

**Colorado Limited Gaming Control Commission**

**Minutes of Meeting  
December 18, 1992**

The emergency meeting was held telephonically and commenced at 10:00 a.m. at 720 South Colorado Blvd., Suite 540-S, Denver, Colorado, Division of Gaming Office. Present via telephone were Chairperson Aurel Kelly, Commissioners Dan Hyatt and Lavoy Robison. Also present were Division Director, Roger Morris, and Secretary, Sandie Seegmiller.

Chairperson Kelly opened the meeting, and Roger Morris announced that the matter of business before the Commission was the extension of operator and retailer licenses for 353 MEYERS AVENUE LIMITED PARTNERSHIP, doing business as JUBILEE CASINO. Mr. Morris explained to the Commissioners that this licensee's licenses would expire before the next Commission meeting; they therefore needed to be extended until the 19th of February, and at that time a report on the JUBILEE CASINO would be presented to the Commission.

Mr. Morris recommended that the Commission issue 353 MEYERS AVENUE LIMITED PARTNERSHIP, doing business as JUBILEE CASINO, temporary operator and retailer licenses effective upon expiration of the current licenses and to expire February 19, 1993. The Chair agreed to this language and made a motion to approve the aforesaid extension on the 353 MEYERS AVENUE LIMITED PARTNERSHIP, doing business as JUBILEE CASINO, licenses. Mr. Robison seconded the motion. The motion was adopted.

There being no further business to come before the Commission, the meeting was adjourned at 10:09 a.m.

  
Sandie Seegmiller, Secretary

## Colorado Limited Gaming Control Commission

Minutes of Meeting  
December 14, 1992

The meeting was called to order by the Chairperson of the Colorado Limited Gaming Control Commission, Aurel Kelly, at 9:31 a.m. on December 14, 1992, at 720 S. Colorado Blvd., 2nd floor conference room, Denver, Colorado. Present were Commissioners Ben Brower, and Dan Hyatt. Absent and excused was LaVoy Robison. Also attending were Department of Revenue, Deputy Director, Amelie Buchanan, Division of Gaming Director, Roger Morris, Chief of Investigations, Mel Grantham, Deputy Chief of Investigations, Jim Cain, Public Information Officer, Tom Kitts, Assistant Attorney General, Mark Gerganoff, Supervisor of the Central City/Black Hawk Gaming Office Jim Husky, Investigator Vic Freburg, Investigator Phil Wargo, Investigator Jim Taylor, Investigator Huck Henderson, and Criminal Financial Investigator Max Kettler. Persons making presentations included Steve Manthey, John Tipton and Bob Greenlee.

The Chair called for a motion to adopt the Minutes of the Meeting of November 18, 1992. Mr. Hyatt made the motion. Mr. Brower seconded the motion. The motion was adopted.

Chairperson Kelly asked Mr. Morris if he had any organizational matters to discuss with the Commission; he stated that he did, but he would like to take them up later in the day. The Commission agreed to this.

Chairperson Kelly asked if there was anybody from the public that would like to address the Commission before they continued with the other items on the agenda.

Mr. Manthey spoke to the Commission about the effects the 20% gaming tax was having on the employees of the industry. He noted that he was just recently laid off from Bullwhackers, and the reason his employer gave him was the high tax rate.

Mr. Greenlee asked for a formal response from the Commission about re-visiting the tax rate. He said that he thought it was important to have interaction between those who are governing and those who are governed. He invited the Commission to visit his gaming establishment any time.

Mr. Morris addressed the proposed new Rule 4.5 (Publicly Traded Corporations), noting the considerable amount of work in promulgating this rule, but thought it would take several hearing days before it was voted on. Mr. Morris invited any comments or suggestions on Publicly Traded Corporations.

Mr. Tipton said he had taken part in drafting this rule and would like to testify when the opportunity arose. Chairperson Kelly said that she would make sure that the hearings on Publicly Traded Corporations were widely publicized among those who are interested in testifying.

The Chair called for a motion to postpone the September Financial Statements to the January meeting. Mr. Hyatt made the motion. Mr. Brower seconded the motion. The motion was adopted.

After the Commissioners reviewed the transcripts on Ralph Terry Harper, Case Number SC92004, and Dolores Kroll, Case Number GAD92022 and Case Number SC92002, the Chair called for a motion to approve the Order revoking Ralph Terry Harper's current support license, submitted by the Assistant Attorney General, Mark Gerganoff, and to authorize the Chair to sign the Order. Mr. Hyatt made the motion. Mr. Brower seconded the motion. The motion was adopted.

The Chair called for a motion to approve the Order affirming the denial of Delores Kroll and revoking Delores Kroll's current support license. Mr. Hyatt made the motion. Mr. Brower seconded the motion. The motion was adopted.

The Chair called for a motion to authorize the Chair to sign the Order temporarily extending Douglas Mills' renewal license and to continue the hearing. Mr. Brower made the motion. Mr. Hyatt seconded the motion. The motion was adopted.

The meeting was recessed at 10:26 a.m. by the Chairperson Kelly.

The Chair called for a motion to go into executive session at 10:56 a.m. for the purpose of reviewing and considering temporary and permanent licensure and the backgrounds of various applicants for gaming licenses. Mr. Brower made the motion. Mr. Hyatt seconded the motion. The motion was adopted.

The meeting was reconvened into public session at 12:09 p.m. by Chairperson Kelly.

The Chair called for a motion to renew Thomas L. Feeney's temporary key license to expire one year from the date of original issuance. Mr. Brower made the motion. Mr. Hyatt seconded the motion. The motion was adopted.

