

## INDIANA GAMING COMMISSION

BUSINESS MEETING

SEPTEMBER 17, 2015

**ORIGINAL**

The Indiana Gaming Commission Business Meeting was stenographically taken down by me, Tonya Esparza, CSR, RPR, a Notary Public in and for the County of Marion, State of Indiana, held at the Indiana Government Center, Conference Room C, 402 West Washington Street, Indianapolis, Indiana, commencing at the hour of 1:59 p.m., September 17, 2015. The following transcript is a true and accurate transcript of the proceedings held.

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A P P E A R A N C E S

ON BEHALF OF THE GAMING COMMISSION:  
Cris Johnston, Chairman  
Robert Morgan, Commissioner  
Joseph Svetanoff, Commissioner  
Susan Williams, Commissioner  
Anita Sherman, Commissioner  
Mike Herndon, Commissioner  
Sara Gonso Tait, Executive Director  
Jennifer Reske, Deputy Director  
Greg Small, General Counsel

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1           CHAIRMAN JOHNSTON: Good afternoon. Like to  
2 call the September 17th, 2015, Indiana Gaming  
3 Commission meeting to order.

4           Let's be sure we have a quorum. We'll  
5 take -- this time we'll do a roll call.

6           Commissioner Morgan?

7           MR. MORGAN: Present.

8           CHAIRMAN JOHNSTON: Commissioner Williams?

9           MS. WILLIAMS: Present.

10          CHAIRMAN JOHNSTON: Commissioner Sherman?

11          MS. SHERMAN: Here.

12          CHAIRMAN JOHNSTON: Commissioner Svetanoff?

13          MR. SVETANOFF: Here.

14          CHAIRMAN JOHNSTON: Commissioner Herndon?

15          MR. HERNDON: Present.

16          CHAIRMAN JOHNSTON: And Commissioner  
17 Johnston present. And we have a quorum.

18          First order of business is the approval of  
19 the minutes from the June 18th, 2015, at -- which  
20 have been previously distributed.

21          Any comments, corrections, clarifications?

22          MS. SHERMAN: There's a correction that's  
23 needed for Order 2015-89. It was either a motion  
24 by me or by Susan, but not Anita Williams.

25          CHAIRMAN JOHNSTON: Okay. Well, we will --

1 I think what's in order is we will check the  
2 transcripts and tapes as needed and take that  
3 necessary correction.

4 Let's still go ahead -- are there any other  
5 corrections or clarifications needed?

6 Let's go ahead, and I will entertain a  
7 motion to approve with that condition of making  
8 that correction.

9 MR. SVETANOFF: Motion to approve the  
10 conditions.

11 MR. HERNDON: Second.

12 CHAIRMAN JOHNSTON: Motion and a second.

13 All those in favor, say aye.

14 (Chorus of ayes.)

15 CHAIRMAN JOHNSTON: Opposed?

16 The minutes are adopted.

17 The next order of business is the report of  
18 the Executive Director, Sara Tait.

19 MS. TAIT: Thank you, Mr. Chair.

20 Good afternoon, everyone. We have welcomed  
21 three new employees to IG's staff since our last  
22 meeting.

23 Greg Small is our new general counsel and  
24 newest member of the executive staff. Greg  
25 graduated from the University of Pennsylvania in

1 1997, and then the Indiana University School of  
2 Law in 2001. Greg was an associate and then  
3 partner at the Indianapolis law firm of Krieg  
4 DeVault for 12 years. He then worked as the  
5 assistant for the attorney for the City of  
6 Bloomington from March 2013 through July of 2015.  
7 Greg is married to Rory and has three daughters,  
8 Perry, Sloan, and Regan.

9 After numerous attempts to steal her away  
10 from the personnel department, Shadi Lilly  
11 finally agreed to join us and is our new  
12 executive administrator.

13 Shadi, will you stand?

14 Shadi originally joined the State in May of  
15 2007 when she stepped into the role of Community  
16 Service Director of Logansport State Hospital.  
17 In March of '11 she transferred to the State  
18 Personnel Division as an HR associate, and within  
19 eight months received a promotion to an HR  
20 generalist. Shadi earned her role as HR director  
21 for SPD for seven agencies, including IGC, in  
22 March of '14. Shadi possesses a bachelor of arts  
23 degree from Ball State. She resides in Franklin  
24 with her husband Kevin and their two children Ava  
25 and River.

1 Thank you, Shadi.

2 Natalie Raver joined us just this week as  
3 our newest staff attorney.

4 Natalie, if you'll stand.

5 Thank you.

6 Natalie graduated from the University of  
7 Indianapolis with a BS in sports marketing in  
8 2011. She then graduated from the University of  
9 Notre Dame Law School in 2014, and since  
10 graduating law school, she has been serving as a  
11 bailiff and law clerk to Marion superior court  
12 judge David Dreyer.

13 Welcome.

14 We've also had two promotions, Rob Townsend.

15 Rob? There in the back.

16 Has been promoted to our Director of Gaming  
17 Control. Rob grew up in Stockton, Illinois.  
18 He's been married for 35 years and has three  
19 sons. He has 32 years of law enforcement  
20 experience, including 24-and-a-half with ISP and  
21 the last four-and-a-half with IGC as a gaming  
22 control officer.

23 And last but not least Tony Calvert.

24 Tony?

25 Tony was previously a gaming agent at

1 Hoosier Park and is now one of our background  
2 investigators at the Indianapolis office. Tony  
3 was born and raised in Muncie and has been  
4 married 24 years with two daughters. He  
5 graduated from Ball State in 1990 with a BS in  
6 criminal justice, and he began his career with  
7 the Muncie police and retired in 2011.

8 So welcome, Tony. Welcome to the  
9 Indianapolis office.

10 Our background and financial investigation  
11 divisions have conducted reinvestigations of  
12 Pinnacle Entertainment and Blue Chip. Those  
13 reports have been submitted with your  
14 confidential materials. Directors Leek and Brown  
15 are present should you have any questions  
16 concerning these reports.

17 Are there any questions?

18 So Chris is back to her regular self with  
19 waivers, and we had seven since our last  
20 Commission meeting. The Casino Association was  
21 granted relief from the requirement of the check  
22 cashing aggregate prior to establishing check  
23 cashing privileges. The Commission grants  
24 increased to the aggregate amount of checks  
25 cashed utilized a check guarantee service to



1       \$20,000. We also granted a waiver to the Casino  
2 Association members allowing a second slot  
3 attendant or above the ability to verify, escort,  
4 and view the reset for manually paid jackpots  
5 \$5,000 and below.

6           Ameristar has allowed the addition of a  
7 \$25,000 primary chip denomination. \$25,000  
8 primary chip will be canary yellow in color, and  
9 the secondary chip is daisy. Additionally  
10 Ameristar is allowed to perform a coin test on  
11 one machine per bank of machines on the seven  
12 game nets in lieu of testing all of the machines  
13 during an upgrade to their computer system. This  
14 was a one-time waiver for this project only.

15           French Lick was granted relief from the  
16 maintenance of found cash equivalents valued at  
17 five dollar or less. The casino will no longer  
18 have to record or track found money to tickets or  
19 chips five dollars or under.

20           However, the funds will still need to be  
21 included in the drop, and this waiver does not  
22 include Keno tickets found in slot machines. Any  
23 cash equivalent over five dollars will continue  
24 to be maintained according to the rules.

25           French Lick is also granted a relief of the

1 requirements to install two locks on the  
2 compartment door where a progressive controller  
3 is stored. Casino is only asking for a relief of  
4 this requirement on storage compartments that  
5 cannot accommodate a second lock. The key to the  
6 single lock will be given to the Commission's  
7 executive director, and that would be me.

8 And lastly, Horseshoe Southern Indiana  
9 withdrew a waiver granted on April 28th, 2008,  
10 which allowed the additional of a \$25,000 value  
11 chip that was rectangular. The casino will still  
12 utilize the \$25,000 value chip, but it will be  
13 round in shape as required by the rules.

14 And last, since the June Commission meeting,  
15 IGC staff has added 32 individuals to the  
16 exclusion list which effectively and permanently  
17 bars those patrons from entering any casino in  
18 Indiana.

19 Of those 32, four were placed on the  
20 exclusion list for past posting, pinching, or  
21 capping bets on an Indiana casino. 25 were  
22 placed on the exclusion list for taking illegal  
23 possession of TITO, casinos chips, or US currency  
24 in excess of approximately \$500, providing  
25 fraudulent information while attempting to claim

1 a jackpot, or making fraudulent cash withdraws  
2 while at an Indiana casino.

3 One individual, a former slot technician,  
4 was placed on the exclusion list for using his  
5 position to fraudulently obtain and redeem TITO  
6 tickets while a second individual, a former  
7 beverage server, was placed on the exclusion list  
8 for assisting in the scheme.

