

**INDIANA GAMING COMMISSION
TELEPHONIC BUSINESS MEETING**

**10:00 A.M., May 14, 1999
115 West Washington St., Ste. 950, South Tower
Indianapolis, IN 46204-3408**

Present: Participating by phone: Donald R. Vowels, Chair; Ann Bochnowski, Vice-Chair; Dr. Ross, Thomas Milcarek, and Richard Darko. Robert Swan did not participate. Staff: Jack Thar, Kay Fleming, Cynthia Dean, John Krause, Michelle Marsden, Cpt. Mark Mason, Rhonda Dalton, and members of the public.

Call to Order and Roll Call

Chairman Don Vowels called the meeting to order at approximately 10:00 a.m. (local time). A quorum was present.

Approval of the Minutes

Upon motion by Richard Darko, second by Donald Vowels, the minutes of the March 29, 1999 telephonic business meeting were unanimously approved.

Report of the Executive Director

Jack Thar, Executive Director, gave a report to the Commission on the activities of the riverboats and the Commission office.

On April 22, 1999 Commission staff along with the Minority Business Development Commission met with the General Managers and Purchasing Directors of the riverboats on Lake Michigan.

No legislation affecting riverboat gambling passed during this session of the legislature.

Commission staff recently met with representatives of Park Place concerning the purchase of Caesars World from Starwood. The appropriate forms necessary for transfer of ownership will be filed in a timely fashion.

Cindy Dean has been promoted to Chief Legal Counsel for the Indiana Gaming Commission. She will assume those duties effective May 17, 1999.

Kay Fleming, Chief Legal Counsel of the Indiana Gaming Commission will be leaving to join the law firm of Ice Miller Donadio and Ryan. Executive Director Thar as well as the Commissioners, commended Ms. Fleming for her dedication and exemplary work.

**Denial of Occupational License
James Leach MA-DEN-99-1**

James Leach applied for an Occupational License, Level 2 for employment with Majestic Star as a slot tech. During his employment with Majestic Star, it was discovered that Mr. Leach utilized long nose pliers to remove currency from the bill validator boxes of slot machines. Commission staff revoked Mr. Leach's temporary license on or about April 28, 1999.

Action: Upon motion by Ann Bochnowski, second by Richard Darko, and unanimous vote of those present, the Commission upheld the revocation of the temporary license and denied the application for Occupational License, Level 2 submitted by Mr. Leach.

Cynthia Hooper HA-DEN-99-3

Cynthia Hooper applied for an Occupational License, Level 2 for employment with Harrah's (formerly Showboat) as a slot attendant. During her employment with Harrah's, it was discovered that Ms. Hooper completed a duplicate and fraudulent manual jackpot fill slip, and that she retained the money used to complete the resulting duplicate, fraudulent jackpot fill. The Commission staff revoked Ms. Hooper's temporary license on or about April 19, 1999.

Action: Upon motion by Tom Milcarek, second by Ann Bochnowski, and unanimous vote of those present, the Commission upheld the revocation of the temporary license and denied the application for Occupational License, Level 2 submitted by Ms. Hooper.

Trina P. Hogan HA-DEN-99-2

Trina P. Hogan applied for an Occupational License, Level 2 for employment with Harrah's (formerly Showboat) as a slot attendant. During her employment with Harrah's, it was discovered that Ms. Hogan completed a duplicate and fraudulent manual jackpot fill slip, and that she retained the money used to complete the resulting duplicate, fraudulent jackpot fill. Commission staff revoked Ms. Hogan's temporary license on or about April 19, 1999.

Action: Upon motion by Tom Milcarek, second by Ann Bochnowski, and unanimous vote of those present, the Commission upheld the revocation of the temporary license and denied the application for Occupational License, Level 2 submitted by Ms. Hogan.

Pamela Maikranz AZ-DEN-99-3

Pamela Maikranz applied for an Occupational License, Level 2 for employment with Aztar as a dealer. During her employment with Aztar, it was discovered that Ms. Maikranz stole a \$25 chip from the table at which she was dealing. The Commission staff revoked Ms. Maikranz's temporary license on or about April 14, 1999.

