

INDIANA GAMING COMMISSION

FOURTH QUARTER 2013

BUSINESS MEETING

NOVEMBER 21, 2013

The Indiana Gaming Commission Fourth Quarter 2013 Business Meeting, reported by Kathleen Andrews, RPR, held at the Indiana Government Center South Auditorium, 402 West Washington Street, Indianapolis, Indiana, commencing at 2:00 p.m. on November 21, 2013.

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APPEARANCES

ON BEHALF OF THE GAMING COMMISSION:

MATT BELL, CHAIRMAN

TIM MURPHY, COMMISSIONER

CRISTOPHER JOHNSTON, COMMISSIONER

ROBERT MORGAN, COMMISSIONER

SUSAN WILLIAMS, COMMISSIONER

ERNEST YELTON, EXECUTIVE DIRECTOR

JENNIFER RESKE, DEPUTY DIRECTOR

JOBY JERRELS, GENERAL COUNSEL

TRACE GALLOGLY, ADMIN. ASSISTANT TO ERNEST YELTON

CHAIRMAN BELL: Good afternoon. I hope everyone is well today. My name is Matt Bell, and I serve as the chair for the Indiana Gaming Commission. We'll take this opportunity to call the November 21, 2013, meeting to order. We'll begin by calling the roll of Commissioners.

Commissioner Williams.

COMMISSIONER WILLIAMS: Here.

CHAIRMAN BELL: Commissioner Johnston?

COMMISSIONER JOHNSTON: Here.

CHAIRMAN BELL: Commissioner Morgan?

COMMISSIONER MORGAN: Present.

CHAIRMAN BELL: Commissioner Murphy?

COMMISSIONER MURPHY: Present.

CHAIRMAN BELL: Commissioner Bell, present.

We do have a quorum in order to conduct business. We will now move to the approval of the minutes from the September 12, 2013, meeting of the Indiana Gaming Commission.

Commissioners, you have had the opportunity to review the minutes. Is there any discussion, additions, deletions or corrections to the minutes as submitted?

Hearing none, is there a motion in regard to the disposition of the September 12 minutes?

COMMISSIONER MORGAN: Motion to approve.

COMMISSIONER JOHNSTON: I second the motion.

CHAIRMAN BELL: We have a motion and second to approve the minutes of the September 12 meeting. All those in favor, please signify by saying aye.

(Chorus of ayes.)

CHAIRMAN BELL: All opposed, same sign.

Thank you. The minutes are approved.

The chair now recognizes Director Ernie Yelton for the report of the Executive Director.

Director Yelton.

EXECUTIVE DIRECTOR YELTON: Thank you, Mr. Chair and members of the Commission.

As usual, I'll begin with a staff update since our last meeting. First of all, I'll ask you to join in welcoming our newest addition to our legal department, Erica Sullivan.

Erica is a native from Indianapolis, who earned her BA from Indiana University in Bloomington. She graduated from the Maurer School of Law, also in Bloomington, and was licensed to practice law in Indiana in 2010. She comes to us from the Attorney General's office where she represented the state agencies in various state and federal court litigations. Thank you, Erica.

CHAIRMAN BELL: Welcome.

(Applause.)

EXECUTIVE DIRECTOR YELTON: Also, congratulations to Sherry Green as our information analyst.

Sherry has done just about everything with the Commission since she's been with us. She started as secretary of the Enforcement Division in 2005. Two years later she became a personnel officer for us, only to be promoted as the licensing coordinator in 2010. Which explains, I think, why this morning when I came into the office I saw her in Jenny's room, measuring for curtains. Thank you, Sherry.

(Applause.)

EXECUTIVE DIRECTOR YELTON: Our last promotion is for Tracy Gallogly. She replaces Sherry as our Occupational Licensing Coordinator. Tracy has been serving as our Administrative Assistant since September, 2012, and has graciously volunteered to do double duty until her replacement has been approved by the State Department of Personnel.

(Applause.)

EXECUTIVE DIRECTOR YELTON: Since our last meeting our Background and Financial Investigation

Division has concluded its reinvestigations of suppliers Aristocrat, Bally, and Midwest. Those reports have been submitted to you in your materials prior to the meeting.

If any of the Commissioners have questions, Directors Brown and Leak are here to address them.

Do we have any questions on the reinvestigations?

CHAIRMAN BELL: No, sir.

EXECUTIVE DIRECTOR YELTON: Thank you.

Since the September Commission meeting, IGC staff has placed 13 new individuals to our exclusion list, which bans those patrons from entering any casino in the state of Indiana. Of those 13 individuals, two were placed on the exclusion list for capping, pinching, or past posting bets while at a casino, 11 were placed on the exclusion list for taking illegal possession of a TITO, casino chips or U.S. currency in excess of \$500, or making fraudulent cash withdrawals while at an Indiana casino.

For the year 2013, IGC has placed 59 individuals on our exclusion list, bringing the grand total to 381.

Finally, Chris has been busy with several

waivers in the last few months. The Casino Association was granted relief from the requirement to provide a list of employees authorized to participate in the currency collection process as a soft count to an enforcement agent.

A waiver was also granted from the requirement of a check cashing aggregate prior to establishing check cashing privileges. The Commission granted an increase to the aggregate amount for in-house checks to \$5,000, and for checks cashed utilizing a check guarantee service an increase to \$10,000.

Also, they are relieved of the requirement that security personnel must escort maintenance and vendor personnel while in the soft count room for problem resolution. This will only be allowed if the soft count procedures are not being performed at the time. Security will still also be needed for ingress and egress into the soft count room, and an ingress and egress log will be completed and approved. Approval will be needed from a local gaming agent prior to that.

Prior to the entry, security will also perform a visual sweep to confirm that no cash or cash equivalents will be present in the soft count room.

Ameristar was granted a waiver from the

requirement that the log must be completed after an individual has entered an EGD. This relates to relieves to drop team members and the slot technician assigned to the drop team while participating in the drop process.

Blue Chip was granted relief from the requirement that a photograph of a patron be attached to each multiple transaction control log. Photos for unknown patrons will still be taken, and the casino will continue to capture a physical description of the patron on the MTL.

Hollywood was granted relief from the requirement that the name of the riverboat licensee must be imprinted on cards, dice, chips, tokens, TITO tickets, table game layouts, and roulette wheels. It will be changed to Indiana Gaming Company LLC as they are replaced or reordered.

There is surveillance equipment available to them at the IGC office on the vessel, given that the gaming agents are able to perform the same job duties and functions on the dockside IGC office located in their pavilion. Additionally, computers and surveillance equipment located on the dockside office shall be connected to the emergency circuit, ensuring that the pavilion office will continue to

have power and functioning surveillance equipment should the pavilion experience a disruption in the electrical service.

Horseshoe Hammond and Southern Indiana were permitted to use a keyboard on the EGDs to identify the reason for entering the EGDs instead of completing the mail log. All other information required by the mail log will be captured by the EGDs when the employees place an access card into the machine.

The information will be printed for review on an end list. A report will be retained for at least five years. The casino is conducting a 30-day trial parallel test and will submit a report to the Commission after the 30 days is concluded.

They are also granted relief from the Jack Binion's Steak House employees from wearing their game badge when working in the Steak House itself, as employees will wear their normal name tags. The employees will carry their gaming badges with them and display them whenever they are not inside the Steak House.

And finally, Horseshoe Hammond was allowed to use Horseshoe Casino and Hammond, Indiana, on their commemorative \$5 chip.

And that, members of the Commission, concludes the Executive Director's report, unless you have any questions.

CHAIRMAN BELL: Questions for Executive Director Yelton?

Hearing none, we will proceed to old business. Is there old business to come before the Commission today?

Seeing none, we will proceed to new business. Is there new business to come before the commission today?

We'll begin in our new business section by recognizing Tammy Timberman-Wright to present us with orders 2013-173 through 2013-189.

Ms. Timberman-Wright.

