

INDIANA GAMING COMMISSION

FIRST QUARTER 2013

BUSINESS MEETING

MARCH 21, 2013

The Indiana Gaming Commission First Quarter 2013 Business Meeting, reported by Kathleen Andrews, RPR, Notary Public in and for the County of Hamilton, State of Indiana, held at the Indiana State Library, History Reference Room, 315 West Ohio Street, Indianapolis, Indiana, commencing at 1:00 p.m. on March 21, 2013.

ASSOCIATED REPORTING, INC.
251 East Ohio Street, Suite 940
Indianapolis, Indiana 46204
(317) 631-0940
www.associated-reporting.com

APPEARANCES

On Behalf of the Gaming Commission:

Matt Bell, Chairman

Marc Fine, Vice Chairman

Susan Williams, Commissioner

Chris Johnston, Commissioner

Ernest Yelton, Executive Director

Jennifer Reske, Deputy Director

Joby Jerrells, General Counsel

Tracy Estes, Administrative Assistant to Ernest Yelton

1 EXECUTIVE DIRECTOR YELTON: Excuse me, if I
2 may make an announcement before we begin the
3 meeting. Last December Tim Murphy had asked that
4 he be relieved of his duties as Chair of the Gaming
5 Commission. In early January Governor Daniels
6 granted that request, and relieved him of that
7 responsibility, and named Matt Bell as the new
8 Chair of the Gaming Commission.

9 So I'd like to publicly thank Tim for his
10 service. He is still a member of the Commission;
11 he just had a conflict today. And I wish Matt the
12 best of luck as he goes forward in that capacity.

13 Mr. Chair.

14 CHAIRMAN BELL: Thank you, Director Yelton.

15 Thank you to those in attendance, and welcome
16 to the March 21 meeting of the Indiana Gaming
17 Commission. I'm very pleased today to introduce
18 two new members on the Indiana Gaming Commission.

19 To my not immediate left, but closer than
20 Chris, you'll find Susan Williams. Susan recently
21 retired as president of the Indiana Sports
22 Corporation. During her tenure at the helm of ISC,
23 Indianapolis was awarded Big Ten men's and women's
24 basketball tournaments and football championship,
25 the 2008 Olympic diving trials, the 2012 Super

1 Bowl, the 2015 men's Final Four and the 2016
2 women's Final Four.

3 Prior to arriving at ISC, Williams served as
4 executive director of the Indiana State Office
5 Building Commission. She served 13 years on the
6 Indianapolis Marion County City/County Council.
7 Susan received her undergraduate degree from
8 Franklin College and earned a master's degree from
9 Indiana University. Welcome, Ms. Williams.

10 I'm also very pleased to welcome Chris
11 Johnston of Indianapolis to the Indiana Gaming
12 Commission Board of Directors. Chris is a director
13 at KSM Consulting. Mr. Johnston served as deputy
14 chief of staff to Governor Mitch Daniels, and as
15 executive director of the Government Efficiency
16 Division of the Office of Management and Budget.
17 Prior to working in state government, he was a
18 partner at Crowe Horwath.

19 Mr. Johnston graduated from Wabash College and
20 received his MBA from Butler University. He
21 reminds me that their game has begun. Welcome,
22 Mr. Johnston.

23 With the introduction of our new members, we
24 will call the roll. I do that. We're going to
25 work out the bugs as we go in this first meeting.

1 Chris Johnston.

2 COMMISSIONER JOHNSTON: Here.

3 CHAIRMAN BELL: Susan Williams.

4 COMMISSIONER WILLIAMS: Here.

5 CHAIRMAN BELL: Marc Fine.

6 COMMISSIONER FINE: Here.

7 CHAIRMAN BELL: The Chair is present. The
8 Chair sees a quorum, and we will continue with the
9 order of the meeting. At this point I will turn
10 the meeting over to Director Yelton.

11 EXECUTIVE DIRECTOR YELTON: Thank you,
12 Mr. Chair.

13 Members of the Commission and members of the
14 gallery, by now you've noticed we also have another
15 new face with us here at the dais. I'm very
16 pleased to announce that Joby Jerrells is our new
17 general counsel for the Gaming Commission. Joby
18 had served as our gaming control counselor for a
19 period of time after coming to us from the Attorney
20 General's Office. Welcome, Joby.

21 MR. JERRELLS: Thank you.

22 EXECUTIVE DIRECTOR YELTON: Replacing Joby is
23 Sara Gonzo Tait. Sara, where are you? There she
24 is, right up front.

25 Sara was a staff attorney for the Commission

1 after she graduated from law school, and she now
2 accepts the responsibility not only as gaming
3 control counselor; she'll also serve as attorney
4 for gaming control officers and attorney for
5 charity gaming. Welcome, Sara.

6 Our Background and Financial Investigation
7 Division has completed its reinvestigation of
8 casino licensees, Casino Aztar, soon to be
9 Tropicana, and Hoosier Park, together with
10 suppliers, Incredible Technologies, WMS, and SHFL,
11 which was previously referred to as ShuffleMaster,
12 but they converted their name into their NASDAQ
13 symbol.

14 Those reports, all of which have findings of
15 suitability, have been previously provided to the
16 members of the Commission. Directors Garth Brown
17 and Danielle Leek are here, however, if you have
18 any questions.

19 Do the Commissioners have any questions
20 regarding the reinvestigations of the licensees and
21 suppliers?

22 COMMISSIONER JOHNSTON: No.

23 CHAIRMAN BELL: No, sir.

24 EXECUTIVE DIRECTOR YELTON: Since the November
25 Commission meeting, the ITT staff has added 24

1 individuals to our exclusion list, which bars those
2 patrons from entering any casino in Indiana. Of
3 those 24, six were placed on the exclusion list for
4 past posting or pinching bets while at an Indiana
5 casino.

6 Thirteen were placed on the exclusion list for
7 taking illegal possession of a TITO, casino chips,
8 or U.S. currency in excess of approximately \$500,
9 or making fraudulent cash withdrawals while at the
10 casino.

11 One was placed on the exclusion list after
12 allegedly robbing two elderly patrons on
13 consecutive evenings at a casino restroom. He was
14 charged with robbery, and robbery resulting in
15 bodily injury in Madison County, Indiana, where the
16 charges are still pending.

17 Four individuals were placed on the exclusion
18 list after two separate incidents where one
19 individual asked the other to claim a jackpot in
20 order to avoid the jackpot being confiscated for
21 delinquent child support.

22 For the year 2013 we have placed 24 new
23 patrons on the list, bringing the total to 381.

24 This last quarter was quite an active quarter,
25 acting on requests for waivers. The Casino

1 Association was granted relief from the requirement
2 that a credit application be completed for
3 safekeeping and front money deposits. Safekeeping
4 deposits are primarily used for no ID jackpots and
5 funds awaiting forfeiture to the state of Indiana
6 for individuals who are found to be in violation of
7 the VEP program or on the state exclusion list.

8 The members were also granted a waiver,
9 allowing permission to destroy redeemed TITO
10 tickets that are 30 days old or older instead of
11 the 90 days previous requirement.

12 Blue Chip was granted a one time waiver to
13 ship approved game themes preloaded onto an IGT
14 server unit.

15 French Lick was granted a waiver for the size
16 and square edges requirement for dice used in Pai
17 Gow poker tables. The dice are slightly smaller
18 and have ball edges.

19 Horseshoe Hammond and Horseshoe Southern
20 Indiana were granted relief from the inspection of
21 playing cards by sorting the cards sequentially by
22 suit and inspecting the size of the cards for
23 crimps, bends, cuts, shaving, or other defects that
24 would affect the integrity or fairness of the game.
25 For preshuffled cards, six and eight deck shoes

1 used for blackjack, non-handheld games. The
2 casinos will continue to verify quantity and suit
3 for one of every ten reshuffled shoes. Also, the
4 cards will be monitored when dealing. If
5 irregularities are detected, the cards will be
6 removed from play and an investigation would occur.

