

INDIANA GAMING COMMISSION BUSINESS MEETING

August 28, 2008
Horseshoe Southern Indiana, Elizabeth, Indiana

Call to Order and Roll Call:

Chairman William Barrett called the meeting to order at approximately 1:00 p.m. local time. A quorum was present.

Present:

Commission Members: William Barrett, Chairman, Tim Murphy, Tom Swihart, Secretary, Mary Shy, and Marc Fine. Robert Morgan was introduced as the newest Commissioner. Commissioner James Cummings was not present. Commission Staff: Ernest E. Yelton, Phil Sicuso, Jennifer Reske, Chris Gray, Adam Packer, Lea Ellingwood, Kesha Rich, Joe Hoage, Mark Reder, Julian Agnew, Tami Timberman-Wright, Andy Means and members of the public.

Approval of the Minutes:

Upon motion by Tim Murphy, second by Mary Shy, and the unanimous vote of those present, the Commissioners approved the proposed minutes of the May 28, 2008, business meeting.

Report of the Executive Director:

The Executive Director gave a staff update. Joe Hoage is our newest staff attorney. Julian Agnew has replaced Mark Reder as our Assistant License Control Counselor. Also, Patricia Giegerich has joined us from the Indiana Department of Revenue.

The Gaming Control Division has seized 447 illegal gambling devices from 69 locations thus far during the calendar year 2008 and a total of 946 illegal gambling devices since the Division was formed. An additional 3,085 illegal gambling devices have been reported as removed from Indiana by distributors to avoid seizure. A total of 166 cases have been initiated and 25 felony charges have been filed thus far. On August 16, 2008, the division seized the first "mobile" gambling trailer. 8 illegal gambling devices were bolted to the wall. The trailer would be towed to various locations and opened for use. Control Officers also assisted local agencies in flood related matters. They received a grant to purchase mobile radios for all officers.

The Enforcement Division has overseen the casino openings at Anderson, Shelbyville and Hammond, together with the rebranding at Horseshoe Southern Indiana. The 7th Gaming Enforcement Academy is scheduled to begin on September 8. There will be 16 attendees. Once training is completed, the agents will begin field training at their assigned casinos for two weeks. This class will complete the staffing of the casinos.

Hoosier Park's soft opening was May 29, 2008, with Indiana Live in Shelbyville following a week later on June 6, 2008. Horseshoe Southern Indiana, a/k/a Caesars, revealed its totally remodeled and rebranded boat on July 11, 2008. Ameristar completed its changeover from Resorts on July 25, 2008. Horseshoe Northern Indiana successfully passed its soft opening on July 29, 2008.

Waiver of Rules and Regulations:

Casino Association Members:

Granted relief from having an employee from the accounting department as part of the soft count team. With the advancement of technology the need for an employee from a separate department is no longer valid.

Azlar:

Approved request to place dedicated coverage on progressive displays showing incrementation when the display reads a minimum of \$40,000. The accounting/income audit department will be responsible for daily verification of the incremented amounts.

French Lick:

Granted waiver to allow department managers to retain Title 31 paperwork for two additional business days to properly review all transactions.

Hoosier Park:

Granted waiver to collect and count the cage tip boxes weekly.

Granted waiver to allow Slot Department tip boxes to be dropped and counted bi-weekly instead of daily.

Horseshoe:

Granted relief from the requirement that an electronic gaming device must pay out at least eighty percent for the Keno game consistent with industry standards for Keno in other jurisdictions.

Granted waiver for the addition of two and ten dollar chips.

Approved request to place dedicated coverage on progressive displays showing incrementation when the display reads a minimum of \$50,000. The progressive meter amounts will be manually logged and audited daily. In addition the casino will utilize technology that will record the gaming data sent to the display controllers.

Indiana Live:

Granted relief from the requirement that jackpot slips must contain the printed name of the Slot Attendant and Casino Cashier. The name of the Slot Attendant will be printed on the slip by the computer system, but the Casino Cashier will not need to print their name on the slip. Both employees will still sign their name and occupational licensee numbers on the jackpot slip.

