

INDIANA GAMING COMMISSION
BUSINESS MEETING
JUNE 11, 2009

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6 The above-captioned business meeting was
7 stenographically taken down by me, Robin L.
8 Helton, a notary public in and for the County of
9 Marion, State of Indiana, at 1:00 p.m., on June
10 11, 2009, at the Indiana Government Center, South,
11 Conference Room, 402 West Washington Street,
12 Indianapolis, Indiana, and the following
13 transcript is a true and accurate transcript of
14 the proceedings held.
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21 **CIRCLE CITY REPORTING**
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A P P E A R A N C E S

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COMMISSION MEMBERS PRESENT:

Tim Murphy, Chairman

Tom Swihart, Commissioner

Marc Fine, Commissioner

Robert Morgan, Commissioner

Justin Christian, Commissioner

Ernest Yelton, Executive Director

Jennifer Reske, Deputy Director

Phil Sicuso, General Counsel

Tamara Timberman-Wright, Secretary

1 CHAIRMAN MURPHY: Welcome everyone to the
2 second quarter meeting of the Indiana Gaming
3 Commission. I would like to call the meeting to
4 order now. Let's start with the roll of the
5 Commissioners.

6 Commissioner Christian?

7 COMMISSIONER CHRISTIAN: Here.

8 CHAIRMAN MURPHY: Commissioner Morgan?

9 COMMISSIONER MORGAN: Here.

10 CHAIRMAN MURPHY: Commissioner Fine?

11 COMMISSIONER FINE: Here.

12 CHAIRMAN MURPHY: Commissioner Swihart?

13 COMMISSIONER SWIHART: Here.

14 CHAIRMAN MURPHY: Commissioner Shy?

15 Commissioner Shy is absent.

16 EXECUTIVE DIRECTOR YELTON: She is vacationing
17 in Rome.

18 CHAIRMAN MURPHY: We have a quorum present.

19 The next item on the agenda is the approval of
20 the minutes of the last meeting. Are there any
21 questions?

22 COMMISSIONER SWIHART: Move to accept.

23 CHAIRMAN MURPHY: Move to second?

24 COMMISSIONER MORGAN: I second.

25 (COMMISSION MEMBERS VOTED AYE.)

1 CHAIRMAN MURPHY: Minutes of the last meeting
2 approved.

3 Next item on our agenda is the report of the
4 executive director, Mr. Yelton.

5 EXECUTIVE DIRECTOR YELTON: Thank you
6 Mr. Chairman and Members of the Commission.

7 This year was an unusually busy legislative
8 session for the Gaming Commission. There were two
9 charity gaming bills that passed. The first was
10 Senate Enrolled Act 414, which had four
11 provisions. At the first one, a worker at a
12 festival event is now entitled to participate in
13 events except for one in which she or he is
14 conducting at the time. The worker, however, may
15 not participate in a PPT event during the calendar
16 day he or she conducts that particular event.

17 Secondly, the charity gaming patrons are only
18 required now to provide their names, signatures
19 and dates of birth upon winning \$250 or more on
20 any PPT entry.

21 Three, qualified organizations may now share
22 reusable license supplies that were acquired prior
23 to January 1st, 2009.

24 Four, an individual may now serve as an
25 operator for three qualified organizations per

1 month rather than the statutorily required one.

2 Next, House Enrolled Act 1286 removes civic
3 organizations from the eligibility list for annual
4 charity game night licenses. Fraternal
5 organizations were placed in there stead. A
6 qualified organization which totally restructures
7 in name and tax identification number would be
8 eligible for licensure without waiting the
9 five-year period.

10 Facilities and locations for annual charity
11 game nights are now limited for use for only three
12 calendar days per week.

13 Qualified winner take all drawings may be
14 eligible for rollovers under specific conditions
15 that do not increase the frequency of the drawings
16 or the limit of the award. And driver's license
17 information required by the agency will be held
18 confidential.

19 HEA 1285 authorizes the agency to require
20 identification of a trustee for each casino
21 licensee to be poised to assume operation, control
22 of any casino who has its license revoked, not
23 renewed or a failure to transfer all licenses in a
24 block sale of casinos. It's patterned similarly
25 to the process we use in Evansville, but with the

1 agreement for the power-of-attorney between
2 Tropicana and the IGC.

3 It further clarifies that only one supplier's
4 license is necessary or required to conduct
5 business with both the racinos and the casinos.
6 It increased the annual renewal fee or license fee
7 for a supplier from 5,000 to \$7,500. It
8 authorizes the agency to issue occupational
9 licenses for periods of one, two or three years
10 rather than the limitation of only one.

11 And it required the horse racing integrity
12 fund assessment to go directly to the Horse Racing
13 Commission rather than go through the Commission
14 which would then go through an MOU, send it right
15 over to the Horse Racing Commission.

16 The last bill was Senate Enrolled Act 160. In
17 2005, the Governor's probe report on government
18 efficiency had, among other things, one
19 recommendation to move the Indiana Boxing
20 Commission from the Indiana Professional Licensing
21 Agency to the Indiana Gaming Commission. 160
22 abolished the Boxing Commission and created an
23 Indiana State Athletic Commission which will
24 license and regulate not only boxing but mixed
25 martial arts as well. It also transferred those

1 responsibilities to the Gaming Commission.

2 However, the new Commission is independent of
3 the Gaming Commission itself, but it will be
4 staffed by existing personnel and new hires. It
5 is totally funded by a new dedicated fund center of
6 license fees, penalties and percentage of gate
7 receipts, and the bill becomes effective
8 January 1st. Whether or not the agency will be
9 impacted during this special session will remain
10 to be seen.

11 For litigation updated since our last meeting,
12 there have been two Appellate Court decisions
13 published regarding local development agreements
14 between casino licensing and local units. In the
15 first of two opinions from the Supreme Court
16 regarding East Chicago, the court reversed a trial
17 court's ruling dismissing the Attorney General's
18 request to treat the payments between Ameristar
19 and Second Century as a potential charitable or
20 constructive trust and subject to the doctrine of
21 unjust enrichment. The unanimous decision sends
22 all those issues back to the trial court for trial
23 on the merits.

24 An appeal by the foundations of East Chicago
25 against the city, the Court of Appeals ruled that

1 the LDA was subject to the authority of the City
2 of East Chicago to change the recipient of the
3 agreement at-will and, therefore, did not address
4 the foundation's claim that the legislation which
5 was inserted, if you recall, two years ago in the
6 budget bill at the eleventh hour is
7 unconstitutional. A petition to transfer the case
8 to the Indiana Supreme Court for decision has been
9 filed and is yet to be ruled on.

10 Next, is our staff update. Joining our staff
11 is Anne Rady. Are you here? Please stand. She
12 is our latest auditor. She reports to us
13 following a 33-year career in the dairy industry.
14 For the last 10 years, Anne served as an agent for
15 the Mideast Milk Marketing Agency for which she
16 was responsible for it's legal foundation and
17 formation, all of its financing and reporting
18 duties, and adherence to all state and federal
19 regulations relative to the food safety and
20 transportation of manufactured products.

21 Welcome aboard, Anne.

22 ANNE RADY: Thank you.

23 EXECUTIVE DIRECTOR YELTON: Next, is our
24 latest staff attorney, Jeff Neuenschwander. Today
25 is Jeff's first day on the job and he's already

1 established a record. He has the longest name of
2 any employee of the Indiana Gaming Commission. He
3 is a native of Fort Wayne and completed his
4 undergraduate studies in finance at Oral Roberts
5 University in Tulsa, Oklahoma. Jeff worked in the
6 financial service industry before earning his JD
7 from the IU Indianapolis School of Law in 2008,
8 and he joins us as a staff attorney, replacing
9 Mark Reder. We note that Jeff, in his spare time,
10 enjoys bicycling, running and skiing, which we
11 have a lot in common because I like to observe
12 biking, skiing and running. Welcome, Jeff.

