

INDIANA GAMING COMMISSION

BUSINESS MEETING

JUNE 18, 2015

ORIGINAL

The Indiana Gaming Commission Business Meeting was stenographically taken down by me, Marlana M. Haig, RPR, CRI, a Notary Public in and for the County of Marion, State of Indiana, held at the Indiana Government Center South, Conference Room B, 302 West Washington Street, Indianapolis, Marion County, Indiana, commencing at the hour of 2:00 p.m., June 18, 2015. The following transcript is a true and accurate transcript of the proceedings held.

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A P P E A R A N C E S

ON BEHALF OF THE GAMING COMMISSION:

- Cris Johnston, Chairman ✓
- Sara Gonso Tait, Executive Director ✓
- Jennifer Reske, Deputy Director ✓
- Robert Morgan, Commissioner ✓
- Susan Williams, Commissioner
- Anita Sherman, Commissioner ✓
- Joseph Svetanoff, Commissioner ✓
- Mike Herndon, Commissioner ✓

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1 CHAIRMAN JOHNSTON: It's 2:00, and I'd like
2 to call the June 18th, 2015 meeting of the Indiana
3 Gaming Commission to order. Good afternoon, and
4 welcome for attending.

5 The minutes of the last meeting, the March
6 meeting, were sent out in the materials. And any
7 comments or suggestions from the Commission
8 members?

9 Seeing none, is there a motion for approval?

10 COMMISSIONER SVETANOFF: Motion for approval.

11 COMMISSIONER MORGAN: Second the motion.

12 CHAIRMAN JOHNSTON: There's a motion and a
13 second. All those in favor, say aye.

14 (Chorus of ayes.)

15 CHAIRMAN JOHNSTON: Opposed?

16 The minutes are adopted.

17 I would like to take this opportunity to
18 publicly congratulate and welcome our new Executive
19 Director, Sara Gonso Tait, to her new
20 responsibility. And maybe it's a twofer still.
21 Are you still doing legal stuff and Executive
22 Director?

23 EXECUTIVE DIRECTOR TAIT: For now.

24 CHAIRMAN JOHNSTON: Okay. So we have a
25 little work to do there. But for her first report

1 as Executive Director, I'll turn it over to Sara.

2 EXECUTIVE DIRECTOR TAIT: Thank you,
3 Mr. Chair. I was going to start by acknowledging
4 that I wasn't Ernie. So I was going to start with
5 the staff update. But, as you all know, Ernie has
6 steadfastly led these commission meetings and the
7 Gaming Commission for the last 10 and a half years.

8 It was -- it is with excitement and the
9 utmost respect that I accept the torch that has
10 been passed to me by the governor and from my
11 mentor, Ernie. It is an honor to serve the State
12 and the Commission; and I assure you all,
13 Commissioners and the industry, that the ICC will
14 continue to operate in a manner that will ensure
15 the strict regulation and the highest levels of
16 integrity for gaming in Indiana.

17 We have had three other staff promotions
18 since our last meeting. Mike Janizack was promoted
19 to the Assistant Director of Gaming Enforcement.
20 He will oversee our casinos in the north. He has
21 worked in law enforcement for 37 years, including
22 28 years with the State Police and the last nine as
23 a supervisor for Majestic Star, as well as Blue
24 Chip Casino. He was hired by the IGC in 2006 as a
25 part of the first Gaming Enforcement class and

1 assisted in the development of the Division,
2 instructing gaming agents and supervising gaming
3 laws and also law enforcement protocol.

4 Joanna Holland -- Joanna, do you want to
5 stand? She was promoted to our Director of the
6 Athletic Division. She's been with the State for
7 almost 20 years and was previously with the State
8 Boxing Commission. She transferred to the IGC in
9 2009; and prior to her promotion, she was the
10 Assistant Director of the Athletic Division.

11 Ed Harcourt, please stand. He was promoted
12 to staff attorney following his successful
13 completion of the Indiana Bar Exam in February. Ed
14 is from Rushville, graduated from Ball State and
15 the IU McKinney School of Law. He was an intern
16 for the Commission and also clerked for Centaur
17 Gaming. And he's been with us for almost a year.

18 And last, but not least, we have Michelle
19 Tortillott. Please stand. Michelle is our summer
20 intern. We are lucky to have her. She's a
21 third-year student at IU McKinney Law School; went
22 to undergrad at ST. Xavier University in Chicago,
23 and she's originally from the northwest suburbs of
24 Chicago. This is her third year living in
25 Indianapolis, and hopefully she'll like it enough

1 to stay.

2 And then moving on, our Background and
3 Financial Investigations Division have conducted
4 reinvestigations of TCS John Huxley and DEQ. These
5 reports have been submitted in your confidential
6 materials. Directors Leek and Brown are present if
7 you have any questions concerning these reports.

8 Are there any questions?

9 CHAIRMAN JOHNSTON: No.

10 EXECUTIVE DIRECTOR TAIT: There have only
11 been two waivers since our last Commission meeting,
12 so Chris was not busy at all.

13 (Laughter.)

14 Ameristar will be allowed to purchase
15 multideck, preshuffled packages of cards from the
16 manufacturer. Those packs will be sealed and
17 contained with a sheet verifying the contents
18 printed by the manufacturer. Ameristar will
19 inspect one out of every 10 boxes to further ensure
20 accuracy. They will also submit revised internal
21 controls prior to ordering the packs.

22 French Lick was granted relief from the
23 requirement that the casino submit quarterly
24 internal audit reports to the Commission regarding
25 their observations and findings and from the

1 quarterly procedures the Internal Auditors must
2 observe and examine. Instead of quarterly, French
3 Lick will submit these reports semiannually.

4 And, lastly, since the March Commission
5 meeting, IGC staff has added 20 individuals to the
6 Exclusion List, which effectively and permanently
7 bars those patrons from entering any casino in
8 Indiana. This brings the total to 472 individuals
9 who are barred from Indiana casinos and racinos.

10 Of those 20, nine were placed on the
11 Exclusion List for capping, pinching, past posting
12 or stealing another patron's chips while gaming, or
13 theft of another patron's TITO. Five individuals
14 were placed on the Exclusion List for providing
15 fraudulent information while attempting to claim a
16 jackpot. Six individuals were placed on the
17 Exclusion List for attempting fraudulent cash
18 advances.

19 And that, Commissioners, is the Executive
20 Director's report, unless there's any question.

21 CHAIRMAN JOHNSTON: Any questions for Sara?
22 No?

23 Thank you very much. And, again, I want to
24 reiterate that the Commission members, and I'm sure
25 everyone in the audience, looks forward to working

1 with you. Congratulations.

2 EXECUTIVE DIRECTOR TAIT: Thank you.

3 CHAIRMAN JOHNSTON: Any old business to come
4 before the Commission?

5 Seeing none, let's move into the new business
6 agenda.

7 And as Executive Director Tait mentioned, our
8 previous Executive Director kind of slid out of
9 here without any sort of recognition, so we'd like
10 to take the time today to recognize Ernie Yelton.
11 And to forego any sentimentality, I've been
12 nominated to actually read the resolution.