Old Business:

There was no old business.

New Business:

Voluntary Exclusion Program:

**Orders Concerning
The Voluntary Exclusion Program**

Order 2008-75

Order 2008-76

Order 2008-77

Order 2008-78

Order 2008-79

Order 2008-80

Order 2008-81

Order 2008-82

Order 2008-83

Order 2008-84

Order 2008-85

Order 2008-86

Order 2008-87

Order 2008-88

Order 2008-89

Order 2008-90

Order 2008-75 approved the remittance of winnings by VEP participant John Doe #33 in the amount of \$100 as a fine. Ameristar withheld the winnings as required by Commission regulations and will remit the fine on behalf of the patron.

Order 2008-76 approved the remittance of winnings by VEP participant John Doe #34 in the amount of \$1,448 as a fine. Argosy withheld the winnings as required by Commission regulations and will remit the fine on behalf of the patron.

Order 2008-77 approved the remittance of winnings by VEP participant John Doe #35 in the amount of \$338 as a fine. Argosy withheld the winnings as required by Commission regulations and will remit the fine on behalf of the patron.

Order 2008-78 approved the remittance of winnings by VEP participant John Doe #36 in the amount of \$13.05 as a fine. Argosy withheld the winnings as required by Commission regulations and will remit the fine on behalf of the patron.

Order 2008-79 approved the remittance of winnings by VEP participant John Doe #37 in the amount of \$175 as a fine. Argosy withheld the winnings as required by Commission regulations and will remit the fine on behalf of the patron.

Order 2008-80 approved the remittance of winnings by VEP participant John Doe #38 in the amount of \$244 as a fine. Argosy withheld the winnings as required by Commission regulations and will remit the fine on behalf of the patron.

Order 2008-81 approved the remittance of winnings by VEP participant John Doe #39 in the amount of \$41 as a fine. Argosy withheld the winnings as required by Commission regulations and will remit the fine on behalf of the patron.

Order 2008-82 approved the remittance of winnings by VEP participant John Doe #40 in the amount of \$1,375 as a fine. Belterra withheld the winnings as required by Commission regulations and will remit the fine on behalf of the patron.

Order 2008-83 approved the remittance of winnings by VEP participant John Doe #41 in the amount of \$1,778 as a fine. Belterra withheld the winnings as required by Commission regulations and will remit the fine on behalf of the patron.

Order 2008-84 approved the remittance of winnings by VEP participant John Doe #42 in the amount of \$3,000 as a fine. Blue Chip withheld the winnings as required by Commission regulations and will remit the fine on behalf of the patron.

Order 2008-85 approved the remittance of winnings by VEP participant John Doe #43 in the amount of \$362.50 as a fine. Grand Victoria withheld the winnings as required by Commission regulations and will remit the fine on behalf of the patron.

Order 2008-86 approved the remittance of winnings by VEP participant John Doe #44 in the amount of \$1,555 as a fine. Hoosier Park withheld the winnings as required by Commission regulations and will remit the fine on behalf of the patron.

Order 2008-87 approved the remittance of winnings by VEP participant John Doe #45 in the amount of \$80 as a fine. Horseshoe South withheld the winnings as required by Commission regulations and will remit the fine on behalf of the patron.

Order 2008-88 approved the remittance of winnings by VEP participant John Doe #46 in the amount of \$34.87 as a fine. Indiana Live withheld the winnings as required by Commission regulations and will remit the fine on behalf of the patron.

Order 2008-89 approved the remittance of winnings by VEP participant John Doe #47 in the amount of \$400 as a fine. Majestic Star withheld the winnings as required by Commission regulations and will remit the fine on behalf of the patron.

Order 2008-90 approved the remittance of winnings by VEP participant John Doe #48 in the amount of \$395.25 as a fine. Majestic Star withheld the winnings as required by Commission regulations and will remit the fine on behalf of the patron.

Action: Upon Motion by Tom Swihart, second by Tim Murphy, and unanimous vote of those present, the Commission approved Orders 2008-75,76,77,78,79,80,81,82,83,84,85,86,87,88,89 and 90 as recommended by Commission staff.