9 The remaining individual, a former poker rim  
10 supervisor, was placed on the exclusion list for  
11 using his position to obtain money from the cage,  
12 which he later removed from the casino.

13 All of these employees were terminated from  
14 their position.

15 And that, Commissioners, concludes the  
16 executive director's report, unless there are any  
17 questions.

18 CHAIRMAN JOHNSTON: Any questions for Sara?

19 Sara, thank you very much.

20 Is there any old business to come before the  
21 Commission?

22 Seeing none, let's proceed with new  
23 business.

24 The first topics deal with patrons in the  
25 voluntary exclusion program, and we have a series

1 of orders to consider.

2 Tami, please come forward.

3 Thank you.

4 And, Commissioners, we'll just -- since  
5 there are numerous orders, we'll just have Tami  
6 run through them all. Please speak up if you  
7 have any questions.

8 MS. TIMBERMAN-WRIGHT: Good afternoon,  
9 Commissioners and executive staff.

10 You have before you 28 orders regarding the  
11 Voluntary Exclusion Program. Pursuant to the  
12 rules of the program, the identities in the  
13 Voluntary Exclusion Program participants must  
14 remain confidential.

15 Pursuant to 68 IAC 6-3-2(g), a participant  
16 in the program agrees that if he or she violates  
17 the terms of the program and enters the gaming  
18 area of the facility under the jurisdiction of  
19 the Commission, they will forfeit any jackpot or  
20 thing of value won as the result of a wager.

21 Under Orders 2015-107 through 2015-133, a  
22 total sum of \$36,473.32 was forfeited by  
23 John Does 49 through 75. These winnings were  
24 collected at Ameristar, Blue Chip, Hollywood,  
25 Hoosier Park, Horseshoe, Horseshoe Southern

1 Indiana, Indiana Grand, Majestic Star, and  
2 Tropicana Evansville. These winnings were  
3 withheld as required by Commission regulations.

4 Commission staff recommends that you approve  
5 these orders.

6 CHAIRMAN JOHNSTON: Thank you.

7 Any questions for Tami?

8 Seeing none, is there a motion on the  
9 acceptance of the Orders 107 through 133?

10 MR. MORGAN: Motion to approve.

11 MR. SVETANOFF: Second.

12 CHAIRMAN JOHNSTON: There's a motion and a  
13 second.

14 Any questions?

15 Seeing none, all those in favor, say aye.

16 (Chorus of ayes.)

17 CHAIRMAN JOHNSTON: Opposed?

18 The orders are adopted.

19 MS. TIMBERMAN-WRIGHT: Thank you.

20 CHAIRMAN JOHNSTON: Let's proceed with  
21 settlements.

22 Derek Young.

23 MR. YOUNG: Thank you.

24 Before you are Orders 2015-134 and 2015-135  
25 regarding settlements of VEP forfeitures in lieu

1 of administrative proceedings. Orders 2015-134  
2 relates to John Doe 15-16. His jackpot  
3 remittance was approved by the Commission in  
4 Order 2015-16. John Doe 15-16 submitted an  
5 application for five-year enrollment in VEP on  
6 November 23rd, 2009, and was discovered on the  
7 gaming floor of Horseshoe gaming casino on  
8 November 27th, 2014, after winning a jackpot  
9 worth \$5,000.

10 Commission staff offered to settle the  
11 matter by refunding \$1667.50 of the money seized  
12 to John Doe 15-16 in exchange for withdraw of the  
13 appeal. John Doe 15-16 agreed to the settlement,  
14 and the administrative law judge orders approving  
15 the agreement. Order 2015-134 will affirm the  
16 ALJ's order approving the settlement.

17 Order 2015-135 relates to John Doe 15-79.  
18 His jackpot remittance was approved by the  
19 Commissioner in Order 2015-79. John Doe 15-79  
20 submitted an application for one-year enrollment  
21 in the VEP on February the 18th, 2012, and was  
22 discovered on the gaming floor of Majestic Star  
23 casino on April 27th, 2015, after winning a  
24 jackpot worth \$17,925.

25 Commission staff offered to settle the

1 matter by refunding \$8,137 to John Doe 15-79 in  
2 exchange for withdrawal of the appeal, to which  
3 John Doe 15-79 agreed.

4 Order 2015-135 will approve the settlement  
5 agreement, and Commission staff especially  
6 recommends that you approve both orders at this  
7 time.

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

10 Any questions for Derek?

11 Seeing none, is there a motion for  
12 acceptance of the ALJ recommendation and the  
13 settlement agreement, two orders?

14 MR. MORGAN: Motion to approve.

15 MS. SHERMAN: Second.

16 CHAIRMAN JOHNSTON: There's a motion and a  
17 second.

18 All the those in favor, say aye.

19 (Chorus of ayes.)

20 CHAIRMAN JOHNSTON: Opposed?

21 Thank you very much.

22 Let's move on to suppliers.

23 Ed, welcome.

24 MR. HARCOURT: Thank you, Mr. Chair.

25 Members of the Commission, you have before

1 you Order 2015-136 concerning the renewal of  
2 supplier licenses. Pursuant Indiana Code section  
3 4-33-7-8 and 68 Indiana Administrative Code  
4 Section 2-2-8, a supplier license must be renewed  
5 annually with a \$7500 renewal fee.

6 Each of the following licensees has  
7 requested renewal of its license and has paid the  
8 appropriate renewal fee. The order before you  
9 would approve the renewal of the following  
10 supplier licensees: Everi Games Inc., Gaming  
11 Partners International USA, Inc., and GLP  
12 Capital, LP.

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

15 CHAIRMAN JOHNSTON: Thank you very much.

16 Any questions?

17 Seeing none, is there a motion to adopt  
18 Order 136?

19 MR. SVETANOFF: Motion to adopt.

20 CHAIRMAN JOHNSTON: Motion.

21 Is there a second?

22 MR. HERNDON: Second.

23 CHAIRMAN JOHNSTON: And a second.

24 Any other questions?

25 All those in favor, say aye.



1 (Chorus of ayes.)

2 CHAIRMAN JOHNSTON: Opposed?

3 The order is adopted.

4 Thank you, Ed.

5 MR. HARCOURT: Thank you.

6 CHAIRMAN JOHNSTON: Disciplinary actions

7 related to our suppliers.

8 Chris?

9 Oh, we have -- I'm sorry, Garth Brown.

10 Let's go in order.

11 Garth?

12 MR. BROWN: That's fine if you want to skip  
13 me.

14 CHAIRMAN JOHNSTON: Oh, no, it's time to  
15 shine.

16 MR. BROWN: Good afternoon, Commissioners  
17 and Executive staff.

18 You have before you an order regarding the  
19 waiver of certain requirements of the transfer of  
20 interest from Electron Check to Interblock.  
21 Interblock Luxury Gaming Products DD, a privately  
22 owned entity, is an Indiana supplier licensee who  
23 received a permanent supplier's license on  
24 March 19, 2009.

25 Interblock manufactures multi-station gaming

1 machines and is currently holding on by Electron  
2 Check or DD, its ultimately parent company.

3 Electron Check is owned by Mr. Joc Pececnik  
4 and Mr. Tomaz Zadel. Both of these individuals  
5 have previously been investigated by IGC staff  
6 and are currently licensed in good standing.

7 On July 14, 2015, IGC received notice from  
8 Matlock regarding the intent to purchase a  
9 percentage of its shares from Electron Check,  
10 after which will be distributed to certain  
11 employees. The distribution will occur at a  
12 later date and will only occur so after  
13 consultation with regulatory agencies so as not  
14 to violate regulatory laws and statues.

15 On August 27, 2015, IGC received a request  
16 from Interblock to waive certain regulations  
17 regarding the transfer of these shares from  
18 Electron Check given that all parties involved  
19 have been licensed by the IGC and are currently  
20 in good standing.

21 Interblock has requested to waive the need  
22 to submit applications pursuant to 68 IAC 5-2;  
23 however, will pay any fees otherwise associated  
24 with the transfer.

25 Since the share transfer will not materially

1 change the ownership of Interblock and all  
2 related parties are currently found suitable,  
3 strict compliance with the transfer regulations  
4 is unnecessary and burdensome. Commission staff  
5 therefore believes a waiver is appropriate.

6 Therefore, Commission staff recommends the  
7 approval of the waiver of 68 IAC 5-2 which will  
8 formally allow the transfer of ownership to  
9 Interblock from Electron Check without  
10 requirement of the applications. The order  
11 before you formerly approves the waiver and  
12 approves the transfer of the shares.

13 CHAIRMAN JOHNSTON: Thank you very much.

14 Any questions of Garth?

15 If not, what's the pleasure of the  
16 Commission regarding Order 137?

17 MR. MORGAN: Motion to approve.

18 MR. SVETANOFF: Second.

19 CHAIRMAN JOHNSTON: The motion and a second.

20 All those in favor, say aye.

21 (Chorus of ayes.)