13 So a resolution: Resolution 2015-68. A
14 resolution honoring Executive Director Ernest E.
15 Yelton.

16 WHEREAS, Ernest E. Yelton is the
17 longest-serving Executive Director of the Indiana
18 Gaming Commission, appointed by Governor Mitch
19 Daniels on January 17, 2005, and reappointed by
20 Governor Mike Pence on January 4th, 2013, and
21 serving until his retirement on June 1st, 2015; and

22 WHEREAS, Executive Director Yelton served as
23 judge in Clay County from 1979 until his
24 appointment, dedicating over 35 years for the
25 betterment of Indiana as a public servant in our

1 state; and

2 WHEREAS, he led the Gaming Commission with
3 unquestioned integrity through a period of robust
4 growth and significant change, successfully
5 nurturing necessary innovation, decisively
6 executing new responsibilities and applying prudent
7 judgment without fail; and

8 WHEREAS, the Gaming Commission and the State
9 of Indiana benefitted greatly from his dedication
10 to being a firm but fair regulator and steadfast
11 leader, who earned the admiration of those under
12 the purview of the agency, as well as his staff;
13 and

14 WHEREAS, his quick wit, astute observations
15 and sometimes brutal honesty will be missed as the
16 Gaming Commission continues to carry out its
17 charge.

18 NOW, THEREFORE, be it resolved by the Indiana
19 Gaming Commission that the Indiana Gaming
20 Commission expressed its heartfelt gratitude to
21 Ernest E. Yelton for his many years of dedicated
22 leadership to the State of Indiana and the Indiana
23 Gaming Commission and extends to him their sincere
24 hope for a long and fulfilling retirement.

25 Adopted this 18th day of June, 2015.

1 COMMISSIONER MORGAN: Hear, hear.

2 CHAIRMAN JOHNSTON: I will entertain a motion
3 to approve the resolution.

4 COMMISSIONER WILLIAMS: It's moved.

5 COMMISSIONER MORGAN: Second.

6 CHAIRMAN JOHNSTON: All those in favor, say
7 aye.

8 (Chorus of ayes.)

9 Opposed?

10 It's very well deserved. I've worked with
11 Ernie during my eight years in state government,
12 and he was a great state agency and regulator to
13 work with. And his dedication to public service is
14 admirable, and there's few that make that sort of
15 commitment. So well wishes to Ernie Yelton.

16 Let's move on to the rest of the agenda.
17 Patron matters. First, with the voluntary
18 exclusion program, Tammy Timberman-Wright.

19 Good afternoon.

20 MS. TIMBERMAN-WRIGHT: Good afternoon. Good
21 afternoon, Commissioners and Executive Staff.

22 You have before you 13 orders regarding the
23 Voluntary Exclusion Program. Pursuant to the rules
24 of the program, the identities of the Voluntary
25 Exclusion Program participants must remain

1 confidential. Pursuant to 68 IAC 6-3-2(g), a
2 participant in the program agrees that if he or she
3 violates the terms of the program and enters the
4 gaming area of a facility under the jurisdiction of
5 the Commission, it will forfeit any jackpot or
6 thing or value won as a result of the wager.

7 Under Orders 2015-69 through 2015-81, a total
8 sum of \$31,524.09 was forfeited by John Does 36
9 through 48. These winnings were collected at
10 Belterra, Blue Chip, Hollywood, Hoosier Park,
11 Horseshoe Southern Indiana, Indiana Grand, Majestic
12 Star and Rising Star. These winnings were
13 withheld, as required by Commission regulations.

14 Commission staff recommends that you approve
15 these orders.

16 CHAIRMAN JOHNSTON: Any questions for Tami?
17 Seeing none, what's the pleasure of the Commission?

18 COMMISSIONER MORGAN: Motion to approve.

19 COMMISSIONER SHERMAN: Second.

20 CHAIRMAN JOHNSTON: There's a motion and a
21 second to approve Orders 69 through 81. All those
22 in favor, say aye.

23 (Chorus of ayes.)

24 CHAIRMAN JOHNSTON: Opposed?

25 Motion is adopted and orders are approved.

1 Thank you.

2 Next VEP matter is brought forth by Erica
3 Sullivan. Welcome, Erica.

4 MS. SULLIVAN: Good afternoon.

5 I present for your consideration Order
6 2015-35. As a participant in the Voluntary
7 Exclusion Program, each participant agrees that if
8 he violates the terms of the program and enters the
9 gaming area of a facility under the jurisdiction of
10 the Commission, he or she willingly forfeits any
11 money or thing of value won from or owed to the
12 participant as a result of a wager.

13 On March 20, 2011, John Doe No. 35 submitted
14 an application for lifetime participation in the
15 VEP. On March 8, 2015, John Doe No. 35 was
16 discovered at Caesars Riverboat Casino, Horseshoe
17 South. At this time, John Doe No. 35 had winnings
18 of \$1,500 in cash equivalents on his person.

19 In the vast majority of VEP matters, the
20 monies from the VEP are confiscated and held in
21 safekeeping. However, John Doe No. 35 refused to
22 surrender the money, as required by Commission
23 regulations and exited the casino.

24 Order 2015-35 requires John Doe No. 35 to
25 remit his winnings directly to the Commission. The

1 staff recommends that you adopt this order.

2 CHAIRMAN JOHNSTON: Any questions for Erica
3 on Order 35?

4 Seeing none, is there a motion to approve?

5 COMMISSIONER MORGAN: Motion to approve.

6 COMMISSIONER SVETANOFF: Second.

7 CHAIRMAN JOHNSTON: Motion and a second. All
8 those in favor, say aye.

9 (Chorus of ayes.)

10 CHAIRMAN JOHNSTON: Opposed?

11 The order is adopted.

12 Continue on with Order 82, please.

13 MS. SULLIVAN: I present for your
14 consideration Order 2015-82. As a member of the
15 Commission Exclusion List, an excluded person is
16 barred from entering the gaming area of any Indiana
17 casino, pursuant to 68 Ind. Admin. Code Section
18 6-1-1. An excluded person violates his or her
19 exclusion by entering a gaming area.

20 On or about August 20, 2014, Robert Wilson,
21 an excluded patron, was found in the gaming area of
22 Hollywood Casino in possession of approximately
23 \$2,600 of gaming chips. Commission staff initiated
24 an action in order to keep the winnings due to his
25 exclusion. Staff offered to settle this matter by

1 refunding \$1,200 of the monies seized and the
2 Commission withdrawing its action. Mr. Wilson has
3 accepted the settlement, and the administrative law
4 judge has issued an order approving the settlement
5 agreement.

6 Commission staff respectfully requests that
7 you approve the settlement agreement in Order
8 2015-82.

9 CHAIRMAN JOHNSTON: Any questions for Erica
10 on Order 82 in the settlement?

11 Seeing none, is there a motion to approve?

12 COMMISSIONER SHERMAN: Motion to approve.

13 COMMISSIONER MORGAN: Second the motion.

14 CHAIRMAN JOHNSTON: There's a motion and
15 second. All those in favor, say aye.

16 (Chorus of ayes.)

