

INDIANA GAMING COMMISSION BUSINESS MEETING

November 9, 2006
Indiana Government Center South
Indianapolis, Indiana

Call to Order and Roll Call:

Chairman William Barrett called the meeting to order at approximately 1:14 p.m. local time. A quorum was present.

Present:

Commission Members: William Barrett, Chair; Tim Murphy, Vice Chair, Don Vowels, Secretary, Tom Swihart and Tim Walsh. Commission Staff: Ernest E. Yelton, Phil Sicuso, Mark Mitchell, Chris Gray, Frank Brady, Michelle Marsden, Angie Bunton, Andrew Klinger, Adam Packer, Lea Ellingwood, Tami Timberman, Garth Brown, Bill Peevler, Jim Beebe, Tom Piskorowski, Larry Bostic, Joel DeCapua, Ann Popcheff, Dave Charlesworth, Doug Smiley, Michael Hathaway, Kesha Rich, Andy Means and members of the public.

Approval of the Minutes:

Upon motion by Tom Swihart, second by Don Vowels, and the unanimous vote of those present, the Commissioners approved the proposed minutes of the September 14, 2006, business meeting.

Report of the Executive Director:

Executive Director Yelton introduced Tim Walsh as the fifth member of the Commission. Mr. Walsh is the Director of Investor Relations for VARA, Capital Management, LLC in Chicago, Illinois. It was also announced Michelle Marsden, licensing coordinator and twelve year employee of the Commission, was resigning effective December 1.

The Commission is currently revising the fifth draft of our Marine Structural and Line Safety Standards in coordination with the American Bureau of Shipping and the Coast Guard. It is anticipated a final product will be available for distribution for industry comment during the early portion of the first quarter of next year. The rules should be eligible for adoption at the next meeting.

Hyatt Gaming is progressing on its sale of Grand Victoria and has been in contact with a substantial number of interested purchasers. It anticipates final action early next year. The Executive Staff has met with the Mayor, Clerk Treasurer and City Attorney for Rising Sun and discussed concerns. The Clark County referendum to sanction a riverboat was successful, but

the Commission has not been contacted by any proposed purchaser concerning the process of relocating any existing riverboat.

MBE/WBE Update

Deputy Director Jennifer Arnold reported that a meeting of the disparity study advisory board was held on October 11, 2006. Advisors provided feedback and raised issues that will be addressed in the process of conducting the study and establishing MBE and WBE purchasing goals if disparity is found. The last batch of purchasing data was delivered to Drew Klacik at the Center for Urban Policy the week of November 6. He will be analyzing nearly \$4 billion dollars worth of purchases for 2003, 2004, and 2005 with 27,000 different suppliers. We are now turning our attention to the launch of the new online reporting system, which will ensure that purchasing data is uniformly reported and organized for the next study, which is required every 5 years. This system will be ready for beta testing before the end of the year and it is anticipated that the casinos will report their 2006 purchasing data using the new system.

French Lick Resort-Casino Update

On October 31, 2006, French Lick Resort-Casino conducted a ceremonial opening of Indiana's 11th and last riverboat. All Commissioners were in attendance, with the boat being open for gaming from 10:00 a.m. to midnight that day. Executive staff, audit section, compliance and legal sections, plus four other staff volunteers were present to observe Chris Leininger and his staff's ability to perform in compliance with Indiana statutes, Commission regulations and internal controls. By unanimous agreement of IGC personnel, at 5:30 p.m. on November 1, approval was given to open gaming activities to the public

Waiver of Rules and Regulations:

A waiver was granted to all boats with respect to casinos being in compliance with required surveillance equipment. No equipment changes will be required for casinos that are planning to have a new vessel in operation by January 1, 2008.

A waiver was granted to all boats wherein the gaming enforcement agents do not have to sign the visitors log in the surveillance rooms on the boats that they are assigned to.

A waiver was granted to all boats allowing the dealer to draw until the dealer has a card total of 17 with any combination or above.

