

**INDIANA GAMING COMMISSION
BUSINESS MEETING**

11:00 a.m., March 15, 2002
115 W. Washington St., Ste. 950, South Tower
Indianapolis, IN 46204

Present: Commission members: Donald R. Vowels, Chair; Ann Bochnowski, Vice-Chair; Richard Darko, David Carlton, and Dale Gettelfinger. Thomas Milcarek and Dr. David Ross were not present. Staff: Jack Thar, Cynthia Dean, Billy L. Hamilton, Jennifer Arnold, Susan Brodnan, Jennifer Chelf, Michelle Marsden, Rhonda Dalton, Major Mark Mason and members of the public.

Call to Order and Roll Call

Chairman Donald Vowels called the meeting to order at approximately 11:15 a.m. local time. A quorum was present.

Approval of the Minutes

Upon motion by Richard Darko, second by Ann Bochnowski, and unanimous vote of those present, the minutes of the December 6, 2001 business meeting were approved.

Report of the Executive Director

Executive Director Thar provided an update on the activities of the licensees.

The accounting firm of Arthur Andersen serves as the independent public accountant for several of the riverboat licensees. Due to Andersen's involvement with Enron, the Indiana Gaming Commission will survey the riverboat licensees regarding their relationship with their respective outside auditors. Commission staff will also request the licensees provide their "Code of Conduct" for major officers in each company.

Jennifer Arnold, Director of External Affairs, appeared before the Commission to provide an update on gaming bills and the recent legislative session.

New Game Approval

Resolution 2002-1

Prime Time Games submitted the game of 21+3, a variation of the traditional game of Blackjack, for approval for play on Indiana Riverboats. Gaming Laboratories International, Inc. reviewed the information and materials submitted. The Commission granted conditional approval of the game for a period of six months pursuant to Resolution 2001-34 dated August 23, 2001. Caesars sponsored 21+3. Caesars indicated in writing it wishes to continue offering the game of 21 +3.

Action: Upon motion by Ann Bochnowski, second by David Carlton, and unanimous vote of those present, the Commission approved the game of 21+3 offered for use on Indiana

riverboats. All riverboats who offer the game of 21+3 must have pre-approved rules of the game and layout schematics.

Resolution 2002-2

A Resolution Approving for Proposed Readoption Articles 3, 4, 5, 10, 11, 12, 13, 14, 15, 16, 17, 18 and 19 of Title 68 of the Indiana Administrative Code.

Action: Upon motion by Richard Darko, second by David Carlton, and unanimous vote of those present, the Commission readopted the following rules: 68 IAC 3 Minority and Women's Business Enterprises; 68 IAC 4 Corporations; 68 IAC 5 Transfer of Ownership; 68 IAC 10 Conduct of Gaming; 68 IAC 11 Internal Control Procedures; 68 IAC 12 Security and Surveillance; 68 IAC 13 Seizure, Forfeiture, and Disciplinary Hearings; 68 IAC 14 Gaming Equipment; 68 IAC 15 Accounting Records and Procedures; 68 IAC 16 Credit; 68 IAC 17 Moving of Gaming Equipment; 68 IAC 18 Dispute Procedures; 68 IAC 19 Warehouses. The resolution expires thirty (30) days from the date and time that the Secretary of State accepts the rules listed in Section 3 for filing as readopted rules.

Occupational License Matters

John Castillo TR-DEN-01-2

John Castillo applied for an occupational license, level 2 for employment as a dealer at Trump Casino and was issued a temporary occupational license on or about May 1, 1997. During his employment with Trump Casino, it was discovered that on or about August 11, 2001 Mr. Castillo capped a patron's buy in at the craps table where he was dealing in an attempt to receive more tips from the patron. As a result of this incident, Trump Casino terminated Mr. Castillo's employment. The Commission staff revoked Mr. Castillo's temporary occupational license and denied his application for a permanent license.