MS. TIMBERMAN-WRIGHT: Good afternoon Commissioners and Executive Staff. You have before you 17 orders regarding the Voluntary Exclusion Program. Pursuant to the rules of the program, the identities of the Voluntary Exclusion Program participants must remain confidential. Pursuant to 68 IAC 6-3-2(g) a participant in a program agrees that if he or she violates the terms of the program and enters the gaming area of a facility under the jurisdiction of the Commission, they will forfeit

any jackpot or thing of value won as a result of a wager.

Under Orders 2013-173 through 2013-189 a total sum of \$12,987.46 was forfeited by John Does 94 through 110. These winnings were collected at Ameristar, Blue Chip, Hollywood, Hoosier Park, Indiana Grand, Majestic Star, Rising Star, and Tropicana Evansville. These winnings were withheld as required by Commission regulations.

Commission staff recommends that you approve the remittance of these winnings for John Does 94 through 110.

CHAIRMAN BELL: Thank you, Ms. Wright.
Questions from the Commissioners?

COMMISSIONER MURPHY: Mr. Chairman, I have one.

Ms. Timberman, on VEP 94, John Doe 94, the material says that the individual obtained \$900 in chips. That makes it sound as though the chips were obtained, and they were his as opposed to winnings. They were winnings? I just want to clarify that they were winnings and not just chips that he had purchased.

MS. TIMBERMAN-WRIGHT: Yes. They don't take the chips that, until something is won.

COMMISSIONER MURPHY: Thank you.

EXECUTIVE DIRECTOR YELTON: Bear in mind, Commissioner Murphy, that's sometimes a very difficult task for our gaming agents to distinguish which is which. When there is some confusion and debate, they can revert to the surveillance film for help. But not always is that available, so we try to be as considerate as possible. If there's an issue, we usually will retain it for it to be resolved at a later date.

CHAIRMAN BELL: Additional questions for Ms. Timberman-Wright?

Hearing none, is there a motion in regard to the disposition of orders 2013-173 through 2013-189?

COMMISSIONER JOHNSTON: So moved.

COMMISSIONER MORGAN: Second the motion.

CHAIRMAN BELL: The orders have been moved for approval and seconded. All those in favor of approving Orders 2013-173 through 2013-189, please signify by saying aye.

(Chorus of ayes.)

CHAIRMAN BELL: All opposed, same sign.

Thank you. The orders are passed.

Please continue.

MS. TIMBERMAN-WRIGHT: You also have before you 2013-190, which is a request to rescind Order 2013-038.

Order 2013-038 was a routine order that authorized the Commission to retain \$2,243.63 in funds that were seized after a VEP was caught in a casino. At the time it was unknown to staff that the funds were subsequently released to the patron in error upon instruction of the local IGC agent.

Because the jackpot was released at the agent's order, the funds are not available for the casino to remit. Commission staff requests approval of Order 2013-190, rescinding Order 2013-038.

CHAIRMAN BELL: Questions from the Commission? Hearing none, is there a motion in regard to the disposition of Order 2013- 190?

COMMISSIONER MORGAN: Motion to approve.

COMMISSIONER JOHNSTON: Second.

CHAIRMAN BELL: The order has been moved and seconded for approval. All those in favor of approving the order, please signify by saying aye.

(Chorus of ayes.)

CHAIRMAN BELL: All opposed, same sign.

Thank you. The order is approved.

MS. TIMBERMAN-WRIGHT: Thank you.

CHAIRMAN BELL: The Chair recognizes Derek Young to present Order 2013-191 and 2013-192.

Mr. Young.

MR. YOUNG: Thank you. Good afternoon. Before you now is Order 2013-191, which is an appeal of John Doe 43's voluntary exclusion remittance. John Doe 43 submitted an application for one year placement on the VEP list on October 4, 2006. On June 1, 2013, she was discovered at Ameristar Casino in East Chicago, Indiana, having won a jackpot worth \$1,000.25. The jackpot was forfeited according to the terms of the VEP application, and on June 27, 2013, the Commission approved the remittance of the jackpot in Order No. 2013-074.

She submitted a timely appeal of the Commission decision. After review of the relevant documents and case file, Commission staff determined that a settlement was in the best interests of the Commission. The Commission offered to settle the matter by refunding \$500.10 of the monies seized from John Doe 43 in exchange for John Doe 43 withdrawing her appeal, to which she agreed.

The order before you approves the settlement agreement entered into by Commission staff and John Doe 43, and Commission staff recommends that you approve the order at this time.

CHAIRMAN BELL: Thank you, Mr. Young.

Questions from the Commission?

Hearing none, is there a motion with regard to the disposition of Order 2013-191?

COMMISSIONER JOHNSTON: Move its approval.

COMMISSIONER MURPHY: Second.

CHAIRMAN BELL: The order has been moved for approval and seconded. All those in favor of approving Order 2013-191, please signify by saying aye.

(Chorus of ayes.)

CHAIRMAN BELL: All opposed, same sign.

Thank you. The order is approved.

Mr. Young, if you would continue, please.

MR. YOUNG: Thank you. Order 2013-192 is an appeal of John Doe 72's voluntary exclusion remittance. John Doe 72 submitted an application for one year placement on the VEP list on October 5, 2009. On August 10, 2013, she was discovered at Hoosier Park Casino in Anderson, Indiana, after having won a jackpot worth

\$1,422.50. The jackpot was forfeited according to the terms of the VEP application, and on September 12, 2013, the Commission approved the remittance of the jackpot in Order No. 2013-127.

She submitted a timely appeal of the Commission's decision. After a review of the relevant documents and case file, Commission staff determined that a settlement was in the best interests of the Commission. Commission staff offered to settle the matter by refunding \$711.25 of the monies seized from John Doe 72 in exchange for John Doe 72 withdrawing her appeal, to which she agreed.

The order before you approves the settlement agreement entered into by Commission staff and John Doe 72. Commission staff recommends you approve the order at this time.

CHAIRMAN BELL: Thank you, Mr. Young.

Questions from the Commission?

Hearing none, is there a motion in regard to Order 2013-192?

COMMISSIONER MORGAN: Motion to approve.

COMMISSIONER JOHNSTON: Second.

CHAIRMAN BELL: The order has been moved for approval and seconded. All those in favor of

approving Order 2013-192, please signify by saying aye.

(Chorus of ayes.)

CHAIRMAN BELL: All opposed, same sign.

Thank you. The order is approved.

Thank you, Mr. Young.

The Chair recognizes Jeff Neuenschwander to present Order 2013-193.

Mr. Neuenschwander, Thank you.

MR. NEUENSCHWANDER: Good afternoon, Mr. Chair, members of the Commission, Executive staff.

Order 2013-193 is regarding an order that would adopt or reject the findings of fact and recommendation of the review officer on the matter of Jennifer Knox's petition for removal from the exclusion list.

You are all familiar with the exclusion list. Director Yelton reads off the people that were added at the beginning of every meeting. The regulations provide after a period of time individuals can be petitioned to be removed from this list. So this is such a petition. Someone has brought the petition before us, and this order concerns their petition to be removed.

Jennifer Knox was placed on the exclusion list on June 23, 2011, after she was observed capping a bet for \$5 while playing Texas Hold'em Poker at Horseshoe Southern Casino on June 6, 2011. She had previously been warned in January of 2011 about capping.

After placement on the list, Ms. Knox appealed her placement on the exclusion list, as is her right. The Commission reached a settlement agreement with her where she withdrew her appeal and remained on the list, but would be allowed to petition to be removed from the exclusion list after two years rather than the normal three years that the regulation normally requires.

On July 26 of 2013 Ms. Knox petitioned to be removed from the list. I was appointed as the review officer for the Commission and conducted a hearing with Ms. Knox and her attorney at Horseshoe Southern Casino on October 15, 2013. A statement of my findings of fact and recommendations that Ms. Knox be removed from the list is included in your Commission documents.

Pursuant to the regulations she has the burden to establish that her readmission to Indiana casinos would likely not threaten the honesty and

integrity of gambling operations or interfere with the orderly conduct of gambling operations. If she fails to meet that burden by clear and convincing evidence, then according to the regs I am required to recommend denial of her petition.

After conducting the hearing and looking through the record, I have recommended Ms. Knox be removed from the list, and I therefore respectfully recommend that you issue an order that would adopt the written findings of fact and recommendation.