22 CHAIRMAN JOHNSTON: Opposed?

23 Order's adopted.

24 Thank you, Garth.

25 Now disciplinary actions.

1 Chris?

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

4 Order 2015-138 is a settlement agreement  
5 with TCS John Huxley wherein the supplier failed  
6 to timely submit the PD1s for several key  
7 individuals. TCS has agreed to a monetary  
8 settlement of \$5,000 in lieu of a disciplinary  
9 action.

10 The Commission staff recommends that you  
11 approve Order 2015-138.

12 CHAIRMAN JOHNSTON: Thank you very much.  
13 Any questions?

14 Seeing none, is there a motion to approve  
15 the order?

16 MR. MORGAN: Motion to approve.

17 MS. WILLIAMS: Second.

18 CHAIRMAN JOHNSTON: There's a motion and a  
19 second.

20 All those in favor, say aye.

21 (Chorus of ayes.)

22 CHAIRMAN JOHNSTON: Opposed?

23 Order is adopted.

24 Thank you, Chris.

25 MS. GRAY: Thank you.

1           CHAIRMAN JOHNSTON: Moving on to  
2 occupational licenses.

3           Ed.

4           MR. HARCOURT: Thank you, Mr. Chair.

5           I present for your consideration Order  
6 Numbers 2015-139 to 2015-142. These orders all  
7 deny individuals' applications for permanent  
8 occupational licenses to work in Indiana casinos.

9           Pursuant to Indiana Code Section  
10 4-33-8-3(4), the Commission may not issue an  
11 occupational license to individual unless the  
12 individual has met the standards adopted by the  
13 Commission for holding an occupational license.  
14 An applicant for a Level 2 or 3 occupational  
15 license shall include the applicant's criminal  
16 history in his or her application pursuant to 68  
17 Indiana Administrative Code section 2-34-(e)(14)  
18 and 68 Indiana Administrative Code 2-3-4(f)(10).

19           Any misrepresentation or omission made with  
20 respect to an application may be grounds for  
21 denial of the application pursuant to 68 Indiana  
22 Administrative Code section 2-3-(b) -- 4(b)(2).

23           Additionally, an applicant must comply with  
24 all requests for information, documents, and  
25 other materials relating to the applicant and his

1 or her application during the investigation  
2 conducted by the Commission pursuant to 68  
3 Indiana Administrative Code Section 2-3-5(b)(9).

4 As part of the routine background  
5 investigation into each applicant, Commission  
6 investigators and staff discovered that the  
7 applicants represented in Orders 2015-139 through  
8 2015-142 failed to provide complete or accurate  
9 criminal histories.

10 Several of the applications also failed to  
11 respond to Commission requests for information  
12 from investigators or staff during the background  
13 investigation. The Executive Director revoked  
14 the applicants' temporary licenses upon  
15 completion of each investigation.

16 All individuals were given the opportunity  
17 to withdraw their applications from consideration  
18 for permanent licensure at that time. Detailed  
19 information regarding the investigation into each  
20 individual's specific orders is contained in the  
21 confidential materials provided to the  
22 Commission.

23 Because applicants failed to provide their  
24 criminal histories in their applications, or  
25 failed to respond to Commission's request for

1 information, staff recommends that the  
2 applications for permanent licensure be denied in  
3 Orders 2015-139 through 2015-142.

4 CHAIRMAN JOHNSTON: Thank you very much.  
5 Have questions?

6 Seeing none, is there a motion to adopt the  
7 Orders 139 through 142 which denies the  
8 applicant's application for licensure?

9 MR. MORGAN: Motion to approve.

10 MR. SVETANOFF: Second.

11 CHAIRMAN JOHNSTON: There's a motion and  
12 second.

13 All those in favor, aye?

14 (Chorus of ayes.)

15 CHAIRMAN JOHNSTON: Opposed?

16 Orders are adopted.

17 Thank you.

18 MR. HARCOURT: Thank you.

19 CHAIRMAN JOHNSTON: Continuing with  
20 licensing -- excuse me, licenses issues,  
21 Michelle.

22 First of all, in this packet of these  
23 applications, Order 15 -- 2015-143 has been  
24 withdrawn.

25 MS. BALDWIN: Thank you, Commissioner.

1 I'm presenting Order 2015-144. This is  
2 regarding James Robinson. He has a Level 2  
3 occupational license, which he has had since  
4 1996.

5 This investigation started when he applied  
6 for Level 1 position, and which has been  
7 withdrawn as Commission Johnston just explained.  
8 And because that investigation, we decided that  
9 Mr. Robinson failed to comply with provisions of  
10 68 IAC 2-35(c)(14) and (15).

11 And therefore, pursuant to 68 IAC 2-3-10(a),  
12 the Commission may take action, including but not  
13 limited to revocation, suspension, or restriction  
14 of his license at any time the Commission  
15 determines. The occupational licensee is in  
16 violation of the fact of this rule.

17 In the interest of a quick and reasonable  
18 resolution to this violation, the Commission  
19 extended an offer to Mr. Robinson to settle this  
20 matter related to his Level 2 license, which was  
21 a five-day relinquishment.

22 Commission staff respectfully requests that  
23 a -- or recommends that you approve of this  
24 order.

25 CHAIRMAN JOHNSTON: Thank you, Michelle.



1 Any questions?

2 Seeing none, is there a motion to approve  
3 the order?

4 MR. SVETANOFF: Motion to approve.

5 MR. HERNDON: Second.

6 CHAIRMAN JOHNSTON: There's a motion and a  
7 second.

8 All those in favor, say aye.

9 (Chorus of ayes.)

10 CHAIRMAN JOHNSTON: Opposed?

11 The order is adopted.

12 Thank you, Michelle.

13 Continuing on with orders 145 and 146.

14 Ed?

15 MR. HARCOURT: Thank you, Mr. Chair.

16 Members of the Commission, you have before  
17 you Orders 2015-145 and 2015-146. These orders  
18 both concern settlement agreements with  
19 occupational licensees.

20 I'll state the factual scenarios  
21 individually and ask for separate votes on these  
22 orders.

23 Order 2015-145 concerns the settlement  
24 agreement between Commission staff and  
25 Nelyta Fordham a Level 2 occupational licensee.

1 In order to renew her license, Ms. Fordham  
2 submitted a three-year reinvestigation  
3 application for Level 2 permanent occupational  
4 license on April 17, 2015.

5 The background investigation process  
6 revealed Ms. Fordham failed to timely disclose or  
7 update Commission on charges or arrests within  
8 ten calendar days pursuant to 68 Indiana  
9 Administrative Code Section 2-3-9.1.

10 In lieu of disciplinary action being filed,  
11 Commission staff offered Ms. Fordham a settlement  
12 agreement which would have her agree to an  
13 unpaid, voluntary relinquishment of her permanent  
14 occupational license for a period of three  
15 regularly scheduled working days with no vacation  
16 or other paid time off to be used.

17 She has agreed to the terms of this  
18 settlement agreement. Order 2015-145 would  
19 approve the settlement agreement entered into the  
20 parties, and Commission staff recommends you  
21 approve that order at this time.

22 CHAIRMAN JOHNSTON: Thank you.

23 Questions of Ed?

24 Seeing none, is there a motion regarding the  
25 order?

1 MR. MORGAN: Motion to approve.

2 MS. SHERMAN: Second.

3 CHAIRMAN JOHNSTON: There's a motion and a  
4 second.

5 All those in favor, say aye.

6 (Chorus of ayes.)

7 CHAIRMAN JOHNSTON: Opposed?

8 Order 145 is approved.

9 MR. HARCOURT: Thank you.

10 Next order 2015-146 concerns a settlement  
11 agreement between Commission staff and Antwoine  
12 Mobley, a Level 3 occupational licensee.

13 In order to renew his license, Mr. Mobley  
14 submitted a three-year reinvestigation  
15 application for his Level 3 permanent  
16 occupational license on April 21st, 2015.

17 The background reinvestigation process  
18 revealed Mr. Mobley failed to timely disclose or  
19 update Commission on a charge or arrest in ten  
20 calendar days pursuant to 68 Indiana  
21 Administrative Code 2-3-9.1.

22 In lieu of disciplinary action being filed,  
23 Commission staff offered Mr. Mobley a settlement  
24 agreement which would have him agree to an  
25 unpaid, voluntary relinquishment of his permanent

1 occupational license for a period of three  
2 regularly scheduled business -- working days,  
3 with no vacation or other paid time off to be  
4 used. He has agreed to the terms of the  
5 settlement.

6 Order 2015-146 would approve this settlement  
7 agreement entered into by the parties, and  
8 Commission staff recommends that you approve the  
9 order at this time.