Occupational License Matters:

Order 2008-91

A Resolution Granting the Executive Director Limited Authority to Deny Applications for Occupational Licenses.

Action: Upon Motion by Tim Murphy, second by Tom Swihart, and unanimous vote of those present, the Commission granted Order 2008-91.

Order 2008-92

Order 2008-92 Approving the Settlement Agreement Re: Chad Bell. On May 8, 2008, Chad Bell admitted he held illegal poker games at his residence. Commission Staff and Mr. Bell agreed upon a settlement in this matter wherein his occupational license shall be suspended for a period of two working days.

Action: Upon Motion by Tom Swihart, second by Mary Shy, and 5-1 vote of those present, the Commission approved the Order suspending Mr. Bell's license.

Supplier License Matters

Order 2008-93

An Order of the Indiana Gaming Commission Granting a Permanent Supplier's License to Pokertek.

Action: Upon Motion by Tim Murphy, second by Tom Swihart, and unanimous vote of those present, the Commission granted a Permanent Supplier's License to Pokertek. This license will be good for the period from August 28, 2008, through August 28, 2009.

Financial Matters

Order 2008-95

An Order Ratifying the Previously Awarded Interim Waiver and Approval of the Refinancing of Existing Senior Subordinated Notes Proposed by Pinnacle Entertainment, Inc.

Action: Upon Motion by Tim Murphy, second by Tom Swihart, and unanimous vote of those present, the Commission ratified the requested Order.

Riverboat License Renewals

Order 2008-96

An Order of the Indiana Gaming Commission renewing the Riverboat Owner's License of Blue Chip Casino, LLC.

Action: Upon Motion by Tom Swihart, second by Tim Murphy, and unanimous vote of those present, the Commission granted the Renewal of the Riverboat Owner's License of Blue Chip Casino, LLC.

Order 2008-97

An Order of the Indiana Gaming Commission renewing the Riverboat Owner's License of Majestic Star.

Action: Majestic Star Chief Financial Officer Jon Bennett appeared before the Commission to discuss the finances of the company. He advised that, while the company produced sufficient cash flow to service its debt, it is unable to make the improvements necessary to remain competitive in its market. He further advised that Majestic Star's management team was seeking ways to restructure the company in order to enhance access to capital that would be used to improve its assets.

Upon motion by Tom Swihart, second by Tim Murphy, and unanimous vote of those present, the Commission granted the Renewal of the Riverboat Owner's License of Majestic Star.

Disciplinary Actions:

**Settlement Agreement of
Ameristar Casino East Chicago, LLC
08-AS-01
Order 2008-98**

A settlement agreement was reached regarding Ct. 1: A Table Games Dealer was allowed to continue work after his license expired; and Ct. 2: A door on a Progressive Slot machine was left

open and there were no entries in the M.E.A.L. book regarding this matter. Commission staff recommended and Ameristar Casino East Chicago, LLC agreed to pay a total fine in the amount of \$11,000.

Action: Upon Motion by Tim Murphy, second by Mary Shy, and unanimous vote of those present, the Commission approved the proposed terms of the agreement.

**Settlement Agreement of
Indiana Gaming Company, L.P.
08-AR-03
Order 2008-99**

A settlement agreement was reached regarding Ct. 1: On February 7, 2008, the slot toke drop was not done. On February 8 and 9, there was only one slot attendant doing the slot toke drop; Ct. 2: roulette wheel cover was left unsecured; Ct. 3: unsecured doors on slot machines; Ct 4: underage person allowed to enter the casino; and Ct. 5: failure to notify the Commission of the termination of an employee within fifteen days of the termination. Commission staff recommended and Indiana Gaming Company, L.P. agreed to pay a total fine in the amount of \$33,500.

Action: Upon Motion by Tim Murphy, second by Mary Shy, and unanimous vote of those present, the Commission approved the proposed terms of the agreement.

**Settlement Agreement of
Casino Aztar
08-AZ-01
Order 2008-100**

A settlement agreement was reached regarding an underage person being allowed to enter the casino. Commission staff recommended and Casino Aztar agreed to pay a total fine in the amount of \$1,500.