17 CHAIRMAN JOHNSTON: Opposed?

18 Motion is adopted. Thank you very much.

19 Next topic are supplier matters; and newly
20 promoted Ed Harcourt.

21 CHAIRMAN JOHNSTON: Thank you, Mr. Chair.

22 Members of the Commission, you have before
23 you Order No. 2015-83 concerning the renewal of
24 supplier licenses. Pursuant to Indiana Code
25 Section 4-33-7-8 and 68 Indiana Administrative Code

1 Section 2-2-8, a supplier's license must be renewed
2 annually with a \$7,500 renewal fee.

3 Each of the following licensees has requested
4 renewal of its license and has paid the appropriate
5 renewal fee. The order before you would approve
6 the renewal of the following supplier licenses:
7 Ainsworth Game Technology Limited; Global Cash
8 Access, Inc.; International Game Technology PLC
9 f/k/a GTECH, S.p.A.; Komami Gaming, Inc.; NRT
10 Technology Corp; and the United States Playing Card
11 Company.

12 Commission staff recommends that you approve
13 the renewal of these licenses of the aforementioned
14 suppliers.

15 CHAIRMAN JOHNSTON: Thank you. Any questions
16 for Ed?

17 What is the pleasure on the supplier renewal,
18 Order 83?

19 COMMISSIONER SHERMAN: Motion to approve.

20 COMMISSIONER MORGAN: Second the motion.

21 CHAIRMAN JOHNSTON: Motion and a second. Any
22 further questions?

23 All those in favor, say aye.

24 (Chorus of ayes.)

25 Opposed?

1 Motion is adopted.

2 On permanent licensing, Danielle Leek. We
3 have three orders, 84 through 86. Unless there's
4 questions, we'll just have her walk through each of
5 them, and we'll ask --

6 MS. LEEK: I actually was going to combine
7 them since they're all very similar, if that's
8 okay.

9 CHAIRMAN JOHNSTON: Okay.

10 MS. LEEK: Okay. You have before you Orders
11 2015-84, 2015-85 and 2015-86, which ask that you
12 approve or deny supplier licenses for three new
13 suppliers: Novomatic Americas Sales, House
14 Advantage and Clear Peak Holdings.

15 All three suppliers submitted supplier
16 license applications in 2014. Novomatic
17 manufactures gaming machines; House Advantage
18 provides strategic consulting services and
19 technology; and Clear Peak provides data services
20 and products.

21 Commission staff issued temporary licenses to
22 all three suppliers after reviewing the
23 applications, which permitted them to begin
24 conducting business in Indiana. Commission staff
25 conducted background and financial investigations

1 on Novomatic, House Advantage and Clear Peak and
2 all of their substantial owners and key persons.

3 Commission staff found no material derogatory
4 information that would affect suitability for any
5 of the suppliers. Staff filed a report regarding
6 Novomatic, House Advantage and Clear Peak, which
7 are included in your meeting documents.

8 Commission staff recommends that you approve
9 Orders 2015-84, 2015-85 and 2015-86 granting
10 permanent supplier licenses to Novomatic Americas
11 Sales, House Advantage and Clear Peak Holdings.

12 CHAIRMAN JOHNSTON: Thank you very much.

13 Any questions for Danielle?

14 Seeing none, is there a motion to adopt
15 Orders 84 through 86?

16 COMMISSIONER SVETANOFF: Motion to adopt.

17 CHAIRMAN JOHNSTON: There's a motion. And a
18 second?

19 COMMISSIONER HERNDON: Second.

20 CHAIRMAN JOHNSTON: Motion and a second. All
21 those in favor, say aye.

22 (Chorus of ayes.)

23 Opposed?

24 The orders are adopted. Thank you.

25 MS. LEEK: Thank you.

1 CHAIRMAN JOHNSTON: Occupational licenses.
2 Michelle Baldwin. Again, we'll just take 87
3 through 89; correct?

4 MS. BALDWIN: Yes.

5 CHAIRMAN JOHNSTON: Okay. Very good.

6 MS. BALDWIN: Good afternoon Commissioners
7 and Executive Staff.

8 The first order for your approval is Order
9 2015-87. This is regarding the ratification of the
10 Emergency Order for suspension of Kaylyn
11 Etherington's occupational license.

12 Ms. Etherington was granted a permanent Level
13 2 license on December 29th of 2010. On May 4th,
14 2015, the Madison County Superior Court issued
15 felony convictions against Ms. Etherington for
16 battery and neglect of a dependent.

17 Pursuant to Indiana Code 4-35, a convicted
18 felon may not hold an occupational license. As a
19 matter of course, a Commission attorney filed a
20 complaint with an administrative law judge seeking
21 revocation of the license on May 26, 2015. The
22 revocation action can often take weeks or months to
23 work its way through the administrative law
24 process.

25 Pursuant to Resolution 2012-151, if a matter

1 is of urgent circumstances, the Executive Director
2 may take action after receiving consent from a
3 Commission member. Because a convicted felon is
4 forbidden from holding an occupational license, the
5 Executive Director, after receiving the consent
6 from Commission Johnston, issued Emergency Order
7 2015-HP-02 to immediately suspend the license of
8 this licensee on May 22nd, 2015.

9 Resolution 2012-151 requires that the
10 Executive Director report this action to the
11 Commission at the next Commission meeting for
12 ratification or other action.

13 Commission staff recommends ratification of
14 this Emergency Order 2015-HP-02.

15 CHAIRMAN JOHNSTON: Any questions for
16 Michelle?

17 Is there a motion to adopt?

18 COMMISSIONER SHERMAN: Motion to adopt.

19 COMMISSIONER WILLIAMS: Second.

20 CHAIRMAN JOHNSTON: There's a motion and
21 second. All those in favor, say aye.

22 (Chorus of ayes.)

23 Opposed?

24 Motion is adopted.

25 MS. BALDWIN: Thank you. The next order for

1 your consideration is Order 2015 88. This is,
2 again, ratification of the Emergency Order for the
3 suspension of Kyle Flanigan's occupational license.
4 Mr. Flanigan was granted a permanent Level 2
5 license in November of 2011. On May 19th, 2015 the
6 Madison County Superior Court issued felony
7 convictions against Mr. Flanigan, also for battery
8 and neglect of a dependent.

9 Pursuant to Indiana Code Section 4-35, a
10 convicted felon may not hold an occupational
11 license. As a matter of course, a Commission
12 attorney filed a complaint with the administrative
13 law judge and is seeking revocation of the license,
14 and that was dated May 26, 2015.

15 Pursuant to Resolution 2012-151, we -- or as
16 a matter of urgent circumstances, the Executive
17 Director took action after receiving consent from a
18 Commission member because the convicted felon is
19 forbidden from holding the occupational license.
20 The Executive Director, after receiving the
21 consent, again, from Commission Johnston, issued
22 Emergency Order 2015-HP-03 to immediately suspend
23 the license of Mr. Flanigan on June 8, 2015, while
24 the ALJ matter is pending.

25 Resolution 2012-151 requires that the

1 Executive Director report this action to the
2 Commission at the next Commission meeting for
3 ratification or other action.