CHAIRMAN BELL: Thank you,
Mr. Neuenschwander.

Questions from the Commissioners?

Hearing none, is there a motion in regard to the disposition of Order 2013-193?

COMMISSIONER MURPHY: I move the order be approved.

COMMISSIONER MORGAN: Second the motion.

CHAIRMAN BELL: The order has been moved for approval and seconded. All those in favor of approving Order 2013-193, please signify by saying aye.

(Chorus of ayes.)

CHAIRMAN BELL: All opposed, same sign.

Thank you. The order is approved.

MR. NEUENSCHWANDER: Thank you, Mr. Chair.

CHAIRMAN BELL: Thank you, sir.

The chair would reinvite Derek Young to present order 2013-194.

Mr. Young, welcome back and thank you.

MR. YOUNG: Thank you. Order 2013-194 concerns renewal of supplier licenses. Pursuant to IC 4-33-7-8 and 68 IAC 2-2-8 supplier's license must be renewed annually with a \$7,500 renewal fee. Each of the following licensees has requested renewal of their license and has paid the appropriate renewal fees. The order before you would approve the renewal of the following supplier licenses:

Aristocrat Technologies, Incorporated, from November 9, 2013 to November 8, 2014; Global Surveillance Associates, Incorporated, from October 1, 2013, to September 30, 2014; and Paltronics, Incorporated, from November 17, 2013, to November 16, 2014.

Commission staff recommends that you approve the renewal of these licenses at this time.

CHAIRMAN BELL: Thank you, Mr. Young.

Questions from the Commission?

Hearing none, is there a motion in regard to

the disposition of Order 2013-194?

COMMISSIONER JOHNSTON: I move its approval.

COMMISSIONER MORGAN: Second the motion.

CHAIRMAN BELL: The order has been moved for approval and seconded. All those in favor of approving Order 2013-194, please signify by saying aye.

(Chorus of ayes.)

CHAIRMAN BELL: All opposed, same sign.

The order is approved. Thank you, Mr. Young.

The chair would recognize Garth Brown to present Order 2013-195.

MR. BROWN: Good afternoon, Commissioners and Executive staff. You have before you Order 2013-195, granting a permanent supplier license to Cummins-Allison Corp.

On or about May 17, 2013, Cummins-Allison Corp. submitted a supplier's license application. Cummins is a provider of various currency counting machines and ticket redemption kiosks.

After a review of the submitted application, Commission staff issued a temporary license to Cummins on June 18, 2013. The temporary license allowed Cummins to begin offering their services to the gaming companies in Indiana.

Commission staff conducted a background and financial investigation of Cummins and its substantial owners and key persons. Staff could find no derogatory information that would affect the applicant's suitability. Staff's final report regarding Cummins has been made available for your review.

You'll need to either approve or deny Cummins' application for a permanent supplier's license. Staff recommends that you approve the license application.

I'd be happy to answer any questions you have.

CHAIRMAN BELL: Questions from the Commissioners?

Hearing none, is there a motion in regard to the disposition of Order 2013-195?

COMMISSIONER MURPHY: I move the order be approved.

COMMISSIONER JOHNSTON: Second.

CHAIRMAN BELL: The order has been moved for approval and seconded. All those in favor of approving Order 2013-195, please signify by saying aye.

(Chorus of ayes.)

CHAIRMAN BELL: All opposed, same sign.

Thank you. The order is approved.

Thank you, Mr. Brown.

EXECUTIVE DIRECTOR YELTON: Mr. Chairman, members of the Commission, I just want to note that this process for the background and financial investigation on this application has been a very long and very windy road, and they should be commended for their good work on this.

MR. BROWN: Thank you.

CHAIRMAN BELL: Thank you, Director Yelton. And thank you to the team for your diligence and effort in conducting this thorough investigation.

COMMISSIONER MORGAN: Here here.

CHAIRMAN BELL: The Chair recognizes Chris Gray to present Orders 2013-196 and 2013-197. Welcome, Ms. Gray.

MS. GRAY: Good afternoon, Commissioners and Executive staff.

Order 2013-196 is a settlement agreement with IGT, wherein the supplier did not follow the shipment rules when they shipped a controller without notification. IGT has agreed to a monetary settlement of \$2500 in lieu of disciplinary action.

The Commission staff recommends you approve Order 2013-196.

CHAIRMAN BELL: Questions for Ms. Gray?

Hearing none, is there a motion in regard to the disposition of Order 2013-196?

COMMISSIONER JOHNSTON: Move its approval.

COMMISSIONER MURPHY: Second.

CHAIRMAN BELL: The order has been moved for approval and seconded. All those in favor of approving Order 2013-196, please signify by saying aye.

(Chorus of ayes.)

CHAIRMAN BELL: All opposed, same sign.

Thank you. The order is approved.

Ms. Gray if you would continue, please.

MS. GRAY: Order 2013-197 is a settlement agreement with SHFL Entertainment, wherein the supplier failed to follow the rules regarding the storage of regulated items in a warehouse located in Indiana. SHFL Entertainment has agreed to a monetary settlement of \$20,000 in lieu of disciplinary action.

The Commission staff recommends that you approve Order 2013-197.

CHAIRMAN BELL: Thank you, Ms. Gray.

Questions from the Commissioners?

Hearing none, is there a motion in regard to

disposition of Order 2013-197?

COMMISSIONER MORGAN: Motion to approve.

COMMISSIONER MURPHY: Second.

CHAIRMAN BELL: The order has been moved for approval and seconded. All those in favor of approving Order 2013-197, please signify by saying aye.

(Chorus of ayes.)

CHAIRMAN BELL: All opposed, same sign.

Thank you. The order is approved.

Thank you, Ms. Gray.

The Chair recognizes Derek Young to present Order 2013-198. Mr. Young.

MR. YOUNG: Order 2013-198 contains a settlement agreement between Commission staff and Lois Coyle-Duffy, a Level 1 occupational licensee. Ms. Coyle-Duffy received a Level 1 occupational license on May 28, 2009, to work as director of surveillance at Indiana Grand Casino.

In May 2013 she submitted a reinvestigation application in order to renew her license. During the background investigation of the application, Commission investigators determined she had failed to comply with her ongoing duty to maintain suitability for licensure pursuant to

68 IAC 2-3-9(a).

In lieu of a disciplinary action being filed, Commission staff offered Ms. Coyle-Duffy a settlement agreement, which would have her pay a monetary fine of \$1,500 to the Commission. She has agreed to the terms of the settlement.

The order before you would approve the settlement agreement entered into by the parties, and Commission staff recommends you approve that order at this time.

CHAIRMAN BELL: Thank you, Mr. Young.

Questions from the Commissioners?

Hearing none, is there a motion in regard to the disposition of Order 2013-198?

COMMISSIONER JOHNSTON: Move its approval.

COMMISSIONER MORGAN: Second the motion.

CHAIRMAN BELL: The order has been moved for approval and seconded. All those in favor of approving Order 2013-198, please signify by saying aye.

(Chorus of ayes.)

CHAIRMAN BELL: All opposed, same sign.

Thank you. The order is approved.

The Chair would recognize Jeff Neuenschwander to present Order 2013-199. Welcome back, sir.

MR. NEUENSCHWANDER: Thank you, Mr. Chair.

Order 2013-199 concerns a financing request from Penn.

On or about August 23, 2013, Penn National Gaming requested permission to act on a proposed financing issue and requested to do that through the interim approval process.

In accordance with the procedures identified in Resolution 2008-74 Commission Chairman Matt Bell and Executive Director Yelton considered Penn's request and consulted with the Commission financial analyst, Stephanie Berry. Chairman Bell and Director Yelton agreed that the proposed debt transaction should be approved, and Director Yelton issued an interim approval letter on October 2, 2013.

Resolution 2008-74 requires that the interim approval be reported to you for consideration and a final ratification or other direction from the Commission.

Commission staff recommends that you ratify Executive Director Yelton's October 2, 2013, interim approval letter.

CHAIRMAN BELL: Thank you.

