

**INDIANA GAMING COMMISSION
BUSINESS MEETING**

MINUTES AMENDED DECEMBER 6, 2001

10:30 a.m., November 7, 2001
115 W. Washington St., Ste. 950, South Tower
Indianapolis, IN 46204

Present: Commission member Richard Darko; participating by phone: Donald R. Vowels, Chair; Thomas Milcarek, Secretary; Dr. David Ross, David Carlton, and Dale Gettelfinger. Ann Bochnowski was not present. Staff: Jack Thar, Billy Hamilton, Cynthia Dean, Jennifer Arnold, Jennifer Chelf, Susan Brodnan, Major Mark Mason, Rhonda Dalton and members of the public.

Call to Order and Roll Call

Chairman Donald Vowels called the meeting to order at approximately 10:35 local time. A quorum was present.

Approval of the Minutes

Upon motion by Richard Darko, second by Dr. David Ross, and unanimous vote of those present, the minutes of the August 23, 2001 business meeting were approved.

Report of the Executive Director

Former Commissioner Robert Swan sent a letter to the Commission. A copy was forwarded to each Commissioner.

Governor O'Bannon has appointed Dale Gettelfinger to succeed Robert Swan. Dale resides in Floyds Knob, Indiana with his wife and children. Dale is an attorney and CPA, is President and CEO of Monroe Shine and Co., Inc. He is active in community and professional organizations as well as being involved in church and family matters. Executive Director Thar welcomed Dale to the Commission. Commissioner Gettelfinger will again be introduced at the live business meeting in December.

John Dickson has been promoted to the position of Promotion Coordinator replacing Tracy Sanders.

Executive Director Thar reported on the activities of the Riverboats.

Clarification has been requested regarding the procedure that the boats should follow when requesting a renewal of their riverboat owners licenses after the 5-year reinvestigation, and before the 3 yr. second reinvestigation,

Action: After discussion the Commissioners requested that, after the 5-year investigations, and before the 3-yr second reinvestigation, the riverboats are to request renewal, by letter, along with payment of the statutory fee. Pursuant to IC 4-33-6-12(c) the commission is permitted to conduct an investigation at any time.

Rather than addressing this issue through a formal resolution, matters involving a request for a riverboat owner's license will be referenced in the minutes.

¹*A second discussion occurred on November 16, 2001 where the Commission staff upon further review of the renewal process, recommended to the Commission that a resolution should be presented at a scheduled meeting for renewal of the yearly Riverboat Owners license. The Commission accepted the staff recommendation and resolutions for renewal will be voted on by the Commission.

As a result of the 9/11/01 events, the Coast Guards focus is changing from a regulatory agency to a military navigable waterway security force. As a result of these changes, evacuation drills were held at Caesars, Aztar, and Belterra during the past two-week. IGC staff participated as observers.

Trump has reported to Executive Director Thar that Trump does not intend to make the interest payments coming due on its bonds. Reportedly, the company has the money but is attempting to renegotiate interest rates. The Indiana Gaming Commission has requested Trump provide financial information relating to this situation.

A complete review of the MBE/WBE issues will be a major agenda item at the live December Business Meeting.

Old Business

Resolution 2001-36A*

Resolution 2001-36 adopted by the Commission on August 23, 2001 listed the holder of the riverboat Owner's License as Grand Victoria Casino and Resort LLC. The correct name is Grand Victoria Casino and Resort LP. Resolution 2001-36A*(amendment) reflects the correct name of the license holder.

Action: Upon motion by Thomas Milcarek, second by Dr. David Ross, and unanimous vote of those present, the commission corrected the Resolution 2001-36 that renewed the Riverboat Owner's License issued to Grand Victoria Casino and Resort. The riverboat owner's license will remain valid until the Commission reconvenes to hold a public hearing concerning the renewal of the Riverboat Owner's License held by Grand Victoria Casino and Resort, LP.