4 Commission staff recommends ratification of
5 Emergency Order 2015-HP-03.

6 CHAIRMAN JOHNSTON: Any questions on this
7 Emergency Order?

8 COMMISSIONER MORGAN: Motion to approve.

9 CHAIRMAN JOHNSTON: Is there a second?

10 COMMISSIONER SVETANOFF: Second.

11 CHAIRMAN JOHNSTON: All those in favor, say
12 aye.

13 (Chorus of ayes.)

14 CHAIRMAN JOHNSTON: Opposed?

15 Motion is adopted.

16 MS. BALDWIN: This last order is 2015-89 for
17 the ratification of the Emergency Order for the
18 suspension of Cheryl Wallace's occupational
19 license. Ms. Wallace was granted a permanent Level
20 2 license in September of 2014. On March 6, 2015
21 the Shelby County Superior Court issued a felony
22 conviction against Ms. Wallace for welfare fraud.

23 Pursuant to Indiana Code 4-35, a convicted
24 felon may not hold an occupational license. As
25 well as the prior two, the Commission attorney

1 filed a complaint with the ALJ, and we are pending
2 with them at this time.

3 Pursuant to Resolution 2012-151, we consider
4 this urgent circumstances, again, and the Executive
5 Director, after getting consent with Commissioner
6 Johnston, again, issued the Emergency Order
7 2015-ID-01, which immediately suspended
8 Ms. Wallace's license.

9 Resolution 2012-151 requires the Executive
10 Director report this action to the Commission at
11 the next Commission meeting for ratification or
12 other action.

13 Again, the Commission staff recommends
14 ratification of this Emergency Order
15 No. 2015-ID-01.

16 CHAIRMAN JOHNSTON: Questions?

17 Seeing none, is there a motion to adopt Order
18 89 ratifying the Emergency Order?

19 COMMISSIONER WILLIAMS: So moved.

20 CHAIRMAN JOHNSTON: Motion. Is there a
21 second?

22 COMMISSIONER SVETANOFF: Second.

23 CHAIRMAN JOHNSTON: All those in favor, say
24 aye.

25 (Chorus of ayes.)

1 CHAIRMAN JOHNSTON: The order is adopted.
2 Thank you very much, Michelle.

3 Casino renewals. Ed, welcome back.

4 MR. HARCOURT: Thank you, again, Mr. Chair.
5 I'm going to combine all three of these orders.

6 Members of the Commission, you have before
7 you Orders 2015-90, 2015-91 and 2015-92 regarding
8 the annual casino owner's license renewals for
9 Ameristar Casino East Chicago, LLC; Horseshoe
10 Hammond, LLC; the Majestic Star Casino, LLC; and
11 the Majestic Star Casino II, LLC. All these
12 casinos have filed the required paperwork and fees
13 necessary for renewal.

14 Ameristar's renewal date was April 14, 2015.
15 Under Resolution 2003-13, the Executive Director
16 has issued an interim renewal of Ameristar's
17 license to bridge the time between its renewal date
18 and this Commission meeting.

19 Majestic Star I and II's renewal date was
20 June 2nd, 2015. Likewise, under Resolution
21 2003-13, the Executive Director has issued an
22 interim renewal for Majestic Star I and II's
23 licenses to bridge the time between the renewal
24 date and this Commission meeting.

25 Horseshoe Hammond's license will expire

1 tomorrow, June 19th, 2015.

2 At the June 2014 and March 2015 business
3 meetings, by Orders 2014-128, 2014-130 and 2015-53,
4 the Commission approved the Power of Attorney for
5 each Ameristar, Majestic Star I and II, and
6 Horseshoe Hammond, respectively. Those approvals
7 expire upon the renewal of each casino owner's
8 license.

9 For that reason, all casinos must either
10 request renewal of the Commission's approval of the
11 Power of Attorney concurrently with the request for
12 renewal or present the Commission with a new Power
13 of Attorney naming a new trustee-in-waiting.

14 Ameristar has requested renewal of Mr. Ron
15 Gifford; Majestic Star I and II have requested
16 renewal of Mr. Robert Dingman; and Horseshoe
17 Hammond has requested renewal of Mr. Thomas Thanas,
18 as their respective Power of Attorneys.

19 Commission staff recommends that you approve
20 Orders 2015-90, 2015-91 and 2015-92 renewing
21 Ameristar, Majestic Star I and II's casino owners'
22 licenses, and prospectively renewing Horseshoe
23 Hammond's casino owner's license.

24 CHAIRMAN JOHNSTON: Thank you, Ed. Any
25 questions for Ed on the casino renewals?

1 Seeing none, is there a motion to approve
2 Orders 90 through 92?

3 COMMISSIONER MORGAN: Motion to approve.

4 COMMISSIONER SVETANOFF: Second.

5 CHAIRMAN JOHNSTON: There's a motion and a
6 second. All those in favor, say aye.

7 (Chorus of ayes.)

8 Opposed?

9 The orders are adopted. Thank you.

10 CHAIRMAN JOHNSTON: Next matters are
11 disciplinary action. Chris Gray, welcome.

12 MS. GRAY: First of all, I'd like to say that
13 I do more than waivers. Thank you.

14 (Laughter.)

15 CHAIRMAN JOHNSTON: Duly noted.

16 MS. GRAY: Good afternoon, Commissioners and
17 Executive Staff. You have before you 12 settlement
18 agreements concerning disciplinary actions.

19 The first settlement is with Ameristar, Order
20 2015-93, wherein the casino allowed an underage
21 person on the casino floor.

22 Ameristar has agreed to a monetary settlement
23 of \$4,500 in lieu of disciplinary action.

24 CHAIRMAN JOHNSTON: Let's just roll through
25 them; and if we have questions, we'll stop you.

1 MS. GRAY: Sounds good. Order 2015-94 is a
2 settlement agreement with Belterra, wherein the
3 casino allowed an underage person on the casino
4 floor.

5 Belterra has agreed to a monetary settlement
6 of \$1,500 in lieu of disciplinary action.

7 Order 2015-95 is a settlement agreement with
8 Blue Chip and includes three counts.

9 In the first count, the casino failed to
10 timely inform the Commission of an employee
11 termination.

12 The second count is a violation of the rule
13 regarding sensitive keys.

14 In the third count, the door to the soft
15 count room was left unsecured.

16 Blue Chip has agreed to a total monetary
17 settlement of \$7,000 in lieu of disciplinary
18 action.

19 The fourth order, 2015-96, is a settlement
20 agreement with French Lick and includes three
21 counts.

22 In the first count, the casino failed to
23 timely notify the Commission of two employee
24 terminations.

25 The second count is a violation of the rules

1 regarding the badging of vendors.

2 In the third count, a food and beverage
3 employee was inside the table games pit area for
4 approximately one hour.

5 French Lick has agreed to a total monetary
6 settlement of \$7,000 in lieu of disciplinary
7 action.

8 Order 2015-97 is a settlement agreement with
9 Hollywood wherein a cage cashier failed to secure
10 money inside the cage, and gaming agents were not
11 notified of the violation.

12 Hollywood has agreed to a total monetary
13 settlement of \$5,000 in lieu of disciplinary
14 action.

15 Order 2015-98 is a settlement agreement with
16 Hoosier Park and includes three counts.

17 The first count was a violation of the
18 Voluntary Exclusion Program.

19 In the second count, the casino failed to
20 inform the Commission of apparent criminal activity
21 which took place on the casino floor.