Action: Upon motion by Ann Bochnowski, second by David Carlton, and unanimous vote of those present, the Commission upheld the revocation of the temporary license and denied the application for an occupational license, level 2, submitted by Mr. Castillo.

Appeal of the Denial of an Application for a Permanent Occupational License Submitted by Leroy Jackson Appeal No. TR-DEN-01-1

On or about April 8, 1998 Leroy Jackson was issued a temporary occupational license, level 2, to work as an impressment clerk at Blue Chip Casino. He worked at Blue Chip until April 30, 1998. On or about October 27, 1999 Leroy Jackson was issued a temporary occupational license, level 2, to work as a dealer at Horseshoe Casino. He worked at Horseshoe until March 6, 2000. On or about April 18, 2000, Leroy Jackson was issued a temporary occupational license, level 2, to work as a dealer at Trump Casino. During his employment with Trump, it was discovered that Mr. Jackson was violating blackjack dealing procedures. The casino terminated his employment June 14, 2001 because of these violations. Commission staff revoked Mr. Jackson's temporary occupational license on June 28, 2001 and denied Mr. Jackson's application for a permanent occupational license on or about August 23, 2001. Mr. Jackson was notified of the Commission's decision by certified mail. Mr. Jackson appealed the decision of the Commission and submitted a request for a hearing in the matter dated September 20, 2001. Commission staff did not receive the request for hearing until October 1, 2001. Mr. Jackson's request for a hearing was not timely filed, the request for a hearing was not notarized or verified, nor did it contain details indicating why Mr. Jackson's application for a

license should not have been denied. The Commission appointed Bernard L. Pylitt the Administrative Law Judge in the matter. Commission staff filed a Motion to Dismiss Appeal with Judge Pylitt on or about November 16, 2001. A copy of the motion was sent to Mr. Jackson via certified mail at his last known address. On November 21, 2001, Judge Pylitt entered an Order Directing Leroy Jackson to Respond to Motion to Dismiss. Pursuant to this order, Mr. Jackson was to respond no later than December 4, 2001. Judge Pylitt sent a copy of the order to Mr. Jackson via certified mail. Judge Pylitt informed Commission staff that the return receipt card indicates that Mr. Jackson received the Order on December 4, 2001. On December 5, 2001, Judge Pylitt submitted a Recommended Order Granting Motion to Dismiss Appeal to the Commission. A copy of the Order was sent to Mr. Jackson at his last known address. On December 6, 2001 Mr. Jackson filed a response to Judge Pylitt's Order directing Leroy Jackson to respond. Mr. Jackson's response was not dated, notarized or verified, and does not state facts upon which he would rely to show that his occupational license should not have been denied. Mr. Jackson's request provided a new home address. On December 6, 2001, Judge Pylitt submitted a Supplement to Recommended Order pursuant to the receipt of Mr. Jackson's correspondence. Judge Pylitt's supplement reaffirms his earlier recommendation granting the Commission's Motion to Dismiss Appeal.

On December 12, 2001, the Commission received the Motion to Dismiss previously sent to Mr. Jackson on November 16, 2001 to the last known address on file with the Commission. The envelope was marked as "Unclaimed." As of this date, no further correspondence has been received from Mr. Jackson regarding this matter.

Action: Upon motion by Richard Darko, second by Dale Gettelfinger, and unanimous vote of those present, the Commission accepted the Findings of Fact, Conclusions of Law, and Recommendation filed by Judge Pylitt and denied Leroy Jackson's appeal of the denial of his application for a permanent occupational license.