10 CHAIRMAN JOHNSTON: Thank you.

11 Questions?

12 Seeing none, is there a motion to approve  
13 Order 146?

14 MS. SHERMAN: Motion to approve.

15 CHAIRMAN JOHNSTON: Motion.

16 MR. SVETANOFF: And a second.

17 CHAIRMAN JOHNSTON: All those in favor, say  
18 aye.

19 (Chorus of ayes.)

20 CHAIRMAN JOHNSTON: Opposed?

21 Order 146 is adopted.

22 Thank you very much.

23 MR. HARCOURT: Thank you.

24 CHAIRMAN JOHNSTON: And continue on, 147.

25 MR. HARCOURT: Thank you, Mr. Chair.

1           Members of the Commission, you have before  
2 you Order 2014 -- or sorry, 2015-147 concerning  
3 Daniel Flick's felony waiver application.

4           Pursuant to Indiana Code Section 4-33-8-3,  
5 an individual who has been convicted of a felony  
6 may not be granted an occupational license.

7           Indiana Code Section 4-33-8-11 and 68 Indiana  
8 Administrative Code 2-4-2 allow the applicant who  
9 has been convicted of a felony to request a  
10 waiver if he meets certain criteria.

11           The Commission may grant a felony waiver  
12 allowing the applicant to obtain an occupational  
13 license if the individual has demonstrated his  
14 rehabilitation by clear and convincing evidence  
15 after considering several factors laid out in  
16 Indiana Code Section 4-33-8-11(c).

17           Pursuant to 68 Indiana Administrative Code  
18 Section 2-4, I was the Executive  
19 Director-appointed review officer of this felony  
20 waiver application. Commission staff, after  
21 conducting the required review off the  
22 application and considering the factors contained  
23 in Indiana Code Section 4-33-8-11(c), find that  
24 Mr. Flick is rehabilitated and may serve as a  
25 Level 3 maintenance technician for French Lick

1 casino.

2 Mr. Flick disclosed one felony: A 2003  
3 conviction for an OWI with prior conviction. In  
4 addition to this felony OWI, he has two  
5 misdemeanors OWIs from 2002 and 2009. The felony  
6 in question occurred 12 years ago when Mr. Flick  
7 was 23 years old.

8 Mr. Flick stopped drinking in 2011. He has  
9 provided testimony about his rehabilitation and  
10 has demonstrated ownership of his past mistakes.  
11 In additional, he provided proof that he  
12 continues to attend counseling sessions in order  
13 to maintain a sober life, though he is no longer  
14 required to do so by court order.

15 Accordingly, staff recommends that you  
16 approve Order 2015-147 that adopts the finding of  
17 fact and recommendation, thus approving  
18 Mr. Flick's application for felony waiver with  
19 the condition that if he experiences a title  
20 change, job change, or promotion, that he's  
21 required to submit a new felony application.

22 CHAIRMAN JOHNSTON: Thank you very much.

23 Any questions for Ed on this matter?

24 What's the pleasure of the Commission  
25 regarding the adoption of the findings of facts?

1 MR. MORGAN: Motion to approve.

2 CHAIRMAN JOHNSTON: A motion.

3 MR. SVETANOFF: Second.

4 CHAIRMAN JOHNSTON: And a second.

5 All those in favor, say aye.

6 (Chorus of ayes.)

7 CHAIRMAN JOHNSTON: Opposed?

8 Thank you very much. Motion is adopted.

9 You're on a role, Ed. Keep going.

10 MR. HARCOURT: Thank you, Mr. Chair.

11 Members of the Commission, you have before  
12 you Orders 2015-148 and 2015-149 regarding the  
13 annual casino owner's license for Blue Chip  
14 Casino, LLC, and Gaming Entertainment, LLC,  
15 commonly known as Rising Star. Both the casinos  
16 have filed the required paperwork and fees  
17 necessary for renewal.

18 Blue Chip's renewal date was August 17,  
19 2015. Under resolution 2013-13, the Executive  
20 Director has issued an interim renewal of Blue  
21 Chip's license to bridge the time between the  
22 renewal date and this Commission meeting.

23 Rising Star's renewal date was September 15,  
24 2015. Likewise under Resolution 2003-13, the  
25 Executive Director has issued an interim renewal

1 of Rising Star's license to bridge the time  
2 between their renewal date and this Commission  
3 meeting.

4 At the September 2014 business meeting, by  
5 Orders 2014-184 and 2014-183, the Commission  
6 approved the power of attorney for each Blue Chip  
7 and Rising Star respectively. These approvals  
8 expire upon the renewal of each casino's owner's  
9 license.

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

16 Blue Chip has requested renewal of  
17 Maunty Collins, and Rising Star has requested of  
18 Ron Gifford as their respective power of  
19 attorneys.

20 Commission staff recommends that you  
21 approval Orders 2015-148 and 2015-149 renewing  
22 Blue Chip and Rising Star's casino owners'  
23 licenses and power of attorneys.

24 CHAIRMAN JOHNSTON: Thank you, Ed.

25 Questions on these?



1           Seeing none, is there a motion to approve  
2 Orders 148 and 149?

3           MR. MORGAN: Motion to approve.

4           CHAIRMAN JOHNSTON: Motion.

5           Is there a second?

6           MR. HERNDON: Second.

7           CHAIRMAN JOHNSTON: And a second.

8           All those in favor, say aye.

9           (Chorus of ayes.)

10          CHAIRMAN JOHNSTON: Opposed?

11          148 and 149 are adopted.

12          Thank you.

13          MR. HARCOURT: Thank you.

14          CHAIRMAN JOHNSTON: Disciplinary actions.

15          Chris.

16          MS. GRAY: Good afternoon again,  
17 Commissioners and Executive staff.

18                 You have before you nine settlement  
19 agreements concerning disciplinary action. The  
20 first settlement is with Ameristar, Order  
21 2015-150 wherein casino allowed an underage  
22 person on the casino floor.

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

1 CHAIRMAN JOHNSTON: Any questions?

2 Continue.

3 MS. GRAY: Order 2015-151 is a settlement  
4 agreement with Belterra wherein the casino did  
5 not follow the rules regarding playing cards.

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

8 Order 2015-152 is a settlement agreement  
9 with Blue Chip and includes three counts.

10 The first count violated the rule regarding  
11 the securing of playing cards not utilized on a  
12 live table game.

13 In the second count an underage nongaming  
14 employee was allowed on the casino floor.

15 In the third count the casino failed to  
16 timely submit paperwork for a terminated  
17 employee.

18 Blue Chip has agreed to a total monetary  
19 settlement of \$4,000 in lieu of disciplinary  
20 action.

21 The fourth order 2015-153 is a settlement  
22 agreement with Hollywood wherein the casino  
23 violated the rules regarding the issuance of  
24 visitor and vendor badges to all persons boarding  
25 the casino on a tax-free pass.

1           Hollywood has agreed to a monetary  
2 settlement of \$2,000 in lieu of disciplinary  
3 action.

4           Order 2015-154 is a settlement agreement  
5 with Hoosier Park and includes two counts.

6           The first count violated rules regarding the  
7 licensing and badging of occupational licensees.

8           And in the second count, the casino allowed  
9 an employee to work for two years in a position  
10 requiring a Level 2 license without having  
11 applied for the license.

12           Hoosier Park has agreed to a total monetary  
13 settlement of \$9,000 in lieu of the disciplinary  
14 action.

15           Order 2015-155 is a settlement agreement  
16 with Indiana Grand and includes two counts.

17           In the first count, the casino violated the  
18 rules regarding the soft count process and  
19 reconciliation of the count, resulting in  
20 unsecured funds on the casino floor.

21           The second count violated the VEP rules.

22           Indiana Grand has agreed to a total monetary  
23 settlement of \$7,000.

24           Order 2015-156 is a settlement agreement  
25 with Majestic Star and includes five counts.

1           In count one the casino failed to follow  
2 their internal controls for issuing paid outs.

3           In count two the casino violated the playing  
4 card rule on five different occasions.

5           In the third count the casino allowed an  
6 employee to work with an expired license.

7           The fourth count violated the rule regarding  
8 the bill validator box drop and count procedures  
9 on three separate occasions.

10          In the fifth count the casino failed follow  
11 the rules for the table game and count process.

12          Majestic Star has agreed to a total monetary  
13 settlement of \$30,500 in lieu of disciplinary  
14 action.

15          Order 2015-157 is a settlement agreement  
16 with Rising Star, wherein the casino failed to  
17 follow federal laws during a clean-up of an oil  
18 spill.

19          Rising Star has agreed to a monetary  
20 settlement of \$5,000 in lieu of disciplinary  
21 action.

22          The final order 2015-158 is a settlement  
23 agreement with Tropicana and includes four  
24 counts.

25          In the first count the casino received

1 machines from a sister property which contain  
2 software not approved in Indiana.

3 In the second count machines received from  
4 the sister property were shipped with EPROMs  
5 inside the machines and not separately as  
6 required.