Action: Upon Motion by Tim Murphy, second by Mary Shy, and unanimous vote of those present, the Commission approved the proposed terms of the agreement.

**Settlement Agreement of
Belterra Casino and Resort
08-BT-03
Order 2008-101**

A settlement agreement was reached regarding Ct. 1: machine being left in service that had been scheduled for testing, and; Ct. 2: underage person was allowed to enter the casino. Commission staff recommended and Belterra Casino and Resort agreed to pay a total fine in the amount of \$4,000.

Action: Upon Motion by Tim Murphy, second by Mary Shy, and unanimous vote of those present, the Commission approved the proposed terms of the agreement.

**Settlement Agreement of
Blue Chip Casino, LLC
08-BC-03
Order 2008-102**

A settlement agreement was reached regarding Ct. 1: failure of Count Room Attendant to sign the Soft Count room Log; Ct. 2: failure of the HR manager to update necessary information in the OCCLIC program; Ct. 3: failure to notify Gaming Agents of discrepancies in a patron's identification while the patron was attempting to cash a check; Ct. 4: Gaming Agents observed cage cashiers leaving sums of money unattended; Ct. 5: A Floor Supervisor signed up a VEP person for a player's card without attempting to locate his already existing "flagged" account; Ct. 6: underage person allowed to enter the casino, and; Ct. 7: The Soft Count room's outer door was left unsecured. Commission staff recommended and Blue Chip Casino, LLC agreed to pay a total fine in the amount of \$35,750.

Action: Upon Motion by Tom Swihart, second by Mary Shy, and unanimous vote of those present, the Commission approved the proposed terms of the agreement.

**Settlement Agreement of
French Lick Resort•Casino
08-FL-02
Order 2008-103**

A settlement agreement was reached with French Lick Resort•Casino regarding Ct. 1: underage patron allowed to enter the casino; Ct. 2: failure to notify Gaming Agents of the receipt of a shipment of CPU boards; and Ct. 3: unsecured float lid. Commission staff recommended and Caesars agreed to pay a total fine in the amount of \$10,000.

Action: Upon Motion by Tim Murphy, second by Mary Shy, and unanimous vote of those present, the Commission approved the proposed terms of the agreement.

**Settlement Agreement of
Grand Victoria Casino and Resort LP
08-GV-03
Order 2008-104**

A settlement agreement was reached with Grand Victoria Casino and Resort regarding violation of vendor badges being logged out, but not logged back in. Commission staff recommended and Grand Victoria Casino and Resort agreed to pay a total fine in the amount of \$5,000.

Action: Upon Motion by Tim Murphy, second by Mary Shy, and unanimous vote of those present, the Commission approved the proposed terms of the agreement.

**Settlement Agreement of
Horseshoe Hammond, LLC
08-HH-03
Order 2008-105**

A settlement agreement was reached with Horseshoe Hammond, LLC regarding Ct. 1: late filing of RG-1 forms for gaming days March 6, 2008, and May 18, 2008, and; Ct. 2: failure to renew employee badges in a timely manner. Commission staff recommended and Horseshoe Hammond, LLC agreed to pay a total fine in the amount of \$4,000.

Action: Upon Motion by Tim Murphy, second by Mary Shy, and unanimous vote of those present, the Commission approved the proposed terms of the agreement.

**Settlement Agreement of
Caesars Riverboat Casino, LLC
d/b/a Horseshoe Casino Hotel Southern Indiana
08-CS-02
Order 2008-106**

A settlement agreement was reached with Caesars Riverboat Casino, LLC, d/b/a Horseshoe Casino Hotel Southern Indiana, regarding Ct. 1: failure to properly count down the cards by a dealer; Ct. 2: failure to properly secure roulette wheels; Ct. 3: failure to notify Gaming Agents of possible criminal activity and of other possible violations; Ct. 4: failure to notify Gaming Agents of a VEP patron's presence on the boat and of the VEP's violations of their contract, and; Ct. 5: underage persons being allowed in the casino. Commission staff recommended and Caesars Riverboat Casino, LLC, d/b/a Horseshoe Casino Hotel Southern Indiana agreed to pay a total fine in the amount of \$59,000.