Occupational License Matters

Fred Irvin HA-DEN-01-4

Fred Irvin applied for an occupational license, level 2, for employment as an impressment specialist at Harrah's Casino. On or about June 20, 2001, the Commission issued Mr. Irvin a temporary occupational license. Harrah's security and Commission agents gathered evidence that on or about August 19, 2001 Mr. Irvin committed theft

¹ *This style type* is used to indicate text that has been added within these minutes. Amendments to these minutes made on December 6, 2001 include the addition found on page 2.

against Harrah's in the amount of \$21,103. The casino terminated his employment on August 19, 2001 because of this incident. The commission staff revoked Mr. Irvin's temporary occupational license and denied his application for a permanent license. Commission staff attempted to formally advise Mr. Irvin of this action by a certified letter dated August 31, 2001. This letter was returned unclaimed. Commission staff sent a second letter by certified and first class mail on October 24, 2001.

Action: Upon motion by Dr. David Ross, second by Richard Darko, and unanimous vote of those present, the Commission upheld the revocation of the temporary license and denied the application for an occupational license, level 2 submitted by Fred Irvin.

**Shonda Elam
BT-DEN-01-1**

On or about August 1, 2001, Shonda Elam applied for a level 2 occupational license for employment as a Cage Cashier with Belterra Casino. On or about the same date, the Commission issued Ms. Elam a temporary occupational license. Ms. Elam worked for Belterra until August 24, 2001 when Belterra discovered she had stolen \$500 while performing her duties as a cage cashier. Belterra terminated Ms. Elam's employment. Charges have been filed in Switzerland County. As a result of this incident, Commission staff revoked Ms. Elam's temporary occupational license and denied her application for a permanent license. Commission staff advised Ms. Elam of this action on or about October 24, 2001.

Action: Upon motion by David Carlton, second by Dr. David Ross, and unanimous vote of those present, the Commission upheld the revocation of the temporary license and denied the application for an occupational license, level 2 submitted by Shonda Elam.

Resolution 2001-37

A Resolution Concerning the Request of International Game Technology to Purchase Anchor Gaming. Jerimi Ullom, Barnes and Thornburg, local counsel for IGT appeared before the Commission to discuss the acquisition as well as the request for a waiver of the transfer of ownership rules,

Action: Upon motion by Richard Darko, second by Thomas Milcarek, and unanimous vote of those present, the Commission approved the request for a waiver of the normal transfer of ownership procedures and attendant background investigations and granted International Game Technology's request for approval of the resulting transfer of ownership in Anchor Gaming and consequently Anchor Coin, d/b/a Anchor Games to International Game Technology.

Bond Reduction

**Request To Reduce Surety Bond
Posted by Belterra Resort (Indiana), LLC**

A Surety Bond was posted by Pinnacle Entertainment, Inc. ("Pinnacle"), the parent company of Belterra Resort (Indiana), LLC ("Belterra"), to secure the performance by Belterra of the following:

- \$1,000,000 was posted to secure the performance by Belterra of its obligation to construct a golf course. The golf course was completed on June 30, 2001. The amount of the surety bond posted by Pinnacle that is allocated to the completion of the golf course may be reduced by \$1,000,000.
- \$500,000 was posted to secure the performance by Belterra of its obligation to seed the golf course. The seeding of the golf course was completed on June 1, 2001. Therefore, the amount of the Surety Bond posted by Pinnacle that is allocated to the seeding of the golf course may be reduced by \$500,000. The amount of the Surety Bond posted by Pinnacle that is allocated to the seeding of the golf course may be reduced by \$500,000.

Action: Upon motion by David Carlton, second by Dr. David Ross, and unanimous vote of those present, the Indiana Gaming Commission authorizes the Gulf Insurance Company of Missouri to reduce the Surety Bond posted by Pinnacle in the amount of \$3,500,000. The current bond posted by Pinnacle will be in the amount of \$2,000,000.

New Table Games

Resolution 2001-38

Conditional Approval of the Game of Boston 5 Stud Poker.

Action: Upon motion by Richard Darko, second by Thomas Milcarek, and unanimous vote of those present, the Commission approved the game of Boston 5 Stud Poker for a trial period of six (6) months for use on Indiana riverboats. During the trial period, all riverboats who offer the game of Boston 5 must have pre-approved rules of the game and must report those matters as directed by the Executive Director or the Executive Director's designee, which matters shall include, but are not limited to, the following information: the amount of play, revenue generated by the game of Boston 5 and forward those reports to the Commission. At the end of the trial period, the Commission will consider approving the game of Boston 5 to be offered on Indiana riverboats on a permanent basis.