7 The third count violating the rule regarding  
8 playing cards on two separate occasions.

9 Count four violated the rule regarding  
10 camera coverage of the route both inside and  
11 outside the casino through which moneys are  
12 transported.

13 Tropicana has agreed to a total monetary  
14 settlement of \$14,000 in lieu of a disciplinary  
15 action.

16 The Commission staff recommends that you  
17 approve Orders 2015-150 through 2015-158, each of  
18 which approves one of the settlement agreements  
19 that we have just discussed.

20 CHAIRMAN JOHNSTON: Thank you very much.

21 Any questions?

22 I think I would -- is there a representative  
23 from Majestic Star? Is Mr. Cregan here?

24 MR. CREGAN: Yes.

25 CHAIRMAN JOHNSTON: Would you come forward?

1 Welcome. Welcome.

2 Obviously operating casinos is -- everyone  
3 has internal control issues occasionally and  
4 things to stay on top of. I understand that  
5 you're the new general manager up at --

6 MR. CREGAN: Yes, I am.

7 CHAIRMAN JOHNSTON: -- Majestic Star?

8 Well, welcome, and thank you to coming to  
9 Indiana and serving in that capacity.

10 I was wondering if you can give us a little  
11 background or your perspective on, again, some of  
12 these findings and the operations up there.

13 MR. CREGAN: Sure. Mr. Chairman, I don't  
14 know the particulars because they all happened  
15 before I got there.

16 CHAIRMAN JOHNSTON: Okay.

17 MR. CREGAN: But I can tell you what I'm  
18 doing going forward.

19 CHAIRMAN JOHNSTON: That would be great.

20 MR. CREGAN: First, let me thank you for  
21 being here. And, Executive Director Tait, it's a  
22 pleasure being here.

23 My name is Barry Cregan. I'm senior vice  
24 president/general manager of Majestic Star  
25 casino. I started in 2015, actually at the end

1 of June.

2 Prior to joining Majestic Star, I have 30  
3 years of gaming and hospitality experience. I  
4 was the president of Trump Plaza in Atlantic  
5 City. Interim president of Foxwoods up in  
6 Connecticut. I was up there for five years. I  
7 ran two casinos in Puerto Rican -- for the  
8 Tishman organization. And I worked in Chicago  
9 for both Starwood and Hyatt on two different -- I  
10 lived in Chicago, but I found Indiana to be a  
11 delightful place and chose to be an Indiana  
12 resident.

13 Since joining the company, I've undertaken a  
14 bottom line review of everything in the property  
15 in the two months I've been there, looking at  
16 operational and looking at the regulatory  
17 compliance issues that exist there.

18 I'm meeting regularly with the new internal  
19 coordinator who we brought in with 18 years of  
20 Indiana experience, Karen Berglar. And working  
21 with our compliance officer, I meet with them  
22 weekly or biweekly, as well as our top finance  
23 person that's responsible for finance.

24 We rise in the compliance level. I'm making  
25 it a priority. I grew up in New Jersey, and it's

1 a pretty regulated. Same thing for Indiana. I  
2 think regulation is good. It's needed in this  
3 industry and are respected.

4 I'm not done with upgrades. I changed the  
5 director of casino operations and am presently  
6 recruiting for director of casino operators.

7 And our goal is not to be on your final  
8 list -- or however this works here in terms of  
9 process -- and to work with you, and I'm working  
10 with the property due to a lot of the things that  
11 have taken place in the past and making sure  
12 we're compliant going forward in the future.

13 Thank you very much.

14 CHAIRMAN JOHNSTON: I appreciate it, and  
15 appreciate the update. And also I didn't mean to  
16 be accusatory. I understand that you were just  
17 recently added to the operation.

18 Appreciate the hard look and the --  
19 obviously some of the personnel changes that  
20 you've been making, and wish you the west of  
21 luck.

22 Are there any other questions --

23 MR. CREGAN: Thank you.

24 CHAIRMAN JOHNSTON: -- from the Commission?

25 MR. MORGAN: Welcome to Indiana.



1 MR. CREGAN: Thank you. Well, I'm pretty  
2 familiar with it. My son went to college here,  
3 my sister lives here, so I'm pretty knowledgeable  
4 of Indiana. It's a pleasure to be here.

5 CHAIRMAN JOHNSTON: Very good. Thank you  
6 and good luck.

7 MR. CREGAN: Thank you very much.

8 CHAIRMAN JOHNSTON: Any other questions?

9 Is there anyone from Rising Star here  
10 regarding the --

11 MS. HODAPP: Yes.

12 CHAIRMAN JOHNSTON: -- environmental issue?

13 It doesn't happen often. Just a little  
14 curious about that. In reviewing the report, I  
15 know there were other regulatory bodies that were  
16 brought in. I was wondering if you can just  
17 provide us an update of maybe things that you're  
18 looking at differently down there.

19 MS. HODAPP: Well, the oil spill is  
20 something that we're obviously not familiar with  
21 very much at all. We had one previous incident,  
22 but it was just unfortunate this -- you know, the  
23 process of filling waste material into a tank,  
24 and it just kind of, you know, went from there.

25 We had state and federal regulatory bodies

1 on property looking into it. So everything seems  
2 to be pretty -- pretty much wrapped up.

3 CHAIRMAN JOHNSTON: Okay. Is there any sort  
4 of continuing effort on these regulatory -- I  
5 assume it was the EPA and either IDEM or DNR?

6 MS. HODAPP: Yes, nothing outstanding with  
7 them at this time.

8 CHAIRMAN JOHNSTON: Okay. So they believe  
9 it's wrapped up?

10 MS. HODAPP: Uh-huh.

11 CHAIRMAN JOHNSTON: Thank you. And for the  
12 record, your name is what?

13 MS. HODAPP: Claire Hodapp --

14 CHAIRMAN JOHNSTON: Okay. Claire. Thank  
15 you, Claire.

16 MS. HODAPP: -- I'm the compliance officer  
17 for Rising Star.

18 CHAIRMAN JOHNSTON: Okay. Very good. Thank  
19 you.

20 MS. HODAPP: Any other questions?

21 CHAIRMAN JOHNSTON: Any other questions for  
22 Claire?

23 Thank you very much. Appreciate the proper  
24 attention, and it does look like it was handled  
25 well, and appreciate the -- also the

1 communication on the change of your procedures  
2 regarding that as well.

3 MS. HODAPP: Right. Thank you.

4 CHAIRMAN JOHNSTON: Is there a motion  
5 regarding Orders 150 through 158?

6 MR. MORGAN: Motion to approve.

7 MR. SVETANOFF: Second.

8 CHAIRMAN JOHNSTON: There's a motion and a  
9 second.

10 All those in favor, say aye.

11 (Chorus of ayes.)

12 CHAIRMAN JOHNSTON: Opposed?

13 Rules are adopted. Thank you very much.

14 MS. GRAY: Thank you.

15 CHAIRMAN JOHNSTON: Financing manager.

16 Michelle?

17 MS. BALDWIN: Thank you.

18 This first order is 2015-159. On July 10th  
19 of this year Centaur Holdings requested  
20 permission to act on proposed financing issue.  
21 The financing request sought to satisfy Centaur's  
22 current second lien term loan. The proposed  
23 \$170 million refinancing will be syndicated to  
24 commercial banks that are familiar with lending  
25 to regional gaming operators.

1           The loan, along with 5 million in cash, will  
2 be used to satisfy the current 175 million  
3 balance of the second lien term loan, which will  
4 be replaced by an increase in the current first  
5 lien term loan A balance. The result will be a  
6 500 million balance in the company's first lien  
7 term loan A balance.

8           In accordance with the procedures identified  
9 in Resolution 2014-56, Commission Chair Johnston,  
10 Commissioner Sherman, and Executive Director Tait  
11 considered Centaur Holdings' request and  
12 consulted with Commission financial analyst  
13 Bill Murphy.

14           Commission Chair Johnston, Commissioner  
15 Sherman, and Executive Director Tait agreed that  
16 the proposed action should be approved, and  
17 Executive Director Tait interim approval letter  
18 on August 2015.

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

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

1           CHAIRMAN JOHNSTON: Any questions from  
2 Michelle?

3           Seeing none, what's the pleasure of the  
4 Commission on this Order 59?

5           MS. SHERMAN: Motion to approve.

6           MR. MORGAN: I second.

7           CHAIRMAN JOHNSTON: Motion and a second.

8 All those in favor, say aye.

9 (Chorus of ayes.)

10          CHAIRMAN JOHNSTON: Opposed?

11 Order 159 is adopted.

12 160.

13          MS. BALDWIN: Thank you.

14           On July 10th of this year, Full House  
15 Resorts requested permission to act on another  
16 proposed financing issue. This financing request  
17 sought to bring its loans back into compliance,  
18 extend the maturity date of the first lien to  
19 coincide with the opening of the Silver Slipper  
20 Casino Hotel and provide the opportunity for a  
21 rate reduction on the second lien.