Linda L. Atterberry
00-OL-EM-1

Linda L. Atterberry applied for an occupational license, level 2 for employment as a slot supervisor at Empress Casino and was issued a temporary occupational license on or about June 19, 1996. On or about April 29, 1999 the Commission issued a permanent occupational license to Ms. Atterberry. During her employment with Empress it was discovered that Ms. Atterberry was removing tokens from inside slot machines and giving them to a patron, her mother, to play slot machines or exchange the tokens for cash. As a result of this incident, Ms. Atterberry's employment was terminated and the Commission initiated a disciplinary action against Ms. Atterberry on or about February 9, 2000. Ms. Atterberry did not respond to the disciplinary action. The Commission sent the matter to Bernard L. Pylitt, who had been previously appointed as an Administrative Law Judge. The Commission filed a Motion for Default Judgment on or about May 4, 2001. The Commission filed subsequent Motions for Default Judgment due to crossed communications between Ms. Atterberry and the Commission. On December 3, 2001, Judge Pylitt issued Findings of Fact, Conclusions of Law and Recommendations regarding the Commission's Motion for Default Judgment. Judge Pylitt noted that he spoke with Ms. Atterberry on November 30, 2001. Ms. Atterberry advised Judge Pylitt that she did not want a hearing in this matter. The ALJ recommends that Default Judgment be entered in favor of the Commission and that Ms. Atterberry's permanent occupational license be officially revoked and that she be declared unsuitable for future licensure.

Action: Upon motion by David Carlton, second by Ann Bochnowski, and unanimous vote of those present, the Commission accepted the recommendation of the Administrative Law Judge and revoked the occupational license of Linda L. Atterberry and declared Ms. Atterberry unsuitable for future licensure.

**Jason Stine
AR-DEN-02-1**

Mr. Jason Stine applied for an occupational license, level 2, for employment as a Cage Cashier at the Argosy Casino on or about January 31, 2001. During his employment with Argosy, it was discovered that Mr. Stine had been seen pocketing money while performing his duties as a Cage Cashier. As a result of this incident, Mr. Stine's employment was terminated. Commission staff revoked Mr. Stine's temporary occupational license and denied his application for a permanent license. Commission staff formally advised Mr. Stine of this action on or about February 4, 2002.

Action: Upon motion by Richard Darko, second by David Carlton, and unanimous vote of those present, the Commission denied Mr. Stine's application for an occupational license, level 2. Pursuant to IC 4-21.5-3-5, the order will become effective fifteen (15) days after it is served.

Felony Waiver Request

**Robert Pruitt
GV-FEL-01-1**

On or about August 22, 2001 Robert Pruitt submitted an application for an occupational license, level 3 for employment as a deckhand at the Grand Victoria Casino. Mr. Pruitt's application was denied because he revealed a 1960 felony conviction for second-degree burglary. Mr. Pruitt requested a waiver of his felony disqualification. Jennifer Chelf, previously appointed as a review officer conducted a hearing on the property of Grand Victoria Casino on December 6, 2001 to consider Mr. Pruitt's request for a felony waiver. Mr. Pruitt was present at the hearing. The review officer has issued written Findings of Fact and Recommendation to the Commission that the Request for Felony Waiver of Mr. Robert Pruitt be granted.

Action: Upon motion by Ann Bochnowski, second by Richard Darko, and unanimous vote of those present, the Commission adopted the recommendation of the review officer approving the Request for Felony Waiver of Mr. Robert Pruitt.

**Denise Brumer
BT-FEL-02-1**

On or about May 16, 2001 Ms. Denise Brumer submitted an application for an occupational license, level 3 for employment as a cocktail server at Belterra Casino. Ms. Brumer's application was denied because she revealed a 1991 conviction for trafficking in marijuana within 1000 yards of a school. Ms. Brumer requested a waiver of the felony disqualification. Jennifer Chelf, previously appointed as a review officer, conducted a hearing on the property of Argosy Casino on January 31, 2002 to consider Ms. Brumer's request for a felony waiver. Ms. Brumer was represented by Attorney Robert Ewbank. The review officer has issued written Findings of Fact and Recommendation to the Commission and recommends that the Request for Felony Waiver be denied.