French Lick was granted the following waivers: They were granted a waiver to collect and count the cage tip boxes weekly. They were also granted a waiver allowing the transfer of funds from the soft county room to the main bank without a security escort and not forwarding a copy of the NGR or bill validator report to the main bank. They were further given relief from the various regulations relating to the token acceptance of the EGDs, token acceptor, hopper mechanism, drop bucket process, internal audit observation and testing. They were granted relief from the drop team signing the mill book but entering the slot machine to perform the drop. They were granted a request from the main bank to have a floating balance and not an impressed amount. They received relief from various regulations as they apply to hopper fills, manual fills, fill slip

audit verification and review, internal audit review, and verification of fill slips. They were granted a request to prepare the deposit slips in the main bank instead of the count room. They are allowed to have the blackjack table layouts to have five, six or seven spots for wagering. They were granted a waiver to have a minimum of two dealers on the table games, tip count team eliminating the cash to the cage cashier and the cage cashier will continue to verify the tip amount when it is brought to the cage. They were further granted relief from surveillance, knowing the time and date on the CTR photographs, as well as signing them and forwarding them to the correct department. Surveillance also no longer has to inform the other departments that an acceptable photograph has been taken. The photograph will print in the main cage and the cage cashier will be noting the time, date, sign them and forward them to the requesting department. The main bank employee will notify surveillance if the photograph is not acceptable.

Report of the Director of Charity Gaming

Mark Mitchell, Director of Charity Gaming, reported that two new investigators, Larry Delaney and Diana Toth, have been hired to file vacancies in that department. Since transferring from the Department of Revenue on July 1, 2006, the staff of the Charity Gaming division has processed a total of 848 license applications and collected over \$851,000 in licensing fees.

Gaming Commission staff held three public hearings with regards to the proposed charity gaming rule.

Report of Superintendent

Deputy Director Jennifer Arnold read the report for Superintendent Mahan. It was reported that on October 26, 2006, the Investigations Section celebrated its one year anniversary of taking over the Investigations section. Since that time there have been eighty-four PD-1's, one transfer of ownership application and two riverboat renewal investigations completed. Four supplier investigations have been completed and no issues adversely affecting suitability were identified. The section has logged 9,430.75 billable hours, with their percentage of billable time reaching 81% in the third quarter. The section currently has 79 active PD-1 investigations and eight active supplier investigations. The section's retention rate is 100% as they have not lost any investigators within the first year.

On October 1, 2006, 21 recruits reported to the 4th class at the Indiana Law Enforcement Academy to begin their training. These agents will graduate November 22 and report to Horseshoe and Resorts casinos.

On October 31, 2006, the French Lick agents participated in the soft opening. In two months, they badged over 1,100 employees and processed over 1,200 EGD's. The next class of recruits will report to the Law Enforcement Academy on January 7, 2007.

Old Business:

There was no old business.

New Business:

Resolution 2006-81

Resolution adopting LSA Document #06-190 as a Final Rule. On June 7, 2006, the Commission passed an Emergency Rule amending 68 IAC 1-7. That rule has been taken through the promulgation process and the changes that this Rule will make are: changes “commission agent” to “enforcement agent” and eliminates references to riverboat excursions. It also implements a waiver process for the ban on weapons for person onboard the boat. Commission staff anticipates the riverboats will only request waivers for contractors that are express companies. This Rule adopts 68 IAC 1-7-1 and 68 IAC 1-7-2 as final rules.

Action: Upon Motion by Tim Murphy, second by Tom Swihart, and unanimous vote of those present, the Commission adopted Resolution 2006-81.

Resolution 2006-82

Resolution adopting LSA Document 06-191 as a Final Rule. This Rule eliminates references to Indiana State Police and includes references to the new division of gaming agents to make the Rules reflect the enforcement currently in place.

Action: Upon Motion by Tom Swihart, second by Tim Murphy, and unanimous vote of those present, the Commission adopted Resolution 2006-82.

Resolution 2006-83

Resolution adopting LSA Document #06-335 as a Final Rule. These are Charity Gaming Rules establishing guidelines and requirements for the licensing organizations, manufacturers, and distributors and for the conduct of charity gaming.

Action: Upon Motion by Tom Swihart, second by Tim Murphy, and unanimous vote of those present, the Commission adopted Resolution 2006-83.