22           In accordance with the procedures identified  
23 in Resolution 2014-56, Commission Chair Johnston  
24 and Executive Director Tait considered Full House  
25 Resort's request and consulted with Commission

1 financial analyst Anthony Berry. Commissioner  
2 Sherman was not available for this one.

3 Commission Chair Johnson and Executive  
4 Director Tait agreed that the proposed debt  
5 transaction should be approved, and Executive  
6 Director Tait issued an interim approval letter  
7 on August 4th.

8 In the event the Commission Chair,  
9 Commission CPA, or the Executive Director is not  
10 available, as was the issue here, Resolution  
11 2014-56 specifically states that the concurrence  
12 of two of those three is sufficient.

13 Resolution 2014-56 further requires that the  
14 interim approval be reported to the Commission  
15 for its consideration for final ratification or  
16 other direction.

17 Commission staff recommends ratification of  
18 Executive Director Tait's interim approval  
19 letter.

20 CHAIRMAN JOHNSTON: Thank you.

21 Any questions?

22 Is there a motion to approval Order 160?

23 MR. SVETANOFF: Motion to move.

24 MS. SHERMAN: Second.

25 CHAIRMAN JOHNSTON: There's a motion and a

1 second.

2 All those in favor, say aye.

3 (Chorus of ayes.)

4 CHAIRMAN JOHNSTON: Opposed?

5 Order 106 is adopted.

6 Thank you very much.

7 Moving on to rules.

8 MS. BALDWIN: Thank you.

9 Resolution 2015-161 is regarding emergency  
10 rule with Limited Mobile Gaming.

11 At the March Commission meeting, the  
12 Commission approved the resolution adopting  
13 emergency rules for Limited Mobile Gaming. Those  
14 rules were published April 1 of this year and  
15 extended through a July 1 date.

16 As we continue through this promulgation  
17 process, we have identified several necessary  
18 changes. This resolution adopts new emergency  
19 rules which includes these changes.

20 Approving the new rule will allow casinos to  
21 continue to develop Limited Mobile Gaming as we  
22 finalize the Limited Mobile Gaming rules.

23 Commission staff respective asks that you  
24 approve this resolution adopted in the new  
25 emergency rule. This emergency rule will become

1 effective upon the acceptance by the publisher  
2 for filing.

3 CHAIRMAN JOHNSTON: Questions?

4 This is just an extension to keep  
5 promulgating --

6 MS. BALDWIN: Yes, a couple changes --

7 CHAIRMAN JOHNSTON: -- or developing the  
8 rules; right?

9 MS. BALDWIN: Yes, these will replace the  
10 previous ones --

11 CHAIRMAN JOHNSTON: Okay.

12 MS. BALDWIN: -- with the changes we have.

13 CHAIRMAN JOHNSTON: Okay. Thank you very  
14 much.

15 What's the pleasure of the Commission?

16 MR. SVETANOFF: Motion to approve.

17 CHAIRMAN JOHNSTON: Motion and --

18 MR. HERNDON: Second.

19 CHAIRMAN JOHNSTON: And a second.

20 All those in favor, say aye.

21 (Chorus of ayes.)

22 CHAIRMAN JOHNSTON: Opposed?

23 Order 161 is adopted.

24 162.

25 MS. BALDWIN: Thank you.



1           Administrative rules adopted under Indiana  
2 Code 4-22-2 expire on January 1st of the seventh  
3 year after the year in which the rules take  
4 effect.

5           This section addressed in this resolution  
6 are due to expire January 1st, 2016, unless they  
7 are readopted. The statute provides an  
8 abbreviated readoption process for rules that are  
9 not to be edited. The Indiana Register published  
10 are noticed to readopt on August 8th of 2015.  
11 The 30-day statutory period for filing an  
12 objection to the abbreviated process or request  
13 for separation of the rule passed without any  
14 person finding an objection or request to  
15 separate any part of the reference rules from the  
16 abbreviated readoption process.

17           The process also requires the Commission to  
18 consider the effect on small business, which is  
19 included in your documents.

20           This resolution, if passed, will adopt the  
21 sections identified, and specifically in the  
22 notice to readopt filed August 8th, and without  
23 any change under 4-22-2.54.

24           Commission staff asks that you readopt the  
25 above sections. If approved, the readopted rules

1 will become effective 30 days after the readopted  
2 final rule is filed with the legislative services  
3 agency.

4 CHAIRMAN JOHNSTON: Thank you very much.

5 Any questions?

6 Is there a motion to approve?

7 MR. MORGAN: Motion to approve.

8 MR. SVETANOFF: Second.

9 CHAIRMAN JOHNSTON: Motion and a second.

10 All those in favor, say aye.

11 (Chorus of ayes.)

12 CHAIRMAN JOHNSTON: Opposed?

13 Thank you very much. The order is  
14 adopted -- or resolution adopted.

15 Ed, you're back.

16 MR. HARCOURT: Thank you, Mr. Chair. It's  
17 my last time.

18 Members of the Commission, you have before  
19 you Resolution 2015-163. This resolution  
20 concerns the adoption of a final rule that amends  
21 and removes multiple sections of Title 68 of the  
22 Indiana Administrative Code relating to tokens.  
23 The sections amended or removed have not changed  
24 since publication in the Indiana Register.

25 Pursuant to paragraph 6(b) of Governor

1 Pence's Executive Order 13-03, the Commission  
2 worked directly with the Office of Management and  
3 Budget to identify rules to be omitted or  
4 appealed to ease their regulatory impact.

5 Tokens are no longer used in Indiana casinos  
6 and have not been used since 2006. These  
7 amendments and removals within Title 68 of the  
8 Indiana Administrative Code delete all antiquated  
9 language relating to tokens in order to simplify  
10 and streamline the Indiana Administrative Code.

11 Commission staff has taken the rule through  
12 the promulgation process. The Indiana Register  
13 posted a notice of intent on May 6, 2015, and the  
14 proposed rule on August 5th, 2015.

15 Commission staff held a public hearing on  
16 August 27, 2015. There were no attendees and no  
17 public comments made.

18 Based on the Commission's experience, the  
19 Commission estimates the implementation of the  
20 proposed rule will have no physical impact and no  
21 effect on expenditures.

22 Further, the Indiana Office of Small  
23 Business & Entrepreneurship does not object to  
24 the economic impact of this rule, and the State  
25 Budget Agency recommends that the rule be

1 approved.

2 Commission staff recommends that you  
3 approval Resolution 2015-163.

4 CHAIRMAN JOHNSTON: Sounds like there's more  
5 rules to get rid of the rules. But anyway.

6 How long did you hold the floor open? No,  
7 I'm just --

8 MR. HARCOURT: I think six minutes.

9 CHAIRMAN JOHNSTON: I'm giving you a hard  
10 time. Thank you very much.

11 I'm not going to ask if there's any  
12 questions.

13 Is there a motion to approve?

14 MR. MORGAN: Motion to approve.

15 MR. SVETANOFF: Second.

16 MR. HERNDON: Second.

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

19 All those in favor, say aye.

20 (Chorus of ayes.)

21 CHAIRMAN JOHNSTON: I'm sure the governor's  
22 office appreciates your diligence. Thank you.

23 MR. HARCOURT: Thank you.

24 CHAIRMAN JOHNSTON: At the last meeting we  
25 came to a close or were closing in terms of the

1 visitations from our licensees, our operators.  
2 And so we thought it was best, again, part of the  
3 contribution to our Indiana communities are the  
4 local development agreements that the operators  
5 enter into with the -- they're various  
6 organizations around the state.

7 And so we wanted to start, and we will be  
8 bringing other organizations forward, and again,  
9 just to give us an update on what's going on in  
10 their communities.

11 And the first one today is the Harrison  
12 Community Foundation, and we have with us  
13 Steve Gilliland, the executive director from  
14 Corydon.

15 So welcome, and the floor is yours.

16 MR. GILLILAND: Thank you. Mr. Chairman,  
17 Commissioners, staff, guests -- cat-like  
18 reflexes.

19 I'm Steve Gilliland, president and CEO of  
20 the Harrison County Community Foundation.

21 I was the first employee of the Foundation  
22 hired as the executive director in March of 1999.  
23 The 15 member -- 21 member board at that time  
24 operates for two-and-a-half years before they  
25 decided to have an employee. And I'm very

1 grateful for this opportunity to be here today.  
2 This is my favorite subject, by the way.

3 I believe you're aware that the Community  
4 Foundation is a beneficiary of a percentage of  
5 the adjusted gross receipts of Horseshoe Center  
6 Indiana, as defined in our current Exhibit F of  
7 our local development agreement.