13 Members of the Commission, as we have
14 indicated at the last meeting, I will report on
15 exclusions effectuated by the Commission during
16 the last quarter.

17 On December 12, 2008, Mr. Chen and Mr. Wu were
18 observed at the French Lick Resort Casino marking
19 cards while playing blackjack in an attempt to
20 defraud a casino licensee. Over the course of a
21 four-hour period, the two men marked with either
22 their fingers or a check individual playing cards
23 with a corresponding value of 10 in the game of
24 blackjack.

25 An inventory of the cards used during their

1 play shows out of a possible 128 cards with the
2 value of 10, 76 had been marked.

3 On December 12th, both men were evicted from
4 the French Lick Resort Casino for life and
5 arrested on one count of cheating a gambling
6 casino as a Class D felony.

7 On January 12th, Mr. Chen and Mr. Wu entered
8 into a pre-trial diversion agreement with the
9 Orange County prosecuting attorney. On March 23rd
10 and 31st respectively, Mr. Chen and Mr. Wu were
11 notified by certified U.S. mail of their placement
12 on the lifetime exclusion list pursuant to
13 IC-4-33-4-7 and 68 IAC 6-1. In the notice both
14 men were notified they would have 15 days to
15 respond with a written request for an
16 administrative hearing on the matter. Both
17 persons failed to respond to the notice.

18 Mr. Chen and Mr. Wu were suitable for the
19 placement on the lifetime exclusion list due to
20 the actions of knowingly marking cards on
21 December 12, 2008, at French Lick Casino Resort in
22 an attempt to defraud that licensee. The accused
23 persons conduct was such that their presence at an
24 Indiana casino would call into question the
25 honesty and integrity of gambling and/or interfere

1 with the orderly conduct of gambling.

2 Since the last quarter, our Investigation
3 Division has completed the reinvestigations of
4 Blue Chip and its parent Boyd Gaming and Belterra
5 and it's corporate Pinnacle. The report has been
6 posted for your review. Each license has already
7 been previously renewed by the Commission, but if
8 you have any questions on either one the
9 investigation directors are here to answer those.
10 Are there any questions on those two
11 reinvestigations?

12 An update on Aztar. On May 5th, Tropicana's
13 reorganization plan was approved in bankruptcy and
14 has not received discharge yet, but such is
15 anticipated in the near future.

16 The actual owners and their respective
17 interests are still somewhat fluid. The staff has
18 conducted an initial meeting with local counsel of
19 potential applications. Officially, however, no
20 application for transfer of ownership has been
21 filed with the Commission. Once received, they
22 will be processed by our Investigation Division
23 and a report submitted to you for your
24 consideration. Until then, Tom Dingman remains in
25 operation control of Aztar Casino pursuant to your

1 agreed power-of-attorney, which can only be
2 terminated by the Commission order.

3 Finally, the waiver summary for the last three
4 months. Argosy was granted a waiver allowing four
5 or five or six designated areas of wagering on
6 blackjack.

7 Belterra was granted a waiver allowing the
8 dealer, after cutting the cards, to insert the cut
9 up to one half of one deck from the back of the
10 stack. And they were also granted a waiver
11 allowing three, four, five or six designated areas
12 of wagering for blackjack.

13 Grand Victoria was granted a waiver allowing
14 four or five or six designated areas of wagering
15 on blackjack layouts as well.

16 At a request by Hoosier Park, it was approved
17 to place dedicated coverage on progressive
18 displays showing incrementation when the display
19 reads a minimum of \$40,000. The Revenue Audit
20 Department will be responsible for daily
21 verification of the incremented amounts.

22 And finally, Majestic Star had a request to
23 approve to allow a total of three full-time
24 on-site internal auditors for Majestic Star 1 and
25 2 instead of the required two for each casino.

1 And they were also granted a waiver allowing the
2 dealer, after cutting the cards, to insert the cut
3 card up to one half of one deck from the back of
4 the pile.

5 This, Mr. Chair and Members of the Commission,
6 is the Executive Director's report.

7 CHAIRMAN MURPHY: Thank you, Mr. Executive
8 Director.

9 There being no old business, we will move on
10 to patron matters and the voluntary exclusion
11 program. Matt Shouse.

12 MR. SHOUSE: Good afternoon. You have before
13 you 28 orders regarding the voluntary exclusion
14 program. Pursuant to the rules of the program,
15 identification of the participants must remain
16 confidential. Pursuant to 68 IAC 6-3-2(g),
17 participant in the program agrees if he or she
18 violates the terms of the program and enters a
19 gaming area of a facility, under the jurisdiction
20 of the Commission agrees to forfeit any jackpot or
21 thing of value won as a result of the wager.

22 Under 2009-59 through 86, a total sum of
23 \$34,670.99 was forfeited by John Doe's 28 through
24 55. These names were collected at Ameristar,
25 Argosy, Aztar, Belterra, Blue Chip, French Lick,

1 Grand Victoria, Hoosier Park, Horseshoe South,
2 Indiana Live and Majestic Star. These winnings
3 were withheld as required by Commission
4 regulations.

5 Commission staff recommends that you approve
6 the remittance of these winnings for John Doe's 28
7 through 55.

8 CHAIRMAN MURPHY: Do the Commissioners have
9 any questions or discussion on the recommendation?
10 If not, is there a motion to approve?

11 COMMISSIONER SWIHART: Move to approve.

12 COMMISSIONER FINE: Second.

13 CHAIRMAN MURPHY: It's been moved and
14 seconded. All in favor?

15 (COMMISSION MEMBERS VOTED AYE.)

16 CHAIRMAN MURPHY: Thank you. Orders 2009-60
17 through 2009-87 are approved.

18 The next item on the agenda is the appeal of a
19 VEP procedure. Adam Packer.

20 MR. PACKER: Thank you, Mr. Chair.

21 The first order that I will be discussing with
22 you is 2009-88. This is on the appeal of John Doe
23 #49, voluntary exclusion remittance. John Doe #49
24 submitted an application for voluntary exclusion
25 on February 8, 2007 at Majestic Star Casino. This

1 application clearly states it's for the entire
2 state and for all casinos. And John Doe #49
3 specifies that the John Doe wanted a five-year
4 exclusion. That exclusion would run out February
5 8, 2012.

6 On or about August 25, 2008, however, John Doe
7 #49 was apprehended at Ameristar having won
8 \$1,440. That money was forfeited according to the
9 terms of the voluntary exclusion program
10 agreement. The Commission approved the remittance
11 of that \$1,440 in Order 2008-115. Within the
12 required period of time for appeal, John Doe #49
13 submitted a letter explaining that the John Doe
14 wanted to appeal that remittance.

15 I assigned that case to an Administrative Law
16 Judge and, a short time thereafter, filed a
17 summary judgment basically on the grounds that
18 regardless of whether the John Doe was able to
19 prove the facts alleged in that letter, there was
20 no possible way that the John Doe could recover
21 that money because of the terms of the agreement,
22 the regulations and statute, specifically the
23 terms of the agreement stated that the voluntary
24 exclusion was valid statewide.

25 The John Doe, in the letter of appeal, stated

1 that John Doe did not know by entering into that
2 agreement with Majestic Star, it would also cover
3 Ameristar, but the application clearly states in
4 numerous places that an application is good
5 statewide.

6 So with that as the justification, Judge Comer
7 granted my motion for summary of judgment and
8 issued a recommendation to the Commission today
9 that the Commission deny the John Doe's
10 application for appeal. And pursuant to the
11 regulations, in the absence of an objection, the
12 Commission must affirm that recommendation of the
13 ALJ, and we did not receive any objections either
14 from John Doe or any other interested party during
15 the appropriate time frame. With that said, the
16 Commission staff has prepared an order denying
17 John Doe #49's appeal of voluntary exclusion
18 remittance.