22 In the third count, the casino failed to
23 correctly identify the winner of a jackpot. The
24 person who won the jackpot was delinquent in child
25 support.

1 Hoosier Park has agreed to a monetary
2 settlement of \$20,500 in lieu of disciplinary
3 action.

4 The seventh order, 2015-99, is a settlement
5 agreement with Horseshoe Hammond wherein an
6 underage person was allowed on the casino floor.

7 Horseshoe Hammond has agreed to a monetary
8 settlement of \$1,500 in lieu of disciplinary
9 action.

10 Order 2015-100 is a settlement agreement with
11 Horseshoe Southern Indiana wherein the casino
12 allowed two underage persons on the casino floor.

13 Horseshoe Southern Indiana has agreed to a
14 monetary settlement of \$7,500.

15 Order 2015-101 is a settlement agreement with
16 Indiana Grand and includes four counts.

17 In the first count, the casino failed to
18 provide dedicated camera coverage on a progressive
19 display.

20 In the second count, the individual stations
21 in an electronic poker game were switched, placing
22 credits from one station to report to another
23 station. The casino failed to correct this until
24 five days later, when a patron made them aware of
25 the issue.

1 In the third count, an underage vendor was
2 allowed on the casino floor.

3 The fourth count violated the rule pertaining
4 to payment of a county slot machine wagering fee.

5 Indiana Grand has agree to a total monetary
6 settlement of \$22,500.

7 Order 2015-102 is a settlement agreement with
8 Majestic Star and includes four counts.

9 The first count is a violation of playing
10 card specification.

11 In count two, the casino failed to secure
12 roulette chips at a closed table.

13 In the third count, a bill validator box with
14 cash inside was left by the side of the slot
15 machine for approximately two to three hours.

16 In the fourth count, two electronic table
17 games -- sorry -- two electronic gaming devices in
18 a progressive bank were not communicating with the
19 progressive controller, and the main computer
20 system did not register that a progressive jackpot
21 was won.

22 Majestic Star has agreed to a total monetary
23 settlement of \$11,500 in lieu of disciplinary
24 action.

25 Order 2015-103 is a settlement with Rising

1 Star and includes three counts.

2 In count one, a vendor was allowed inside the
3 surveillance room prior to the approval of the
4 Commission.

5 Count two violated the rules regarding who
6 may enter the soft count room without an approval
7 from the Commission.

8 In count three, the casino failed to badge or
9 provide an escort for a corporate visitor.

10 Rising Star has agreed to a total monetary
11 settlement of \$9,500 in lieu of disciplinary
12 action.

13 The final order, 2015-104, is a settlement
14 agreement with Tropicana and includes three counts.

15 The first count violated the rule requiring
16 dedicated camera coverage of the progressive
17 display for a group of electronic gaming devices
18 with a possible jackpot payout in excess of
19 \$50,000.

20 In the second count, an electronic gaming
21 device jackpot limit was set incorrectly, and two
22 progressive jackpots were paid out in TITO tickets.

23 In the third count, a kiosk cart where
24 currency was left unattended in the Main Bank
25 hallway.

1 Tropicana has agreed to a total monetary
2 settlement of \$4,500 in lieu of disciplinary
3 action.

4 The Commission staff recommends that you
5 approve Orders 2015-93 through 2015-104, each of
6 which approved one of the settlement agreements
7 that we have just discussed.

8 CHAIRMAN JOHNSTON: Thank you very much,
9 Chris.

10 Questions of Chris on Orders 93 through 104?
11 Seeing none, is there a motion to approve?

12 COMMISSIONER SHERMAN: Motion to approve.

13 CHAIRMAN JOHNSTON: And a second?

14 COMMISSIONER MORGAN: I'll second the motion.

15 CHAIRMAN JOHNSTON: All those in favor, say
16 aye.

17 (Chorus of ayes.)

18 Opposed? Orders 93 to 104 are adopted.

19 MS. GRAY: Thank you.

20 COMMISSIONER MORGAN: Very nice job, as
21 usual.

22 CHAIRMAN JOHNSTON: For orders dealing with
23 financing matters, Michelle Baldwin.

24 MS. BALDWIN: The first order is Order
25 2015-105 regarding Full House Resorts' proposed

1 financing amendments.

2 On December 29, 2014, Full House Resorts
3 requested permission to act on a proposed financing
4 issue, the details of which are included in your
5 confidential materials.

6 In accordance with Resolution 2014-56, the
7 Executive Director is authorized to waive the debt
8 transaction requirements and provide interim
9 approval. Pursuant to these procedures, Commission
10 Chair Johnston, Commissioner Sherman and Executive
11 Director Yelton considered Full House Resorts'
12 request and consulted with Commission financial
13 analyst Stephanie Berry. Commission Chair
14 Johnston, Commissioner Sherman and Executive
15 Director Yelton agree that the proposed debt
16 transaction should be approved, and Executive
17 Director Yelton issued an interim approval letter
18 dated January 5, 2015.

19 Resolution 2014-56 requires that the interim
20 approval be reported to the Commission for its
21 consideration for either a final ratification or
22 other action.

23 Commission staff recommends ratification of
24 Executive Director Yelton's interim approval
25 letter.

1 CHAIRMAN JOHNSTON: Any questions of Michelle
2 on Order 105 on the interim financing approval?

3 Seeing none, is there a motion to ratify the
4 interim approval in Order 105?

5 COMMISSIONER WILLIAMS: So moved.

6 CHAIRMAN JOHNSTON: A motion. Is there a
7 second?

8 COMMISSIONER SVETANOFF: Second.

9 CHAIRMAN JOHNSTON: Motion and a second. All
10 those in favor, say aye.

11 (Chorus of ayes.)

12 Opposed? Order 105 is ratified -- or
13 approved. Thank you.

14 106, go ahead.

15 MS. BALDWIN: The last order, 2015-106, is
16 for Boyd Gaming Corporation's proposed financing.

17 On March 18, 2015, Boyd Gaming Corporation
18 requested permission to act on a proposed financing
19 issue, the details of which are included in your
20 confidential materials.

21 In accordance with Resolution 2014-56, the
22 Executive Director is authorized to waive the debt
23 transaction requirements and provide interim
24 approval. Pursuant to these procedures, Commission
25 Chair Johnston, Commissioner Sherman and Executive

1 Director Yelton considered Boyd Gaming's request
2 and consulted with Commission financial analyst
3 Stephanie Berry. Commission Chair Johnston,
4 Commissioner Sherman and Executive Director Yelton
5 agreed that the proposed debt transaction should be
6 approved, and Executive Director Yelton issued an
7 interim approval letter on April 18, 2015.

8 Resolution 2014-56 requires that the interim
9 approval be reported to the Commission for its
10 consideration for either a final ratification or
11 other action.

12 Commission staff -- excuse me -- recommends
13 ratification of Executive Director Yelton's interim
14 approval letter.