Voluntary Exclusion Program:

**Orders Concerning
The Voluntary Exclusion Program**

Order 2006-84

Order 2006-85

Order 2006-86

Order 2006-87

Order 2006-88

Order 2006-84 approves the remittance of winnings by VEP participant John Doe #15 in the amount of \$1,187.60 as a fine. Argosy Casino withheld the winnings as required by Commission regulations and will remit the fine on behalf of the patron.

Order 2006-85 approves the remittance of winnings by VEP participant John Doe #16 in the amount of \$1,933 as a fine. Argosy withheld the winnings as required by Commission regulations and will remit the fine on behalf of the patron.

Order 2006-86 approves the remittance of winnings by VEP participant John Doe #17 in the amount of \$1,212 as a fine. Argosy withheld the winnings as required by Commission regulations and will remit the fine on behalf of the patron.

Order 2006-87 approves the remittance of winnings by VEP participant John Doe #18 in the amount of \$1,511.50 as a fine. Majestic Star withheld the winnings as required by Commission regulations and will remit the fine on behalf of the patron.

Order 2006-88 approves the remittance of winnings by VEP participant John Doe #19 in the amount of \$1,500 as a fine. Blue Chip Casino withheld the winnings as required by Commission regulations and will remit the fine on behalf of the patron.

Action: Upon Motion by Tim Murphy, second by Tom Swihart, and unanimous vote of those present, the Commission approved Orders 2006-84, 85, 86, 87 & 88 as recommended by Commission staff.

Occupational License Matters:

Order 2006-89

Order of the Indiana Gaming Commission approving Settlement Agreement: Re: Michael J. McEnelly. This is an action involving the failure of a licensee to report a misdemeanor arrest to the commission. Commission staff recommended and McEnelly agreed to a suspension of three days.

Action: Upon Motion by Tim Murphy, second by Tom Swihart, and unanimous vote of those present, the Commission approved Order 2006-89.

Order 2006-90

Order of the Indiana Gaming Commission approving Settlement Agreement: Re: Debra E. Davis. This is an action involving the altering of an Aztar Operators Log by a licensee on May 15, 2006. Commission staff recommended and Ms. Davis agreed to her occupational license being suspended for one working day.

Action: Upon Motion by Tim Murphy, second by Tom Swihart, and unanimous vote of those present, the Commission approved Order 2006-90.

Order 2006-91

Order of the Indiana Gaming Commission concerning the request for a Waiver of felony disqualification of Christina Towles, FW-06-02. This is an action wherein Ms. Towles requested a waiver of her felony disqualifications. Commission staff recommended Ms. Towles' request for a felony waiver be granted.

Action: Upon Motion by Don Vowels, second by Tim Walsh, and unanimous vote of those present, the Commission adopted Order 2006-91.

Order 2006-92

Order of the Indiana Gaming Commission concerning the request for a Waiver of felony disqualification of James Lee Self, FW-06-03. This is an action wherein Mr. Self requested a waiver of his felony disqualifications. Commission staff recommended Mr. Self's request for a felony waiver be granted.

Action: Upon Motion by Don Vowels, second by Tom Swihart, and unanimous vote of those present, the Commission adopted Order 2006-92.

Suppliers license matters:

Order 2006-93

Order of the Indiana Gaming Commission concerning the renewal of Supplier's Licenses for Glory USA, Inc., Gaming Partners International SAAS, VendingData Corporation; Western Money Systems; Global Surveillance Associates; Chipco International; Paltronics, Inc.; Southwest Surveillance Systems; IEP, Ltd.

Action: Upon Motion by Don Vowels, second by Tim Murphy, and unanimous vote of those present, the Commission adopted Order 2006-93 and approved the renewal of the licenses.

Financing matters:

Order 2006-94

Order concerning the Commission's waiver of 68 IAC 5-3-2 and approval of the debt transaction proposed by Pinnacle Entertainment, Inc.

Action: Upon Motion by Tom Swihart, second by Tim Murphy, and unanimous vote of those present, the Commission adopted Order 2006-94, which approved the proposed debt transaction.

Order 2006-95

Order ratifying the previously awarded interim waiver and approval of the refinancing packaged proposed by RIH acquisitions IN, LLC ratifying the interim waiver and approving the refinancing.