19 CHAIRMAN MURPHY: Are there any questions for
20 Mr. Packer? If not, is there a motion to approve
21 the order?

22 COMMISSIONER SWIHART: Move to approve.

23 COMMISSIONER MORGAN: Second the motion.

24 CHAIRMAN MURPHY: Moved and seconded. All in
25 favor?

1 (COMMISSION MEMBERS VOTED AYE.)

2 CHAIRMAN MURPHY: The Order 2009-88 approved.

3 MR. PACKER: Thank you, Mr. Chair.

4 CHAIRMAN MURPHY: The next item on the agenda
5 is the exclusion removal.

6 MR. PACKER: I have two exclusion removals for
7 the Commission's consideration today. The first
8 one is in the matter of Louis Moore. Mr. Moore
9 was placed on the exclusion list on May 6, 2005,
10 for allegedly removing a cash advance check from a
11 cage at the same time he retrieved a \$6,000 cash
12 advance he placed on his checking account.

13 The Commission staff recommended exclusion and
14 the Commission approved that exclusion. Mr. Moore
15 then challenged his exclusion, and there was a
16 lengthy period of negotiation about what exactly
17 happened in the cage, was that really an advance,
18 was the casino actually defrauded by what
19 Mr. Moore did, did he have any malicious intent.
20 There were a number of issues that the Commission
21 staff and Mr. Moore discussed at the time.
22 Mr. Moore suffered an injury, he dropped his
23 appeal -- or dropped the challenge of his
24 exclusion, and we didn't hear anything about it
25 for a while.

1 Mr. Moore reappeared in July of 2006
2 requesting removal from the exclusion list. At
3 the time, the Commission did not have any
4 procedures in place in the regulations to
5 determine how to evaluate a petition for removal
6 from the exclusion list.

7 In the intervening time between July of 2006
8 and now, we promulgated the rules and they are
9 effective. These rules govern the way the
10 Commission should evaluate a petition for removal
11 from the exclusion list. The Commission staff has
12 determined that Mr. Moore meets the requirements
13 of the regulations for removal from the exclusion
14 list. He has been on the exclusion list for four
15 years, and the fact that at the time of exclusion
16 there was at least some evidence that he did not
17 defraud the casino, and it appears that the
18 Commission staff did not -- possibly not consider
19 that evidence.

20 So with that in mind, the Commission staff
21 recommends that the Commission approve Lewis
22 Moore's petition for removal from the exclusion
23 list. I'm happy to answer any questions.

24 CHAIRMAN MURPHY: Are there any questions for
25 Mr. Packer? If not, is there a motion to approve

1 Order 2009-89?

2 COMMISSIONER SWIHART: So moved.

3 COMMISSIONER FINE: Second.

4 CHAIRMAN MURPHY: So moved and seconded. All
5 in favor?

6 (COMMISSION MEMBERS VOTED AYE.)

7 CHAIRMAN MURPHY: Order 2009-89 is approved.

8 MR. PACKER: The next order in the category of
9 exclusion removals is 2009-90 for David Spears.
10 On November 8, 2003, Mr. Spears was observed under
11 surveillance capping his bet at a blackjack table.
12 What that means is after the outcome of the game
13 is already determined, an individual adds more
14 money to his or her bet in an effort to defraud
15 the casino of that bet.

16 In Mr. Spears' case, his bet capping resulted
17 in overpayment of \$50. Commission staff placed
18 him on the exclusion list in 2004. And in January
19 of 2009, Mr. Spears petitioned the Commission for
20 removal from the exclusion list under the new
21 regulations governing removal from the exclusion
22 list. Joe Hoage, staff attorney, served as the
23 review officer in this matter, and he has prepared
24 a findings of facts recommendation and designation
25 of evidence for your review. Mr. Hoage's

1 conclusion was that Mr. Spears met the criteria
2 for removal from the exclusion list, namely, that
3 he had displayed rehabilitation from the actions
4 that he displayed back in 2003.

5 With that in mind, the Commission staff
6 recommends adoption of Mr. Hoage's findings of
7 facts which will have the effects of approving
8 David Spears' petition for removal.

9 CHAIRMAN MURPHY: Are there any questions for
10 Mr. Packer in that regard? If not, is there a
11 motion to approve?

12 COMMISSIONER SWIHART: So moved.

13 COMMISSIONER MORGAN: Second.

14 CHAIRMAN MURPHY: It's been moved and
15 seconded. All in favor?

16 (COMMISSION MEMBERS VOTED AYE.)

17 CHAIRMAN MURPHY: Order 2009-90 is approved.
18 Thank you, Mr. Packer.

19 MR. PACKER: Thank you.

20 CHAIRMAN MURPHY: The next item on the agenda
21 falls under operation occupational license
22 matters. Phil Sicuso.

23 GENERAL COUNSEL SICUSO: Thank you, Mr. Chair,
24 and Members of the Commission.

25 Recently Mr. Stephen Hilbert submitted an

1 application for a Level 1 license to serve on the
2 board of managers of Hoosier Park, LP, which is
3 the entity that holds a gambling game license and
4 authorizes that company to operate gambling games
5 at the Hoosier Park Racing/Casino facility.

6 The Commission's Background and Financial
7 Investigations Division has completed its
8 investigation into Mr. Hilbert and has provided
9 you with a written report of its finding. The
10 question of whether to award a Level 1 license to
11 Mr. Hilbert is before you today for discussion and
12 for a vote. And for purposes of your discussion,
13 I believe Mr. Hilbert is here with counsel to
14 answer questions if you have any.

15 CHAIRMAN MURPHY: Thank you.

16 Do the Commissioners have any questions or
17 discussion on the Order 2009-91.

18 COMMISSIONER SWIHART: Yes. I would just like
19 to make a comment that I have read this report and
20 the background investigation. I commend the staff
21 for a very thorough, complete investigation.

22 EXECUTIVE DIRECTOR YELTON: Thank you.

23 CHAIRMAN MURPHY: Any other questions or
24 discussions? If not, is there a motion to approve
25 or deny the order?

1 COMMISSIONER MORGAN: Motion to approve.

2 COMMISSIONER FINE: Second.

3 CHAIRMAN MURPHY: It has been moved and
4 seconded. All in favor?

5 (COMMISSION MEMBERS VOTED AYE.)

6 CHAIRMAN MURPHY: The Order 2009-91 is
7 unanimously approved. Thank you, Mr. Sicuso.

8 The next item on the agenda is supplier
9 license matters. Kesha Rich.

10 MS. RICH: Good afternoon. You have before
11 you Order 2009-92 concerning the renewals of
12 supplier licenses. Under Indiana Code 4-33 and 68
13 IAC 2-2, the Commission approved a permanent
14 supplier's license for the following four
15 companies: The Konami Gaming, Inc., Shuffle
16 Master, Inc., Cummins-Allison Corp. and NRT
17 Technology Corp.

18 A supplier license is valid for a period of
19 one year. Pursuant to IC 4-33-7-8 and 68 IAC
20 2-2-8, a supplier's license must be renewed
21 annually and a payment of \$5,000 for the annual
22 renewal fee must be remitted. Each of these
23 licensees have requested a renewal of their
24 license and has paid their appropriate renewal
25 fees.

1 The Commission staff recommends you approve
2 the renewal of the licenses for the four
3 suppliers.

4 CHAIRMAN MURPHY: Are there any questions for
5 Ms. Rich? If not, is there a motion to approve
6 the renewal orders?

7 COMMISSIONER SWIHART: Move to approve.

8 COMMISSIONER MORGAN: Second.

9 CHAIRMAN MURPHY: It's been moved and
10 seconded. All in favor?

11 (COMMISSIONER MEMBERS VOTED AYE.)