15 CHAIRMAN JOHNSTON: Questions on 106, Boyd
16 Gaming?

17 Seeing none, is there a motion to approve?

18 COMMISSIONER MORGAN: Motion to approve.

19 COMMISSIONER SVETANOFF: Second.

20 CHAIRMAN JOHNSTON: There's a motion and a
21 second. All those in favor, say aye.

22 (Chorus of ayes.)

23 Opposed?

24 Motion is adopted approving or ratifying the
25 interim approval.

1 Thank you very much, Michelle.

2 Next agenda item is a presentation from
3 Majestic Star. Peter Liguori and others, welcome.
4 We always appreciate when our licensees come and
5 give us updates, and today is Majestic Star, so
6 welcome. Thank you very much.

7 MR. LIGUORI: I'm going to move this. The
8 way this is pointed, I think it may give you a bit
9 of sun damage.

10 COMMISSIONER MORGAN: So you're going to view
11 this on my face?

12 (Laughter.)

13 MR. LIGUORI: If you want.

14 Chairman Johnston, other Commissioners,
15 Executive Director Tait and IGC staff, as
16 introduced, my name is Pete Liguori. I'm the CEO
17 and president of Majestic Holding Co. We own and
18 operate a number of casinos in the United States,
19 including the Majestic Star Casino and Hotel in
20 Gary.

21 I want to thank you for getting the
22 invitation from Executive Director Tait to just
23 give you a brief update on the company and to
24 potentially answer any questions you might have.

25 I'm going to review very briefly a little bit

1 of the company's history, some key statistics, some
2 things we have been doing with our host community,
3 and also cover our brief update on our team members
4 and some other information, and then quickly close
5 by talking a little bit about what we're doing as
6 we look ahead in terms of the future. I think it
7 may be informative.

8 So just quickly, the company -- I'll go
9 through it again and highlight here really a couple
10 of key steps. The properties, as you may know,
11 opened with two distinct separate casinos run by
12 two different companies, Majestic Star and Trump
13 Entertainment. Both of those opened approximately
14 1996 in the summer. The hotel that we have opened
15 shortly thereafter, a couple of years later.

16 In 2005, the Majestic company decided to
17 acquire the Trump riverboat and its assets and is
18 now under one ownership.

19 For various reasons, most of which having to
20 do with the financial meltdown, the company had to
21 file bankruptcy in November 2009 and remained in
22 bankruptcy for about two years. It emerged
23 December 2011; and as part of that emergence, I
24 joined the company. And really the key point for
25 me at this point is that there are new owners, a

1 new board and a new view about the company.

2 And although I've had a brief history with
3 Majestic, I've actually been in Indiana gaming
4 since 1998. In my previous position with Hyatt
5 Gaming, we actually ran and operated what was
6 called the Grand Victoria property, now Rising
7 Star, until it was sold in 2011. So I have a long
8 history in Indiana.

9 The property itself is comprised of two
10 riverboats, two casinos combined, having a square
11 footage of about 77,000 square feet. We run
12 approximately 80 tables; a little over 1,700 slot
13 machines. We have seven food and beverage outlets,
14 300-room hotel, conference center in the hotel and
15 approximately 150 acres of land today.

16 So just to give you a little bit of
17 perspective where we are, we are just northeast of
18 the Chicago International -- or Gary/Chicago
19 International Airport, and we are literally right
20 on the border between Gary and East Chicago. And
21 the main access to our properties comes through
22 Cline Avenue. And, as you can see, we're north of
23 Route 90.

24 In our area, we have the airport. Obviously
25 we have Burns Harbor, which is about 15 miles away

1 from us. We also have three national railroad
2 tracks that actually run through our property. So
3 there's a lot of activity going on in the area.

4 This is a close-up of the harbor and hotel.
5 The upper right-hand corner, you can actually see
6 the two riverboats in the harbor, and right below
7 them is our pavilion structure. And then about the
8 center of the pictures, you can actually see a
9 little bit of the V structure. That's actually our
10 hotel. And because of the constraints of the
11 property and some environmental issues, the hotel
12 had to be built some distance from the pavilion.

13 In terms of the new ownership group and its
14 commitment to the property, we've been able to
15 accelerate the capital spent at the property after
16 emerging from bankruptcy. As you can imagine, with
17 bankruptcy, the faucet was turned off in terms of
18 capital spent; but, since joining the company,
19 we've been able to ramp that up considerably. I
20 feel like we've got the support from the ownership
21 group in making the necessary investments in the
22 property to keep the property competitive; and,
23 quite candidly, get maintenance back up to where it
24 needs to be.

25 These are just some highlights. We've

1 converted our surveillance system to digital.
2 We've upgraded our casino system, which is a major
3 marketing tool for us. Our baccarat room has been
4 renovated. We have a heavy investment in replacing
5 our slot machines. We're in the last stages of a
6 buffet renovation. We have virtually completed
7 replacing the entire roof on our main pavilion.
8 And, as related to customer safety and the green
9 initiative, we've actually enhanced the lighting in
10 our garage, replacing the lights with LED lights.
11 So not only is it new technology, it's also much
12 better lit for our guests as they come out of the
13 property.

14 The other assets we have, which is always not
15 often talked about by many, is our team members.
16 They really are the most important asset. They
17 deal with the customers every day. We have a
18 little over 1,000 team members. Of those, 900 are
19 Indiana residents. Of the thousand, approximately
20 300 team members are represented by four unions.
21 We have a number of unions at the property. And,
22 you know, in terms of some additional information
23 data points, of the thousand or almost 1,100 team
24 members, over 600 have been with us for six years;
25 400 have been with us for over 10; and a little bit

1 more than 250 have actually been with us since
2 opening. So we've got a very long employee base.
3 And of that 1,100, about 35 percent of those
4 actually live in Gary, so they're local community.

5 The unions that we are represented with are
6 Seafarers Union, United Steel Workers, Unite Here
7 and the Operating Engineers. Those are the four
8 unions that comprise the property.

9 We obviously -- in order to retain good
10 talent, we offer a very comprehensive benefit
11 package to our team members, and we are actually
12 kicking off a talent management initiative this
13 year that will allow us to develop plans for each
14 and every employee in terms of their career growth
15 and with very specific definable goals, the steps
16 that they're going to need to have in their
17 careers. So we're pretty proud of that process.

18 The next topic I wanted to talk about is our
19 host community, Gary, Indiana, the relationships
20 that we have and the initiatives that we've
21 undertaken. I can tell you that my staff asked me
22 to change the word that I originally had in place
23 of "challenging." I actually had "hostile to
24 collaborative." And when I joined the company in
25 March of 2012, I can tell you things were not very

1 good in terms of our relationship. There were a
2 number of major lawsuits between the company and
3 the City of Gary, and it was a bit of a mess. And
4 I have to thank Mayor Freeman-Wilson. She being
5 new in her position and me being new in my
6 position, we were able to forget about the past,
7 get rid of the baggage and really focus on what was
8 important and how do we rebuild this relationship.
9 So we've been able to accomplish a lot of things.

10 All of the major litigation has been
11 resolved. As a result of that, we have completed a
12 new access road into the property. We have
13 developed a pretty comprehensive working
14 relationship with the community, which I'll talk a
15 little bit about in a second. And the way I try to
16 couch this is if I really believe it's important to
17 have a relationship, we've got to be willing to put
18 our money where our mouth is. And I often use the
19 saying "What's good for Gary is good for Majestic,
20 and what's good for Majestic is good for Gary."