7 They were granted a waiver to allow
8 nonsecurity personnel, including executive, marine
9 operations and venue staff, only from the Horseshoe
10 Hammond, to issue vendor visitor badges and
11 complete the appropriate log. Revised internal
12 controls were submitted prior to the implementation
13 of that waiver.

14 Horseshoe Hammond was granted a waiver for the
15 addition of a \$25,000 nonvalue denomination
16 tournament chip. It was also granted a request
17 allowing the few nonlicensed corporate staff
18 working in the pavilion office area not to be
19 required to return their visitor badges daily to
20 the security department. These badges will include
21 an expiration date that will be updated on a time
22 frame determined by security management. All other
23 individuals that request visitor badges will
24 continue to follow approved procedures for issuance
25 and return. Revised internal controls again will

1 be submitted prior to the implementation of that
2 waiver.

3 Horseshoe Southern Indiana was granted a
4 waiver, requesting to be allowed to place the
5 cutting card at least one deck from the back of the
6 cards to create the cushion instead of the required
7 14 cards.

8 Finally, Ameristar was granted relief on any
9 progressive slot machine with an immediate jackpot
10 less than \$50,000 that dedicated camera coverage
11 would not be required until the progressive display
12 reached a minimum of \$40,000. That waiver was
13 granted on the condition that the accounting income
14 audit department will be responsible for verifying
15 daily that the implementation is correct from all
16 progressive machines. Finally, it was allowed a
17 waiver to use U.S. coin at applicable games.

18 Members of the Commission, that would conclude
19 the Executive Director's report, unless there were
20 any questions.

21 CHAIRMAN BELL: Questions for Director Yelton?

22 If not, the Chair would ask if there is any
23 old business. And seeing none, would move to new
24 business.

25 Our first order of new business, it is

1 incumbent upon the board to elect a secretary. The
2 Chair would accept nominations from the board for
3 secretary.

4 COMMISSIONER FINE: Mr. Chairman, I move for
5 the nomination of Chris Johnston to the position of
6 secretary of the Gaming Commission.

7 CHAIRMAN BELL: Is there a second for the
8 nomination?

9 COMMISSIONER WILLIAMS: Second.

10 CHAIRMAN BELL: The nomination has been moved
11 and seconded. All those in favor of Chris Johnston
12 serving as secretary, please signify by saying aye.

13 (Chorus of ayes.)

14 CHAIRMAN BELL: All opposed, same sign.

15 Congratulations, Secretary Johnston.

16 To move to Commission matters, I would ask
17 that Derek Young from the ITC staff present to us
18 resolution 2013-002. Mr. Young.

19 MR. YOUNG: Thank you. Good afternoon.
20 Before you is resolution 2013-002, which would
21 assign authority to the Executive Director to issue
22 a final order in certain administrative
23 proceedings. When an excluded patron violates his
24 or her exclusion or a licensee violates statutory
25 or regulatory requirements, an administrative

1 adjudicative action may be initiated. These
2 actions are governed in part by IC 4-21.5, which is
3 known as the Administrative Orders and Procedures
4 Act, or AOPA for short.

5 Pursuant to AOPA, the Commission may and has
6 designated an ALJ to conduct these types of
7 proceeding. After the ALJ issues a dispositive
8 order in the matter, the Commission, as ultimate
9 authority, must issue a final order, which either
10 affirms, modifies, or dissolves the ALJ's order.
11 AOPA also permits a designee of the Commission to
12 issue the final order.

13 If no objection or notice to review the ALJ
14 order is received pursuant to AOPA, AOPA requires
15 the Commission or its designee to affirm the ALJ
16 order without discretion.

17 Commission staff frequently appears before you
18 to request a necessary final order falling under
19 this category, and I'll present several of these
20 types of orders later today. It does include two
21 exclusion violation orders and one of the VEP
22 violation orders.

23 In the interest of efficiency, this resolution
24 would grant authority to the Executive Director to
25 issue a final order in those cases where the

1 Commission would be required by AOPA to affirm the
2 ALJ's order. This resolution applies to a narrow
3 class of cases in which no discretion is afforded
4 the Commission pursuant to AOPA. The Executive
5 Director would be required by AOPA to issue a final
6 order affirming the ALJ's order in these particular
7 cases.

8 Commission staff recommends approval of this
9 resolution.

10 CHAIRMAN BELL: Questions for Mr. Young from
11 members of the Commission? Hearing no questions,
12 is there a motion in regard to Resolution 2013-002?

13 COMMISSIONER FINE: I move for approval of
14 Resolution 2013-002.

15 CHAIRMAN BELL: The resolution has been moved
16 for approval. Is there a second?

17 COMMISSIONER JOHNSTON: Second.

18 CHAIRMAN BELL: The resolution has been moved
19 and seconded. All those in favor of approving
20 Resolution 2013-002, signify by saying aye.

21 (Chorus of ayes.)

22 CHAIRMAN BELL: All opposed, same sign.

23 Thank you, Mr. Young.

24 The Chair would ask Tami Timberman-Wright to
25 present us with the voluntary exclusion orders.

1 MS. TIMBERMAN-WRIGHT: Good afternoon. You
2 have before you 38 orders regarding the Voluntary
3 Exclusion Program. Pursuant to the rules of the
4 program, the identities of the Voluntary Exclusion
5 Program participants must remain confidential.
6 Pursuant to 68 IAC 6-3-2(g), a participant in the
7 program agrees that if he or she violates the terms
8 of the program and enters the gaming area of a
9 facility under the jurisdiction of the Commission,
10 they will forfeit any jackpot or thing of value won
11 as a result of a wager.

12 Under Orders 2013-003 through 2013-040, a
13 total sum of \$33,965.02 was forfeited by John Does
14 1 through 38. These winnings were collected at
15 Ameristar, Blue Chip, Belterra, French Lick,
16 Hollywood, Hoosier Park, Horseshoe, Horseshoe
17 Southern Indiana, Indiana Grand, and Majestic Star.
18 These winnings were withheld as required by
19 Commission regulations.

20 Commission staff recommends that you approve
21 the remittance of these winnings for John Does 1
22 through 38.

23 CHAIRMAN BELL: Thank you, ma'am.

24 Questions for Ms. Timberman-Wright in regards
25 to Orders 2013-003 through 2013-040 -- 038?

1 Hearing none, is there a motion in regard to the
2 orders as presented by Ms. Wright?

3 COMMISSIONER FINE: Move for approval of
4 Orders 2013-003 to 2013-038.

5 CHAIRMAN BELL: The orders have been moved for
6 approval. Is there a second?

7 COMMISSIONER WILLIAMS: Second.

8 CHAIRMAN BELL: The orders have been moved and
9 seconded. All those in favor of approving Orders
10 2013-03 through 2013-038 -- 040, please signify by
11 saying aye.

12 (Chorus of ayes.)

13 CHAIRMAN BELL: All opposed, same sign.

14 Thank you. The motion carries.

15 Just to clarify, there were 40 orders -- 38
16 orders.

17 EXECUTIVE DIRECTOR YELTON: And 38
18 individuals, but the numbering was off because of
19 the previous orders. It's Orders 3 through 40 for
20 VEPs 1 through 38.

21 CHAIRMAN BELL: Seems like fuzzy math.

22 Mr. Young, could you please present to us the
23 Orders 41 and 42.

24 MR. YOUNG: Yes, thank you.

25 Before you is Order 2013-041, which is a civil

1 penalty action against Billy Tidwell for violation
2 of the terms of his placement on the statewide
3 exclusion list. On August 2, 2010, Tidwell was
4 placed on the statewide exclusion list, which bars
5 his presence in any casino in Indiana. On
6 September 26, 2012, he was discovered at Horseshoe
7 Southern Indiana Casino in Elizabeth, Indiana, in
8 violation of the terms of his placement on the
9 exclusion list. While in the gaming area of
10 Horseshoe Southern Indiana Casino, Tidwell won a
11 slot machine jackpot worth \$1,505.

12 On November 19, 2012, Commission staff
13 initiated a civil penalty administrative action by
14 filing a complaint against Tidwell in the amount of
15 the jackpot for being in violation of 68 IAC
16 6-1-4.5.