Questions from the Commissioners?

Hearing none, is there a motion with regard to the disposition of Order 2013-199?

COMMISSIONER MORGAN: Motion to approve.

COMMISSIONER JOHNSTON: Second.

CHAIRMAN BELL: The order has been moved for approval and seconded. All those in favor of approving Order 2013-199, please signify by saying aye.

(Chorus of ayes.)

CHAIRMAN BELL: All opposed, same sign.

Thank you. The order is approved.

Thank you, sir.

The Chair would recognize Chris Gray to present Orders 2013-200 through 2013-207. Welcome back again, Ms. Gray.

MS. GRAY: Thank you. Good afternoon again, Commissioners. You have before you eight settlement agreements concerning disciplinary actions.

The first settlement is with Blue Chip, Order 2013-200, wherein the casino failed to timely inform the gaming agents of an apparent criminal activity on two separate occasions. Blue Chip has agreed to a monetary settlement of \$5,000.

Are there any questions?

CHAIRMAN BELL: No, ma'am.

MS. GRAY: Order 2013-201 is a settlement agreement with French Lick, wherein the casino allowed an underage person to enter the casino. French Lick has agreed to a monetary settlement of \$1,500 in lieu of disciplinary action.

Are there any questions?

CHAIRMAN BELL: No, ma'am.

MS. GRAY: The third order, 2013-202, is a settlement agreement with Hollywood in which the casino failed to submit a promotion. Hollywood has agreed to a monetary settlement of \$3,500 in lieu of disciplinary action.

Are there any questions?

CHAIRMAN BELL: No, ma'am.

MS. GRAY: Order 2013-203 is a settlement agreement with Hoosier Park, wherein the casino paid a jackpot to the wrong patron. The patron who actually won the jackpot was discovered to be a VEP.

Hoosier Park has agreed to a monetary settlement of \$1,168.86 in lieu of disciplinary action. This is the amount that would have been forfeited to the Commission since the patron was a VEP.

Are there any questions concerning this order?

CHAIRMAN BELL: No, ma'am.

MS. GRAY: The fifth order, 2013-204, is a settlement agreement with Horseshoe Hammond, wherein the casino allowed an underage person onto the casino floor. Horseshoe Hammond has agreed to a monetary settlement of \$7,500 in lieu of disciplinary action. Are there any questions?

CHAIRMAN BELL: No, ma'am.

MS. GRAY: Order 2013-205 is a settlement agreement with Horseshoe Southern Indiana, wherein the casino failed to follow the playing cards rule. Horseshoe Southern Indiana has agreed to a monetary settlement of \$4,000 in lieu of disciplinary action.

Are there any questions?

CHAIRMAN BELL: No, ma'am.

MS. GRAY: Order 2013-206 is a settlement agreement with Indiana Grand, wherein the casino allowed an underage person onto the casino floor. Indiana Grand has agreed to a monetary settlement of \$7,500 in lieu of disciplinary action.

Are there any questions?

CHAIRMAN BELL: No, ma'am.

MS. GRAY: The final order, 2013-207, is a

settlement agreement with Rising Star, wherein the casino failed to provide proper access to the surveillance equipment in the Commission surveillance room during a power outage. Rising Star has agreed to a monetary settlement of \$13,000 in lieu of disciplinary action.

Are there any questions?

CHAIRMAN BELL: No, ma'am.

MS. GRAY: The Commission staff recommends that you approve Orders 2013-200 through 2013-207, each of which approves one of the settlement agreements that we have just discussed.

CHAIRMAN BELL: Thank you, Ms. Gray.

Any questions from the Commissioners?

Hearing none, is there a motion in regard to the disposition of Orders 2013-200 through Order 2013-207?

COMMISSIONER MORGAN: Motion to approve.

COMMISSIONER MURPHY: Second.

CHAIRMAN BELL: The orders have been moved for approval and seconded. All those in favor of approving Orders 2013-200 through Order 2013-207, please signify by saying aye.

(Chorus of ayes.)

CHAIRMAN BELL: All opposed, same sign.

Thank you. The orders are approved.

Thank you for your work, Ms. Gray.

MS. GRAY: Thank you.

CHAIRMAN BELL: The chair recognizes Jeff Neuenschwander for Orders 2013-208 and 209.

MR. NEUENSCHWANDER: Thank you, Mr. Chair.

Orders 2013-208 and 209 are regarding annual casino license renewals. These are both regarding casino license renewals and the power of attorney renewals for Aztar Indiana Gaming Company, LLC, which is now operating under the name Tropicana, and Caesars Riverboat Casino, LLC, operating under the name Horseshoe Southern.

Both casinos timely submitted the required paperwork and fees. Horseshoe Southern's renewal date was prior to this Commission meeting. But under Resolution 2003-13 the Executive Director issued an interim renewal of Horseshoe Southern's license to bridge the time gap between its renewal date and this meeting.

Tropicana's license will expire on December 4, 2013.

The Commission previously approved the power of attorney for the two casinos. That approval expires on the renewal of each casino's license.

For that reason all casinos must either request renewal of the Commission's approval of the power of attorney concurrently with the request for renewal, or present the Commission with a new power of attorney, naming a new trustee-in-waiting.

Tropicana wishes to request renewal of Ron Gifford as their trustee-in-waiting, and Horseshoe Southern wishes to request renewal of Charles Atwood.

Commission staff recommends that you approve orders 2013-208 and 2013-209, renewing the casino license of Tropicana and Horseshoe Southern and approving the renewal of each power of attorney.

CHAIRMAN BELL: Thank you, Mr. Neuenschwander.

Questions or comments from the Commission?

The Chair would note the attendance of John Smith, the CEO of Horseshoe Southern. Mr. Smith, is there anything you would add in addition to what we have heard from Mr. Neuenschwander?

Thank you very much. Hearing no discussion, is there a motion in regard to the disposition of Orders 2013-208 and Order 2013-209?

COMMISSIONER MURPHY: I move the orders be approved.

COMMISSIONER MORGAN: Second the motion.

CHAIRMAN BELL: The orders have been moved for approval and seconded. All those in favor of approving Order 2013-208 and Order 2013-209, please signify by saying aye.

(Chorus of ayes.)

CHAIRMAN BELL: All opposed, same sign.

Thank you. The orders are approved.

Mr. Neuenschwander, if you would continue with Resolution 2013-210.

MR. NEUENSCHWANDER: Thank you, Mr. Chairman.

Resolution 2013-210 concerns the readoption of administrative rules. Administrative rules adopted under IC 4-22-2 expire on January 1 of the seventh year after the year in which the rules take effect unless the rules contain an earlier expiration date. The sections addressed in this resolution are due to expire on January 1, 2014, unless they are readopted.

The statute provides an abbreviated readoption process for rules that are not to be edited. As part of this abbreviated process, staff prepared a Notice of Intent to readopt a host of rules, which include 68 IAC 1, 68 IAC 2, 68 IAC 7, 68 IAC 8, 68 IAC 9, 68 IAC 11-4-1, 68 IAC 11-4-3, 68 IAC 14-3-4, 68 IAC 15-4-1, 68 IAC 15-5-3, 68 IAC 15-7-2, 68 IAC

15-7-4 and 68 IAC 17-2 and 68 IAC 21.

Staff submitted that notice to the Indiana Register, and the notice was published on August 7, 2013. The 30-day statutory period for filing an objection to the abbreviated process or request for separation of a rule passed without any person filing an objection or request to separate any part of the referenced rules from the abbreviated readoption process.

The resolution, if passed, will readopt the above-mentioned without change under IC 4-22-2.5-4. Just a reference number for that Notice of Intent was LSA 13-354.

If approved, the readopted rules will become effective 30 days after the final readoption action is filed with the Legislative Services Agency.

Commission staff recommends that you readopt all of the above-mentioned sections.

CHAIRMAN BELL: Thank you, Mr. Neuenschwander.

Questions or comments from the Commission? Although to the chagrin of the Chair, we will not read verbatim each rule that it is that we move to reapprove today. I would entertain at this point a motion in regard to the disposition of Resolution 2013-210.