8 Harrison County is the 13th largest county  
9 in the state of Indiana by area. We have about  
10 40,000 residents, so it's a rural community and  
11 very spread out.

12 The county seat is Corydon is where my  
13 office is located. And just so everybody knows,  
14 Corydon is the first state capital of Indiana.  
15 We're geographically located just 23 miles from  
16 downtown Louisville, so we have the opportunity  
17 to have a rural setting to raise our families in,  
18 but when we need downtown entertainment, it's  
19 just about a half hour away in Louisville.

20 We have great schools and abundance of  
21 public lands and outdoor recreation. But  
22 county-wide just over half of our students  
23 qualify for free and reduced lunch. So we do  
24 have some poverty issues.

25 Since the original donation in 1996 of

1 \$5 million to the County Commissioners to create  
2 the Community Foundation, Horseshoe Southern  
3 Indiana has contributed just under \$164 million  
4 to the Community Foundation. And I'm very proud  
5 to say that as of the end of August, we continue  
6 to have just over \$164 million in assets and have  
7 paid out or awarded, I might say, \$75 million in  
8 grants and scholarships. So we have a very good  
9 finance committee, and the market has been good  
10 to us.

11 Each of you has in front of you a copy of  
12 our 2014 annual report. Inside the front cover  
13 you will find an abbreviated history and a  
14 pie chart to help demonstrate the wide variety of  
15 work we are supporting in Harrison County.

16 In addition, our entire grant history, the  
17 past two years of financials, including annual  
18 audits, Form 990s, are all on our website. The  
19 website, I believe, is on the back cover of that  
20 book.

21 We also oppose post the majority of our  
22 policies on the website, and I intend to share  
23 only some highlights of our post and concentrate  
24 my time with you this afternoon on things we are  
25 currently doing for our county and the region.

1           Originally the County Commission selected 20  
2 residents to serve on the first Community board  
3 of directors back in 1996. Horseshoe Southern  
4 Indiana also appoints representative of the  
5 board, and he is here with us today, Mr. Scott  
6 Estes.

7           That reminds me, my annual review comes up  
8 in a couple of months. So you have any positive  
9 comments about this presentation, please let  
10 Scott know. If you have any negative comments,  
11 write them down on some paper and give them to  
12 me.

13           Today our board is governed by 15 members,  
14 and we have an additional seven community  
15 volunteers serving on various committees. Board  
16 members may serve no more than two consecutive  
17 three-year terms, and we prohibit any elected  
18 officials to try to help avoid any conception  
19 that there's political influence on our grant  
20 decision-making.

21           As you can imagine, we were a much different  
22 organization in 1999 with just \$5 million to work  
23 with. Our residents did not understand the  
24 Foundation and struggled to see the value of  
25 contributing their money to a \$5 million pool.



1           In 2000 borrowing from a practice of the  
2 Lilly Endowment, we began offering matching  
3 dollars to donors who would create or contribute  
4 to our endowment funds. As of August the 31st,  
5 2015, we've received over \$11 million in  
6 contributions from our public, from more than  
7 3600 donors, and we've created 210 endowed funds.  
8 A lot of those are supporting scholarship awards  
9 in our community, and there's about 24 of those  
10 funds support our nonprofit agencies.

11           From early in our history, we recognized the  
12 power of leveraging and matching dollars. Over  
13 the years we have awarded \$3.3 million to 44  
14 different projects, and that has leveraged  
15 \$20.2 million from outside agency, primarily  
16 state and federal grants. About 60 percent of  
17 that \$20 million went toward housing for low  
18 income senior citizens.

19           In 2001 a group formed to create and build a  
20 YMCA. YMCA America at the time required any  
21 group requesting a new charter have \$300,000 set  
22 aside an operating account. Community  
23 Foundations put \$300,000 on the table and said if  
24 you can raise 300,000, we'll give you this  
25 300,000 as well.

1           What they did, they raised that 300,000,  
2 they had their operating budget, and we used the  
3 other 300,000 to set up an endowment fund for the  
4 YMCA. Today they have one of the largest  
5 endowment funds in our county. And since then,  
6 we've also provide two-and-a-half million dollars  
7 toward our construction and initiatives to our  
8 YMCA.

9           Currently, we're providing \$25,000 a year to  
10 the YMCA to fund swimming lessons to every third  
11 grader in Harrison County, just about every class  
12 in Harrison County, our three schools combined,  
13 so about 500 kids.

14           We provided 45 hundred -- thousand dollars  
15 annually at Dare to Care. It's a local-based  
16 food bank supplier that delivered nearly  
17 two million pounds of food into Harrison County.  
18 We have five scattered food pantries that they  
19 provide food to.

20           This is our eighth year funding the Dolly  
21 Parton Imagination Library. It provides age  
22 appropriate books to every child under the age of  
23 five in the county who enrolls, and we very  
24 quickly got to the 70 percent mark of that group  
25 of kids. That's about 1600 kids every month that

1 gets a book in the mail through the Imagination  
2 Library program.

3 This is also the eighth year we buy  
4 dictionaries for every third grader in Harrison  
5 County. We've recently provided \$50,000 to our  
6 Main Street Corydon program for a facade  
7 improvement that requires the business owner or  
8 building owner to put up half the money, and it's  
9 capped out at \$5,000 per project.

10 We've also put a hundred thousand dollars on  
11 the table for our economic development  
12 corporation for small business development loans.

13 Last year we provided \$100,000 to help  
14 secure Bicentennial Nature Trust grant that's  
15 preserving Ohio riverfront property where  
16 confederate Colonel John Hunt Morgan crossed into  
17 Indiana in his great raid back in the Civil War.

18 We are hopeful this property will finally  
19 result in a public boat ramp as we currently have  
20 no access along more than 40 miles of Ohio River  
21 frontage. We are working with the state DNR, to  
22 see if we can't get a boat ramp put in within the  
23 next two to three years, and I'm sure there will  
24 be some matching money that they want from us.

25 This year we provided \$200,000 to the

1 Indiana State Museum. They are the owners of the  
2 the Corydon State Capital site in downtown  
3 Corydon, Indiana. And, God willing, this project  
4 will be done within the next four to six weeks.  
5 It seems like they've had our town square tore up  
6 all summer long.

7 We are also providing \$2 million to build a  
8 brand-new agriculture building at the Harrison  
9 County Fairgrounds. Let me read this carefully,  
10 because I don't want to get it wrong. The  
11 longest running county fair in the state held at  
12 the same property for over the past 177 years.  
13 I've never verified that, but that's what they  
14 tell me.

15 45 percent of that project is actually being  
16 funded from an estate gift we received two years  
17 ago. The lady's father was very involved with  
18 the fair board and the annual fair, and we  
19 thought this was an appropriate use of a portion  
20 of her gift.

21 We're providing incentives to our school to  
22 enroll children in the 21st Century Scholars  
23 program. Last year our enrollment increased from  
24 the state average of 17 percent to 54 percent.  
25 So we got three times as many kids who enrolled

1 that program. It provides about \$20,000 a year  
2 for graduating seniors who complete the program  
3 from the eighth grade.

4 We're providing \$150,000 for dual credit  
5 classes in all four of our high schools.  
6 Graduates from the class of 2015 shared \$519,000  
7 in Community Foundation scholarships, and I think  
8 most importantly perhaps is that they earned  
9 3,787 college credits before they walked across  
10 the stage with their high school diploma.

11 As we've been expanding these dual credit  
12 opportunities, we anticipate that during the  
13 class of 2017 graduation, at least at Corydon  
14 High School, we're going to have some kids cross  
15 the stage with an associate's degree at same time  
16 they have their high school diploma.

17 Participating with three other community  
18 foundations in the regional project, we're  
19 calling Education Matters in Southern Indiana.  
20 Our goal is encourage adults over the age of 25  
21 with some college to return and complete. Our  
22 overall bachelor of science rate in that end of  
23 the county is about 25 percent. Indiana state is  
24 37 percent. So we need to get that boosted up,  
25 and we're working very hard to do that.

1           Indiana has recently announced program  
2           called Return and Complete, and I'm fairly  
3           certain they stole that from the Education  
4           Matters playbook, but that's okay. We'll work  
5           with them on that.

6           We've bid for the past two or three years,  
7           supported a program called And Up Scholarships.  
8           We provide up to a hundred thousand dollars for  
9           clients of our Workforce Development office.  
10          Workforce Development has access to some Pell  
11          grants, Workforce Investment Act funds, but it's  
12          not always enough money to get these people to go  
13          back to the training that they need. Sometimes  
14          it's child care, and this extra \$1,000 allows  
15          them to do that.

16          So far we've had 28 participants, two  
17          dropped out, three are still in training, and 23  
18          are working in the field. Ten of those went into  
19          medical, and eight of those are now truck  
20          drivers. The program has also been adopted by  
21          four other community foundations in our part of  
22          the state, so we're kind of excited to have  
23          pioneered that program.