12 CHAIRMAN MURPHY: Order 2009-92 is approved.
13 Thank you, Ms. Rich.

14 The next item on the agenda are disciplinary
15 actions. Chris Gray.

16 MS. GRAY: Good afternoon, Commissioners.
17 Order 2009-93 is a settlement agreement with Bally
18 Technology, wherein Bally sent unapproved software
19 to an Indiana casino. Bally has reached a
20 monetary settlement of \$1,500 in lieu of
21 disciplinary actions. The Commission staff
22 recommends you approve Order 2009-93.

23 CHAIRMAN MURPHY: Are there any questions of
24 Ms. Gray regarding the disciplinary action? If
25 not, is there a motion to approve the order?

1 COMMISSIONER SWIHART: So moved.

2 COMMISSIONER MORGAN: Second.

3 CHAIRMAN MURPHY: It's been moved and
4 seconded. All in favor?

5 (COMMISSION MEMBERS VOTED AYE.)

6 CHAIRMAN MURPHY: The Order 2009-93 is
7 approved. Thank you, Ms. Gray.

8 Moving onto withdrawals. Phil Sicuso.

9 GENERAL COUNSEL SICUSO: Order 2009-94 relates
10 to MCA Processing, LLC. As the order is drafted
11 for your consideration, it grants a request by
12 that company to withdrawal its license and
13 application for supplier's license. This
14 particular company has been working under a
15 temporary license since August of 2007, and has
16 been providing goods and services to both Harrah's
17 riverboat casinos in the State of Indiana.

18 The issue is brought to you today because
19 regulations require a leave of the full Commission
20 before an applicant for a supplier's license can
21 withdrawal its application. The staff recommends
22 that you grant the requested relief to relieve
23 them of their application, but note at the end it
24 authorizes a six-month period where Harrah's can
25 continue its existing business relationship with

1 the company.

2 CHAIRMAN MURPHY: And Harrah's has been
3 notified?

4 GENERAL COUNSEL SICUSO: Yes.

5 CHAIRMAN MURPHY: Are there any questions for
6 Mr. Sicuso? If not, is there a motion to approve
7 Order 2009-94?

8 COMMISSIONER MORGAN: Motion to approve.

9 COMMISSIONER SWIHART: Second.

10 CHAIRMAN MURPHY: It's been moved and
11 seconded. All in favor?

12 (COMMISSION MEMBERS VOTED AYE.)

13 CHAIRMAN MURPHY: Order 2009-94 is approved.
14 Thank you, Mr. Sicuso.

15 Moving on to casino financing matters.

16 Mr. Sicuso.

17 GENERAL COUNSEL SICUSO: I have two financing
18 matters. The first is 2009-95 related to
19 Ameristar. As this order is proposed, it ratifies
20 an interim waiver and approval that was authored
21 by Executive Director Yelton on May 26th of this
22 year. Subject to certain conditions that are in
23 that interim approval and waiver, Ameristar was
24 authorized to issue up to \$650 million in general
25 unsecured senior notes without receiving the

1 authority of the full Commission and without
2 awaiting the requisite meeting rule.

3 The matter is before you today because
4 Resolution 2008-74 requires that interim waivers
5 and approvals be brought to you for further
6 consideration and ratification. And in advance of
7 today's meeting we provided you with a confidential
8 report from Dr. Sullivan relating to the proposed
9 transaction, which we believe you've had an
10 opportunity to review.

11 With that, we recommend ratification of the
12 interim approval through ratifying this order.

13 CHAIRMAN MURPHY: Any questions on Order
14 2009-95 from Mr. Sicuso?

15 COMMISSIONER SWIHART: Move to approve.

16 COMMISSIONER FINE: Second.

17 CHAIRMAN MURPHY: It's been moved and
18 seconded. All of those in favor?

19 (COMMISSION MEMBERS VOTED AYE.)

20 CHAIRMAN MURPHY: Order 2009-95 is approved.

21 GENERAL COUNSEL SICUSO: 2009-96 is the same
22 type of order. This relates to Harrah's. In this
23 case, Executive Director Yelton issued an interim
24 waiver and approval on June 2, 2009. That waiver
25 and approval letter authorized Harrah's to sell up

1 to \$1.375 billion in First-Priority liens and
2 Senior Secured Notes that will be due in 2017.
3 Without receiving prior approval from the full
4 Commission or observing the two-meeting rule, as
5 was the case with Ameristar, this matter is before
6 you for final review and ratification, and the
7 staff recommends you authorize the interim waiver
8 by granting the proposed order.

9 CHAIRMAN MURPHY: Thank you.

10 Any questions regarding Order 2009-96? If
11 not, is there a motion to approve.

12 COMMISSIONER SWIHART: So moved.

13 COMMISSIONER FINE: Second.

14 CHAIRMAN MURPHY: Moved and seconded. All of
15 those in favor?

16 (COMMISSION MEMBERS VOTED AYE.)

17 CHAIRMAN MURPHY: Order 2009-96 is approved.
18 Thank you, Mr. Sicuso.

19 GENERAL COUNSEL SICUSO: I have the next two
20 orders as well. They both relate to annual
21 renewals for three casinos, Order 2009-97 and
22 2009-98. 97 relates to Horseshoe Hammond, LLC;
23 and 98 relates to both Majestic Star Casino
24 licenses. Each of these licensees have paid the
25 \$5,000 annual renewal fees, and the staff has

1 determined that it's our position that each of
2 these licensees is presently operating under
3 substantial compliance with the gaming laws, and
4 we recommend renewal of each of these licenses.

5 CHAIRMAN MURPHY: So you would like to take
6 those individually?

7 GENERAL COUNSEL SICUSO: Whichever you prefer,
8 Mr. Chair.

9 CHAIRMAN MURPHY: Okay. Are there any
10 questions regarding the renewal orders? If not,
11 is there a motion to approve Orders 2009-97 and
12 98?

13 COMMISSIONER MORGAN: So approved.

14 COMMISSIONER FINE: Second.

15 CHAIRMAN MURPHY: It's been moved and
16 seconded. All of those in favor?

17 (COMMISSION MEMBERS VOTED AYE.)

18 CHAIRMAN MURPHY: The renewals are approved.
19 Thank you.

20 The next item on the agenda involves
21 disciplinary actions. Chris Gray.

22 MS. GRAY: Good afternoon, again,
23 Commissioners.

24 You have before you 12 settlement agreements
25 concerning disciplinary actions. The first is

1 with Ameristar casino, Order 2009-99, which
2 includes five counts. The first count violated
3 the rule requiring playing cards to be locked in a
4 locked compartment when not being used at a table
5 game. Count two violated the VEP rule. The third
6 count, a float lid was left unsecured. In the
7 fourth count, the soft count room door was left
8 unsecured. And in the fifth count, the Commission
9 was not informed of a rule violation committed by
10 an employee.

11 Ameristar has agreed to a total monetary
12 settlement of \$14,200 in lieu of disciplinary
13 action.

14 Are there any questions.

15 CHAIRMAN MURPHY: Any questions? If not, is
16 there a motion to approve?

17 COMMISSIONER MORGAN: I motion to approve.

18 COMMISSIONER FINE: Second.

19 CHAIRMAN MURPHY: All of those in favor?

20 (COMMISSION MEMBERS VOTED AYE.)

21 CHAIRMAN MURPHY: The order is approved.

22 MS. GRAY: The second order, 2009-100, is a
23 settlement agreement with Argosy Casino, which
24 includes three counts. In the first count, on
25 three separate occasions an underage person was

1 allowed on the casino floor. The second count
2 violated the rule regarding tip boxes. In the
3 third count, the casino did not perform certain
4 procedures to verify accounting records to ensure
5 accuracy and reliability of the financial records.