17 He failed to file an answer to the complaint,
18 and Commission staff made a Motion for Proposed
19 Default Judgment. Tidwell failed to file a
20 response to that motion, and the ALJ granted
21 Commission staff default judgment on February 11,
22 2013.

23 The order before you now would affirm the
24 ALJ's findings and recommendation and the civil
25 penalty seizure for violation of the terms of

1 placement on the exclusion list. Because default
2 judgment was entered in this matter by the ALJ, you
3 are respectively required by the terms of AOPA to
4 affirm that order at this time.

5 CHAIRMAN BELL: Thank you, Mr. Young.
6 Questions for Mr. Young in regard to Order
7 2013-041?

8 Mr. Young, am I correct that in the future
9 this order would be covered under Resolution
10 2013-002, which was earlier passed?

11 MR. YOUNG: That's correct.

12 CHAIRMAN BELL: Additional questions? Hearing
13 none, is there a motion in regard to Order
14 2013-041?

15 COMMISSIONER WILLIAMS: So moved.

16 CHAIRMAN BELL: We've heard moved approval for
17 Order 2013-041. Is there a second?

18 COMMISSIONER JOHNSTON: Second.

19 CHAIRMAN BELL: The order has been moved and
20 seconded. All those in favor, please signify by
21 saying aye.

22 (Chorus of ayes.)

23 CHAIRMAN BELL: All opposed, same sign. The
24 order is approved.

25 Please continue, sir.

1 MR. YOUNG: Thank you. Next is order
2 2013-042, which is a civil penalty action against
3 Christopher Conte, also for violation of the terms
4 of his placement on the exclusion list. Conte was
5 placed on the exclusion list on May 6, 2011,
6 barring his presence in any Indiana casino. On
7 May 16, 2012, he was discovered at Rising Star
8 Casino in Rising Sun, Indiana, in violation of the
9 terms of his placement on the exclusion list.
10 While in the gaming area of Rising Star Casino, he
11 possessed \$225 in gaming chips.

12 On November 19, 2012, Commission staff
13 initiated a civil penalty administrative action by
14 filing a complaint against Conte in the amount of
15 the gaming chips in his possession for being in
16 violation of 68 IAC 6-1-4.5.

17 Conte failed to file an answer to the
18 complaint. Commission staff made a Motion for
19 Proposed Default Judgment. He failed to file a
20 response to that motion, and the ALJ granted
21 Commission staff default judgment on February 11,
22 2013.

23 The order before you now would affirm the
24 ALJ's findings and recommendation and the civil
25 penalty seizure for violation of the terms of

1 placement on the exclusion list. Because default
2 judgment was entered in this matter by the ALJ, you
3 are again respectfully required by the terms of
4 AOPA to affirm the order at this time.

5 CHAIRMAN BELL: Thank you, Mr. Young.

6 Questions in regard to Order 2013-042?

7 COMMISSIONER JOHNSTON: I move for the order.

8 CHAIRMAN BELL: Order 2013-042 has been moved
9 for approval. Is there a second?

10 COMMISSIONER FINE: Second.

11 CHAIRMAN BELL: The order has been moved and
12 seconded. All those in favor, signify by saying
13 aye.

14 (Chorus of ayes.)

15 CHAIRMAN BELL: All those opposed, same sign.

16 Thank you. The order is approved.

17 Mr. Young, if you could continue with your
18 violation orders, please.

19 MR. YOUNG: Thank you. Next is Order No.
20 2013-043, which is an appeal of John Doe 31's
21 voluntary exclusion remittance. John Doe 31
22 submitted an application for a one-year placement
23 on the VEP list on November 29, 2008. On April 30,
24 2012, he won a jackpot worth \$18,049.09 at
25 Ameristar Casino in East Chicago, Indiana. The

1 jackpot was forfeited according to the terms of the
2 VEP application, and on August 2, 2012, the
3 Commission approved the remittance of the jackpot
4 in Order No. 2012-65.

5 He submitted a timely appeal of the
6 Commission's decision. And after review of the
7 relevant documents and case file, staff determined
8 that a settlement was in the best interests of the
9 Commission, and offered to settle the matter by
10 refunding \$9,024.55 of the money seized from John
11 Doe 31 in exchange for John Doe 31 withdrawing the
12 appeal.

13 The order before you approves the settlement
14 agreement entered into by Commission staff and John
15 Doe 31, and Commission staff recommends you approve
16 the order at this time.

17 CHAIRMAN BELL: Questions in regard to the
18 order? If not, is there a motion towards its
19 disposition?

20 COMMISSIONER WILLIAMS: So moved.

21 CHAIRMAN BELL: The order has been moved for
22 approval. Is there a second?

23 COMMISSIONER FINE: Second.

24 CHAIRMAN BELL: All those in favor of approval
25 of Order 2013-043, please signify by saying aye.

1 (Chorus of ayes.)

2 CHAIRMAN BELL: All opposed, same sign.

3 Thank you. The order is passed.

4 Please continue.

5 MR. YOUNG: Next is 2014-044, which is an
6 appeal of John Doe 38's voluntary exclusion
7 remittance. John Doe 38 submitted an application
8 for a five-year placement on the VEP list on
9 April 5, 2007. On April 17, 2012, he was
10 discovered in the Ameristar Casino in East Chicago,
11 Indiana, with \$175 in gaming chips in his
12 possession. The \$175 was forfeited according to
13 the terms of the VEP application, and on August 2,
14 2012, the Commission approved the remittance of the
15 \$175 in Order No. 2012-72.

16 He submitted a timely appeal of the
17 Commission's decision. And after review of the
18 case file and relevant documents, staff determined
19 that a settlement was in the best interests of the
20 Commission, and offered to settle the matter by
21 refunding \$100 of the monies seized from John Doe
22 38 in exchange for his withdrawing the appeal.

23 The order before you approves the settlement
24 agreement entered into by Commission staff and John
25 Doe 38, and Commission staff recommends you approve

1 the order at this time.

2 CHAIRMAN BELL: Thank you, Mr. Young.

3 Questions? If not, is there a motion in
4 regard to Order 2013-044?

5 COMMISSIONER JOHNSTON: So moved.

6 CHAIRMAN BELL: The order has been moved for
7 approval. Is there a second?

8 COMMISSIONER FINE: Second.

9 CHAIRMAN BELL: The order has been moved and
10 seconded. All those in favor of approval of Order
11 2013-044, please signify by saying aye.

12 (Chorus of ayes.)

13 CHAIRMAN BELL: All opposed, same sign. Thank
14 you. The order passes.

15 Please continue, sir.

16 MR. YOUNG: Before you now is Order 2013-045,
17 which is an appeal of John Doe 84's voluntary
18 exclusion remittance. John Doe 84 submitted an
19 application for a one-year placement on the VEP
20 list on January 30, 2012. On or about June 15,
21 2012, John Doe 84 won a jackpot for \$1,342.74 at
22 Majestic Star Casino in Gary, Indiana. The jackpot
23 was forfeited according to the terms of the VEP,
24 and on August 2, 2012, the Commission approved the
25 remittance of the jackpot under Order No. 2012-118.

1 John Doe 84 submitted a timely appeal, and the
2 matter was assigned to an ALJ. An evidentiary
3 hearing was held January 11, 2013, after which the
4 ALJ issued a recommendation in the Commission's
5 favor.

6 The order before you now would affirm the
7 ALJ's recommendation. Because no objection or
8 notice of intent to review was received in this
9 matter, pursuant to AOPA you are respectfully
10 required by the terms of AOPA to affirm the order
11 at this time.

12 CHAIRMAN BELL: Thank you, Mr. Young.

13 Questions? If not, is there a motion in
14 regards to 2013-045?

15 COMMISSIONER JOHNSTON: Move for approval.

16 CHAIRMAN BELL: The order has been moved. Is
17 there a second?

18 COMMISSIONER WILLIAMS: Second.

19 CHAIRMAN BELL: The order has been moved and
20 seconded. All those in favor of approving Order
21 2013-045, please signify by saying aye.

22 (Chorus of ayes.)