COMMISSIONER MORGAN: Motion to approve.

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

COMMISSIONER MURPHY: Second.

CHAIRMAN BELL: The resolution has been moved for approval and seconded. All those in favor of approving Resolution 2013-210, please signify by saying aye.

(Chorus of ayes.)

CHAIRMAN BELL: All opposed, same sign.

Thank you. The resolution is adopted.

Thank you, Mr. Neuenschwander.

MR. NEUENSCHWANDER: Thank you, Mr. Chair.

CHAIRMAN BELL: The Chair recognizes Derek Young to present order 2013-211. Mr. Young.

MR. YOUNG: Thank you. Before you now is 2013-211 regarding Fists Will Fly, LLC's surety bond. Fists Will Fly obtained a promoter's license in August 2013, and on August 24, 2013, conducted a pro-am mixed martial arts event in Evansville, Indiana.

As required by statute and administrative rules, Fists Will Fly obtained a surety bond in the amount of \$10,000, which is conditioned upon the payment of all financial and tax obligations under

IC 4-33-22-32. Although some payments resulting from the event have been paid, Fists Will Fly has failed to make all required payments. Specifically, Fists Will Fly continues to owe reimbursement fees and a portion of the ticket tax in the amount of \$4,088.50.

Pursuant to Resolution 2010-127, the Commission must approve the recovery of required payments through the exercise of the surety bond. To date the Commission staff has been unable recover the outstanding amounts through communications with Fists Will Fly.

Commission staff respectfully requests that you approve Order 2013-211, which will allow staff to make a claim against the surety bond in order to recover the outstanding payments.

CHAIRMAN BELL: Thank you, Mr. Young.

Questions from the Commission?

Hearing none, is there a motion in regard to the disposition of Order 2013-211?

COMMISSIONER JOHNSTON: So moved.

COMMISSIONER MORGAN: Second the motion.

CHAIRMAN BELL: The motion has been moved for approval and seconded.

The Chair would note the attendance of the

director of the Athletic Division, Andy Means, today. Mr. Means, is there anything you would add to what we have heard?

MR. MEANS: No.

CHAIRMAN BELL: There is an order that has been moved and seconded for approval. All those in favor of approving Order 2013-211, please signify by saying aye.

(Chorus of ayes.)

CHAIRMAN BELL: All opposed, same sign.

Thank you. The order is approved.

It is our great pleasure to welcome Anthony Sanfilippo, CEO of Pinnacle Entertainment, operating wonderful properties in the State of Indiana. We would note that while we take great pride in all of our Indiana properties, today Mr. Sanfilippo joins us on a day when there are no disciplinary actions taken against either Belterra or Ameristar.

Mr. Sanfilippo, welcome. We're glad to have you with us.

MR. SANFILIPPO: Thank you, very much. And if every order, that would be the outcome, I'll be here with you every order.

Thanks for having me. There are some others

that I'd like to also introduce. Mr. Chairman, members of the Commission, Judge Yelton, Jenny and Joby, thank you for allowing us to be here and to talk about Pinnacle Entertainment.

I'm going to spend some time talking about Pinnacle Entertainment as a whole, and then about us in Indiana. But if I may first talk about those individuals that are here, just introduce them.

We have individuals here from our compliance department from our Ameristar property in East Chicago. Heather Janowski is here. Also, Melissa Wallace, who is our Belterra head of compliance. Also, we have Henry Graffeo. Henry is this gentleman over here, who's helping on the technical part of the presentation.

Kerry Fontenot is over casino operations for us, and he is at our Ameristar property, East Chicago, along with our general managers, Sue Ascanio and Matt Shuffert. They are both here. Sue is at Belterra and Matt is at East Chicago.

And then Neil Walkoff, who is our executive vice-president of operations. Neil is based in St. Louis, but he is a huge Colts fan. He is a diehard Colts fan.

He was unfortunately here when -- you were

here when the Colts got beaten by Peyton; right?
Did Peyton win that game?

MR. WALKOFF: No, Rams. The Rams won.

COMMISSIONER MORGAN: So nice of you to bring that up.

MR. SANFILIPPO: He didn't like that that happened. He loves the city, and I think comes here quite often with his family. It's a wonderful city. It's just always terrific to come here.

Indianapolis is a model city for the United States for what it's done to develop the downtown. The number of times I've had a chance to come here to meet with Judge Yelton and to meet with Jenny and others, it's just a very, very vibrant city. Congratulations on what you've done here.

We were very happy to be here in the state of Indiana. We have two properties that are very important to us.

We're going to spend a little bit of time, hopefully I'll leave you with a good overview of Pinnacle Entertainment and the two properties we have here. Any questions that you may have of me or the staff, we're happy to answer them.

It was very gracious of Judge Yelton to invite me to come. He did that early in the summer and

said we'd like the opportunity for you to be able to talk about your company and talk about Indiana to our Commission staff.

So we're going to talk about a number of things. Pinnacle Entertainment, we'll talk about our properties. We'll talk about compliance. It's very important to us.

One of our values is integrity. It was a pleasure to be here and not have a fine assessed to us. We've worked very hard throughout our organization, and we're very proud of the progress that we've made at Belterra and the record that we have at Ameristar and really being great stewards when it comes to what we're supposed to do with our rules and regulations.

And we're going to talk about the future of Pinnacle Entertainment just a little bit. This is a slide we put together to show you, to just tell you about our company. You're going to notice a couple of things.

One, you're going to notice that we're mainly focused in the middle part of the United States; that we completed the transaction with Ameristar just a little bit more than 90 days ago. That was a \$2.8 billion acquisition. We are a company today

that has an enterprise value of about \$6 billion. We're a publicly held company. We're traded on the New York Stock Exchange.

I'm very proud of the fact that we have over 15,000 team members that today are part of Pinnacle Entertainment. And then there are some other stats here, just to help you with looking at the size of the company. We operate over 72 restaurants. We have 16 locations. Two of our facilities are horseracing tracks, one in Texas and then one in Ohio, which I'll talk about here.

You'll see a slide about Ohio and really what's happened in Ohio with the level of competition that's happening there in Ohio.

We are a company that operates hotels at every one of our properties. Our Belterra property is a premiere property for us. It's a full resort. We have two golf courses, one at Belterra, one down in Louisiana.

I just spent the last four days at our Belterra property. I'm very proud of the fact we had a large convention there. Part of what we're doing is focusing on filling that 606 room hotel with business during the week that's convention based.

There is Speedway, which is a company that operates small service stations. They just had a national convention there, and we had over 400 rooms filled with their attendees. We think that's terrific, because it's great for the state and it's great for us.

And so we look at specifically Belterra, but we really look at all our properties as gaming being part of the destination, but also utilizing all the assets that we have there. In the case of our Belterra property, with the golf course, with the spa, with the large hotel, with the convention center, with the showroom that's there, we do a lot at that property to attract people into the state that just utilizes all those amenities.

In the evening, if they want to walk into the casino and play, that's terrific, and many did this week. But we really look at the cash component of business that would be nongaming amenities. Which I really believe more and more, with the proliferation of gaming throughout the United States, that will be part of the new look that companies start to have is how can we utilize the footprint that we have today to get more people here. Whether they have a direct interest in

gaming or not, we need to utilize these assets that we have.

There is not a better example for us than Belterra. With as many options that are convenient to our guests at Belterra, it's important to us that we're leveraging hotel rooms. It's important to us we're leveraging restaurants -- I'm going to talk a little bit about that -- to attract our guests there.

In East Chicago at our Ameristar property, we'll talk about that in a second, you're going to see that that really is about a great population that's close to competing for that population base. It's a property also that has a hotel and does have amenities. It doesn't have the same amenities that we do have at Belterra, but we do have a much larger population base to pull from.

I wanted to show you some of our properties. I'm very proud of the portfolios of properties that we have. You can see these are four terrific properties that we have. In St. Louis we have River City; Black Hawk, Colorado; Ameristar about an hour from Denver; our Belterra property that I think you're familiar with. If you haven't seen it, again, it's a terrific resort.

