

INDIANA GAMING COMMISSION BUSINESS MEETING

September 26, 2005
Indiana Government Center South
Conference Room B
Indianapolis, Indiana 46204

Call to Order and Roll Call:

Chairman Harold Calloway called the meeting to order at approximately 10:30 a.m. local time. A quorum was present.

Present:

Commission Members: Harold Calloway, Chair; Bryan Robinson, Tim Fesko, Don Vowels, Marya Rose, and Scott Newman. Commission Staff: Ernest E. Yelton, Jennifer Arnold, Phil Sicuso, Kevin Mahan, Susan Brodnan, Leanne Bailey, Andrew Klinger, Michelle Marsden, Angie Bunton, Norman Jones, Garth Brown, Jim Beebe, Ken Rowan, Tami Timberman and members of the public.

Approval of the Minutes:

Upon motion by Don Vowels, second by Marya Rose, and the unanimous vote of those present, the Commissioners approved the proposed minutes of the June 23, 2005, business meeting.

Report of the Executive Director:

Executive Director Yelton reported on the status of minority and women business enterprise project. Legal staff has recommended conducting an industry specific minority and women business enterprise capacity utilization and disparity study to recognize supportable goals for each of the river boats. There is a preliminary proposal from Drew Klacik from the Center of Urban Policy at IUPUI. Indiana will be the first state in the nation to conduct such an industry specific disparity study.

Table gaming approval procedures were discussed and it was determined that the approach to approving games requests had not been efficient. Also, there have been occasions where once research was concluded and approval given, the boat did not utilize the game. The Commission has adopted a new procedure that requires that all rules be submitted to general counsel and GLI. GLI will conduct an analysis of the game and report its findings. All information regarding the game and its use must be submitted. The casino must commit to sponsor and promote the game for not less than 60 days. The supplier must specify the manner by which it pays the cost of GLI's analysis and any fees they receive from the boats. If all prerequisites are met pursuant to the regulation, the Executive Director can authorize a six-month conditional approval of the

game. Thereafter, a review will be conducted to see if the game will receive permanent approval. This eliminates the need for specific commission consent at a public meeting before a game can be instituted. This policy became effective September 19.

The Executive Director introduced Norman Jones, who is the new receptionist for the Indiana Gaming Commission.

Executive Director Yelton reported that the Indiana Commission of Public Records approved Phase I of the Records Retention Schedule. This action allows for the processing of 13 categories of records that have been accumulating since the inception of the Commission. Clarence Long, who is part-time, has been working, organizing and sorting the boxes of materials so they can be shipped to the state's archives for storing. In the near future, the committee will reconvene and organize Phase II of the schedule, which will be presented to the Commission for adoption.

Executive Director Yelton reported on the East Chicago litigation. Shortly after East Chicago filed its request for judicial review of the Commission's approval of the transfer of Harrah's to Lake County, Judge Lorenzo Arredondo recused himself, and asked the Court to select a Special Judge. Executive Director Yelton reported that the Indiana Supreme Court was contacted to check the status of the Judge, only to find out the Order had never been received. The Commission's outside counsel, David Jensen, was contacted and the situation was remedied. The commission is now awaiting the appointment of the Special Judge to rule on its Motion to Dismiss.

Executive Director Yelton reported on the State Board of Accounts being asked to audit the Twin City Education Foundation and the East Chicago Community Development Foundation of Second Century at the request of East Chicago Mayor George Pabey. The State Board of Accounts responded that it did not have the jurisdiction with which to act. The Executive Director reported that he spoke with John Eckert, commissioner of the Indiana Department of Revenue, and Mr. Eckert indicated that this agency's audit of the Twin City Foundation was almost concluded and that the audit of Second Century was ongoing. Since the audit only analyzed revenues and tax issues, there have been discussions with the Attorney General's Office concerning the examination of the structure and business practices of the entities.

Executive Director Yelton introduced Kevin Mahan, the Commission's First Superintendent of Gaming Agents.

Waiver of Rules and Regulations:

The Executive Director reported that four boats, Horseshoe, Blue Chip, Belterra and Caesars had parent properties that were severely damaged or completely destroyed by Hurricane Katrina. An emergency waiver was entered into that allowed licensed employees of the affected properties to begin employment in their Indiana sister boats, with licensing and fee requirements eliminated. This order shall be effective for a 90 day period and the boats have agreed that these victims would not replace existing Indiana employees. To date, 55 displaced workers and their families are now in Indiana.