23 CHAIRMAN BELL: All opposed, same sign. The
24 order passes.

25 Please continue, Mr. Young.

1 MR. YOUNG: Thank you. Before you is Order
2 No. 2013-046, which is an appeal of John Doe 92's
3 voluntary exclusion remittance. John Doe 92
4 submitted an application for a one-year placement
5 on the VEP list on March 14, 2011. On August 30,
6 2012, he was discovered at the Hollywood Casino in
7 Lawrenceburg, Indiana, with \$5,055 in gaming chips
8 in his possession. The gaming chips were forfeited
9 according to the terms of the VEP application. On
10 November 17, 2012, the Commission approved the
11 remittance of the \$5,055 in Order No. 2012-158.

12 He submitted a timely appeal of the decision.
13 After review of the documents and case file,
14 Commission staff determined that a settlement was
15 in the best interests of the Commission and offered
16 to settle the matter by refunding \$2,527.50 of the
17 monies seized from John Doe 92 in exchange for his
18 withdrawing the appeal.

19 The order before you approves the settlement
20 agreement entered into by Commission staff and John
21 Doe 92, and Commission staff recommends that you
22 approve the order at this time.

23 CHAIRMAN BELL: Thank you, sir.

24 Questions on order 2013-046? Hearing none, is
25 there a motion in regards to the disposition of the

1 order?

2 COMMISSIONER WILLIAMS: So moved.

3 CHAIRMAN BELL: The order is moved for
4 approval. Is there a second?

5 COMMISSIONER FINE: Second.

6 CHAIRMAN BELL: The order has been moved and
7 seconded. All those in favor of approval of Order
8 2013-046, please signify by saying aye.

9 (Chorus of ayes.)

10 CHAIRMAN BELL: All opposed, same sign. The
11 order is passed.

12 Mr. Young, could you please present us with
13 supplier renewal Order 2013-047.

14 MR. YOUNG: Thank you. This order concerns
15 renewal of supplier licenses pursuant to Indiana
16 Code 4033 and 68 IAC 2-2. The Commission has
17 previously approved a permanent supplier's license
18 for the following: Bally Gaming, Inc.; Data
19 Financial, Inc.; DEQ Systems, Inc.; Digideal Corp;
20 Elektroncek D.D.; IGT; Incredible Technologies,
21 Inc.; Midwest Game Supply Company; Patriot Gaming &
22 Electronics, Inc.; Southwest Surveillance Systems;
23 Technical Security Integration, Inc.; TCS John
24 Huxley Europe LTD; and WMS Gaming, Inc.

25 A supplier's license is valid for a period of

1 one year. Pursuant to IC 4-33-7-8 and 68 IAC
2 2-2-8, a supplier's license must be renewed
3 annually with a \$7500 renewal fee. Each of these
4 licensees has requested renewal of their license
5 and has paid the appropriate renewal fees.

6 Commission staff recommends you approve the
7 renewal of the licenses of these suppliers at this
8 time.

9 CHAIRMAN BELL: Thank you, sir.

10 Questions for Mr. Young? Hearing none, is
11 there a motion in regard to the disposition of
12 Order 2013-047?

13 COMMISSIONER FINE: Move for approval.

14 CHAIRMAN BELL: The order has been moved for
15 approval. Is there a second?

16 COMMISSIONER JOHNSTON: Second.

17 CHAIRMAN BELL: The order has been moved and
18 seconded. All those in favor of approving Order
19 2013-047, please signify by saying aye.

20 (Chorus of ayes.)

21 CHAIRMAN BELL: All opposed, same sign.

22 CHAIRMAN BELL: Thank you. The order passes.
23 Thank you, Mr. Young.

24 The Chair invites Chris Gray to present Order
25 2013-048. Ms. Gray.

1 MS. GRAY: Good afternoon, Commissioners and
2 Executive Staff. Order 2013-048 is a settlement
3 agreement with Bally Technologies, wherein the
4 supplier failed to follow the rules regarding
5 shipment of software to two different casinos.
6 Bally Technologies has agreed to a monetary
7 settlement of \$6,000 in lieu of a disciplinary
8 action. The Commission staff recommends that you
9 approve order 2013-048.

10 CHAIRMAN BELL: Thank you, Ms. Gray.

11 Questions? If not, is there a motion in
12 regard to the disposition of the order?

13 COMMISSIONER JOHNSTON: So moved.

14 CHAIRMAN BELL: The order has been moved for
15 approval. Is there a second?

16 COMMISSIONER WILLIAMS: Second.

17 CHAIRMAN BELL: All those in favor of approval
18 of Order 2013-048, please signify by saying aye.

19 (Chorus of ayes.)

20 CHAIRMAN BELL: All opposed, same sign. The
21 order passes. Thank you, Ms. Gray.

22 MS. GRAY: Thank you.

23 CHAIRMAN BELL: The Chair would recognize
24 David Johnson to present us with Order 2013-049.
25 Mr. Johnson.

1 MR. JOHNSON: Thank you, Mr. Chair.

2 Good afternoon, Commission Members and
3 Executive Staff. Order 2013-049 concerns Kevin
4 Beeman's felony waiver request.

5 To begin, IC 4-33-8-3 provides that an
6 occupational license cannot be granted to an
7 applicant who has a felony conviction. However,
8 IC 4-33-8-11 and 68 IAC 2-4-2 provide that an
9 applicant may request a felony waiver, provided the
10 applicant meets certain criteria and demonstrates
11 by clear and convincing evidence the individual's
12 rehabilitation.

13 Mr. Beeman is a service technician for
14 Interblock, a licensed supplier in Indiana, and at
15 Interblock's request submitted a level 2
16 occupational license application. His application
17 was denied because of felony convictions that he
18 disclosed on his application, and he then timely
19 submitted his application for a felony waiver.

20 Commission staff processed the waiver
21 application and conducted a hearing. As the
22 Commission's review officer, it's my opinion that
23 Mr. Beeman has demonstrated by clear and convincing
24 evidence his rehabilitation in accordance with
25 4-33-8-11.

1 The following factors led to my
2 recommendation: First, Mr. Beeman will have
3 minimal presence in Indiana. The felonious acts
4 were in 1995 and 1997, the latest one nearly 16
5 years ago. He has since learned two new trades.
6 He first earned his electrician's journeyman's
7 license, and then he learned how to operate and fix
8 slot machines.

9 While this was a repeat offense, I believe
10 that is mitigated by the fact that it was so long
11 ago, and he went through substance abuse counseling
12 while in prison, and he was also paroled and
13 released early from the California Department of
14 Corrections.

15 He has been employed with Interblock USA since
16 2011. His supervisor at Interblock submitted a
17 letter in support of his waiver application.

18 And, finally, he has been in the gaming
19 industry for nearly two years now with Interblock,
20 of course, and before with ShuffleMaster or now
21 SFHL.

22 Therefore, Commission staff recommends that
23 the Commission approve Mr. Beeman's waiver
24 application.

25 CHAIRMAN BELL: Thank you, Mr. Johnson.

1 Questions for Mr. Johnson? If not, is there a
2 motion in regard to the disposition of Order
3 2013-049?

4 COMMISSIONER FINE: Move for approval.

5 CHAIRMAN BELL: It has been moved for
6 approval. Is there a second?

7 COMMISSIONER WILLIAMS: Second.

8 CHAIRMAN BELL: The order has been moved and
9 seconded. All those in favor of the approval of
10 Order 2013-049, please signify by saying aye.

11 (Chorus of ayes.)

12 CHAIRMAN BELL: All opposed, same sign. The
13 order is approved. Thank you, Mr. Johnson.

14 MR. JOHNSON: Thank you.

15 CHAIRMAN BELL: The Chair recognizes Jeff
16 Neuenschwander to present us with Order 2013-050.

17 MR. NEUENSCHWANDER: Good afternoon,
18 Mr. Chair, Members of the Commission, Executive
19 Staff.

20 Order 2013-050 concerns a request for approval
21 of a debt transaction by Caesars Entertainment
22 Corporation. On October 8, 2012, Caesars, through
23 counsel, requested permission to act on a proposed
24 financing issue. They also requested a waiver of
25 the applicable provision of 68 IAC 5-3, commonly

1 known as the two meeting rule, and for interim
2 approval of that request.