Action: Upon motion by Ann Bochnowski, second by David Carlton, and unanimous vote of those present, the Commission adopted the recommendation of the review officer and denied the Request for Felony Waiver of Ms. Denise Brumer.

Supplier License Matters

Resolution 2002-3

A Resolution Concerning the Request of Alliance Gaming Corporation to Purchase Advanced Casino Systems Corporation. Gregory Hahn, local counsel, appeared on behalf of ACSC.

Action: Upon motion by Ann Bochnowski, second by Richard Darko, and unanimous vote of those present, the Commission granted the request for a waiver of the normal transfer of ownership procedures and attendant background investigations and granted Alliance Gaming Corporation's, through the subsidiary ACSC Acquisitions, Inc., request for approval of the resulting transfer of ownership in Advanced Casino Systems Corporation to ACSC Acquisitions, Inc.

Resolution 2002-4

A Resolution Concerning the Renewal of Suppliers' Licenses for Anchor Coin Inc., GameCash, AC Coin, Dallman Systems, Inc. and Bally Gaming, Inc.

Action: Upon motion by Richard Darko, second by David Carlton, and unanimous vote of those present, the Commission granted the renewal of the suppliers' licenses issued to the suppliers listed above on the condition that any outstanding background fees are paid as directed by the Commission staff. The renewed suppliers' licenses will be valid for a period of one (1) year from the date of issuance. The supplier licensees must request renewal of the supplier's license at least thirty (30) days before the expiration of the license and pay the renewal fee in accordance with 68 IAC 2-2-3(c) and 68 IAC 2-2-8.

Resolution 2002-5

A Resolution Concerning the Renewal of the Supplier's License held by WMS Gaming, Inc. Derek Harmer, WMS Department of Regulatory Compliance appeared on behalf of WMS.

Action: Upon motion by Richard Darko, second by David Carlton, and unanimous vote of those present, the Commission granted the renewal of WMS's supplier's license subject to the conditions stated in Section 3 of Resolution 2002-5. The renewed supplier's license will be valid for a period of one (1) year from the date of issuance. Failure on the part of WMS to meet the conditions set forth in the resolution or comply with IC 4-33 or rules promulgated thereunder will result in appropriate Commission action.

Financing Matters

Park Place

Mr. Ron Gifford, local counsel, and Mr. William Joyce, counsel for Caesars Indiana appeared before the Commission on behalf of Park Place Entertainment in compliance with the two meeting rule. Park Place Entertainment has notified the Commission of its desire to refinance existing debt by SEC Rule 144A private placement and public exchange offer and has requested a waiver of the financing approval requirements pursuant to 68 IAC 5-3-6 for the private placement. 144A financing would allow Park Place to complete an interim offering of

\$375 million at an interest rate of 7-7/8 percent prior to completion of a registered public offering of senior subordinated notes of the same amount due 2010.

The Executive Director granted Park Place Entertainment's request for a waiver of the requirements for the interim offering in the amount of \$375 million. However, Commission approval of the registered public offering of \$375 million of senior subordinated notes is required.

RDI Caesars appeared before the Commission to request approval to renegotiate lower interest rates on an existing loan agreement with its parent company Roman Holdings. Commission staff will prepare and order.

Action: Upon motion by Ann Bochnowski, second by Richard Darko, and unanimous vote of those present, the Commission granted the request of RDI Caesars to enter into an agreement with Roman Holdings which would lower the interest rates.

Boyd Gaming

Kay Fleming, local counsel, appeared before the Commission to comply with the two meeting requirement pursuant to 68 IAC 5-3-2, and requested approval to proceed with the Rule 144A unregistered offering of up to \$300 million in senior subordinated notes. Boyd will use the net proceeds to repay \$127 million in term loans and the remainder to repay bank revolving credits under the Credit Agreement. Boyd's total indebtedness will not be increased.

Minority and Women's Business Enterprise Issues

Appeal of the Denial of a Request for Certification as a Woman Business Enterprise Submitted by Moore-Langen Printing Company, Inc.