Action: Upon motion by Richard Darko, second by Tom Milcarek, and unanimous vote of those present, the Commission upheld the revocation of the temporary license and denied the application for Occupational License, Level 2 submitted by Ms. Maikranz.

Molly Schmeisser AG-DEN-99-2

Molly Schmeisser applied for an Occupational License, Level 3 for employment with Argosy as a bartender. During her employment with Argosy, it was discovered that Ms. Schmeisser stole money by failing to ring up drinks and retaining the money received for them or by charging the wrong price for drinks and retaining the additional amount received for the drink. The Commission staff revoked Ms. Schmeissers' temporary license on or about March 30, 1999.

Action: Upon motion by Ann Bochnowski, second by Richard Darko, and unanimous vote of those present, the Commission upheld the revocation of the temporary license and denied the application for Occupational License, Level 3 submitted by Ms. Schmeisser.

Angelina Garrett AZ-DEN-99-2

Angelina Garrett applied for an Occupational License, Level 3 for employment with Aztar as a ticketing representative. During her employment with Aztar, it was discovered that Ms. Garrett was participating in a Caribbean Stud Poker game aboard Aztar. The Commission staff revoked Ms. Garretts' temporary license on or about March 30, 1999.

Action: Upon motion by Dr. Ross, second by Ann Bochnowski, and unanimous vote of those present, the Commission upheld the revocation of the temporary license and denied the application for Occupational License, Level 3 submitted by Ms. Garrett.

Settlement Offers on Disciplinary Actions

Complaint No. 98-SB-1, Showboat . The disciplinary action against Showboat consists of three counts. Count 1 of the complaint states that on February 28, 1997 Showboat requested the Commission allow the game of poker. The Commission approved that game on a temporary basis with restrictions. On February 16, 1998 a patron was allowed to cash out at the poker room podium in violation of those restrictions. Count 2 of the complaint concerned the failure of the poker room cashier to complete necessary records at the time of the transaction. The currency transaction report which was eventually prepared for the patron violated 68 IAC15-2-5 and 68 IAC 15-2-6.6. Count 3 of the complaint involved other violations of the currency transaction reporting requirements. The Commission staff and Showboat have reached a settlement agreement whereby Showboat would receive a written reprimand with no monetary fine imposed due to the fact that Showboat ownership and management at the time of the incident no longer exists as both have transferred to Harrah's Entertainment, Inc. All parties involved in the disciplinary action are no longer employed with Harrah's East Chicago.

Action: Upon motion by Ann Bochnowski, second by Richard Darko, and unanimous vote of those present the Commission approved the proposed terms of the settlement agreement

Complaint No. 98-EM-2, Empress. The disciplinary action against Empress consists of one count, but numerous transactions. A recent investigation revealed that on 7 different occasions Empress did not complete a Currency Transaction Report ("CTR") when one should have been completed, or the CTR completed was not accurate. Also, it was discovered that on one occasion Empress did not attach a photograph of a patron

who completed a \$10,000 transaction to the multiple transaction log who as required by Commission rules. Finally, Empress staff allowed a patron to complete a \$14,500 transaction without providing appropriate id as required by Commission rules. The Commission staff and Empress have reached a settlement agreement whereby a fine in the amount of \$81,000.00 would be paid.

Action: Upon motion by Richard Darko, second by Ann Bochnowski, and unanimous vote of those present, the Commission approved the proposed terms of the settlement agreement.

Resolution 1999-14

A Resolution Concerning the Renewal of Supplier's Licenses of Casino Data Systems; Logical Solutions International, Inc; Sigma Game, Inc; and Shuffle Master, Inc.

Action: Upon motion by Dr. Ross, second by Ann Bochnowski, and unanimous vote of those present, the Commission granted the renewal of the Supplier's Licenses issued to Casino Data Systems; Logical Solutions International, Inc; Sigma Game, Inc.; and Shuffle Master, Inc. The renewed supplier's licenses will be valid for a period one (1) year from the date of issuance.