3 On December 10 of 2012 the Commission received
4 an update to that request. The details of the
5 financing requests are contained in your
6 confidential documents. In accordance with
7 Resolution 2008-74, the proposed issue was
8 considered and approved by Chairman Bell and
9 Executive Director Yelton after consultation with
10 the Commission's financial analyst. Chairman Bell
11 and Director Yelton agreed that the proposed debt
12 transaction should be approved, and Director Yelton
13 issued an interim approval letter on January 25,
14 2013.

15 Resolution 2008-74 requires that the interim
16 approval be reported to you for consideration and a
17 final ratification or other direction from the
18 Commission. Commission staff recommends that you
19 ratify Executive Director Yelton's interim approval
20 letter.

21 CHAIRMAN BELL: Thank you, Mr. Neuenschwander.

22 Questions from the Commission? Hearing none,
23 is there a motion in regard to the disposition of
24 the order?

25 COMMISSIONER JOHNSTON: So moved.

1 CHAIRMAN BELL: The order has been moved for
2 approval. Is there a second?

3 COMMISSIONER FINE: Second.

4 CHAIRMAN BELL: The order has been moved and
5 seconded. All those in favor of approval of Order
6 2013-050, please signify by saying aye.

7 (Chorus of ayes.)

8 CHAIRMAN BELL: All opposed, same sign. Thank
9 you. The order passes. Thank you, sir.

10 MR. NEUENSCHWANDER: Thank you, Mr. Chair.

11 CHAIRMAN BELL: The chair would ask David
12 Johnson to present Order 2013-051. Mr. Johnson.

13 MR. JOHNSON: Thank you. Order 2013-051
14 waives the transferee requirements of 68 IAC 5-2
15 because the transferees have already been
16 investigated and both currently hold a level 1
17 license. Therefore, the requirements of 68 IAC 5-2
18 are impractical and burdensome.

19 Jonathan Coslet is a substantial owner of
20 Hamlet Holdings, which has an irrevocable voting
21 proxy in Caesars Entertainment Corp, which was
22 formerly Harrah's Entertainment, which is the
23 ultimate parent company of Caesars Riverboat
24 Casino, LLC, and Horseshoe Hammond, LLC, both of
25 which are casino owner licensees.

1 Mr. Coslet informed the Commission through
2 counsel that he wished to transfer his interest in
3 Hamlet to two other substantial owners, David
4 Bonderman and James Coulter.

5 Because the Commission has already
6 investigated Messrs. Bonderman and Coulter and
7 found them both to be suitable for level 1
8 licensure, and will also be investigating them
9 later this year as part of a routine investigation,
10 strict compliance with the transfer requirements is
11 unnecessary and burdensome. Therefore, staff
12 believes that a waiver is appropriate in this
13 situation and recommends approval of the waiver of
14 68 IAC 5-2 to formally allow the transfer of
15 ownership from Mr. Coslet to Mr. Bonderman and
16 Mr. Coulter.

17 CHAIRMAN BELL: Thank you, Mr. Johnson.

18 Questions from the Commission? Hearing none,
19 is there a motion regarding the disposition of the
20 order?

21 COMMISSIONER JOHNSTON: Move for approval.

22 CHAIRMAN BELL: The order has been moved for
23 approval. Is there a second?

24 COMMISSIONER WILLIAMS: Second.

25 CHAIRMAN BELL: The order has been moved and

1 seconded. All those in favor of approval of Order
2 2013-051, please signify by saying aye.

3 (Chorus of ayes.)

4 CHAIRMAN BELL: All opposed, same sign. Thank
5 you. The order is passed.

6 Thank you, Mr. Johnson.

7 The Chair recognizes Chris Gray to present us
8 with Orders 2013-052 through 2013-062. Ms. Gray.

9 MS. GRAY: Good afternoon again,
10 Commissioners. You have before you eleven
11 settlement agreements concerning disciplinary
12 actions.

13 The first settlement is with Ameristar, Order
14 2013-052, and includes four counts. In the first
15 count an underage person was allowed on the casino
16 floor.

17 The second count violated the rule regarding
18 timely notification of terminated employees.

19 In the third count the casino allowed six slot
20 machines with revoked software to remain in
21 service.

22 In the fourth count gaming agents were not
23 notified of an apparent criminal activity.

24 Ameristar has agreed to a monetary settlement
25 of \$10,000 in lieu of disciplinary action. Are

1 there any questions?

2 The second order, 2013-053, is a settlement
3 agreement with Aztar, which includes four counts.
4 The first count violated the rule requiring a
5 gaming agent be present when dice are delivered to
6 the casino.

7 In the second count the casino failed to
8 timely notify the gaming agents of a terminated
9 employee.

10 The third count violated the rule and Aztar's
11 internal controls regarding sensitive keys.

12 In the fourth count the casino failed to
13 inform the gaming agents that an employee who had
14 been terminated was reinstated.

15 Aztar has agreed to a monetary settlement of
16 \$6,500 in lieu of disciplinary action. Are there
17 any questions?

18 Order 2013-054 is a settlement agreement with
19 Belterra and includes seven counts. In the first
20 count the casino failed to secure the drop area.

21 In the second count the casino allowed an
22 underage person on the casino floor.

23 In count 3 a deck with a missing card was used
24 during a poker tournament.

25 In the fourth count the casino allowed a

1 dealer to enter the cage area at a poker
2 tournament.

3 In count five the casino failed to follow
4 several cage and credit rules.

5 In count 6 the casino failed to submit and
6 receive approval for changes to their
7 organizational chart and job descriptions before
8 making the changes.

9 In the seventh count chips were left
10 unsecured.

11 Belterra has agreed to a total monetary
12 settlement of \$53,000 in lieu of disciplinary
13 action. Are there any questions concerning this
14 order?

15 The third order, 2013-055, is a settlement
16 agreement with Blue Chip involving three counts.
17 The first count violated the rules regarding the
18 storage of Eproms.

19 In the second count the casino failed to
20 comply with their internal controls regarding the
21 actions of a Dual Rate Table Games Supervisor.

22 In the third count an underage person was
23 allowed on the casino floor.

24 Blue Chip has agreed to a total monetary
25 settlement of \$6,000 in lieu of disciplinary

1 action. Are there any questions?

2 Order 2013-056 is a settlement agreement with
3 French Lick wherein the casino allowed an underage
4 person on the casino floor. French Lick has agreed
5 to a monetary settlement of \$1,500 in lieu of
6 disciplinary action. Are there any questions?

7 The sixth order, 2013-057, is a settlement
8 agreement with Hollywood, wherein the casino failed
9 to follow their internal controls when inputting
10 required information in the Machine Entry Access
11 Log for the Money-In Money-Out machines. Hollywood
12 has agreed to a monetary settlement of \$1,500 in
13 lieu of disciplinary action. Are there any
14 questions?

15 Order 2013-058 is a settlement agreement with
16 Horseshoe Hammond concerning five counts. In the
17 first count an underage person was allowed onto the
18 casino floor.

19 In the second count the casino allowed an
20 employee to work with an expired license.

21 In the third count a defective deck of cards
22 was used at a poker table.

23 The fourth count violated the rules regarding
24 the licensing of an employee of a supplier and
25 collecting the badge of a terminated employee.

1 In the fifth count the casino failed to timely
2 notify the Commission of three terminated
3 employees.

4 Horseshoe Hammond has agreed to a total
5 monetary settlement of \$15,500 in lieu of
6 disciplinary action. Are there any questions?

7 Order 2013-059 is a settlement agreement with
8 Horseshoe Southern Indiana and includes four
9 counts. In the first count the casino allowed an
10 underage person in the casino.

11 The second count outlines a violation of the
12 playing cards rule on two separate occasions.

13 In the third count on numerous occasions the
14 casino failed to follow their approved internal
15 controls regarding extraction of the rake on poker
16 tables.

17 On the fourth count the casino failed to
18 timely notify the Commission on the renewal of
19 three licenses and the resignation of a board
20 member.