On or about October 20, 2000, Moore-Langen Printing Company, Inc. submitted an application to the Indiana Department of Administration of Minority Business Development for Certification as a Woman Business Enterprise. The Indiana Department of Administration ("IDOA") has developed a certification process for Minority and Woman Business Enterprises, including appeals and opportunities for hearings. Moore-Langen's request for certification was denied by the "IDOA" on or about September 23, 2001. Moore-Langen appealed this decision and requested a hearing on this matter on October 5, 2001. The Commission appointed Bernard L. Pylitt as the Administrative Law Judge in this matter. Judge Pylitt conducted a hearing in this matter on November 27, 2001 in Indianapolis, Indiana. Moore-Langen appeared by its President, Sue Ann Werling and its counsel, Kay Fleming. Present for "IDOA" were Deputy Commissioner Elena Looper and counsel F. Daniel Gettelfinger. President for the Commission was Susan Brodnan, Staff Attorney. On or about December 28, 2001, Judge Pylitt submitted his Findings of Fact, Conclusions of Law, and Recommendation to the Commission and recommended that the denial of Moore-Langen's request for certification as a Woman Business Enterprise be upheld.

Action: Upon motion by Richard Darko, second by David Carlton, and unanimous vote present, the Commission accepted the Findings of Fact, Conclusions of Law, and Recommendation filed by Judge Pylitt and denied Moore-Langen's request for certification as a Woman Business Enterprise. F. Daniel Gettelfinger, counsel for the IDOA, is a distant relative of Commissioner Dale Gettelfinger. Commissioner Gettelfinger will abstain from voting on this action, and future actions, involving the IDOA.

Belterra Casino

The Honorable William Crawford, Indiana House of Representatives and Black Legislative Caucus; Alain Uboldi, General Manager; Larryl Lamb and Kay Fleming, local counsel appeared before the Commission.

Structure Resources LLC is providing consulting services to Belterra in an effort to assist Belterra in identifying areas where MBE/WBE vendors can be used and to identify new MBE/WBE businesses. This business is owned by William Joyner, an African-American who is pursuing certification as a minority owned business.

TJ Foods, a certified food distributor for Belterra, submitted an application for a \$150,000 grant to purchase a truck and a 54-foot multi temp trailer to use when distributing food and food products to Belterra. The Advisory Committee approved this request. Any reallocation of the grant would have to be presented to the Advisory Committee.

The grant application process was discussed. After grant applications are submitted, the Advisory Committee will review and approve and/or disapprove the request and provide a report to the Commission. The Commission will review and determine what further action is required for approval of the fund distribution.

Amendment to the Belterra Action Plan

In November 2001, Belterra Casino and Resort submitted a MBE/WBE Development Action Plan to the Commission. This Plan was approved by the Commission on December 5, 2001. Belterra has submitted a request to amend Section VI A1(a) of the Action Plan. The amendment will allow Belterra to enter into a contract with a certified minority or women owned business enterprise for a three-year period where Belterra will purchase sixty percent of its food items from this entity. The certified minority or woman owned business enterprise will not be restricted in the purchase/distribution of goods to Belterra.

Action: Upon motion by Richard Darko, second by Ann Bochnowski, and unanimous vote of those present, the Commission approved Belterra's request to amend Section VI A1(a) of the MBE/WBE Action Plan.

Trump Indiana

Cathy Walker, General Manager; and Keith Rogers, Development Manager, Trump Indiana appeared before the Commission.

Trump Indiana met and exceeded the statutory goals during the year 2001 (Exhibit 1, Page 9 of the Minority and Women Business Development Action Plan). The Strategic Resource Plan identifies merchandise which can be purchased from MBE/WBE vendors; and New Vendor Development which includes a flexible payment schedule plan to expedite vendor payments. Trump is seeking to promote local economic development by assisting vendors in the certification process and locating vendors.