Action: Upon Motion by Tim Murphy, second by Mary Shy, and unanimous vote of those present, the Commission approved the proposed terms of the agreement.

**Settlement Agreement of
Indianapolis Downs, LLC
08-IL-01
Order 2008-107**

A settlement agreement was reached with Indianapolis Downs regarding a VEP violation wherein a VEP patron was allowed to gamble. Commission staff recommended and Indianapolis Downs, LLC agreed to pay a total fine in the amount of \$7,500.

Action: Upon Motion by Tim Murphy, second by Mary Shy, and unanimous vote of those present, the Commission approved the proposed terms of the agreement.

**Settlement Agreement of
Majestic Star Casino, LLC
08-MS-03
Order 2008-108**

A settlement agreement was reached with Majestic Star Casino LLC regarding Ct. 1: underage patron allowed to enter the casino; Ct. 2: discrepancies between rules on a Silver Star Slot Tournament and the posted rules; Ct. 3: failure to renew employee badges in a timely manner;; Ct. 4: failure to maintain the approved rate on a Progressive Slot machine; and Ct. 5: lack of proper signage in Poker Room found on two separate incidences. Majestic Star Casino agreed to a total fine of \$34,500 and Commission staff recommended the approval of this settlement.

Action: Upon Motion by Tim Murphy, second by Mary Shy, and unanimous vote of those present, the Commission approved the proposed terms of the agreement.

Charity Gaming:

Resolution 2008-109

A Resolution Assigning to the Executive Director the Authority to Exercise Charity Gaming Powers and Duties.

Action: Upon Motion by Mary Shy, second by Marc Fine, and unanimous vote of those present, the Commission adopted Resolution 2008-109.

Turnstile Issues

Resolution 2008-110

A Resolution Adopting an Emergency Rule Regarding Patron Counting Systems.

Action: Upon Motion by Tom Swihart, second by Tim Murphy, and unanimous vote of those present, the Commission adopted Resolution 2008-110.

Minority and Women Owned Businesses

Resolution 2008-111

A Resolution Adopting LSA Document #08-75 as a Final Rule.

Action: Upon Motion by Tom Swihart, second by Mary Shy, and unanimous vote of those present, the Commission adopted Resolution 2008-111.

Slot Machines

Resolution 2008-112

A Resolution Adopting LSA Document #08-298 as a Final Rule.

Action: Upon Motion by Mary Shy, second by Tim Murphy, and unanimous vote of those present, the Commission approved Resolution 2008-112.

Junketeers

Resolution 2008-113

A Resolution Adopting a Rule Regarding Junket Operations.

Action: Upon Motion by Tom Swihart, second by Tim Murphy, and unanimous vote of those present, the Commission approved Resolution 2008-113.

Next Meeting:

The next business meeting of the Commission will be November 13, 2008, at a yet to be determined location.

Adjournment:

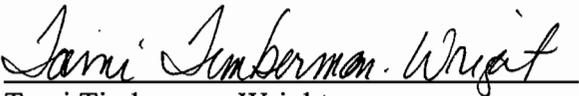
The meeting was adjourned at approximately 2:05 p.m.

Minutes:

Kentuckiana Reporting, The Starks Building, Suite 250, 455 South 4th Street, Louisville, Kentucky 40202, transcribed the, business meeting. The transcript is a complete record of the meeting. Anyone wishing to see the transcript may review it at the Commission Office at 101 West Washington Street, East Tower, Suite 1600, Indianapolis, Indiana.

These minutes were prepared by Tami Timberman-Wright, Administrative Assistant for the Indiana Gaming Commission. This transcript may also be viewed online at www.in.gov/gaming.

Respectfully Submitted,


Tami Timberman-Wright

THE INDIANA GAMING COMMISSION:


William Barrett, Chairman


Thomas Swihart, Secretary

11/17/08
Date