21 Horseshoe Southern Indiana has agreed to a
22 total monetary settlement of \$12,500 in lieu of
23 disciplinary action. Are there any questions?

24 Order 2013-060 is a settlement agreement with
25 Indiana Grand and includes three counts. In the

1 first count the casino violated the VEP rules.

2 The second count violated the rules regarding
3 the altering of slot machines without prior
4 approval.

5 In the third count the casino failed to timely
6 notify the Commission of two terminations.

7 Indiana Grand has agreed to a monetary
8 settlement of \$7,000 in lieu of disciplinary
9 action. Are there any questions?

10 Order 2013-061 is a settlement agreement with
11 Majestic Star involving three counts. In the first
12 count the VEP rules were violated.

13 The second count violated the rule regarding
14 the procedures for emptying a drop box.

15 In the third count the casino failed to timely
16 notify the gaming agents of two terminations.

17 Majestic Star has agreed to pay a total
18 monetary settlement of \$6,500 in lieu of
19 disciplinary action. Are there any questions on
20 this order?

21 The final order, 2013-062, is a settlement
22 agreement with Rising Star and includes two counts.
23 In the first count the casino failed to follow a
24 promotional submission, and in the second count the
25 casino allowed a Dual Rate Table Games Floor

1 Supervisor to perform both duties in one pit area.

2 Rising star has agreed to pay a total monetary
3 settlement of \$8,500 in lieu of a disciplinary
4 action. Are there any questions?

5 The Commission staff recommends that you
6 approve Orders 2013-052 through 2013-062, each of
7 which approves one of the settlement agreements
8 that we have just discussed.

9 CHAIRMAN BELL: Thank you, Ms. Gray.

10 Any questions from the Commissioners? If not,
11 is there a motion in regard to the dispositions of
12 Orders 2013-052 through 2013-062?

13 COMMISSIONER FINE: Move for approval of
14 Orders 2013-052 to 2013-062.

15 CHAIRMAN BELL: The orders have been moved for
16 approval. Is there a second?

17 COMMISSIONER WILLIAMS: Second.

18 CHAIRMAN BELL: The orders have been moved and
19 seconded. All those in favor of approving Orders
20 2013-052 through 2013-062, please signify by saying
21 aye.

22 (Chorus of ayes.)

23 CHAIRMAN BELL: All opposed, same sign. Thank
24 you. The order has passed.

25 Thank you, Ms. Gray, for your work.

1 We are pleased to announce that midway through
2 the first half Butler leads Bucknell 21 to 14.

3 Mr. Johnson, could you present us with the
4 next three orders, please.

5 MR. JOHNSON: Thank you. Before you are
6 Orders 2013-063, 2013-064, and 2013-065 regarding
7 the annual license and power of attorney renewals
8 for Aztar and Hollywood Casinos and the gambling
9 game license prospectively for Hoosier Park.

10 All three timely submitted the paperwork and
11 fees. Aztar and Hollywood's renewal dates were
12 prior to this meeting, and under Resolution
13 2003-13, the Executive Director has issued interim
14 renewals of these casino licenses to bridge the
15 time gap between the renewal and this meeting.
16 Hoosier Park's license is due to expire at the end
17 of this month.

18 The power of attorney was approved for all
19 three of them at the March 2010 business meeting by
20 Order 2010-54 for Aztar, 2010-59 for Hollywood, and
21 2010-60 for Hoosier Park. These approvals expire
22 upon the renewal of each license. For that reason,
23 all three must either request renewal of the
24 Commission's approval of the power of attorney
25 concurrent with the request for renewal, or present

1 the Commission with a new power of attorney, naming
2 a new trustee in waiting.

3 Aztar wishes to present and request approval
4 of Ronald Gifford as its trustee in waiting.

5 Hollywood wishes to request renewal of Larry
6 Kinser as trustee in waiting, and Hoosier Park
7 requests renewal of John Gambs as trustee in
8 waiting.

9 Staff recommends approval of Orders 2013-063
10 and 2013-064, renewing Aztar's and Hollywood's
11 casino owner's licenses, and Order 2013-065,
12 renewing Hoosier Park's gambling game license.

13 Also, staff recommends approval of Ron Gifford
14 as Aztar's trustee in waiting, and the approval of
15 the renewal of the trustees for Hollywood and
16 Hoosier Park.

17 CHAIRMAN BELL: Thank you, Mr. Johnson.

18 Questions from members of the Commission?
19 Hearing none, is there a motion in regard to the
20 disposition of Orders 2013-063 through 2013-065?

21 COMMISSIONER FINE: Move for approval of
22 Orders 2013-063 through 2013-065.

23 CHAIRMAN BELL: The orders have been moved for
24 approval. Is there a second?

25 COMMISSIONER JOHNSTON: Second.

1 CHAIRMAN BELL: The orders have been moved and
2 seconded. All those in favor of the approval of
3 Orders 2013-063 through 2013-065, please signify by
4 saying aye.

5 (Chorus of ayes.)

6 CHAIRMAN BELL: All opposed, same sign. Thank
7 you. The orders are passed.

8 Thank you for your work, Mr. Johnson.

9 The Chair recognizes Sara Tait for Order
10 2013-066.

11 MS. TAIT: Thank you, Mr. Chair.

12 Members of the Commission, before you now is
13 Order 2013-066 regarding the approval of Indiana
14 Grand's power of attorney, identifying Trinity Hill
15 Group, LLC, as its trustee. It was necessary for a
16 new power of attorney to be executed due to
17 Centaur's acquisition of Indiana Grand. This
18 submission and trustee designation is required by
19 Indiana Code 4-35-5-9.

20 Indiana Grand and Trinity Hill Group have
21 executed a new power of attorney, which
22 memorializes the terms and conditions. A copy of
23 the power of attorney and the résumé of Trinity
24 Hill Group, LLC, has been included in your
25 materials.

1 The staff recommends that you approve Order
2 2013-066 approving the power of attorney.

3 CHAIRMAN BELL: Thank you, Ms. Tait.

4 Questions from members of the Commission?
5 Hearing none, is there a motion regarding the
6 disposition of Order 2013-066?

7 COMMISSIONER FINE: Move for approval.

8 CHAIRMAN BELL: The order has been moved for
9 approval. Is there a second?

10 COMMISSIONER WILLIAMS: Second.

11 CHAIRMAN BELL: The order has been moved and
12 seconded. All those in favor of the approval of
13 Order 2013-066, please signify by saying aye.

14 (Chorus of ayes.)

15 CHAIRMAN BELL: All opposed, same sign. Thank
16 you. The order passes.

17 Ms. Tait, if you would continue, please,
18 ma'am.

19 MS. TAIT: Thank you. Before you now is
20 Resolution 2013-067, which would adopt an emergency
21 rule regarding charity gaming.

22 Legislation was passed during both the 2011
23 and 2012 sessions that impacted the regulation of
24 charity gaming. The Gaming Commission has been
25 operating under a series of emergency rules since

1 the legislation in an effort to adequately uphold
2 the statutory requirements.

3 Commission staff is midway through the
4 promulgation process for a final rule. A notice of
5 intent was filed last May, and the final rule is
6 currently pending with the State Budget Agency.

7 As you may be aware, Governor Pence, with
8 Executive Order 13-03, has issued a moratorium on
9 regulations. However, staff filed a determination,
10 as required by Financial Management Circular
11 2013-01, with the Office of Management and Budget
12 and received notification that we could proceed
13 with this emergency rule making.

14 At this time staff respectfully requests that
15 you adopt Resolution 2013-067 for the purpose of
16 ensuring the regulation of charity gaming while the
17 final rule makes its way through the promulgation
18 process.

19 CHAIRMAN BELL: Thank you, Ms. Tait.

20 Questions from the Commission? Hearing none,
21 is there a motion regarding the disposition of
22 Resolution 2013-067?

23 COMMISSIONER WILLIAMS: Move approval.

24 CHAIRMAN BELL: The resolution has been moved
25 for approval. Is there a second?

1 COMMISSIONER JOHNSTON: Second.

2 CHAIRMAN BELL: The resolution has been moved
3 and seconded. All those in favor of the approval
4 of Resolution 2013-067, please signify by saying
5 aye.