21 As I thought about how to rebuild the Gary
22 relationship, we really look at this as a
23 four-legged stool. We have a fairly good
24 philanthropic philosophy and activities at the
25 property. What we did is we chose to refocus them

1 down, essentially giving benefit to only local
2 organizations. And we tried to focus that benefit
3 in -- youth-oriented, educational, homelessness,
4 health, and veterans are the five areas that we
5 tend to contribute either money or in-kind
6 contributions.

7 We also targeted a couple of other things we
8 do every day in our process of running our
9 business. As we hire people, we actually give
10 preference to Gary residents. If we have
11 comparable individuals that are applying for open
12 positions, if one of them lives in Gary, they get
13 the job. And what's that allowed us to do is
14 essentially start to move the needle for us, and
15 we've been able to offer about a third of our new
16 hires to Gary residents. And my belief is in the
17 long term that will have some real benefit to the
18 city because we'll have stable employment. Those
19 individuals may help the City as it thinks about
20 rebuilding its infrastructure, housing, etc.

21 The other area that we took a hard look at is
22 how we spend our money with vendors. And what we
23 did is we actually created a preference or
24 preferred program for Gary-based vendors. And by
25 that I don't mean people who have P.O. boxes in

1 Gary but actually have their businesses in Gary.
2 And we wanted to give tangible benefits to small
3 businesses, and we created a program that
4 essentially gives a series of preferential
5 treatment. And by that I mean that when a
6 Gary-based vendor signs up with us, we'll agree to
7 a minimum -- have contracts at least 12 months in
8 length. Small businesses can use that as leverage
9 to go to the banks and really start to develop some
10 infrastructure to grow as a business.

11 We also do quick pay with those businesses,
12 much quicker than standard net 30. We go down to
13 net 7 in some cases, so we'll pay an invoice in
14 seven days. We do extensive training with the new
15 businesses. In some cases, they don't even know
16 how to approach us as a bigger client, and
17 sometimes we need to provide some hand-holding.

18 And, lastly, we offer the Gary-based vendors
19 what I would call preferred bidding status, meaning
20 that they don't always have to be the lowest bid to
21 get the job. If they're close, and they can show a
22 roadmap to get to be a bigger business and give us
23 better pricing, we'll give the business to them.

24 What does all that mean? When we looked at
25 what we were spending with Gary in 2012, we were

1 spending approximately \$400,000 with local vendors.
2 The first year we put this program in place, that
3 number jumped to a 1.2 million; and last year, in
4 2014, it actually got up to a 1.7 million. So I'm
5 starting to see the traction. We've actually grown
6 the vendor base from six to eight vendors to well
7 over 24 vendors. And I look at this as kind of
8 planting seeds. The longer we do business with
9 those vendors, they get larger, they hire employees
10 locally, and it really has some nice flow-through.

11 The other thing that we've done to rebuild
12 the relationship with the city is we've partnered
13 on a number of projects. The most recent that
14 we've done is something called the Jackson Street
15 Field of Dreams, and participated in rehabbing
16 homes with other major stakeholders in the area in
17 and around surrounding the Jackson 5 home in Gary;
18 try to develop that area.

19 So as we think about how we want to move
20 forward, we want to continue to invest in our
21 property, and I've got the support of the ownership
22 group to do that. We want to continue to invest in
23 our team members, and we want to continue to
24 strengthen our community. And, candidly, with some
25 recent opportunities for legislative changes, we

1 absolutely want to explore those fully.

2 And to just talk briefly, the major one
3 that's been in the news is the notion of riverboats
4 being allowed to go land-based. I think
5 legislatively it's called adjacent land. We always
6 refer to it as our footprint, meaning land we
7 currently own.

8 At one point, Majestic had approximately 350
9 acres in our area. We've divested about 200 acres
10 of nonessential land, and really what we're left
11 with is 150 acres we think that has the potential
12 to be the most beneficial to us.

13 So during the legislative session, what we've
14 done to help the legislature understand what
15 land-based might mean for us, is we've looked at
16 the number of options; and, in this case, we
17 actually laid out for the legislators a very rough
18 idea of what a facility might look like, which is
19 essentially right in the center, covering about 40
20 some odd acres. And all we would be doing is
21 replicating what we have in our pavilion and
22 riverboats if we were to move that structure on
23 land.

24 Obviously on 150 acres, we have a lot of
25 options, and what we've done at this point is we've

1 actually hired a team of experts -- or I should say
2 we're in the process of hiring them. And our plan
3 is to really have environmental review, engineering
4 review and construction review of all the possible
5 locations of the land-based casino on the land that
6 we currently own to really understand the pros and
7 cons of all those locations. Once we have that,
8 our plan is to do a full-blown construction
9 analysis, cost estimate analysis and really
10 understand the details.

11 You know, it would be remiss in saying
12 certainly the noise in Illinois about potential
13 expansion of gaming is a little unsettling, and it
14 may ultimately affect the size of this type of
15 facility if that were to ever pass. But,
16 realistically, we still believe for the future of
17 Majestic, it's really important for us to get off
18 the boats. And our view is that -- you know,
19 obviously with the assistance from the legislature
20 this year, it's going to make things easier for us
21 as we move forward; because those boats are getting
22 older every year, and the maintenance cost of those
23 are starting to accelerate, and it's just becoming
24 an unnecessary burden. So we were very pleased
25 with the flexibility the legislative change gave us

1 as we think about what's ahead.

2 I would characterize where we are in the
3 early exploration stage of this project. To be
4 fair; and we really have to narrow down where
5 precisely would make the most sense, what
6 environmental restrictions are out there. Some of
7 the land is challenged. It was obviously heavy
8 industry before the property was built, and there
9 are some restrictions. So we have to be mindful of
10 that. So as we try to navigate through all that,
11 you know, we are beginning that process now; and
12 keeping one eye on Illinois and one eye on South
13 Bend in terms of what we can try.

14 Nevertheless, we still think long term it
15 makes sense to move off of the riverboats, and
16 we're excited about that as we move ahead.

17 Rough justice in terms of what that facility
18 I just showed you would mean. Roughly 100 to 135
19 million in terms of cost. Obviously, the job
20 creation, there's a bunch from a short-term
21 standpoint in terms of construction. Permanent
22 positions, we actually think we'd add net permanent
23 positions, and we think having a land-based
24 facility might actually be a net positive for us in
25 terms of revenue, and that ultimately translates in

1 additional taxes to the State.

2 So that is a very quick update of the
3 company. I'd be happy to answer any questions you
4 might have.

5 COMMISSIONER MORGAN: I have one question for
6 you. Have you done any studies as far as
7 calculating what the impact might be of the casino
8 being in Illinois or anything like that?