6 Argosy agreed to a total monetary settlement
7 of \$26,500 in lieu of disciplinary action.

8 Are there any questions concerning this order?

9 CHAIRMAN MURPHY: Any questions for Ms. Gray?
10 If not, is there a motion to approve?

11 COMMISSIONER SWIHART: So moved.

12 COMMISSIONER FINE: Second.

13 CHAIRMAN MURPHY: It's been moved and
14 seconded. All in favor?

15 (COMMISSIONER MEMBERS VOTED AYE.)

16 CHAIRMAN MURPHY: Order is approved.

17 MS. GRAY: The third order, 2009-101, is a
18 settlement agreement with Aztar wherein the casino
19 failed to secure playing cards not being utilized
20 at a live table game and did not timely report
21 criminal activity to the gaming enforcement
22 agents. Aztar has agreed to a total monetary
23 settlement of \$10,000 in lieu of a disciplinary
24 action.

25 Are there any questions.

1 CHAIRMAN MURPHY: Any questions of Ms. Gray?
2 If not, is there a motion to approve?

3 COMMISSIONER FINE: So moved.

4 COMMISSIONER MORGAN: Second.

5 CHAIRMAN MURPHY: Moved and seconded. All of
6 those in favor?

7 (COMMISSION MEMBERS VOTED AYE.)

8 CHAIRMAN MURPHY: The order is approved.
9 Thank you.

10 MS. GRAY: Order 2009-102 is a settlement
11 agreement with Belterra involving two counts. In
12 the first count, an underage person was allowed on
13 the casino floor. The second count violated the
14 internal control procedures for poker table, chips
15 and inventory variance. Belterra has agreed to a
16 monetary settlement of \$22,500 in lieu of
17 disciplinary action. The Commission staff
18 recommends that you approve the settlement
19 agreement.

20 Are there any questions?

21 CHAIRMAN MURPHY: If not, is there a motion to
22 approve the order?

23 COMMISSIONER SWIHART: Move to approve.

24 COMMISSIONER MORGAN: Second.

25 CHAIRMAN MURPHY: It's been moved and

1 seconded. All of those in favor?

2 (COMMISSION MEMBERS VOTED AYE.)

3 CHAIRMAN MURPHY: Order approved.

4 MS. GRAY: The fourth order, 2009-103, is a
5 settlement agreement with Blue Chip wherein an
6 underage person was allowed on the casino floor.
7 Blue Chip has agreed to a monetary settlement of
8 \$1,500 in lieu of a disciplinary action. The
9 Commission staff recommends that you agree to the
10 settlement agreement.

11 Are there any questions?

12 CHAIRMAN MURPHY: If not, is there a motion to
13 approve?

14 COMMISSIONER MORGAN: Motion to approve.

15 COMMISSIONER FINE: Second.

16 CHAIRMAN MURPHY: It's been moved and
17 seconded. All of those in favor?

18 (COMMISSION MEMBERS VOTED AYE.)

19 CHAIRMAN MURPHY: The order is approved.

20 MS. GRAY: Order 2009-104 is a settlement .
21 agreement with French Lick wherein a slot machine
22 failed to lock up when a jackpot was one. French
23 Lick has agreed to a monetary settlement of \$2,500
24 in lieu of disciplinary action. The Commission
25 staff recommends you agree to the settlement

1 agreement.

2 Are there any questions?

3 CHAIRMAN MURPHY: If there are no questions,
4 is there a motion to approve?

5 COMMISSIONER SWIHART: Move for approval.

6 COMMISSIONER MORGAN: Second.

7 CHAIRMAN MURPHY: All of those in favor?

8 (COMMISSION MEMBERS VOTED AYE.)

9 CHAIRMAN MURPHY: The order is approved.

10 MS. GRAY: Order 2009-105 is a settlement
11 agreement with Grand Victoria and it includes two
12 counts. In the first count, a float lid at a
13 table game was left unsecured. The second count
14 violated the VEP rules. Grand Victoria has agreed
15 to a total monetary settlement of \$7,000 in lieu
16 of disciplinary action. The Commission staff
17 recommends you agree to the settlement agreement.

18 CHAIRMAN MURPHY: Are there any questions of
19 Ms. Gray? If not, is there a motion to approve
20 the order?

21 COMMISSIONER MORGAN: Motion to approve.

22 COMMISSIONER FINE: Second.

23 CHAIRMAN MURPHY: It's been moved and
24 seconded. All of those in favor?

25 (COMMISSION MEMBERS VOTED AYE.)

1 CHAIRMAN MURPHY: The Order's approved.

2 MS. GRAY: The seven order, 2009-106, is a
3 settlement agreement with Hoosier Park wherein an
4 underage person was allowed on the casino floor on
5 two separate occasions. Hoosier Park has agreed
6 to a total monetary settlement of \$9,000 in lieu
7 of disciplinary action. The Commission staff
8 recommends you agree with the settlement
9 agreement.

10 CHAIRMAN MURPHY: Are there any questions of
11 Ms. Gray? If not, is there a motion to approve
12 the order?

13 COMMISSIONER MORGAN: Motion to approve.

14 COMMISSIONER FINE: Second.

15 CHAIRMAN MURPHY: It's been moved and
16 seconded. All of those in favor?

17 (COMMISSION MEMBERS VOTED AYE.)

18 CHAIRMAN MURPHY: Motion approved.

19 MS. GRAY: Order 2009-107 is a settlement
20 agreement with Horseshoe Hammond, which includes
21 two counts. In the first count, the casino
22 allowed an underage person on the casino floor.
23 In the second count, the casino failed to timely
24 inform gaming enforcement agents of the
25 termination of two employees. Horseshoe has

1 agreed to a total monetary settlement of \$7,000 in
2 lieu of disciplinary action. The Commission staff
3 recommends that you approve the settlement.

4 CHAIRMAN MURPHY: Are there any questions of
5 Ms. Gray regarding the order? If not, is there a
6 motion to approve?

7 COMMISSIONER MORGAN: Motion to approve.

8 COMMISSIONER FINE: Second.

9 CHAIRMAN MURPHY: It's been moved and
10 seconded.

11 (COMMISSION MEMBERS VOTED AYE.)

12 CHAIRMAN MURPHY: Order approved.

13 MS. GRAY: Order 2009-108 is a settlement
14 agreement with Horseshoe Southern Indiana and it
15 includes two counts. In the first count, an
16 underage person was allowed on the casino floor.
17 In the second count, playing cards were not being
18 utilized by the table game and left unsecured.
19 Horseshoe Southern Indiana has agreed to a total
20 monetary settlement of \$12,000 in lieu of
21 disciplinary action. The Commission staff
22 recommends you approve this settlement agreement.

23 CHAIRMAN MURPHY: Any questions of Ms. Gray?
24 If not, is there a motion to approve the
25 settlement?

1 COMMISSIONER FINE: Move to approve.

2 COMMISSIONER MORGAN: Second.

3 CHAIRMAN MURPHY: Moved and seconded. All of
4 those in favor?

5 (COMMISSION MEMBERS VOTED AYE.)

6 CHAIRMAN MURPHY: The order is approved.

7 MS. GRAY: Order 2009-109 is a settlement
8 agreement with Indiana Live including five counts.
9 The first count violated the rule requiring the
10 casino to report apparent criminal activity to a
11 gaming enforcement agent. The second count,
12 unapproved software was ordered and received. In
13 the third count, following the opening of the
14 permanent facility, the first five RG-1 filed with
15 the Gaming Commission were incorrect. The fourth
16 count violated the rule requiring notification for
17 any electronic gaming device that is removed from
18 play. Count five relates to the grand opening of
19 the Indiana Live permanent facility and their
20 failure to take adequate measures to prevent or
21 minimize any potential breach of the public trust
22 or injury to the credibility of the gaming
23 industry in Indiana in regards to the publications
24 of an appearance by Justin Timberlake. Indiana
25 Live has agreed to pay a total monetary settlement

1 of \$124,000 in lieu of disciplinary action. The
2 Commission staff recommends that you approve this
3 settlement agreement.

