

**INDIANA GAMING COMMISSION
BUSINESS MEETING**

**9:00 a.m., August 19, 1997
Blue Chip Casino, Inc., Pavilion
2 Easy Street
Michigan City, IN 46360**

PRESENT: Commission members Alan Klineman, Chair; Thomas Milcarek, Dr. David Ross, Ann Bochnowski. Staff-Jack Thar, Floyd Hannon, Kay Fleming, Tonya Sallee, Pat Wright, Tom Stuper, Michelle Marsden and members of the public. Commission members Don Vowels, Bob Swan and Bob Sundwick were not present.

Call to Order and Roll Call

Chairman Alan Klineman called the meeting to order at approximately 9:05 a.m. (local time). A quorum was present.

Approval of the Minutes

Upon motion by Dr. David Ross, second by Ann Bochnowski, the minutes of the July 22, 1997 business meeting were unanimously approved as distributed.

Report of the Executive Director

Jack Thar, Executive Director, gave a report to the Commission on the activities of the riverboats, upcoming boat openings and introduced Tom Stuper, the Commission's new Senior Systems Analyst.

New Business

Resolution 1997-28

A Resolution Adopting 68 IAC 1-16; 68 IAC 2-3-9.2; 68 IAC 2-3-9.3 and Amendments to 68 IAC 9-4-5; 68 IAC 11-2-1; 68 IAC 11-3-1; and 68 IAC 15-6-5 for Publication as Proposed Rules.

Action: Upon motion by Tom Milcarek, second by Dr. David Ross, and unanimous vote of those present, the Commission adopted the above mentioned rules as Proposed Rules.

Resolution 1997-29

A Resolution Adopting, as Final Rules, 68 IAC 10-4 and Amendments to 68 IAC 2-2-1.

Action: Upon motion by Ann Bochnowski, second by Dr. David Ross, and unanimous vote of those present, the Commission adopted 68 IAC 10-4 as Final Rules and 68 IAC 2-2-1 as amended.

Resolution 1997-30

A Resolution Adopting, as Emergency Rules, and for Publication as Proposed Rules, 68 IAC 1-14 and Amendments to 68 IAC 15-1-1 and 68 IAC 17-1-1.

Action: Upon motion by Dr. David Ross, second by Tom Milcarek, and unanimous vote of those present, the Commission adopted 68 IAC 1-14 and Amendments to 68 IAC 15-1-1 and 68 IAC 17-1-1 as Emergency Rules and for Publications as Proposed Rules.

Resolution 1997-31

A Resolution granting Permanent Occupational Licenses to Employees at the Casino Aztar in Evansville.

Action: Upon motion by Tom Milcarek, second by Ann Bochnowski, and unanimous vote of those present, the Commission approved the permanent licensing of employees set forth in the resolution for permanent licensure to work at Casino Aztar.

Request for Felony Waiver

REF: Joseph Martinez

On or about March 28, 1997, Joseph Martinez submitted an application for an Occupational License, Level 3 to the Indiana Gaming Commission (“Commission”). Mr. Martinez’s application was denied due to a felony conviction. Mr. Martinez subsequently failed to appear for his review hearing. Kay Fleming, Review Officer, recommends that the Felony Waiver of Joseph Martinez be denied since Mr. Martinez did not have a reasonable excuse for his failure to appear.

Action: Upon motion by Ann Bochnowski, second by Dr. David Ross, and unanimous vote of those present, the Commission approves the recommendation of the review officer to deny Joseph Martinez’s request for a Felony Waiver.

Denial of Occupational License

REF: Marc Cline

On or about November 8, 1995, Marc Cline submitted an application for an Occupational License Level 3 to the Indiana Gaming Commission (“Commission”) to work for Casino Aztar as a bartender. Mr. Cline’s temporary Occupational license was revoked and his application for a permanent license was denied by the Commission due to a conviction of Professional Gambling, a misdemeanor offense, in violation of Commission rules. Mr. Cline appealed the decision to the Administrative Law Judge, Jeff Dodson. The Commission filed a Motion to Dismiss and supporting documentation. Mr. Cline filed a response . On June 27, 1997, Administrative Law

Judge, Jeff Dodson, filed his Findings of Fact, Conclusions of Law and Recommendation recommending the revocation of the temporary occupational license and the denial of the application for a permanent occupational license be upheld. Mr. Cline has filed nothing further in this matter.

Action: Upon motion by Dr. David Ross, second by Ann Bochnowski, and unanimous vote of those present, the Commission accepts the Administrative Law Judge, Jeff Dodson, recommendation and adopts the proposed order as its own.