Action: Upon Motion by Tim Murphy, second by Tom Swihart, and unanimous vote of those present, the Commission adopted Order 2006-95.

Disciplinary Action:

**Settlement Agreement of
Indiana Gaming Company, L.P.
06-AG-04
Order 2006-96**

A settlement agreement was reached regarding revoked EPROMS and a VEP participant being on property and further receiving direct mail. Commission staff recommended and the Indiana Gaming Company, L.P. agreed to pay a total fine in the amount of \$20,000.

Action: Upon Motion by Don Vowels, second by Tim Murphy, and unanimous vote of those present, the Commission approved the proposed terms of the agreement.

**Settlement Agreement of
Blue Chip Casino, LLC
06-BC-03
Order 2006-97**

A settlement agreement was reached with Blue Chip regarding a direct mail that was sent to a person on the VEP list and also on an underage patron entering the casino. Blue Chip agreed to a total fine of \$8,000 and Commission staff recommended the approval of this settlement agreement.

Action: Upon Motion by Don Vowels, second by Tom Swihart, and unanimous vote of those present, the Commission approved the proposed terms of the agreement.

Order 2006-98

A settlement agreement was reached with Caesars regarding revoked EPROMS on the casino floor. Also, Caesars had EGD boards with broken seals or no seal at all. Caesars agreed to a total fine of \$25,000 and Commission staff recommended the approval of this settlement.

Action: Upon Motion by Tim Murphy, second by Tom Swihart, and unanimous vote of those present, the Commission approved the proposed terms of the agreement.

Riverboat License Renewals:

Order 2006-99

Order of the Indiana Gaming Commission renewing the riverboat owner's license of Indiana Gaming Company, LP.

Action: Upon Motion by Don Vowels, second by Tim Murphy, and unanimous vote of those present, the Commission adopted Order 2006-99 renewing the license.

Order 2006-100

Order of the Indiana Gaming Commission renewing the riverboat owner's license of Aztar Indiana Gaming Company, LLC.

Action: Upon Motion by Don Vowels, second by Tim Murphy, and unanimous vote of those present, the Commission adopted Order 2006-100 renewing the license.

Order 2006-101

Order of the Indiana Gaming Commission renewing the riverboat owner's license of Caesars Riverboat Casino, LLC.

Action: Upon Motion by Don Vowels, second by Tim Murphy, and unanimous vote of those present, the Commission adopted Order 2006-101 renewing the license.

Riverboat Owners Matters:

Order 2006-102

Order concerning the application of Wimar Tahoe Corporation to acquire ownership of Aztar Indiana Gaming Company, LLC.

Action: Upon Motion by Tom Swihart, second by Tim Walsh, and a four to one vote of those present, the Commission adopted Order 2006-102 approving the transfer.

Supplier License Renewals

Order 2006-103

Order of the Indiana Gaming Commission granting a permanent supplier's license to Aristocrat Technologies, Inc.

Action: Upon Motion by Tim Murphy, second by Tom Swihart, and unanimous vote of those present, the Commission granted the renewal of the supplier's licenses for Aristocrat Technologies, Inc.

Next Meeting:

The next business meeting of the Commission will be March 23, 2007, at a yet undetermined place.

Adjournment:

Upon motion by Don Vowels, second by Tim Murphy, and unanimous vote of those present, the meeting was adjourned at approximately 5:25 p.m.

Minutes:

Robin L. Helton transcribed the November 9, 2006, business meeting. The transcript is a complete record of the meeting. Anyone wishing to see the transcript may review it at the Commission Office at 115 West Washington Street, South Tower, Suite 950, Indianapolis, Indiana.

These minutes were prepared by Tami Timberman, Administrative Assistant for the Indiana Gaming Commission.

Respectfully Submitted,

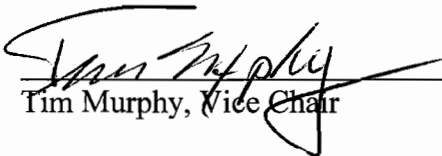


Tami Timberman

THE INDIANA GAMING COMMISSION:



William Barrett, Chairman



Tim Murphy, Vice Chair

December 19, 2006
Date