4 CHAIRMAN MURPHY: Are there any questions or
5 discussions on Order 2009-109?

6 COMMISSIONER SWIHART: I have a couple of
7 questions. I am concerned about count three and
8 count five. Let's talk about count three. The
9 RG-1 is a legal document; correct?

10 MS. GRAY: Yes, it is.

11 COMMISSIONER SWIHART: It's troubling. As a
12 CPA, I would never stand for this. Do you feel
13 that this problem has been corrected in going
14 forward? Have they asked for help or are they
15 proactive?

16 MS. GRAY: I am aware that the audit staff is
17 still investigating some issues with the RG-1 and
18 that the casino -- at first the audit staff had to
19 do a little bit of questioning and then the casino
20 staff did start to work with them.

21 EXECUTIVE DIRECTOR YELTON: Excuse me, if I
22 may also add something that Chris may not be aware
23 of. Their corporate counsel informed us this week
24 that they developed a comprehensive approach to
25 regulatory issues, particularly this one, where

1 all corporate leaders, as well as officers from
2 each division of the property, and owners will
3 meet on a monthly basis, with our cooperation, in
4 an effort to correct those issues. And that's
5 starting soon. I'm not sure when, but I think
6 soon.

7 COMMISSIONER SWIHART: Okay, thank you.

8 Count five also bothers me. Perception is
9 everything in this business. And we certainly, as
10 a Commission, are not the gatekeepers for
11 marketing and promotional decisions, but the
12 public trust us. It is extremely important in
13 this industry and it needs to be maintained. I
14 personally feel on these two counts the fines are
15 too low, but I will acquiesce to the staff's
16 decision.

17 That's all the questions I have.

18 CHAIRMAN MURPHY: Okay, thank you.

19 COMMISSIONER FINE: If I may, Ms. Gray. In
20 your opinion, do you believe they understand the
21 severity of what is going on here?

22 MS. GRAY: As far as count three or --

23 COMMISSIONER FINE: The actual staff at the
24 casino themselves. Not in the executive suites.
25 Do the people who are actually putting these

1 numbers together, the people who are letting press
2 releases go, do they understand the severity of
3 what has happened and what this agreement is
4 proposing?

5 MS. GRAY: Are you talking about count five or
6 count three or both?

7 COMMISSIONER FINE: I have to share
8 Commissioner Swihart's concern. I think either
9 one of these alone is deeply troubling. The two
10 of them together, along with the other three
11 counts, leads me to believe that at the core level
12 there seems to be just, at best, a cavalier
13 nature, and that would be putting it in its
14 kindest terms. I want to know, in your opinion,
15 if you think that the severity of what has
16 occurred is well-known to the people who are
17 actually in the trenches doing the work?

18 EXECUTIVE DIRECTOR YELTON: Excuse me,
19 Commissioner Fine. Very good question, but may I
20 make a suggestion? The general manager is here,
21 and I think he is in a better position to answer
22 that than Chris, if he is willing to.

23 MARK HEMMERLE: My name is Mark Hemmerle. I'm
24 the general manager of Indiana Live Casino. To
25 answer your question directly, yes, we take this

1 very seriously. That is why we reached out to the
2 Executive Director so we could start setting up
3 meetings on a monthly basis with my staff at the
4 senior level, but also as part of that is a
5 suggestion we have some meetings with the lower
6 level and the mid-tier managers in the revenue
7 audit slots and other areas with the corresponding
8 counterparts of the Commission on a regular basis
9 to not only talk through what issues we have, but
10 to get their participation and what they feel the
11 solution will be. We currently meet weekly. Our
12 in-house counsel meets with the on-site supervisor
13 Monday to go through any of the issues that he
14 sees that have been occurring so he can address
15 those as quickly as possible.

16 CHAIRMAN MURPHY: I have a question,
17 Mr. Hemmerle, to follow up on that. Particularly
18 on the reporting of the gaming receipts, the
19 RG-1's, what level are those signed off on?

20 MARK HEMMERLE: They are signed off at the --
21 obviously, there is the revenue audit manager who
22 is the initial signer, and then the secondary
23 signer includes the operations control and
24 director of financial reporting and the CFO and
25 that next tier to approve it. What we have

1 established is a process that prior to the
2 signatures occurring, will do a full review of
3 that before we do the signatures in order to
4 submit the tax return. That was something that
5 happened in the subsequent issue with the RG-2, we
6 filled it out, caught the errors, but we couldn't
7 correct them because of the way the system
8 functions. Now we have changed our procedure to
9 make sure we can audit those before we submit to
10 make the corrections.

11 Again, we want to continue the dialogue with
12 the staff to make sure that those processes that
13 we are putting in place with the staff will meet
14 the concerns.

15 CHAIRMAN MURPHY: On the particular ones that
16 are mentioned in count three, I believe it is, was
17 the CFO involved in signing off on those?

18 MARK HEMMERLE: Not specifically, no. The
19 process at that time --

20 CHAIRMAN MURPHY: Did not call for that?

21 MARK HEMMERLE: Correct. He was an alternate
22 signer on that. The review process was that the
23 revenue audit and controller --

24 CHAIRMAN MURPHY: So you've elevated the level
25 of attention to that?

1 MARK HEMMERLE: Yes.

2 CHAIRMAN MURPHY: Any other questions?
3 Discussion?

4 COMMISSIONER FINE: My only comment is, and I
5 appreciate your response, if it's not obvious, the
6 concern is significant, and I can't overstate the
7 seriousness of the nature and the generosity of
8 the staff's recommendation.

9 COMMISSIONER MORGAN: If I can, please, I
10 concur with my colleagues here. I deem this very
11 serious, and if you want to use it in golf terms,
12 this is a mulligan, and we don't want to go down
13 this road again.

14 MARK HEMMERLE: Yes, I believe you stated --
15 it's \$123,000 not \$1,200.

16 CHAIRMAN MURPHY: Any other questions or
17 discussions? If there are no other questions, is
18 there a motion to approve the order?

19 COMMISSIONER FINE: Move for approval.

20 CHAIRMAN MURPHY: Is there a second?

21 COMMISSIONER SWIHART: Second.

22 CHAIRMAN MURPHY: It has been moved and
23 seconded. All of those in favor?

24 (COMMISSION MEMBERS VOTED AYE.)

25 COMMISSIONER SWIHART: I oppose, one oppose.

1 CHAIRMAN MURPHY: One opposition. The Order
2 2009-109 is approved. Thank you.

3 MS. GRAY: The final order, Order 2009-110, is
4 a settlement agreement with Majestic Star wherein
5 a casino employee went to work with an expired
6 badge. Majestic Star has agreed to pay the
7 monetary settlement of \$1,000 in lieu of
8 disciplinary action. The Commission staff
9 recommends that you approve Order 2009-110.

10 CHAIRMAN MURPHY: Any questions for Ms. Gray
11 on Order 2009-110? If not, is there a motion to
12 approve the order?

13 COMMISSIONER MORGAN: Motion to approve.

14 COMMISSIONER SWIHART: Second.

15 CHAIRMAN MURPHY: It's been moved and
16 seconded. All of those in favor?

17 (COMMISSION MEMBERS VOTED AYE.)

18 CHAIRMAN MURPHY: Order 2009-110 approved.
19 Thank you, Ms. Gray.

20 The next item on the agenda is rules.

21 MS. ELLINGWOOD: Good afternoon. You have
22 before you two resolutions, 2009-111 and 2009-112.
23 Resolution 2009-111 is a resolution concerning an
24 administrative rule regarding patron counting
25 systems. Last year the Commission began the

1 process of adopting rules which made changes to
2 the patron counting system requirement. Those
3 changes were made to more accurately track ingress
4 and egress of patrons to and from the riverboats.
5 During the course of the rule-writing process, it
6 became evident that changes to the text would be
7 necessary to assure the system requirements were
8 both achievable and would accurately report
9 ingress and egress. As the rule was revised, it
10 also became evident that the rulemaking would not
11 be completed before the one-year deadline. As a
12 result, the Commission staff stopped that rule
13 writing and began anew once the final working
14 draft of the rules was completed.

