-profits in  
15 the Michigan City area. And as I said, our board  
16 is all volunteer. We serve three-year terms, and  
17 we're committed to doing the best job we possibly  
18 can for our community.

19 Does anyone have any questions?

20 CHAIRMAN JOHNSTON: Any questions for Ron?

21 How many of the 45 applicants are return  
22 applicants versus --

23 MR. MILLER: Quite a number are, actually,  
24 but you have to be a 501(c)(3), so that's the one  
25 qualification. You have to be a recognized

1 not-for-profit organization. And you don't have  
2 to be in the city limits. You can be in the  
3 school corporation's limits. That extends into  
4 Pine Township in Porter County, for example, out  
5 into a couple of our nearby counties. A lot of  
6 them are. And we've talked about -- one  
7 organization last year received six separate  
8 grants. Now, we evaluate each program  
9 individually, so we didn't feel uncomfortable  
10 about doing that, but we've thought well, maybe  
11 we should limit it, so we're wrestling with those  
12 questions all the time, because if we limit it to  
13 three, say submit your best three, maybe the  
14 fourth one is a good program that deserves  
15 funding and we've said no.

16 On the other hand, are there other  
17 organizations that we could be funding if we  
18 didn't fund five or six for one organization, so  
19 those are the kinds of things we literally kick  
20 around at our monthly meetings and try to come  
21 out to the best way to distribute the funds we  
22 receive.

23 Any other questions?

24 Thank you for inviting us. We certainly  
25 appreciate it.

1           CHAIRMAN JOHNSTON: Keep up the good work.  
2 Thank you very much. It's good to hear reports  
3 like that, the connection between the industry  
4 and the communities. So thank you very much.

5           Anything else to come before the Commission?  
6 Our next meeting is scheduled for November 17th.

7           If there's nothing else, is there a motion  
8 to adjourn?

9           COMMISSIONER SVETANOFF: Motion to adjourn.

10          CHAIRMAN JOHNSTON: I'm sure there's a  
11 second.

12          COMMISSIONER WILLIAMS: Yes.

13          CHAIRMAN JOHNSTON: All those in favor, say  
14 aye.

15          (Chorus of ayes.)

16          CHAIRMAN JOHNSTON: We are adjourned. Thank  
17 you.

18          (At 3:07 p.m., September 8, 2016, this  
19 meeting of the Indiana Gaming Commission was  
20 adjourned.)

21

22

23

24

25

1 STATE OF INDIANA )  
2 COUNTY OF MARION ) SS:

3  
4 I, Dianne D. Lockhart, a Notary Public and  
5 Stenographic Reporter within and for the County of  
6 Marion, State of Indiana at large, do hereby certify  
7 that the Indiana Gaming Commission Business Meeting  
8 held on September 8, 2016, commencing at 2:00 p.m.  
9 at the History Reference Room of the Indiana  
10 State Library, 315 West Ohio Street, Indianapolis,  
11 Indiana, was taken down in stenograph notes and  
12 afterwards reduced to typewriting under my  
13 direction, and that the typewritten transcript is a  
14 true record of the proceedings had.

15 IN WITNESS WHEREOF, I have hereunto set my hand  
16 and affixed my notarial seal this 22<sup>nd</sup> day of  
17 September, 2016.

18 

19 \_\_\_\_\_  
20 NOTARY PUBLIC

21 My Commission Expires:  
22 June 4, 2023

23 County of Residence:  
24 Marion County  
25