Argosy was provided two waivers. The first was to allow the use of 25 cent value chips. The second was to waive the signature requirements for multiple transaction logs, so an automated system would be used to generate the logs.

Grand Victoria was granted four waivers. One was to allow testing of an automated system for generating multiple transaction logs in the table games area. It was further granted a waiver to allow hopper fills to be completed the next morning instead of on the same gaming day. Grand Victoria was also granted a waiver to allow retention of only digital images of paychecks for payroll and accounts payable accounts. Finally, it was allowed a waiver for the cashing of credit card advance checks without established check cashing privileges and recordation of certain information on the checks when the automated check guarantee service was used.

Belterra was granted four waivers. One was allowed for the decommissioning of hard count rooms. Second was to allow the waiver of their currency collection team's requirement to collect drop boxes to five days a week, rather than every day, as long as the collections took place on the weekends. Third, they were granted a waiver to allow the use of dual optical turnstiles to provide two counts of patron admissions in place of tickets. They were also granted a waiver to allow tip count teams to be comprised of two dealers, rather than one dealer and one cage cashier.

Blue Chip was granted a waiver allowing for a second exit door within the soft count room, which would only be operable from the inside as an emergency exit.

Caesars was granted a waiver to allow printing of surveillance photos at the location of the requester of the photo without a surveillance signature.

Resorts was given two waivers. The first was to allow the removal of a drop door meter switch on the ticket in ticket out and table games. Further, it was allowed to use the six position blackjack layout instead of the seven position layout it had been using.

Report of Superintendent

Superintendent Mahan introduced Kenny Rowan, Director of Enforcement, Garth Brown, Director of Background Investigations and James Beebe, Director of Financial Investigations. The Superintendent reported that there had been a training curriculum designed for Gaming Agents in conjunction with the ILEA . He further reported that they established a hiring and training timeline for the investigators and had hired ten individuals, who will begin their employment with the Commission on October 6, 2005. Five will be financial investigators and five will be background investigators. They will report for training on October 11 at the ILEA.

Superintendent Mahan reported that the IGC requested that the investigators assigned to the IGC be transferred by October 14, 2005. A company has been hired to reconfigure the office layout and job descriptions for the enforcement agents and investigators are still being finalized. Once these individuals are hired, the State Police investigators on the north boats will be phased out first, with the goal of having all boats completed by July of 2006.

Superintendent Mahan also reported on pay matrixes.

Old Business:

There was no old business.

New Business:

Executive Director's Update on Orange County

The Executive Director reported that Majestic Star and Blue Sky announced their mutual decision to discontinue their efforts to execute a management contract for French Lick to focus on independent ventures. Steve Ferguson of the Cook Group gave an update on the progress at French Lick. Vernon Back informed the Commission that Mickey Brown will be overseeing the development of the casino through the start of the operation. It was also moved and seconded that the application for Blue Sky not be revoked.

Resolution 2005-45

Resolution Granting the Executive Director the Authority to Determine the Marine Structural and Life Safety Standards with which Riverboat Licensees will be required to comply. This Resolution authorized the Executive Director or his designee to determine appropriate marine structural and safety standards.

Action: Upon Motion by Marya Rose, second by Bryan Robinson, and unanimous vote of those present, the Commission adopted Resolution 2005-45.

Resolution 2005-46

Resolution Concerning Gaming Agent Training. This Resolution approved the exemption of gaming agents employed in the Background and Financial Investigations Section from completing the ILEA pre-basic training course.

Action: Upon Motion by Tim Fesko, second by Bryan Robinson, and unanimous vote of those present, the Commission adopted Resolution 2005-46.

Occupational License Matters:

**John Greene
RS-MG-05-01**

On or about September 14, 2004, John Greene was issued a level 3 temporary occupational license to work as a Bartender at Harrah's Casino (now known as Resorts). Mr.

Greene disclosed one arrest on his application for an occupational license, but failed to disclose three others, one of which resulted in a misdemeanor gambling conviction. Commission staff recommended that the request for a waiver of the misdemeanor gambling disqualification of Mr. John Greene be denied.

Action: Upon motion by Bryan Robinson, second by Don Vowels, and unanimous vote of those present, the Commission accepted the recommendation of the Review Officer that the waiver be denied.