9 MR. LIGUORI: Yes, we have.

10 COMMISSIONER MORGAN: And what study --

11 MR. LIGUORI: Let me give you the context.

12 When we looked at the study, it was about a year
13 and a half ago -- actually, three years ago. I had
14 it refreshed about a year ago. And knowing that
15 roughly -- call it north of 50 percent of our
16 customers are in Illinois, we would expect the
17 impact to be pretty significant. I obviously can't
18 speak for Ameristar and Horseshoe, but I would be
19 shocked if the impact isn't similar. But we think
20 we'd lose about roughly a third of our total
21 business if a land-based facility was built in
22 Chicago and another casino was built on the south
23 side of Chicago.

24 So it's really coming down to what the full
25 extent of the legislation includes, but we wanted

1 to look at worst case. The current legislation, as
2 it exists today, there are two bills. One is just
3 for a Chicago casino, a very large one. The second
4 bill is for five new casinos in Illinois, plus, I
5 think, slots at the racinos, etc. Of the five, one
6 is in Chicago, and one is on the south side of
7 Chicago to kind of intercept the business coming to
8 Indiana. So we just assumed that was going to
9 happen, again, with the worst case.

10 So the direct answer to your question is I
11 think it's going to depend on what their final
12 legislations are, but it could be as bad as about a
13 third.

14 COMMISSIONER MORGAN: I appreciate your
15 answer. You've done the studies and looked into
16 that. You're going to have a newer facility, so
17 there will be a benefit obviously to entice, you
18 know, people from Illinois to continue coming.

19 MR. LIGUORI: Sure. And I mean that's part
20 of our strategy when we think about land-based. I
21 think if the land-based were passed, it doesn't
22 mean we -- I'm sorry. If expanded gaming were
23 passed in Illinois, I don't think it precludes us
24 from going to land. It might change the size of
25 the facility because we want to match supply and

1 demand. If you're going to lose roughly a third of
2 your business, you don't want to build a big house.

3 We do believe going to the land for us would
4 net increase business and would make the facility
5 appealing to quite a few Illinois customers. I
6 mean if you -- you'd be shocked to know that some
7 of our customers actually come as far away as
8 Elgin. So some of our customers today drive over
9 an hour and a half to get to Majestic. They like
10 the property. Obviously they like our team
11 members. As I said, they're kind of our hidden
12 asset. But we have quite a bit of business from
13 what I would call the Chicagoland market, and
14 certainly we have exposure as a company there.

15 COMMISSIONER MORGAN: Well, thank you for
16 your presentation. Thank you for coming today on
17 behalf of Majestic Star.

18 CHAIRMAN JOHNSTON: Other questions for
19 Mr. Liguori?

20 COMMISSIONER SVETANOFF: How quickly are we
21 looking at doing the land-based casino?

22 MR. LIGUORI: Once we get the review done --
23 and that may take several months. Obviously, I've
24 got to bring all this to the board for approval.
25 We think start to finish would be about three years

1 truthfully, because it's about a year of planning,
2 and then you start putting the shovel in the
3 ground, and that could be potentially two years to
4 actually get the doors open. Not to say it
5 couldn't be done quicker, but that's our
6 preliminary when we look at the facility that I was
7 just sharing with you. We tried to get a realistic
8 idea of what the timing might be, and the whole
9 thing is about three years.

10 CHAIRMAN JOHNSTON: Other questions?

11 On a follow-up on that, have any preliminary
12 environmentalals been done by you or any other
13 entities up there that are helping guide you in
14 your decision of land?

15 MR. LIGUORI: When the property was
16 originally constructed, some preliminary
17 environmental work was done. And what we really
18 want to do now is -- when that work was done, it
19 was done with the intent of building certain areas:
20 existing hotel, the existing pavilion, the parking
21 garage, things like that.

22 The focus wasn't in the -- on the rest of 150
23 acres. So really we almost have to start from
24 scratch. We know what's under the hotel, but we
25 don't know what's underneath the parking lot in

1 front of the hotel, for example. That's why we're
2 about to engage the engineering firms, the
3 environment firms and the architectural firms,
4 because we really want to say, "Okay. We've got
5 this box of 150 acres. Where does it make the most
6 sense from an environment standpoint, a
7 construction standpoint," and then I've got to
8 balance that against the operational side as well.

9 CHAIRMAN JOHNSTON: I was interested in your
10 vendor recruitment program. Did you say that
11 you've gone from six to eight to up to 24?

12 MR. LIGUORI: Yes, sir. Originally the
13 400,000 that I was indicating in 2012 was roughly
14 about six or eight vendors. And as we got in front
15 of the chamber and started to promote this notion,
16 created a special website, and I think there was a
17 good word of mouth, existing vendors in Gary
18 started to approach us; but also some of them have
19 actually moved to Gary.

20 CHAIRMAN JOHNSTON: That's what I was going
21 to ask. Are some of the 24 new companies that are
22 located in Gary?

23 MR. LIGUORI: Yes, they are. So that's kind
24 of exciting to me because I feel like I'm planting
25 seeds, and our hope is those vendors have long,

1 fruitful lives.

2 CHAIRMAN JOHNSTON: Very good. Thank you.

3 Any other questions?

4 Thanks for coming down. Appreciate it.

5 MR. LIGUORI: Thank you.

6 CHAIRMAN JOHNSTON: On our agenda, Unite
7 Here, who was at the March meeting, had requested
8 to be on the agenda again; but due to some
9 scheduling complications, they withdrew and weren't
10 able to make it today.

11 So that is our full agenda today.

12 I would like -- the Chairman would like to
13 note his omission and make a correction. I failed
14 to take the roll call, and so if you could note
15 that all Commissioners except Commissioner Fine
16 were here for the complete duration of the meeting,
17 I'd appreciate it. I'll try not to do that again.

18 Is there anything else to come before the
19 Commission? If not, I'll entertain a motion to
20 adjourn.

21 COMMISSIONER SVETANOFF: Motion to adjourn.

22 COMMISSIONER MORGAN: Second the motion.

23 CHAIRMAN JOHNSTON: Motion and a second. All
24 those in favor, say aye.

25 (Chorus of ayes.)

1 CHAIRMAN JOHNSTON: And our
2 tentative-scheduled next meeting is September 17th.
3 Thank you very much.

4 (At 3:01 p.m., June 18, 2015, this meeting of
5 the Indiana Gaming Commission was adjourned.)
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1 STATE OF INDIANA)
 2)SS:
 2 COUNTY OF MARION)

3
 4 I, Marlana M. Haig, RPR, CRI, a Notary Public
 5 in and for the County of Marion, State of Indiana
 6 at large, do hereby certify that the Indiana Gaming
 7 Commission Business Meeting, held on June 18, 2015,
 8 commencing at 2:00 p.m. at the Indiana Government
 9 Center South, Conference Room B, 302 West
 10 Washington Street, Indianapolis, Marion County,
 11 Indiana, was taken down in stenographic notes and
 12 afterwards reduced to typewriting under my
 13 direction, and that the typewritten transcript is a
 14 true record of the testimony given by said
 15 deponent; and thereafter presented to said deponent
 16 for his/her signature.

17 IN WITNESS WHEREOF, I have hereunto set my
 18 hand and affixed my notarial seal this 2nd day
 19 of July, 2015.

20
 21 Marlana M. Haig
 22 Marlana M. Haig, RPR, CRI

23 My Commission Expires:
 24 September 13, 2018

25 County of Residence:
 Marion