24          And also keeping in mind that our  
25          educational attainment level, we began providing

1       \$100,000 for adult scholarships of residents.  
2       They must have been residents for the past two  
3       years, being over the age of 25, and be halfway  
4       toward their degree of completion. We currently  
5       have 17 residents taking class and trying to  
6       finish up their degree.

7               After a lot of strategic conversations over  
8       the past three years, the Foundation board has  
9       been transitioning away from smaller grants to  
10      larger, more impactful projects, some of which  
11      I've already described. Educational attainment  
12      level is one obvious one and has risen to the  
13      forefront, and we are responding through these --  
14      from these education projects I've described.

15              But we also recognize that education starts  
16      much earlier than college or high school or even  
17      elementary school. Two years ago, after much  
18      research and discussion, Community Foundation  
19      began a program we call Jump Start, a preschool  
20      initiative for low income children in Harrison  
21      County. We announced the project developing  
22      schools and nonprofit and private child care  
23      facilities and parochial schools stepped up to  
24      help us out.

25              We targeted the estimated 220 four-year-olds

1 that we believe would be eligible for free and  
2 reduced lunch in our schools, and we were able to  
3 bring 133 of those into a classroom last fall.

4 Our year was evaluated by Applied Research  
5 and Education Center at IU Southeast. We wanted  
6 an independent source to take a look to make sure  
7 that nobody was fudging the numbers. So they've  
8 done that, and the initial results of that are  
9 very promising. You can also find a copy of that  
10 study on our website. We budget \$732,000 this  
11 year for the Jump Start preschool program.

12 One last grant I want to mention this  
13 afternoon involves Indiana's 200th birthday.

14 Have I mentioned Corydon is the first state  
15 capital? I just want to make sure everybody's  
16 got that.

17 The Foundation provided \$200,000. Our  
18 county government provided a hundred thousand  
19 dollars of riverboat money, and another hundred  
20 thousand dollars has been raised from our  
21 community for activities and the party we planned  
22 we'd pull off this year.

23 We have a very strong bicentennial planning  
24 committee, and I would like for you to visit  
25 Corydon after June 9th, when the originally



1 constitution will return to its birthplace.  
2 That's Corydon. That's the first state capital  
3 of Indiana. What?

4 You might also want to come down on  
5 September the 9th. That's when the torch relay  
6 is going to kick off from the old state capital.  
7 And on December 1st, I'm told there will be a  
8 grand ball held at one of the best venues in the  
9 Louisville metropolitan area, Horseshoe Center  
10 Indiana.

11 I'm not certain how many nonprofits hold key  
12 events at Horseshoe each year, but I'm there for  
13 at least six myself. In fact, I can't hang  
14 around Indianapolis this afternoon because I'm  
15 expected at the Women's Foundation Southern  
16 Indiana annual dinner awards at six o'clock this  
17 evening down there.

18 Everyone in Harrison County is very well  
19 aware that everything the Foundation has  
20 accomplished and what we are doing every day  
21 would not be possible without the financial  
22 contributions of Horseshoe Southern Indiana.

23 But I want to point out their value as a  
24 regional neighbor goes well beyond the dollars.  
25 Horseshoe is our larger employment. Employees

1 there are not numbers. They are our friends and  
2 neighbors. They are in our churches, attend  
3 community functions, and they support our  
4 schools. They have kids in our schools. They're  
5 pounding nails on Habitat for Humanity houses,  
6 and they're lending their expertise on many  
7 nonprofit boards. The Foundation in Harrison  
8 County and the region are beyond grateful for  
9 Horseshoe Southern Indiana.

10 There was one other thing that I was asked  
11 to talk about, and that was our operating budget.  
12 Our annual operating budget is about \$750,000.  
13 As related to the amount of money flowing in on  
14 an annual basis for the past couple years, it's  
15 been about 8 million. The highest that we've  
16 received through the local development agreement  
17 was in 2007 just over \$15 million.

18 So, Mr. Morgan, to answer your question  
19 specifically, that \$750,000 as it relates to  
20 8 million coming in would be just under  
21 10 percent.

22 It is more common, however, the Community  
23 Foundation feels to look at operating costs as a  
24 percentage of total assets. And in that respect,  
25 our \$750,000 is .46 of 1 percent, which is the

1 second highest -- or I'm sorry, second lowest in  
2 the state. We probably would have beat out  
3 Elkhart, but they got \$140 million gift a couple  
4 years ago, and it put them way down low.

5 But that's not a number I usually carry out  
6 of my pocket. I wanted to mention that most  
7 community foundations in the state are members of  
8 the Indiana Philanthropy Alliance. And through  
9 the Philanthropy Alliance and Council on  
10 Foundation surveys, they keep track of those kind  
11 of things and share it with all the community  
12 foundations so we can kind of take a look at  
13 ourselves and see how we're doing.

14 I believe the last time I looked at that  
15 report, the highest that I saw on the state was  
16 3-and-a-half percent, and you will often find  
17 that more in the smaller foundations that have  
18 less than \$10 million of assets, but because you  
19 just can't hire one or two people without  
20 bringing that operating cost up pretty high, even  
21 for a small foundation.

22 We have six employees, including myself, and  
23 for the past two years, the Lilly Endowment has  
24 been funding at least one intern for every  
25 Community Foundation in the state, and we've

1           enjoyed that benefit as well.

2           Thank you again for your time today. I'm  
3 more than happy to try and answer any questions  
4 you may have.

5           Yes, sir?

6           MR. MORGAN: Well, I want to thank you for  
7 coming today, and I want to thank you for a very,  
8 very impressive presentation. What your  
9 foundation is doing is just wonderful.

10          MR. GILLILAND: Thank you, sir.

11          MR. MORGAN: Thank you.

12          MR. GILLILAND: It's a lot of fun.  
13 Sometimes it's hard to think I have this much fun  
14 and still get paid for it.

15          But I didn't mean that, Scott.

16          CHAIRMAN JOHNSTON: Any other comments or  
17 questions for Mr. Gilliland?

18          MS. TAIT: I was just going to point out the  
19 one thing you didn't mention about Corydon is  
20 that is where Deputy Director Reske is from.

21          MR. GILLILAND: She pointed it out to me  
22 when I got here.

23          MS. RESKE: I wanted to make sure he knew  
24 before he said anything that might be --

25          MR. GILLILAND: And a first cousin -- first

1           cousin Julie worked with me for 10, maybe even 12  
2           years.

3           MS. RESKE: Long time.

4           MS. TAIT: Well, just to echo Commissioner  
5           Morgan, we are very impressed by all your work  
6           and appreciate you coming sort of last minute  
7           down to give this presentation and highlight all  
8           the amazing things you're doing down there. So  
9           thank you.

10          CHAIRMAN JOHNSTON: And don't be late for  
11          your date, six o'clock.

12          MR. GILLILAND: Thank you. Have a great  
13          day.

14          MR. MORGAN: Thank you.

15          CHAIRMAN JOHNSTON: The next meeting is  
16          going to be in November, middle of November.  
17          Exact date and time to be determined. So we will  
18          get that settled and posted so everybody knows  
19          that.

20          Anything else to come before the Commission  
21          today?

22          Seeing none, I'll entertain a motion to  
23          adjourn.

24          MR. SVETANOFF: Motion to adjourn.

25          MR. MORGAN: Second.

1           CHAIRMAN JOHNSTON: There's a motion and a  
2 second to adjourn.

3           All those in favor, say aye.

4           (Chorus of ayes.)

5           CHAIRMAN JOHNSTON: All those opposed?

6           Motion granted. We're adjourned. Thank  
7 you.

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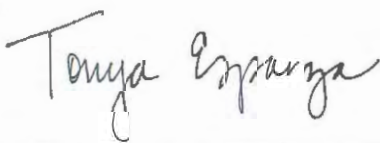
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1 STATE OF INDIANA )  
 2 COUNTY OF MARION ) SS:

3  
 4 I, Tonya Esparza, a Notary Public and  
 5 Stenographic Reporter within and for the County of  
 6 Marion, State of Indiana at large, do hereby certify  
 7 that the Indiana Gaming Commission Business Meeting  
 8 held on September 17, 2015, commencing at 1:59 p.m.  
 9 at the 401 West Washington Street, Conference Room  
 10 C, Indianapolis, Indiana, was taken down in  
 11 stenograph notes and afterwards reduced to  
 12 typewriting under my direction, and that the  
 13 typewritten transcript is a true record of the  
 14 proceedings had.

15 IN WITNESS WHEREOF, I have hereunto set my  
 16 hand and affixed my notarial seal this 30th day of  
 17 September, 2015.

18   
 19 \_\_\_\_\_

20 N O T A R Y P U B L I C

21  
 22  
 23 My Commission Expires:  
 24 May 23, 2017

25 County of Residence:  
 Marion County