And then we're going to talk a little bit about Belterra Park, which is the property that is in Cincinnati, Ohio. We renamed what was formerly River Downs to Belterra Park. We thought it was very, very important that guests who are in Cincinnati get to know Belterra Park as a day visit and a convenience to them, because we know that guests who are in Cincinnati or the Ohio area, they may be going to downtown Horseshoe or other facilities that are close to Cincinnati. We would like them to come and see us at Belterra Park, and then we can offer a get-away or a resort experience about an hour away at our Belterra resort.

So when we had the opportunity a couple of years ago to buy this facility, this racetrack facility, we bought it because we believed it would enhance and somewhat protect us at Belterra. And we look at it that way, and we don't look at it as something that will be a direct competitor. We think it's going to actually help us bring more guests who are looking for an overnight stay or resort experience to our Belterra resort.

Our newest property is Baton Rouge, Louisiana. It's called L'Auberge. That's a beautiful property that, too, is a resort. We opened that about a

year ago.

Right below that in Lake Charles is L'Auberge Lake Charles. That's a property also, as I mentioned, with a golf course and spa, and it's a wonderful property.

We have two properties called Boomtown, and they are very local in focus. One is in Bossier City, Louisiana, or northwest Louisiana, and the other one is in the New Orleans area.

Bossier City is interesting because, very similar to Ohio and Indiana, there has been a tremendous amount of growth of gaming in Oklahoma that's dramatically affected northwest Louisiana. Northwest Louisiana is Shreveport and Bossier City. It's a good model of what happens when you have a neighboring state really put in a great supply of gaming options, and how you need to manage in a operation that once was extremely vibrant, but then started to weaken.

We've seen in a number of different locations where, as gaming continues to expand, there are states that will come right next to your state, and you've got to act differently, as we're doing at Belterra, in turning that into much more of a resort destination with gaming, because you just

don't have the same population base that will come see you.

We really believe that convenience is one of the first things that somebody looks for when they come to gamble. And when you're an hour away from a city like Cincinnati, an hour away, hour and 20 minutes away from Louisville, it's not the most convenient place to come to. So you really have to offer other things at the facility to make people want to come and spend a little bit more time there. And, again, we'll talk about that in a second.

Other properties, we have St. Charles, Missouri, which is in the St. Louis area, Ameristar property. It's a terrific, wonderful, large property. Right below that you see Kansas City. Both of these properties are very large, built by a company called Stations years ago. They sold it to Ameristar, and they really built two terrific sites that are there.

Council Bluffs, Iowa, we have a riverboat that's there, very similar to what we have here. Both are true riverboats, and it's right across the river from Omaha, Nebraska, and it does extremely well.

Then I mentioned to you we are in Selma, Texas, which is just north of San Antonio. Texas, it doesn't appear any time soon is going to have any form of electronic gaming. There's not going to be BLTs. There's not any table or full casino gaming there.

We believe this is a good spot for us to have. I expect we're going to hold this property for a lot of years before we see any gaming. I think it's a wonderful location between Austin and San Antonio, and it's a good investment for us long term. It's about 225 acres of land that we will probably develop. We'll probably look to make it an entertainment destination because of its location, and then reserve a site for gaming in Texas down the road, if Texas decides to have gaming.

Also, our East Chicago, Indiana, property, we'll talk about that. I'm very proud of that property. Vicksburg, which is really the leader in that market. Most of the properties I'm pointing out to you are the leaders in their respective markets and do extremely well.

And then the lower photo in northern Nevada right on the Idaho boarder is Jackpot, Nevada, and

we have two properties there. We have Cactus Pete's, and also a smaller property called Horseshu.

That's the portfolio of properties we have. This is where we are in Nevada. We don't have anything in southern Nevada. Our corporate office is in Las Vegas. It's been there for quite a while. That's where I live. And we operate mainly, as you saw, in the middle part of the United States.

Gaming has changed so much in the last five to ten years. A lot of people ask me, do you think you'll have a location in Las Vegas. And we always say if it makes any amount of sense we will. But today it doesn't because there is an oversaturation of gaming in Las Vegas. It doesn't make any type of sense for us to have a property in Las Vegas.

We have a relationship with the Wynn Las Vegas, which is a terrific company. And so through our loyalty program our guests can, when they want to go to Las Vegas, they can stay with the Wynn, and we have offers through Wynn and Encore in Las Vegas. That's something that we established about three years ago with the Wynn.

So to talk about our properties here, we have

13 years of experience operating in Indiana, and that started with Belterra in the year 2000. It was built by Pinnacle Entertainment. Ameristar, East Chicago, opened in 1997. It has gone through a number of owners. We're the fifth owner of that property, and I hope we're the last owner for a very long time.

COMMISSIONER MORGAN: We do, too.

MR. SANFILIPPO: Good. Thank you.

I introduced Matt and Kerry and Heather. We have a great team there. They really do a wonderful job, and I'm very pleased. We really believe that the core of our success is our leadership, and this is a property that they've done a wonderful job with.

My friends from Horseshoe in Hammond are here and built a big, very competitive property there that does quite well. And we, I like how we do in that market.

I think there are some opportunities for us to do better. We plan on adding some capital to that property to more effectively compete going forward, but the key really is the people that are leading the team members that are there.

Just to tell you a little bit about Belterra,

it is a fully integrated resort. We have right at 1300 slot machines and a little over 40 table games like poker. As I mentioned, we have a hotel with 608 guest rooms, six restaurants, 33,000 square feet of meeting space, over 1500 feet seats in our showroom. We just recently upgraded the sound system there. We spent over a half million dollars to improve the sound system. It sounds great. A golf course that people very much enjoy and a full service spa.

We're going to talk about some recent capital we put in there, and I'll tell you what we're getting ready to do there.

Also, Ameristar in East Chicago, we have almost a 300-room hotel. It was fairly recently renovated. It's in great shape. We have 1900 slots and 41 table games there with five dining options and 5400 square feet of meeting space that's there.

This really gives you a pretty clear picture of how crowded gaming has become in this part of the country. When you look at what's happened in Ohio, there are a lot of gaming options in Ohio, and you're well aware of the options there are in Indiana. And Kentucky continues to talk about

potentially legalizing gaming in Kentucky.

So you really have to have a niche on who you're going to be in your respective markets, because if you are just offering slot machines and table games, people have other options. And, again, typically location and convenience trumps most everything else.

When you look at East Chicago you can see, and I think you're very well aware of what is in the greater Chicago area. We continue to hear that there could be a large casino in Chicago. If you follow closely what's happened with the Rush Street group and the Rivers Casino that opened up in Des Plaines, that's had a pretty big impact on casinos in Joliet and other locations. Just one casino opening up in one area can have a pretty big impact.

I believe today, and I've been in the industry about 30 years, I believe today that gaming is a bit mainstream; that people don't see it as the same novelty as they did 25, 30 years ago when you could only gamble either in Las Vegas or Atlantic City. It's just become, it's not as exciting to people as it once was, so you have to have other options when people come to the property.

It was very novel at one point, and you had a much more limited supply, and so you had a lot of people that were visiting fewer facilities. Today it's just not that way, and you have to be very good at what you do and offer something compelling to the guests so that they'll want to come and spend time with you.

Belterra, this illustrates to you how much has been invested in that property to date over time. And we're showing you \$230 million in the year 2000. We could not build Belterra today for \$230 million. We'd probably be spending double that to build Belterra day. So over time we have invested in real dollars \$280 million. We just finished a buffet and stadium sports bar. I'm going to show you a photo of that, in fact.

And what is in front of us for '14 is we're going to renovate the hotel. That will be a project that is approximately \$7 million to renovate the hotel. We are going to do renovation of the casino as well as the VIP lounge.

There are also two other restaurants that are not up here that we have within the casino that we plan on also refurbishing. So that would have us having touched a great part of the whole facility

within the last two years.

And, again, the property has worn well. I've been surprised that we haven't had to do a complete renovation up until now. But we are at the point that it's past the standard that I feel comfortable with. And for us to attract large conventions there, we really need to have high quality refreshed rooms. So we will do that in '14.