Resolution 1999-15

A Resolution Granting Conditional Approval of the Game of "Bet The Set 21".

Action: Upon motion by Richard Darko, second by Ann Bochnowski, and unanimous vote of those present, the Commission granted conditional approval of the game of "Bet The Set 21".

Resolution 1999-16

A Resolution Adopting 68 IAC 6-2; 68 IAC 10-1-1.2; 68 IAC 10-10; 68 IAC 10-11; 68 IAC 15-10-4.1; 68 IAC 19-1; and amendments to 68 IAC 2-1-7; 68 IAC 9-4-6; 68 IAC 11-2-1; 68 IAC 11-2-6; 68 IAC 11-3-1; 68 IAC 11-3-6; 68 IAC 14-7-4; 68 IAC 15-9-4; 68 IAC 15-11-3; 68 IAC 15-11-3.1; 68 IAC 15-12-3; 68 IAC 15-12-4; 68 IAC 15-13-2; 68 IAC 17-1-1; and 68 IAC 17-2-1 for publication as proposed rules.

Action: Upon motion by Ann Bochnowski, second by Richard Darko, and unanimous vote of those present, the Commission approved the above mentioned rules as proposed rules.

Resolution 1999-17

A resolution concerning debt acquisition by Argosy Gaming Company. Dale Black, Chief Financial Officer of the Argosy Gaming Company appeared before the Commission in order to comply with the two meeting rule of the Commission. Executive Director Thar noted that while making the first presentation Argosy Gaming Company represented its intent to call in \$235 million in 13.25% first mortgage notes. However, the amount of \$300 million has been included in Resolution 1999-17 so the Commission would be aware there is the potential that Argosy would go over the \$235 million dollar amount but not more than \$300 million as the amount they wish to raise in senior subordinated notes. Argosy Gaming Company further requested approval of up to \$200 million in a bank facility for a total debt acquisition of \$500 million.

Action: Upon motion by Richard Darko, second by Tom Milcarek, and unanimous vote of those present, the Commission approved the request of Argosy Gaming Company's debt transactions in an amount of up to \$500 million subject to a review and approval of the terms of the final draft and associated documents by the Commission staff.

Resolution 1999-18

A resolution concerning debt acquisition by the Majestic Star Casino, L.L.C. Michael Kelly, General Manager and Chief Financial Officer of Majestic Star appeared before the Commission and staff regarding its intent to call in \$130 million of senior secured notes and up to \$20 million bank facility. A waiver of the two (2) meeting rule was requested for both the \$130 million senior secured notes and the \$20 million bank facility. The request for the waiver of the two meeting rule for the \$20 million bank facility was subsequently withdrawn. This presentation complies with the first meeting rule for the \$20 million bank facility.

Action: Upon motion by Ann Bochnowski, second by Richard Darko, and unanimous vote of those present, the Commission approved the waiver of the two (2) meeting rule for the senior secured notes in an amount of up to \$130 million.

Upon motion by Ann Bochnowski, second by Richard Darko, and unanimous vote of those present, the Commission approved the senior secured notes in an amount of up to \$130 million subject to a review and approval of the terms of the final draft and associated documents by the Commission staff.

Other Business

Kay Fleming, Chief Legal Counsel, expressed her thanks and appreciation to everyone she has worked with at the Commission. Commissioner Vowels, on behalf of the Commissioners, expressed their appreciation to Kay for her dedication and going above and beyond the call of duty while working at the Indiana Gaming Commission.

Next Meeting

The next business meeting of the Indiana Gaming Commission will be announced at a later date.

Adjournment

The meeting was adjourned at approximately 11:00 a.m. by unanimous Commission vote.


Minutes

The May 14, 1999 minutes were prepared by Rhonda Dalton, Executive Secretary of the Indiana Gaming Commission staff. A transcript is not available.

Respectfully submitted,


Rhonda K. Dalton

THE INDIANA GAMING COMMISSION:


Donald Vowels, Chair


Thomas Milcarek, Secretary