15 As part of the rule-writing process, the
16 Commission staff held a public hearing to receive
17 comments regarding the proposed rule. No members
18 of the public were present at the hearing and no
19 written or oral comments were submitted. A copy
20 of the transcript has been provided to you.

21 The Commission staff respectfully requests
22 that you adopt the administrative rule before you.
23 Upon adoption, the staff will submit the rule for
24 approval to the Office of the Attorney General and
25 the Governor.

1 CHAIRMAN MURPHY: Any questions for
2 Ms. Ellingwood on Resolution 2009-111? If not, is
3 there a motion to approve the order?

4 COMMISSIONER SWIHART: So moved.

5 COMMISSIONER FINE: Second.

6 CHAIRMAN MURPHY: It's been moved and
7 seconded. All of those in favor?

8 (COMMISSION MEMBERS VOTED AYE.)

9 CHAIRMAN MURPHY: Resolution 2009-111
10 approved.

11 MS. ELLINGWOOD: Resolution 2009-112 is a
12 Resolution regarding the adoption of the charity
13 gaming emergency rule. During the 2009
14 legislative session, Senate Enrolled Act 414 and
15 House Enrolled Act 1286 were signed into law.
16 Those acts, which make significant changes to
17 charity gaming, become effective July 1st of this
18 year. Those changes include limitations on
19 information that may be collected about a patron,
20 restrictions on the charity game night licenses,
21 the creation of a new category of qualified
22 organizations, and additions to the types of
23 activities that can be conducted under an annual
24 PPT license.

25 In addition to rule changes made in response

1 to Rule 414 and 1286, this emergency rule includes
2 provisions that originally appeared in the final
3 rule before the Commission in March. To condense
4 the number of charity gaming related pending
5 rules, that rule was withdrawn and being
6 incorporated into this rulemaking. Those rule
7 changes include language that outlines the
8 conditions under which refunds may be given,
9 establishes a fee for license amendments, and
10 prevents charity gaming events from being held at
11 a bar or tavern or a facility connected to a bar
12 or tavern other than those owned by qualified
13 organizations.

14 Neither existing statute or rules provide
15 adequate oversight to address these statutory
16 changes. As a result, the Commission staff
17 respectfully requests you adopt the emergency rule
18 before you. The staff will continue the regular
19 rulemaking process to formally adopt the rule.

20 CHAIRMAN MURPHY: Are there any questions for
21 Ms. Ellingwood on Resolution 2009-112? If not, is
22 there a motion to approve?

23 COMMISSIONER MORGAN: Motion to approve.

24 COMMISSIONER SWIHART: Second.

25 CHAIRMAN MURPHY: Moved and seconded. All of

1 those in favor?

2 (COMMISSION MEMBERS VOTED AYE.)

3 CHAIRMAN MURPHY: Resolution 2009-112 is
4 approved. Thank you, Ms. Ellingwood.

5 MS. ELLINGWOOD: Thank you.

6 CHAIRMAN MURPHY: Moving on to other matters.
7 Under that category we have the election of
8 officers, including vice chair and secretary.

9 COMMISSIONER MORGAN: Mr. Chairman, on behalf
10 of the Commission, I would like to nominate
11 Commissioner Marc Fine to secretary or as
12 secretary.

13 CHAIRMAN MURPHY: Is there a second?

14 COMMISSIONER SWIHART: Second.

15 CHAIRMAN MURPHY: It has been moved and
16 seconded. All of those in favor?

17 (COMMISSION MEMBERS VOTED AYE.)

18 COMMISSIONER SWIHART: It is so good that I
19 don't have to sign all of this.

20 CHAIRMAN MURPHY: Congratulations, Mr. Fine.
21 Is there a nomination for vice chair?

22 COMMISSIONER FINE: Yes, Mr. Chair, I would
23 like to move for the appointment of Thomas Swihart
24 as vice chairperson.

25 COMMISSIONER MORGAN: Second.

1 CHAIRMAN MURPHY: It's been moved and
2 seconded. All of those in favor?

3 (COMMISSION MEMBERS VOTED AYE.)

4 CHAIRMAN MURPHY: Congratulations,
5 Mr. Swihart.

6 COMMISSIONER SWIHART: Thank you.

7 CHAIRMAN MURPHY: Moving on. The next item on
8 the agenda is the Argosy presentation that I told
9 you about earlier. Tony Rodio and friends.

10 MR. WILMOTT: Good afternoon, Members of the
11 Commission. I am the vice president and chief
12 compliance officer of Penn National Gaming. I'm
13 based out of our corporate headquarters in
14 Wyomissing, Pennsylvania. We are the proud parent
15 of the Argosy Casino in Lawrenceburg. What I
16 should say, we are the proud parent that will be
17 known soon as the Hollywood Casino. The Hollywood
18 theme is the brand of Penn National Gaming. We
19 own the trademark, we own all sorts of very
20 interesting and colorful memorabilia. It is a
21 theme that we have been moving to throughout the
22 country with our other properties. What I would
23 like to do at this point in time is a timely
24 presentation for this exciting casino that will be
25 opening real soon to Tony Rodio, the general

1 manager of the property.

2 TONY RODIO: Thank you very much. Good
3 afternoon. I can't tell you how excited not only
4 the company is but, in particular, the 2000
5 employees in Lawrenceburg, Indiana, to bring this
6 project to life. It is something that is really
7 going to help not only Southeastern Indiana but
8 the entire State. I really do think it is a
9 must-see attraction.

10 With that, my able assistant here. What I
11 would like to do is take you through some of our
12 transition plans first and then I have some
13 updated construction photographs to share with
14 you. I believe everyone has the presentation in
15 front of them, as well, so you don't have to turn
16 around.

17 What we will be doing is transferring all of
18 our slot equipment from the old Argosy Casino into
19 the new Hollywood Casino in one of three methods.
20 We actually have the first one -- I think of it as
21 a small back end of a tractor trailer or PODS,
22 they can hold 25 slot machines. We will be
23 loading those from our lowest deck of the casino,
24 and then the crane will pick them up and hoist
25 them to the bottom deck of the new casino. The

1 bottom deck of the new casino is actually higher
2 than the top deck of the old casino.

3 The second, we have a bridge that connects the
4 top deck of the old casino to the bottom deck of
5 the new casino. Those are the two main methods.
6 If we run into any kind of problems, we can also
7 transport some of the slot machines and equipment
8 via the two loading docks.

9 The timing of this has actually already begun.
10 This past Monday we closed half of our first deck,
11 bottom deck, and moved approximately 400 slot
12 machines, so we will be operating over the next
13 week in the old Argosy Casino at less than
14 100 percent capacity, with 1,900 slots for a week.

15 And then next Monday we close the balance of
16 the first deck, other than the poker room, and
17 move another 450 slot machines, and operate them
18 next week, in essence, with just two decks of
19 gaming operations, and we will be operating with
20 about 1,400 slot machines.

21 At midnight, Sunday, June 21st, the old Argosy
22 Casino will close its operation permanently. We
23 will remove the remaining 1,300 slot machines over
24 in a four-day period. Actually, the physical move
25 we can do in about a day. The other three days we

1 need to put the slot machines into place, connect
2 them, test them and make sure they are operating
3 correctly. We will also use that four-day
4 shutdown to move some other equipment, our poker
5 room tables, ATMs and miscellaneous things like
6 that.

7 The anticipated opening is for Friday at
8 10:00 a.m. on June 26th. We will operate what we
9 call a soft opening for that first weekend, with
10 very little marketing, so we can work out
11 everything and make sure it's operating as we hope
12 and anticipate. We intend then to close the
13 casino on Monday morning, the 29th, around 8 a.m.
14 for an official ribbon cutting that will take
15 place on Monday morning at 11:00 a.m.