**Barbara Pardee
05-OL-MJ-01**

On or about May 17, 2004, Barbara Pardee was issued a temporary level 2 occupational license to work at Majestic Star Casino as a Dual Rate Supervisor. She was issued a permanent occupational license on or about August 21, 2004. The Commission may not issue a license to an individual who had been convicted of a felony. The Commission may revoke an occupational license for a cause that if known to the Commission would have disqualified the applicant from receiving the license. On or about January 3, 2005, Ms. Pardee disclosed to Commission agents that she had been convicted of a class D Felony on December 16, 2004. On or about January 4, 2005, Ms. Pardee submitted Court documentation regarding same. Pursuant to this conviction, Commission staff sent Ms. Pardee a Complaint for Disciplinary Action. This Complaint alleged that due to the felony conviction, Ms. Pardee has failed to maintain suitability to hold an occupational license and recommended that her license be revoked. In August of 2005, court documents were submitted stating that the conviction had been reduced to a Class A Misdemeanor. Commission staff has determined that this party is suitable to hold a license and submitted a request to withdraw their complaint. On August 26, 2005, Administrative Law Judge White submitted an order granting the revocation of the complaint. Commission staff recommended the adoption of this recommendation.

Action: Upon motion by Don Vowels, second by Bryan Robinson, and unanimous vote of those present, the Commission accepted the recommendation of the staff approving their request for withdraw of the complaint.

**Raymond Rogalski
HH-DEN-05-3**

On or about March 9, 2005, Raymond Rogalski was issued a level 2 temporary occupational license to work as a Security Officer/EMT at Horseshoe Casino. Mr. Rogalski disclosed several arrests on his application for an occupational license. Commission staff sent Mr. Rogalski three letters requesting court documentation showing the outcome of the arrests. Two of the letters were hand delivered to Mr. Rogalski by a Commission agent at Horseshoe. Mr. Rogalski did not submit the requested court documentation. Commission staff recommended denial of this application.

Action: Upon motion by Don Vowels, second by Bryan Robinson, and unanimous vote of those present, the Commission accepted the recommendation of the staff denying the application.

**Tracy Thomas
GV-FEL-05-01**

Tracy Thomas previously held temporary occupational licenses from the Commission to work as a Dealer and Dual Rate Supervisor at three Indiana riverboats. He worked at Argosy from September, 1997 to May 2000, at Belterra from August 2000 to June 2003, and Grand Victoria from September 2003 to April 2004. On all prior applications he disclosed a 1988 conviction in Pennsylvania. Court documentation indicated that the conviction was a misdemeanor under Pennsylvania law. However, due to the sentence Mr. Thomas received, Commission staff determined in April 2004 that the conviction would be classified as a felony conviction under Indiana law. As a result, his temporary occupational license was revoked.

On or about August 17, 2005, Tracy Thomas submitted a new application for a temporary level 2 occupational license to the Commission to work at Grand Victoria as a Dealer. Based on the prior determination that the conviction would be considered a felony under Indiana law, Mr. Thomas' application was denied. Mr. Thomas requested a waiver of this disqualification pursuant to Indiana Code 4-33-8-11.

The review officer issued a written Findings of Fact and a Recommendation to the Commission that the request for a felony waiver be granted, with the condition that his license would remain in a temporary status for a period of one year. Commission staff recommended approval of the recommendation of the review officer.

Action: Upon motion by Don Vowels, second by Bryan Robinson, and unanimous vote of those present, the Commission accepted the recommendation of the staff.

Suppliers License Renewals:

Resolution 2005-47

Resolution concerning the one year renewal of Supplier's Licenses of Global Surveillance Associates, Inc., and Western Money Systems.

Action: Upon motion by Don Vowels, second by Bryan Robinson, and unanimous vote of those present, the Commission approved the staff recommendation to grant the license renewal.

Resolution 2005-48

Resolution concerning the renewal of the Supplier's License held by Chipco International.

Action:

Upon motion of Don Vowels, second by Bryan Robinson, and unanimous vote of those present, the Commission granted the extension of a supplier's license to Chipco for a period of six months.

Resolution 2005-49

Resolution concerning the renewal of the Supplier's License held by Vendingdata Corporation.

Action:

Upon motion of Don Vowels, second by Bryan Robinson, and unanimous vote of those present, the Commission granted the extension of a supplier's license to Vendingdata for a period of six months.

Resolution 2005-50

Resolution granting a permanent Supplier's License to Glory (U.S.A.) Inc. and Gaming Partners International S.A.S.