REF: Sue Anne Miller

On or about August 11, 1996, Sue Anne Miller submitted an application for Occupational License, Level 2, to the Indiana Gaming Commission (“Commission”) to work for the Grand Victoria as a dealer. Ms. Miller’s temporary occupational license was revoked and her application for a permanent license was subsequently denied by the Commission due to the fact that Ms. Miller was not of good moral character as required by Commission rules. Ms. Miller appealed the decision of the Commission to Administrative Law Judge (“ALJ”), Bernard L. Pylitt. The ALJ held a hearing in this matter on June 24, 1997. Ms. Miller was present in person and by counsel. On or about July 16, 1997, the Commission filed its Proposed Findings of Fact, Conclusions of Law, and Recommendation. ALJ Bernard Pylitt issued his Findings of Fact, Conclusions of Law, and Recommendation in this matter on or about July 18, 1997 and recommended that the revocation of Ms. Miller’s temporary Occupational License and the denial of Miller’s application for a permanent Occupational License be upheld. Nothing was filed on Miller’s behalf subsequent to the hearing.

Action: Upon motion by Tom Milcarek, second by Dr. David Ross, and unanimous vote of those present, the Commission accepts the ALJ’s recommendation and adopts the proposed order as its own.

Resolution 1997-32

A Resolution granting Permanent Supplier’s Licenses

Action: Upon motion by Ann Bochnowski, second by Dr. David Ross, and unanimous vote of those present, the Commission granted permanent supplier’s licenses to the temporary supplier licensees listed in the resolution.

Consideration of the Administrative Law Judge’s Recommendations concerning Empire Casino & Resort’s Petition on Denial of Application. CASE NO. 96-MISC-1

On May 29, 1997, the Administrative Law Judge (“ALJ”), Bernard Pylitt, heard oral argument in this matter. The oral argument was recorded and has been transcribed. On June 12, 1997, the ALJ filed his Findings of Undisputed Fact and Conclusions of Law, the Recommended Order

concerning Empire's Proposed Discovery Plan and Intervenor; motion for Protective Order; and Recommended Order concerning motions for Summary Judgement and Agrosy's motion to dismiss. Mr. Mike Roberts of Graydon Head & Ritchey and Mr. Ed Delaney of Barns and Thornburg addressed the Commission on behalf of their respective clients.

Action: Upon motion by Ann Bochnowski, second by Dr. David Ross, and unanimous vote of those present, the Commission accepts the recommendation of the Administrative Law Judge and adopts the ALJ's Findings of Undisputed Facts and Conclusions of Law as the Commission's Findings of Undisputed Facts and Conclusions of Law and Further Adopts the ALJ's recommended orders as the Orders of the Commission in this matter. As a result of the Commission accepting the recommendation of the ALJ, the Protective Order requested by the Intervenor is granted and the Discovery Plan sought by Empire is denied. The Commission's Motion for Partial Summary Judgment is granted rendering the Intervenor's Motion for Summary Judgement moot. The Intervenor's Motion to Dismiss is denied.

Resolution 1997-33

A Resolution Concerning the Offering of Senior Secured Notes by Blue Chip Casino, Inc.

Action: Upon motion by Tom Milcarek, second by Dr. David Ross, and unanimous vote of those present, the Commission approved the request for a waiver of 68 IAC 5-3-2(b)(3), the two (2) meeting rule and approved the offering of public unsecured notes in an amount up to Sixty-two Million Dollars (\$62,000,000), with interest at a rate of 18%.

Consideration for Permanent License

Director Jack Thar explained that, by statute and rules, a group who wishes to have a Gaming License must comply with certain items. These include, but are not limited to : possession of all appropriate permits, posting a bond, having insurance in place, having a certificate of inspection from the United States Coast Guard. Ms. Fleming indicated that Blue Chip Casino had complied with these matters. The license is awarded conditioned on the following: that Blue Chip successfully complete 15 hours of live gaming, their tax collection methods are accurate; and Blue Chip demonstrates the ability to pay their gaming tax and their admission tax by the appropriate time.

Action: Upon motion by Tom Milcarek, second by Dr. David Ross and unanimous vote of those present, the Commission granted Blue Chip Casino, Inc. A Permanent Riverboat Owner's License per the conditions outlined by Director Thar, to begin live gaming Friday, August 22, 1997 if approved by the Commission staff.

Next Meeting

The next meeting of the Indiana Gaming Commission will be announced at a later date.

Adjourn

The meeting was adjourned at approximately 11:00 a.m. by unanimous Commission vote upon motion by Tom Milcarek, second by Ann Bochnowski. The Commission adjourned to participate in the test cruise of the Blue Chip Casino, Inc.

Minutes

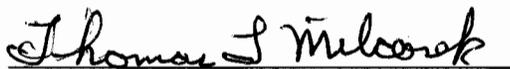
The August 19, 1997 minutes were prepared by Michelle Marsden, Executive Secretary, of the Indiana Gaming Commission staff. A transcript is not available.

Respectfully submitted,


Michelle Marsden

THE INDIANA GAMING COMMISSION:


Ann Bochnowski, Vice-Chair


Thomas Milcarek, Commissioner