Complaint No. 01-AR-1 Indiana Gaming Company, L.P.

The IGC asked the Indiana Gaming Company to enter into negotiations to avoid a disciplinary action after it was discovered that a patron was arrested on August 31, 2001 on the third floor of the casino for public intoxication. Upon his arrest it was discovered that the patron was only twenty (20) years old. It was also discovered that the patron had false identification in his possession. However, the patron's hand was not stamped, indicating that he was not asked for identification prior to boarding the riverboat. Mr. Arnold Block, General Manager and Executive Director Thar, have signed a settlement agreement awaiting Commission approval with respect to the action against Indiana Gaming Company. Commission staff recommends that the Indiana Gaming Company pay a fine in the amount of \$1,500 and waives all right to judicial review.

Action: Upon motion by David Carlton, second by Dr. David Ross, and unanimous vote of those present, the Commission approved the proposed terms of the Settlement Agreement.

Horseshoe Hammond, Inc.
Complaint No. 01-HH-2

The IGC asked Horseshoe Hammond to enter into negotiations to avoid a disciplinary action after it was discovered that on or about July 4, 2001 a seventeen-year-old boarded the riverboat during the 12:00 a.m. boarding without being asked for identification. A short time after the patron boarded the riverboat, a security officer noticed that she appeared to be underage. The patron was subsequently located on the vessel and removed. It was also discovered that on or about July 8, 2001, two patrons, a seventeen-year-old and a nineteen-year-old, boarded the riverboat during the 2:00 a.m. boarding without being asked for identification. They were noticed by Horseshoe security at approximately 2:55 a.m. and were subsequently removed from the vessel. Commission staff recommends and Horseshoe will agree to a fine in the amount of \$13,500. The fine was calculated in the following manner: \$3,000 for the first minor, \$4,500 for the second, and \$6,000 for the third. Horseshoe personnel met with Commission staff regarding these incidents and presented revised boarding policies and procedures designed to prevent future violations of this nature. Due to these implementations, the Commission staff recommends and Horseshoe agrees to a reduction of the fine by \$10,000 resulting in the payment of a fine in the amount of \$3,500. However, should Horseshoe have similar violations under its revised boarding procedures, the Commission will seek imposition of a fine, with the initial fine starting at \$1,5000 and increasing for subsequent violations. Rick Mazer, General Manager and Executive Director John J. Thar, have signed a settlement agreement awaiting Commission approval with respect to the actions against Horseshoe.

Action: Upon motion by Dr. David Ross, second by Tom Milcarek, and unanimous vote of those present, the Commission approved the proposed terms of the Settlement Agreement.

Majestic Star Purchase of Fitzgeralds

Commission staff continues to receive financial documents relating to this issue. As a result, Commission staff requested the Commission table the Majestic Star Purchase of Fitzgeralds and address this issue at the next telephonic business meeting. The Commission approved this request. The next telephonic business meeting will be held on Tuesday, November 13th at 9:15 a.m., Indianapolis time.

Next Meeting

The next meeting of the Indiana Gaming Commission will be held Tuesday, November 13th at 9:15 a.m. (Indianapolis Time) at 115 W. Washington St., Ste. 950 S., Indianapolis, Indiana 46204.

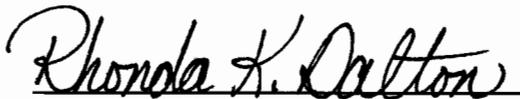
Adjournment

Upon motion by Richard Darko, second by David Carlton, and unanimous vote of those present, the meeting was adjourned.

Minutes

Rhonda Dalton, Executive Secretary of the Indiana Gaming Commission staff, prepared the November 7, 2001 minutes. A transcript is not available.

Respectfully submitted,


Rhonda K. Dalton

THE INDIANA GAMING COMMISSION:


Donald Vowels, Chair


Thomas Milcarek, Secretary