16 Next, just to give you some statistical
17 comparison between the two facilities. The
18 Hollywood Casino will be about 150,000 square feet
19 of space. The Argosy Casino on three decks is
20 about 75,000 square feet of space. In addition to
21 the 150,000 square feet of space that we will use
22 initially, there is about 35,000 square feet of
23 space on the bottom deck that will be used for
24 future expansion, whether it will be used for
25 gaming, food and beverage or what we determine.

1 The scale in size of the two vessels is
2 dramatically different. The average ceiling
3 height in the old Argosy boat is about 10 feet and
4 the top around 12 feet. The main deck of the new
5 casino is about 40 feet, and it is dramatic space.

6 The number of slot machines in the old Argosy
7 Casino is just under 2,500. When we open, it will
8 be around 3,200 but, as I said, we have the
9 ability to expand. I think that even without
10 using the 35,000 square feet for future
11 development, we will probably settle in, when it's
12 all said and done, around 3,400 slot machines.
13 About 88 table games when we first opened.

14 I think one of the special spaces in the new
15 casino, on the lower deck, is our new poker room
16 with 41 poker tables. We just signed an agreement
17 with the World Poker Tour, we will have one of the
18 few branded poker rooms in the entire country and
19 will be broadcasting a nationally televised poker
20 tournament hopefully in the spring of next year.

21 I think a couple of the elements that really
22 sets this casino apart is in keeping with our
23 Hollywood theme there is a lot of audiovisual and
24 interactive elements that will allow us to have
25 each and every visit a customer makes be a unique

1 experience.

2 When you first enter the casino, you are
3 greeted by a 60-foot video wall. On the wall we
4 will be displaying movie trailers, movie clips,
5 sports highlights and any type of material that we
6 digitally create for promotional information.

7 Another unique element is called Hollywood On
8 The Roof. It's our entertainment bar and lounge.
9 It's more than that. The best way I can describe
10 it, it's like an IMAX theater, although it is not
11 technically IMAX. It's not that brand, but
12 similar to that. It's an interactive dome where
13 we can display movie material or digitally created
14 material. When you are in this room, you are
15 immersed in this experience. Think of it like a
16 motion simulator. If you are standing there and
17 we have some of this digitally creative
18 entertainment material, you literally have to hold
19 onto something because you feel like you are
20 actually moving. It's quite an experience.

21 We also have a 24-hour dining outlet called
22 Celebrity Grill.

23 And another element, which is unique,
24 different sections of the casino are themed
25 differently. As you explore and traverse the

1 entire space, you are greeted by different
2 elements and different experiences as you go
3 through the entire casino.

4 The floor plan -- just to point out that
5 center circle, that is actually a hole. There are
6 two elevators and two escalators to take you to
7 the lower level. When you first come into the
8 casino, you would enter at the top right where the
9 green squares are. As you look down the section
10 of blackjack tables, halfway down, you see the
11 curb wall, that is video wall that you will be
12 greeted by. And then on the bottom where the dome
13 is, on the bottom of the floor plan, is where
14 Hollywood On The Roof will be, and the dome of
15 that interactive experience.

16 This is the bottom deck. Again, the big white
17 section that you see surrounding that circle is
18 the 35,000 square feet for future development.
19 And the white section to the left of the slot
20 machines is the poker room.

21 I believe we have some photographs. This is
22 or connector. To your back would be the pavilion.
23 Literally right into the door of the pavilion as
24 you are looking down towards the entrance to the
25 casino.

1 We currently do not have a VIP lounge at our
2 facility. This is going to be called the
3 "Producer's Lounge," and it's a lounge for our
4 better customers.

5 This is the entrance. Where you see the
6 yellow emergency tape is really the line of
7 demarcation that takes you to the entrance to the
8 boat. Actually, where the post is that holds up
9 the sign is actually on the land sign. If you
10 look behind the post, you see that black curved
11 wall, that's the video wall that I was referring
12 to. Again, I think you begin to get a sense of
13 the space and the scale of the project.

14 This is the video wall that is actually
15 scheduled to be up and running tomorrow, so it's
16 still dark. That is the wall I was referring to
17 that will be greeting you literally as you walk
18 down the entire hallway, and we will be showing
19 the contents 24/7.

20 That's actually our property in Wyomissing,
21 Pennsylvania that shows that video wall lit up.
22 It's not static pictures but full motion. You
23 have to see it to believe it. It's quite
24 spectacular.

25 This is just beyond the video wall as you look

1 through. It will take you down to the glass dome
2 lit up. And the chandelier above the broken area,
3 that takes you to the lower level.

4 That is looking up, obviously, from the lower
5 level up to the same chandelier.

6 Another view of the atrium area that takes you
7 to the lower level. You get a sense of the art
8 deco kind of design throughout the entire
9 facility. It goes back to the heyday in Hollywood
10 in the '30s and '40s.

11 Just some of our gaming area.

12 This is entering the back of the casino, it
13 has two distinct themed areas. One side is more
14 like a cityscape. We refer to as waterworks.
15 More of an urban feel. The other side is like a
16 park, like Central Park. This is the facade of
17 the waterworks, more of the urban side. And then
18 this is the park as it is coming together. We
19 actually had a couple birds during our
20 construction that have flown in here and living in
21 our trees.

22 That is the dome that I was referring to,
23 Hollywood On The Roof. Again, we are in the
24 construction phase. There will be ground seating
25 and a bar. That dome is what I was referring to

1 that we were able to do all sorts of video
2 projections and it will also have the capability
3 for live entertainment.

4 Again, a shot from the lower level looking up
5 to the main entrance. I believe a couple of more.

6 This is our poker room on the lower level.
7 The ceiling heights are different. This is just a
8 wonderful experience for all of our poker
9 customers and players throughout the Midwest. I
10 believe that is our last shot. Throughout the
11 poker room there are shots of movies that have
12 poker elements.

13 That's it. Any questions at all about the
14 transition or our facility?

15 COMMISSIONER MORGAN: Very impressive.

16 MR. RODIO: It is. It is a wonderful
17 attraction for the entire State.

18 CHAIRMAN MURPHY: Thank you for your
19 presentation. Thank you.

20 CHAIRMAN MURPHY: The next item on the agenda
21 is our next meeting.

22 EXECUTIVE DIRECTOR YELTON: Yes. Tentatively
23 we will schedule our third-quarter meeting for
24 September 17th at a tentative location, Argosy.
25 But we've not asked if we can be invited, but we

1 thought that would be an opportunity for you to be
2 able to see the new facility. Subject to change,
3 but that is the Commission's staff plan right now.

4 MR. RODIO: Would love to have you.

5 EXECUTIVE DIRECTOR YELTON: Thank you.

6 CHAIRMAN MURPHY: If there is no other
7 business to come before the Commission, is there a
8 motion to adjourn?

9 COMMISSIONER MORGAN: Motion to adjourn.

10 COMMISSIONER FINE: Second.

11 CHAIRMAN MURPHY: All of those in favor?

12 (COMMISSION MEMBERS VOTED AYE.)
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I, Robin L. Helton, a Notary Public in and for said county and state, do hereby certify that the Indiana Gaming Commission Business Meeting, June 11, 2009 at 1:00 p.m., at the Indiana Government Center, South Conference, 402 West Washington Street, Indianapolis, Indiana, was taken down in stenograph notes and afterwards reduced to typewriting under my direction, and that the typewritten transcript is a true record of the proceedings held.

IN WITNESS WHEREFORE, I have hereunto set my hand and affixed my notarial seal this _____day of _____, 2009.

Robin L. Helton, Notary Public,
Residing in Marion County, Indiana

My Commission Expires:
June 6, 2017