6 (Chorus of ayes.)

7 CHAIRMAN BELL: All opposed, same sign. Thank
8 you. The resolution passes.

9 Thank you, Ms. Tait.

10 Mr. Johnson, could you present us with
11 Resolution 2013-068.

12 MR. JOHNSON: Thank you. Resolution 2013-068
13 would adopt a proposed emergency rule regarding
14 associated equipment. Associated equipment is
15 equipment that does not rise to the level of
16 scrutiny that equipment that directly affects
17 gaming does, but it does have a higher level of
18 scrutiny than, say, carpet or ceiling tiles, and
19 must be licensed.

20 A manufacturer may use a distributor that
21 obtains a license to supply and maintain the
22 associated equipment. In the past, distributors
23 have had questions with regard to the criteria that
24 the Commission would use in licensing a
25 distributor, and this rule aims to clear up those

1 questions.

2 A similar rule is currently in the
3 promulgation process, and notice of intent and
4 required documents were filed last year prior to
5 the rule moratorium.

6 Staff respectfully requests that you pass the
7 resolution to bridge the gap between now and when
8 the final rule goes into effect.

9 CHAIRMAN BELL: Thank you, Mr. Johnson.

10 Questions from the Commission? Hearing none,
11 then is there a motion in regard to the disposition
12 of Resolution 2013-068?

13 COMMISSIONER FINE: Move for approval.

14 CHAIRMAN BELL: The resolution has been moved
15 for approval. Is there a second?

16 COMMISSIONER WILLIAMS: Second.

17 CHAIRMAN BELL: The resolution has been moved
18 and seconded. All those in favor of the approval
19 of Resolution 2013-068, please signify by saying
20 aye.

21 (Chorus of ayes.)

22 CHAIRMAN BELL: All opposed, same sign. Thank
23 you. The resolution passes.

24 Thank you, Mr. Johnson. And thank you to all
25 the members of the Commission staff who presented

1 us with excellent information for your work in
2 preparing the resolutions, orders, and waivers that
3 we voted on today. We appreciate your great work.

4 It is now my pleasure to introduce the general
5 manager of Aztar, Ward Shaw. Mr. Shaw will make a
6 presentation in regard to one of Indiana's most
7 venerable properties.

8 We appreciate your time with us today and the
9 opportunity to learn more about the Aztar property.

10 MR. SHAW: Thank you, Mr. Chair.

11 Members of the Commission, Executive Staff, my
12 name is Ward Shaw, the general manager of Casino
13 Aztar. I also would like to take the opportunity
14 to introduce our Corporate Director of Regulatory
15 Compliance, Don Perkins, who is handing out the
16 material for you to follow along with us this
17 afternoon.

18 I'm pleased to give the Commission and
19 especially new Commissioners a very brief history
20 of Casino Aztar, our recent investment and impact
21 of Aztar on the Evansville region, up to our
22 proposed upcoming re-brand of the property to
23 Tropicana Evansville this summer.

24 As you can see on the first page of this red
25 handout, if you could follow along, the property

1 actually opened in December 1995 as Indiana's first
2 riverboat casino. That's the politically correct
3 way of saying we are Indiana's oldest riverboat
4 casino.

5 The next year, in late '96, the Riverfront
6 Pavilion and our 251-room Aztar Hotel opened.

7 In 2002 the Evansville Redevelopment
8 Commission established a City Capital Development
9 Fund with \$20 million in Aztar commitments.

10 In 2004 we opened our Aztar Executive
11 Conference Center, which is about 15,000 square
12 feet, there in downtown Evansville. And then in
13 the fall of 2006, the most recent expansion, a
14 \$40 million entertainment district that includes
15 restaurants, nightclubs, and an additional 96-room
16 boutique hotel.

17 On the next page, just a quick overview of the
18 property and our footprint. Casino Aztar
19 entertainment complex currently consists of a first
20 generation three-level riverboat casino, just over
21 900 slot machines, and about 40 table games in
22 Evansville. I actually have nine food and beverage
23 outlets across the property, two different, very
24 differently branded and very unique hotel
25 experiences.

1 The Aztar Hotel was the original hotel on the
2 property. It's our larger hotel, 251 rooms. We
3 also have, as I mentioned, a 96-room boutique
4 hotel, Le Merigot, that's in the entertainment
5 district.

6 I already mentioned the 15,000 square feet of
7 meeting space in our conference center. That is
8 one that I would tell you is used frequently, not
9 only for casino events, but for large group and
10 mid-size conventions and meetings. But it's a huge
11 community asset in Evansville. Literally, almost
12 weekly some sort of civic or philanthropic event is
13 held in that convention center. It gets a lot of
14 use.

15 Also, a seven-story parking garage. The point
16 being of this slide, I think it gives you a sense
17 of even though Casino Aztar is one of the smaller
18 casinos in Indiana, actually it's a pretty large
19 entertainment complex in downtown Evansville,
20 spread out over about 20 acres.

21 On the next slide you'll see just over
22 \$670 million in direct and incentive payments to
23 the city, state, and local community projects. A
24 little over \$193 million of that has been to the
25 city of Evansville and Vanderburgh County. Another

1 \$110 million has been directed towards city
2 incentives and investment in local community
3 projects, many of which could not have happened
4 without the investment from the riverboat funds,
5 including the Children's Museum of Evansville,
6 Evansville Arts and Science Museum, African
7 American Museum, a new riverfront walkway downtown,
8 LST World War II Memorial.

9 The latest addition to downtown Evansville is
10 the Ford Center downtown, which opened up in 2011.
11 Literally, dozens of other organizations that I
12 won't go into detail with, but is captured pretty
13 well in this second handout that you have that is
14 our community impact report. And this was put
15 together on the 15-year anniversary of Casino Aztar
16 back in 2010.

17 The next slide, you'll see that there's been a
18 little over \$230 million live to date in capital
19 investment on the property, a little over
20 \$480 million so far in payroll, \$4 million live to
21 date in charitable donations and sponsorships in
22 the community and towards regional events and
23 organizations, and another \$29 million spent just
24 in the last three years with Indiana vendors alone.
25 Of note there, \$11 million of that has been spent

1 with minority and women owned businesses.

2 I think the point of this particular page, and
3 that hopefully you can get a sense of is, as is the
4 case with the rest of our gaming industry, our
5 peers who are represented here today from their
6 respective organizations and communities, I think
7 few would argue there can't be found a more
8 impactful all-around contributor to positive
9 economic indicators in the Evansville region than
10 Casino Aztar has been and is today.

11 More recently, a couple of highlights of some
12 recent investment in our property since emerging in
13 bankruptcy in March 2010 under new ownership with
14 Tropicana Entertainment, Inc., you'll see on the
15 next page that we've had a little over \$19 million
16 in recent history since 2010, the most significant
17 of which has been our recently completed renovation
18 of the Aztar Hotel. Again, that's the larger of
19 our two hotels, just over \$7 million renovation
20 there. It's been a complete total room
21 renovations. It was way overdue.

22 I would tell you that when we took the
23 property over in 2010, that was clearly one of the
24 focuses that we started working on immediately was
25 putting together a plan and justification to invest

1 in that hotel product. It was over 16 years old
2 and had really never gone through a room
3 renovation.

4 Guest feedback has been phenomenal. And
5 certainly, as we've been more successful in
6 attracting guests from outside of our region over
7 the last couple of years, that new room asset will
8 be a great weapon for us going forward.

9 Earlier last year we completed a three and a
10 half million dollar pedestrian bridge that links
11 our Le Merigot Hotel and entertainment district
12 directly to the casino facility, which is actually
13 across the street. Our Le Merigot Hotel, if you've
14 not experienced it before, is truly probably the
15 best hotel between Evansville and Chicago.

16 Some folks call me out on that and remind me
17 it may be one of the only hotels between Evansville
18 and Chicago, but it's a great hotel experience.
19 It's more of a boutique experience with an
20 outstanding service team there. However, it was
21 really disconnected from our gaming floor. So this
22 pedestrian bridge, this skywalk across, really
23 helped, I think, complete the customer experience
24 for that facility and has actually been a help to
25 that entertainment district and hotel that we have

1 there.