Majestic Star

David Wolf, General Manager and Karrie Rogers, MBE/WBE Procurement Specialist for Majestic Star appeared before the Commission to provide an update on the status of their compliance with Minority and Women's Business Enterprise Action Plan submitted and approved by the Commission. Majestic Star has:

- Identified areas where vendors can be used.
- The MBE/WBE Procurement specialist meets weekly with the General Manager and all department managers to discuss MBE/WBE issues.
- Working with the City of Gary and the National Association of Purchasing Managers to increase MBE/WBE Vendors and Distributorships.

Mr. Wolf expressed that while Majestic Star was successful in meeting the statutory goals in 2001. The goal in 2002 is to exceed the statutory goals.

Settlement Offers on Disciplinary Actions

Complaint No. 02-TR-1

On or about January 4, 2002 a minor boarded the riverboat during the 7:00 p.m. boarding. The patron's age was discovered approximately three (3) hours later when he won a slot jackpot in the amount of \$1,600. When a Trump employee asked the patron for identification prior to paying the jackpot it was discovered that the patron was only twenty years old. Pending Commission approval, the Commission staff and Trump Indiana have reached a settlement agreement where Trump will agree to pay a fine in the amount of \$1,500 and a payment in the amount of \$1,600 as forfeiture of the jackpot for a total payment of \$3,100.

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

Complaint No. 02-BT-1

On January 12, 2002 a minor boarded the riverboat at approximately 1:45 p.m. without being asked for identification. The patron subsequently won a slot jackpot in the amount of \$1,500. When a Belterra employee asked the patron for identification, it was discovered that the patron was only twenty years old. At the request of Commission staff Belterra submitted corrective action procedures designed to prevent future violations of these rules. Pending Commission approval, Commission staff and Belterra have reached an agreement where Belterra will pay a fine in the amount of \$3,000; \$1,500 for the minor obtaining access to the riverboat and forfeiture of the \$1,500 jackpot.

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

Complaint No. 02-AZ-1

On August 6, 2001 a twenty-year-old boarded the riverboat without being asked for identification. The patron attempted to cash a personal check on board the riverboat, but a supervisor refused due to the patron's age. A security officer was then contacted to check the patron's identification which showed him to be only twenty years old. The Commission staff originally extended an offer to settle this matter for payment of a fine in the amount of \$4,500. However, Aztar submitted information regarding the implementation of revised boarding procedures to prevent minors from gaining access to the riverboat. Pending Commission approval, Commission staff recommends and Aztar will agree to pay a fine in the amount of \$1,500.

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

Complaint No. 02-CS-1

On February 18, 2002 a seventeen year old boarded the boat without being asked for identification. Pending Commission approval, Commission staff and Caesars have reached an agreement where Caesars will pay a fine in the amount of \$3,000.

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

Resolution 2002-6

A Resolution Concerning the Renewal of the Riverboat Owner's License held by Showboat Marina Casino Partnership.

Action: Upon motion by Dale Gettelfinger, second by Richard Darko, and unanimous vote of those present, the Commission renewed the Riverboat Owner's License held by Showboat Marina. The license will remain valid until the Commission reconvenes to hold a public hearing concerning the renewal of the Riverboat Owner's License.

Next Meeting

The next meeting of the Indiana Gaming Commission is tentatively scheduled for May 13, 2002 at Harrah's in East Chicago, Indiana. The time will be announced at a later date.

Adjournment

Upon motion by Richard Darko, second by David Carlton, and unanimous vote of those present, the meeting was adjourned.

Minutes

Rhonda K. Dalton, Executive Secretary of the Indiana Gaming Commission staff, prepared the November 13, 2001 minutes. A transcript is not available.

Respectfully submitted,


Rhonda K. Dalton

THE INDIANA GAMING COMMISSION:


Donald Vowels, Chair


Thomas Milcarek, Secretary