Action:

Upon motion of Don Vowels, second by Tim Fesko, and unanimous vote of those present, the Commission granted the permanent supplier's license to Glory (U.S.A.) and Gaming Partners International.

Resolution 2005-51

Resolution concerning the request of Certegy Transaction Services, Inc. for approval to acquire supplier licensee Game Cash, Inc.

Action:

Upon motion of Don Vowels, second by Tim Fesko, and unanimous vote of those present, the Commission granted the supplier's license to Certegy Transaction Services, Inc pending additional information from Commission staff.

Riverboat Owners Matters

Resolution 2005-52

Resolution Concerning Commission Ratification of the Executive Director's Waiver of 68 IAC 5-3-2 and Approval of Pinnacle Entertainment, Inc.'s Proposal to Amend Its Existing Credit Facility Pursuant to Resolution 2005-44

Action: Upon motion by Don Vowels, second by Tim Fesko, and unanimous vote of those present, the Commission approved Resolution 2005-52.

Resolution 2005-53

Resolution Concerning Commission Ratification of the Executive Director's Waiver of 68 IAC 5-3-2 and Approval of Blue Sky Casino, LLC's Proposed Financing Package for the Construction and Operation of a Casino in French Lick, Indiana, and for the restoration of the French Lick Springs Resort and West Baden Springs Pursuant to Resolution 2005-24.

Action: Upon motion by Bryan Robinson, second by Don Vowels, and unanimous vote of those present, the Commission approved Resolution 2005-53.

Resolution 2005-54

Resolution Concerning the Request of Horseshoe Hammond, Inc. to Initiate a Corporate Entity Change.

Action: Upon motion by Tim Fesko, second by Bryan Robinson, and unanimous vote of those present, the Commission approved Resolution 2005-54.

Resolution 2005-55

Resolution Concerning Commission Recognition and Approval of Corporate Roll-up to Form Resorts International Entertainment, LLC as the New Gaming Platform and Ultimate Parent Company of all Gaming Properties Owned and Controlled by Resorts/Colony Including Indiana Licensee, RIH Acquisitions IN, LLC.

Action: Upon motion by Marya Rose, second by Bryan Robinson, and unanimous vote of those present, the Commission approved Resolution 2005-55.

Voluntary Exclusion Program:

Order of the Indiana Commission Concerning The Voluntary Exclusion Program and a Jackpot Won by Jane Doe #4, John Doe #6, John Doe #7 and John Doe #8

On or about August 30, 2005, Jane Doe #4 won a jackpot at Casino Aztar ("Aztar") in the amount of \$4,000.00. Aztar withheld the jackpot as required by Commission regulations and sought Commission approval for remittance of the jackpot as a fine levied against Jane Doe #4.

On or about August 30, 2005, John Doe #6 won a jackpot at Caesars Indiana ("Caesars") in the amount of \$1,600.00. Caesars withheld the jackpot as required by Commission regulations and sought Commission approval for remittance of the jackpot as a fine levied against John Doe #6.

On or about August 18, 2005, John Doe #7 won a jackpot at Trump Casino (“Trump”) in the amount of \$1,500.00. Trump withheld the jackpot as required by Commission regulations and sought Commission approval for remittance of the jackpot as a fine levied against John Doe #7.

On or about June 9, 2005, John Doe #8 won a jackpot at Belterra Casino (“Belterra”) in the amount of \$1,235.00. Belterra withheld the jackpot as required by Commission regulations and sought Commission approval for remittance of the jackpot as a fine levied against John Doe #8.

Action: Upon motion by Don Vowels, second by Bryan Robinson, and unanimous vote of those present, the Commission approved the Order recommended by Commission staff.

Disciplinary Action:

**Settlement Agreement in Lieu of Disciplinary Action
Blue Chip Casino
05-BC-03**

Commission Staff and Blue Chip arrived at a settlement agreement regarding a violation in May of 2005 involving an underage patron boarding the boat without being asked for identification. Commission Staff recommended and Blue Chip agreed to pay a fine in the amount of \$3,000.

Action: Upon motion by Don Vowels, second by Bryan Robinson, and unanimous vote of those present, the Commission approved the proposed terms of the Settlement Agreement.

**Settlement Agreement in Lieu of Disciplinary Action
Belterra Casino, Resort & Spa
05-BT-03**

Commission Staff and Belterra have arrived at a settlement regarding three incidents where sensitive key procedures were violated in May of 2005. Commission staff recommended, and Belterra agreed to pay a fine in the amount of \$5,000.