As I mentioned, in the past year we just refurbished the buffet. It's terrific. And even better, our staff does a wonderful job with the culinary experience.

We have a concept in our company that we started, and this is our third one -- the fourth one will be at our Belterra Park facility -- called the stadium. And we focus in on local celebrities that are sports celebrities from the local area.

Muhammad Ali, you can tell from the photo that's up there, Muhammad Ali is from Louisville. So he's featured in there.

When we opened up the facility last summer Johnny Bench, who caught the first pitch from Neil Walkoff, who is a diehard Reds fan, so that was a dream come true for Neil to be able to throw a pitch to Johnny Bench. It only bounced a few

times. He threw it underhanded.

But it's a wonderful, it's a wonderful facility, both of them, that are very much locally focused. So that the food that's in there, the decor that's in there appeals to those that come and visit this property.

Capital improvement in East Chicago is different. It was purchased, so again this is not what it cost to build, but it was purchased in 2007 by Ameristar for \$675 million. And then you see what's been put into it since that time. We do plan on making some changes within that facility.

Neil and Matt and I are taking a look to see what we're going to do to have it more competitive, but we do plan on refreshing it and improving that facility here in the next year.

This just gives you, from a pictorial standpoint shows you the top five states where people come from to visit our properties. And, you know, you could take a look at that, but, you know, the majority of who's coming into our properties, as you can see, are concentrated at Belterra within three states, or within two states. We'll we've got Belterra on both. With Belterra it's concentrated within three states, and within two

states Ameristar East Chicago.

This just shows you the amount of money that we are contributing. This is the last 12 months that we contributed over \$132 million annually to the state and local communities in which we operate. I do think you get exposure to this, but it's helpful to see, I think, on one slide how much money that our company is contributing on a yearly basis to the state in direct payments like you see here.

I want to spend a little bit of time about compliance. It is very important to us. We spend a lot of time talking about making sure that our team members are trained; that our team members understand what their responsibilities are; that we work closely with Judge Yelton, his staff, with the state of Indiana.

It's very important to us that we are doing what we told you we are were going to do. Most of the items that I listened that you assess fines to, people make mistakes. There are human errors. With that many transactions that take place, that can happen.

And we work very hard for people to understand what the responsibilities are and to uphold what

we're supposed to do. It's a big part of who we are as a company.

This talks a little bit about our M/WBE vendors. It is something very important to our company. We do think we do a good job with that.

We have a central strategic sourcing group that works closely with each property to make sure we are doing as much as we can in a local community standpoint to buy from those in local communities as well as for us to fulfill a promise that we have to make sure that we're spreading around through diverse groups what we purchase. And we can show you stats on that, but it is something that we spend a lot of time on.

We do a number of things. I've listed a couple of here favorable payment terms for vendors. We attend events. We do a number of things to try to give people an opportunity to get their business into our business, and for us not to just use the very large vendors who buy in great quantity.

This is a little bit about our team members. I'm very proud of this. We have at Belterra a little more than 1,000 team members, and at East Chicago a little bit more than 1100. And annual compensation, and this strictly includes what

people are paid from an overtime and base wage standpoint, salary standpoint, an average of these team members is \$22 million at Belterra, and \$28 million at our East Chicago property. You can see the makeup of our team members and also what their average pay is, too.

One thing I'm very proud of when we merged together Ameristar and Pinnacle Entertainment, we said that we're going to take the best practices of both companies. A practice that Ameristar had was a workplace giving campaign. And we didn't have this. It was something that we talked about, but we didn't have an organized workplace giving campaign at Pinnacle Entertainment. And it's actually happening right now. It ends tonight at midnight. This is the participation pledges through yesterday.

What we do is we go out to all of our team members and we say through payroll deductions in '14, if you pledge, and we give a list of charities that you can contribute to, and we ask each property to put a local charity there, and also United Way is part of it, that our company will match 25 cents on every dollar that our team members may give.

We have had -- this is company-wide through yesterday, with tonight being when the campaign ends -- we have had 43 percent of our more than 15,000 team members sign a form to say that they will contribute next year through payroll deductions. And we have had almost \$784,000 pledged. With our match on top of that, it's approaching \$980,000. I fully expect that we'll be over \$800,000 when it's all said and done, if not quite a bit past that, and then total with our company match over a million dollars.

Now, this is just pure dollars that are pledged by team members. It's to me impressive, the number.

This shows you at Belterra the number of organizations that our team members contribute to. They give a lot of time. Our team members throughout each one of our communities spend a lot of time helping others, giving their own time.

This is our East Chicago, the number of organizations that either were given financial aid to or time to.

And this is just some photos of our team members that are helping out in the community. So all throughout Indiana we have very active team

members who are helping trying to make the communities better. And these are some photos from our East Chicago property.

I really didn't want to make this financially focused. I did want to talk about all the things that we do to try to drive our business into Indiana for our properties. We do, though, have a network of branch offices, and that's throughout the United States. We have members who are Pinnacle team members that, we have a branch office in Chicago. We have one in Houston. We have one in Dallas.

Coming up there is a game, Dallas is playing Monday night the Bears. We have a suite at the Bears stadium, so we're bringing guests up from Louisiana who are customers that live in Dallas and also Houston for the game. So that would be an example of how we coordinate nationally to bring in some new guests into the area.

I've mentioned we had continued to reinvest in our properties. We're combining our loyalty program. Ameristar has a program called Star Awards. We have one called My Choice. We'll roll out a combined program. We're still working out particulars, but we'll roll that out in the spring.

We believe that's going to help, continue to help our business.

We are very diverse. So from the standpoint of our company, when we doubled in size, and you may remember that we talked about this when we were here with you before, that bringing the two companies together put less reliance on any one market. So when we were half the size, if any one market didn't do well, that had a bigger impact on our whole company. Today, because of the diversity that we have, that just lessens that, lessens the potential risk.

I mentioned with our loyalty program we'll have a universal card system fully in place next year. I've already mentioned this to you, our loyalty program.

Let me spend a little bit of time on Belterra Park. It's going to be integrated with gaming and racing facility. We made the decision to completely take down River Downs. It had been there for 50 years, very, very old.

A lot of companies are just taking existing racing facilities and sticking BLTs in them. We didn't think that would make a lot of sense because these buildings were so old, and it really wasn't a

good use of space. So we actually completely took it down and are rebuilding it. This is a rendering on how it's going to look.

As I mentioned earlier, we are really focused on, for those locally in Cincinnati, it's a place for them to play. And then we cross market at Belterra Park for them to come for overnight or a couple of night visit. We plan on opening this the weekend of the Kentucky Derby, which is May 3.

We changed the name. We said we're going to call it, have it branded with our Belterra Resort, because we want people to think about both of them at the same time. And we think they are going to help each other out.

When we think about our philosophy, if we were to just talk to you about it, we do value diversity. We talked about being a good community partner. We are committed to service. Our team members do that on a regular basis. And we talk a lot about operational excellence, being very good at what we do at every property that we operate.

We do a lot of training for our guests, and I mentioned a couple of times leadership is key to how good our company is and really how they lead the people that are at each one of our properties.

We're very careful about who we select to come to the company. It's important that they have, they see it noble to serve others. That's pretty important within our company, that people find value in serving other people.

There's three things that I talk about a lot in our company. I say we should make decisions that are in the best interests of team members, guests, and shareholders. And if we're making decisions that don't impact in a positive way either team members, guests, or shareholders, we should question why we're doing it.

Our company values, which when we went and merged with Ameristar we stepped back, because Ameristar had company values that Pinnacle didn't. We had the team members say what was important to them, which pretty much crossed over. But integrity was with both companies, and integrity was now with the new company care, which is really about community giving, excellence in all we do, innovation, and ownership. Act like an owner. Act like you're part of the company.

A big part of the incentive plan that we have for a broad group of people in our company is that we issue to them both restricted stock as well as

options. And I encourage people every day to think like an owner; that they need to think about this business as their business. And if they have stock options or restricted shares, it makes it a lot easier for them to do that.

There are some other slides in the appendix I won't go to. I do want to thank you. This is a great state to do business in.