2 Also, a little over \$8 million with casino
3 improvements that you'll see in the last couple of
4 bullets between new slot product over the last few
5 years, some renovated break rooms, significant
6 upgrades to our casino floor, new carpet, air
7 handling system, and other sort of guts that aren't
8 as sexy to talk about, but frankly, after a few
9 years of not having capital invested in the
10 property, were things that we had to do to get
11 business turned around.

12 On the next page you'll see that in 2013 our
13 investment intentions are to continue. We've got
14 almost \$5 million total that we'll be investing in
15 the facility in 2013. One of the larger and more
16 visible ones will be the property re-brand to
17 Tropicana Evansville that we're currently working
18 with the Gaming Commission on, that we expect to
19 have transferred over around mid June, 2013. This
20 is really a result of our research, showing us that
21 the Tropicana name of our parent company has a much
22 stronger customer brand recognition and will really
23 help us, we feel like, attract guests from the
24 outlying regions, who have never been to our
25 facility before, and for whom the name, Casino

1 Aztar, just didn't have any meaning.

2 The second reason that really drives our
3 re-brand is we really felt what better way to
4 package or repackage some of the recent
5 improvements that we've made to the property, help
6 some customers understand, who maybe haven't been
7 to us recently and seen some of those improvements,
8 that we really do have a different guest experience
9 there now.

10 We've had some momentum in the last couple of
11 years with revenue increases, and part of that is
12 because not only as a result of the capital
13 investment in the facility, but significant
14 improved service experience throughout our property
15 as well, and, you know, our customers who again
16 haven't been to us since the previous ownership
17 regime and understand that it truly is a new face
18 on the building and a different experience than
19 existed several years ago.

20 You'll see on the following couple of pages
21 just one of the more prominent symbols of that
22 re-brand will obviously be some of the exterior
23 signage and monument signage that we'll be placing
24 out in front of our property. Our facility today
25 frankly lacks a real sense of arrival when you come

1 up to Casino Aztar, whether it be from the Veterans
2 Memorial Parkway off of U.S. 41, or from the
3 northern area. And this will really help sort of
4 anchor the property and give a little bit more of
5 an excitement and a better feel of an entertainment
6 complex as you come upon our facility in downtown
7 Evansville.

8 Again, that's a project that we're looking to
9 have complete in mid June and certainly will be
10 doing significant marketing efforts around that to
11 help communicate that, especially in the outlying
12 region, and we're excited about our future.

13 With that, I'll be happy to answer any
14 questions.

15 CHAIRMAN BELL: Thank you, Mr. Shaw.

16 Questions from the Commission or from
17 Executive Staff for Mr. Shaw?

18 COMMISSIONER FINE: Mr. Shaw, certainly I'm an
19 admirer of what you've done in the community and
20 appreciate your plans, but I guess I can't help but
21 wonder, you still have the, you called it a first
22 period, I can't remember, basically a three-tier,
23 three-story boat. I'm wondering, plans to either
24 address the boat or hopes with respect to changing
25 the legislature with respect to land-based? What

1 are your thoughts?

2 MR. SHAW: Well, obviously a change in the
3 boat is a significant capital investment. I think
4 that we have made significant improvements to the
5 interior. But with the opportunity potentially to
6 move to a land-based facility at some point, that
7 certainly would ramp up the customer experience
8 that we could offer in several different ways.

9 It's frankly an operational inconvenience for
10 our guests to come onto our facility and have to go
11 up and down stairs, or potentially wait on
12 elevators to get to different areas of our casino
13 floor. The ceilings are much lower than we would
14 be able to offer on a land-based facility, so air
15 quality and air handling, while we've invested in
16 that actually over \$500,000 about a year and a half
17 ago, it's not to the quality that we would be able
18 to have in a more permanent single level casino.

19 I think as far as additional investment in our
20 casino or in the boat, you know, as our company
21 looks at investment opportunities and where we
22 believe we can get the best return, that's what
23 attracts our investment dollars. And at some point
24 if land-based were an option, that certainly would
25 be an investment opportunity that we would look to

1 take advantage of at some point in the future, if
2 it were available. Does that answer your question?

3 COMMISSIONER FINE: So what I'm hearing you
4 say is the boat is kind of the boat, and if the law
5 changes, that may cause you to rethink this?

6 MR. SHAW: Certainly. I mean, at some point
7 inevitably the useful life of the riverboat will
8 expire, if nothing else. So if not before then,
9 certainly at that time it's going to make sense to
10 look at whether we invest in another boat or move
11 to land. And I think if the land option were
12 available, that would be a no-brainer for us.

13 COMMISSIONER FINE: Thank you.

14 CHAIRMAN BELL: Additional questions for
15 Mr. Shaw? Deputy Director Reske.

16 DEPUTY DIRECTOR RESKE: Regarding the vessel,
17 could you tell us how much you spend on upkeep of
18 the vessel? Even though you have relaxed maritime
19 requirements, I know there's still an expenditure
20 associated with that. And then, also, could you
21 give us a ballpark of what the lifetime of this
22 vessel is? I mean, you're making your best effort,
23 but when these vessels first came here, I think we
24 were told the lifetime was about ten years.

25 MR. SHAW: Yes, there's an additional, I would

1 say, one million dollars plus annually in expense
2 associated with operating a three-level riverboat
3 as we exist today, versus a land-based option that
4 we might have.

5 As far as the useful life, I'd be hesitant to
6 put a specific number on any one facility. I think
7 they all vary because of, you know, several
8 variable circumstances. I would expect that our
9 current riverboat, at least as it stands today, and
10 it's always subject to change because machinery
11 breaks down and steel structures that sit in the
12 water don't always behave like you would expect
13 them to, but as it stands today, I would say our
14 vessel has at least an additional two to three
15 years of useful life. I can say that confidently.

16 CHAIRMAN BELL: Thank you.

17 The Chair recognizes Director Yelton.

18 EXECUTIVE DIRECTOR YELTON: Yes. If I could,
19 Ward, I want to follow up on Commissioner Fine's
20 inquiry.

21 If Senate Bill 528 would return to the version
22 it was Tuesday, which would allow a land-based
23 footprint, with the exemption of, I don't know what
24 the name of the road is between Le Merigot and
25 Aztar, do you presently have sufficient real estate

1 that you own to be able to accommodate a new
2 structure for a casino?

3 MR. SHAW: We do.

4 CHAIRMAN BELL: Any additional questions from
5 the Commission or from Executive Staff?

6 If not, Mr. Shaw, we'd like to congratulate
7 you on the longevity of the property in Evansville,
8 certainly on the civic responsibility that you have
9 and continue to demonstrate in Evansville and
10 Vanderburgh County and across the state.

11 We thank you for the capital investments you
12 have made to date to improve the property and the
13 customer experience. We certainly wish you good
14 fortune in the re-branding of the property as you
15 go forward.

16 MR. SHAW: Thank you very much.

17 CHAIRMAN BELL: Thank you, sir.

18 Is there additional business to come before
19 the Commission today?

20 I've been asked to vamp for just a moment, and
21 in the absence of singing for you, we will tell you
22 that with just about ten minutes to play, the
23 Bucknell Bisons have seized a four point lead over
24 Butler, 35-31.

25 On that disappointing note, I would entertain

1 a motion to adjourn. Our next meeting will be held
2 June 27, 2013.

3 COMMISSIONER FINE: I move for adjournment.

4 CHAIRMAN BELL: There is a motion for
5 adjournment. Is there a second?

6 COMMISSIONER JOHNSTON: Second.

7 CHAIRMAN BELL: We've moved and seconded
8 adjournment. All those in favor, signify by saying
9 aye.

10 (Chorus of ayes.)

11 CHAIRMAN BELL: All opposed, same sign.

12 Thank you. We are adjourned.

13 (Meeting adjourned at 2:10 p.m.)

14
15
16
17
18
19
20
21
22
23
24
25