Action: Upon motion by Tim Fesko, second by Marya Rose, and unanimous vote of those present, the Commission approved the proposed terms of the Settlement Agreement.

**Settlement Agreement in Lieu of Disciplinary Action
Belterra Casino, Resort & Spa
05-BT-04**

Commission Staff and Belterra arrived at a settlement regarding two separate violations. The first involved an underage patron who was allowed to board the boat in March, 2005. The second violation involved a patron who was enrolled in the Voluntary Exclusion Program, but was able to receive three separate cash advances from Belterra in April and May of 2005. Commission staff recommended, and Belterra agreed to pay a total fine of \$16,500. \$1,500 for the first violation and \$15,000 for the second.

Action: Upon motion by Don Vowels, second by Tim Fesko, and unanimous vote of those present, the Commission approved the proposed terms of the Settlement Agreement.

**Settlement Agreement in Lieu of Disciplinary Action
Caesars Riverboat Casino, LLC
05-CS-05**

Commission Staff and Caesars have arrived at a settlement regarding an underage patron boarding the riverboat, which occurred in June of 2005. Commission Staff recommended, and Caesars agreed to pay a fine in the amount of \$3,000.

Action: Upon motion by Don Vowels, second by Bryan Robinson, and unanimous vote of those present, the Commission approved the proposed terms of the Settlement Agreement.

**Settlement Agreement in Lieu of Disciplinary Action
Trump, Indiana, Inc.
05-TR-02**

Trump received conditional approval from audit staff to make aesthetic changes to a deck cage. This was conditioned upon certain conditions set forth by Commission Staff. On July 1, 2005, Trump opened the cage without the approval of the agents. Commission staff recommends, and Trump agrees to pay a fine in the amount of \$5,000.

Action: Upon motion by Don Vowels, second by Bryan Robinson, and unanimous vote of those present, the Commission approved the proposed terms of the Settlement Agreement.

Riverboat License Renewals:

Resolution 2005-56

Resolution Concerning the five year Renewal of the Riverboat Owner's License Held by Belterra Resort (Indiana), LLC.

Action: Upon motion of Don Vowels, second by Bryan Robinson, and unanimous vote of those present, the Commission granted Resolution 2005-56.

**Order of the Indiana Gaming Commission Renewing the
Riverboat Owner's License of Caesars
Riverboat Casino, LLC**

Order concerning the one year renewal of the riverboat owner's license of Caesars Riverboat Company, LLC.

Action: Upon motion of Don Vowels, second by Bryan Robinson, and unanimous vote of those present, the Commission approved Commission staff's recommendation to renew the one year license.

**Order of the Indiana Gaming Commission Renewing the
Riverboat Owner's License of Grand Victoria
Casino and Resort, LP**

Order concerning the renewal of the one year riverboat owner's license of Grand Victoria Casino and Resort, LP.

Action: Upon motion of Marya Rose, second by Don Vowels, and unanimous vote of those present, the Commission approved Commission Staff's recommendation to renew the one year license.

**Order of the Indiana Gaming Commission Renewing the
Riverboat Owner's License of Blue Chip
Casino, LLC**

Order concerning the renewal of the one year riverboat owner's license of Blue Chip Casino, LLC.

Action: Upon motion of Don Vowels, second by Bryan Robinson, and unanimous vote of those present, the Commission approved Commission staff's recommendation to renew the one year license.

Next Meeting:

The next business meeting of the Commission will be November 17, 2005, at the Belterra Casino.

Adjournment:

Upon motion by Don Vowels, second by Bryan Robinson, and unanimous vote of those present, the meeting was adjourned at approximately 1:25 p.m.

Minutes:

Peggy Morgan transcribed the September 26, 2005, business meeting and public hearing. The transcript is a complete record of the meeting. Anyone wishing to see the transcript may review it at the Commission Office at 115 West Washington Street, South Tower, Suite 950, Indianapolis, Indiana.

These minutes were prepared by Tami Timberman, Administrative Assistant for the Indiana Gaming Commission.

Respectfully Submitted,

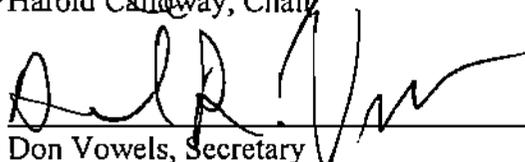


Tami Timberman

THE INDIANA GAMING COMMISSION:



Harold Calloway, Chair



Don Vowels, Secretary