You do a very nice job in how you regulate the state. Judge Yelton, Jenny and others are accessible. They are honest, honest from the standpoint if I've got a question, they will say, "Here's the story. Here's what you've got to do. A couple of years ago we weren't happy with what was going on in Belterra."

They were very honest about it. "Here's what you've got to do from the standpoint of being better from a compliance standpoint." They are supportive of the industry. They are tough when they need to be tough, and they're always fair.

So it's a wonderful state to do business in, and I'm glad that our company has two properties in this state.

So thank you for taking the time to listen to me. I am happy to answer any questions that you may

have.

COMMISSIONER MORGAN: One question. First of all, thank you and to your team for what you do. You are a vital part of gaming in Indiana. I know you know that. We appreciate that.

Ameristar is a unique market, I think, and you pointed it out, it's a pretty substantial revenue base for you. What are you going to change in the future for Ameristar to broaden that business?

MR. SANFILIPPO: There's a couple of things. We're looking at some physical improvements that we think will offer better amenities inside the facility, mainly around food options. The stadium concept is a pretty great concept that people like, and so we're looking at adding that.

When I talked about the branch offices, the example of bringing guests up from Texas because we have relationships with them as Dallas plays Chicago, there is a reach now that we have that we didn't have before that will be a big part of it.

We think our loyalty program is something that will help all of our properties, because we've more than doubled our database of guests, and we encourage guests to visit other properties.

You know, Chicago is an interesting market.

We want to keep our property fresh. We want to keep our team members engaged. But we pay close attention to what may happen in the Chicagoland area. And just as you've seen in Ohio, when you've had that much supply that comes online, it has a pretty big impact.

We took the position in Belterra that, look, we've got a wonderful resort here. And we may have seen a decline in gaming revenues, but we're going to focus on making this the best destination resort we can make it.

So you're going to see some additional capital that gets put into East Chicago. You're going to see that we have a reach to bring more guests in.

We have two large properties in St. Louis. I think both Chicago and St. Louis are two markets that are complementary to one another, and you're going to see us continue to support our team members.

CHAIRMAN BELL: Additional questions for Mr. Sanfilippo?

EXECUTIVE DIRECTOR YELTON: Yes, I do. This is probably unfair for me to ask you this today, but during a period of time maybe two or three years ago, I guess during your fortunately

temporary retirement, your predecessor came to Indiana on more than one occasion, particularly with our legislature, and talked about a third tower at Belterra. And you tried to actually say, well, if you do this I won't build it; if you don't do that, I'll build it, blah, blah, blah. Has that idea been scrapped or put on the very far back burner?

MR. SANFILIPPO: Judge Yelton, since I've been the CEO, which you know has been since March of '10, we've had no conversation about a tower. Really, this is the first time I'm hearing that Dan Lee would come and talk about a hotel tower.

What we have talked about, Sue and Neil and others, is that we want to keep those rooms fresh. So we just finalized the design of rooms, and that will be a \$7 million project to keep those rooms fresh.

608 rooms is a pretty large hotel. It's one of the largest hotels we have in our company. We put, I don't want to say significant, but pretty healthy. The stadium costs over two million to build. The buffet was over two million.

We're moving along. We're committed to keeping the facility in great shape. The reality

is we're operating it more like a destination resort today with a casino than we are a casino with other amenities. We're really focused on it as a destination resort. If we believed that there was an upside to putting another hotel tower, we would do that.

EXECUTIVE DIRECTOR YELTON: I didn't mean to be critical had you chosen not to do so, because I do agree with what you said. We were down and visited Sue just a few weeks ago, and we were just amazed at how fresh the property really did look. Very impressive.

MR. SANFILIPPO: Thank you. It's really a credit to Sue and Neil and the team there.

You know, I think Indiana is in a more difficult situation than it was before because of competition around it and potentially more competition in Chicago. And you have helped. You have helped with free play. That clearly was something that has helped the industry be more competitive.

That type of relationship with you where you recognize, what can we do to help you better compete with Illinois and Ohio, it's just great that you're open to that; that you'll say, let's

talk about this and see what makes sense.

We've got almost a billion dollars of assets invested here. As I've said, this is an important state to us, and we want to continue to do everything we can to grow what we have here.

It is very helpful -- I keep repeating myself -- it is very helpful to have an executive director and a staff and a Commission that will sit and have conversations with you and say, you know, what's the best way to do this. It makes a difference. It makes a big difference for us.

CHAIRMAN BELL: Any additional questions?

COMMISSIONER MURPHY: Just one. I'd also like to thank you for your presentation. It was very good.

I'm looking at a, it's actually on page 16 where you've graphed out the percentage of players coming from Ohio, Indiana, Kentucky. I'm wondering how current the data is? It's 29 percent of the players, I think this is what it says, come from Ohio into Belterra. Is that post-Ohio competition?

MR. SANFILIPPO: It is. It used to be higher.

COMMISSIONER MURPHY: So those would be current numbers?

MR. SANFILIPPO: Yes.

COMMISSIONER MURPHY: It would have been higher than that?

MR. SANFILIPPO: It would have been higher than that.

COMMISSIONER MURPHY: What would that number have looked like before, do you think?

MR. SANFILIPPO: I know it would have been over 50, 55, 60 percent.

COMMISSIONER MURPHY: That much?

MR. SANFILIPPO: It would have been. We started to target Kentucky a lot more when we started to see that Ohio was getting a lot of casinos. We said, look, it's going to be very difficult when -- convenience ends up trumping most things. So when we knew that people would have a 15 minute drive and not an hour and 15 minute drive, we started to target Kentucky, and said we really need to build relationships. And we do a lot of advertising in Lexington and Louisville from Belterra, because you are not competing with the location issue.

That's why I think Belterra Park will be a benefit; that Belterra name will start to get known. We can say to our guests through our loyalty program, we would like you to go stay at

Belterra Resort.

COMMISSIONER MURPHY: That's a very good idea.

MR. SANFILIPPO: But Ohio really did change -- I know you know this, because you see the numbers, but Ohio really did change the whole supply and demand.

COMMISSIONER MURPHY: Right. I'm just surprised that it would have been that high before.

MR. SANFILIPPO: That's what we had to adjust. We had to say, okay, we're going to play the hand we've got. And we've got to really focus on having a destination resort with full amenities, and go after places like Louisville and Lexington that is not competing with so many casinos that are in the Cincinnati area.

COMMISSIONER MURPHY: All right. Thank you.

CHAIRMAN BELL: Additional questions from the Commission or from Executive staff?

If not, Mr. Sanfilippo, I would like to join my colleagues in thanking you, thanking you for your investment in Indiana, for the spirit of innovation with which you maintain and improve those properties day in and day out, for your commitment to diversity, for the operational excellence that your company believes each and every

day.

It is very clear that with the exception of Neil's thrice bouncing pitch to Johnny Bench, there is nothing underhanded happening at Pinnacle Entertainment. We thank you very much for being with us today.

MR. SANFILIPPO: Thank you very much. Have a wonderful Thanksgiving.

CHAIRMAN BELL: The next meeting of the Indiana Gaming Commission is tentatively scheduled for March 20, 2014.

On behalf of my fellow Commissioners, we would like to thank Director Yelton, his Executive team, Jenny Reske and Joby Jerrells, for their leadership and integrity. We'd like to thank the staff of the Indiana Gaming Commission at every level for their exemplary efforts day in and day out.

Finally, we'd like to thank the licensees and the operators of the properties that we're very, very privileged to regulate for your commitment to compliance with the Indiana laws and rules, and especially for your commitment to making your Indiana properties an outstanding and world class destination for your patrons. We thank you.

We wish you a wonderful holiday season and

look forward to working with you in 2014.

Is there a motion to adjourn?

COMMISSIONER MURPHY: I so move.

COMMISSIONER MORGAN: Second the motion.

CHAIRMAN BELL: All those in favor of adjourning this meeting of the Indiana Gaming Commission, please signify by saying aye.

(Chorus of ayes.)

CHAIRMAN BELL: Any opposed?

We stand adjourned. Thank you.

(Adjourned at 3:26 p.m.)