The Chair called for a motion to issue NEVADA HOUSE LIMITED PARTNERSHIP, doing business as THE NEVADA HOUSE CASINO, operator and retailer licenses effective for one year beginning on DECEMBER 14, 1992, at 5:00 p.m., provided that all the standard conditions are met (see following conditions). Mr. Brower made the motion. Mr. Hyatt seconded the motion. The motion was adopted.

### STANDARD OPERATOR AND RETAILER CONDITIONS

- a. Confirmation that a valid certificate of occupancy has been issued by the appropriate local authorities for the building in which limited gaming is to be conducted.
- b. Confirmation by the local historical preservation commission that the building in which limited gaming is to be conducted meets the architectural requirements of the Limited Gaming Act of 1991.
- c. Certification by the appropriate local officials that the building in which limited gaming is to be conducted meets the standards for fire safety set forth in the Limited Gaming Act of 1991.
- d. Certification by the appropriate local official that access to the building for the handicapped has been approved as required in the Limited Gaming Act of 1991.
- e. Payment in advance of the amount of the state device fee for all devices to be used in limited gaming.

The Chair called for a motion to issue TERRY'S CAFE LIMITED PARTNERSHIP, doing business as MAVERICK'S CASINO, permanent operator and retailer licenses effective upon expiration of current licenses and to expire one year from date of original issuance, under the same conditions that pertained to their previous licenses. Mr. Hyatt made the motion. Mr. Brower seconded the motion. The motion was adopted.

The Chair called for a motion to issue GOLDEN ROSE PARTNERSHIP, LTD., doing business as GOLDEN ROSE CASINO, and GAM BELL OF CRIPPLE CREEK, INC., doing business as WILD HORSE SALOON AND GAMBLING HALL, temporary operator and retailer licenses to expire on April 7, 1993, under the same conditions that pertained to their prior licenses. Mr. Hyatt made the motion. Mr. Brower seconded the motion. The motion was adopted.

The Chair called for a motion to issue to MAIN STREET GAMING HOUSE, doing business as 101 MAIN STREET, RIO CASINO, doing business as ROHLING INN CASINO, BLACK HAWK PROSPECTOR, INC., doing business as PROSPECTOR POKER PALACE, and O-G ENTERPRISES, INC., doing business as CRYSTAL CAROUSEL, permanent operator and retailer licenses effective upon expiration of current licenses and to expire one year from date of expiration of current license, under the same conditions that pertained to their prior licenses. Mr.

Brower made the motion. Mr. Hyatt seconded the motion. The motion was adopted.

The meeting was recessed at 12:15 p.m. by Chairperson Kelly.

The meeting was reconvened into public session at 1:50 p.m. by the Chair for the purpose of holding a hearing on the Summary Suspension of Wayne Kenneth Gritzke, Case #SS92010.

Having considered testimony from witnesses, Phil Wargo and Sandie Seegmiller in this matter, Mr. Hyatt made the motion to revoke Wayne Kenneth Gritzke's support license. Mr. Brower seconded the motion. The motion was adopted.

The Chair called for a motion to go into executive session at 2:20 p.m. for the purpose of reviewing and considering information about a licensee. Mr. Brower made the motion. Mr. Hyatt seconded the motion. The motion was adopted.

The meeting was reconvened into public session at 3:39 p.m. by Chairperson Kelly.

Having reviewed the ORDER OF SUSPENSION, ORDER TO SHOW CAUSE, NOTICE OF HEARING AND NOTICE OF CHARGES that Mr. Gerganoff presented to them on Golden Rose Partnership, Ltd., the Chair called for a motion to issue an ORDER OF SUSPENSION, ORDER TO SHOW CAUSE, NOTICE OF HEARING AND NOTICE OF CHARGES for Golden Rose Partnership, Ltd., and set a hearing date on January 29, 1993, and to authorize the Chair to sign the Order. Mr. Brower made the motion. Mr. Hyatt seconded the motion. The motion was adopted.

The Chair called for a motion to issue an ORDER OF SUSPENSION, ORDER TO SHOW CAUSE, NOTICE OF HEARING AND NOTICE OF CHARGES for Gerald Kernis, and set a hearing date on January 29, 1993, and to authorize the Chair to sign the Order. Mr. Brower made the motion. Mr. Hyatt seconded the motion. The motion was adopted.

Mr. Hyatt said he recalled Mr. Dave Moya's transcript and made a motion to deny the request to reconsider Dave Moya's denial. Mr. Brower seconded the motion. The motion was adopted. Chairperson Kelly said once a final decision is made by the Commission on a licensee, the next step should be the Court of Appeals; the other Commissioners agreed.

There being no further business to come before the Commission, the meeting was adjourned at 3:50 p.m.

  
Sandie Seegmiller, Secretary

## Colorado Limited Gaming Control Commission

Minutes of Meeting  
November 18, 1992

The meeting was called to order by the Chairperson of the Colorado Limited Gaming Control Commission, Aurel Kelly, at 9:15 a.m. on November 18, 1992, at 720 S. Colorado Blvd., 2nd floor conference room, Denver, Colorado. Present were Commissioners Ben Brower, Dan Hyatt and LaVoy Robison. Also attending were Division of Gaming Director, Roger Morris, Chief of Investigations, Mel Grantham, Deputy Chief of Investigations, Jim Cain, Public Information Officer, Tom Kitts, Chief Auditor, Georgine Zalesky, Controller, Joe Papish, Accountant, Laurie Freedle, Assistant Attorneys General, Sue Beck-Ferkiss and Mark Gerganoff, Supervisor of the Central City/Black Hawk Gaming office Jim Husky, Supervisor of the Cripple Creek office Craig Bridgmon, Investigator Ralph Henning, Investigator Phil Wargo, Investigator Eric Hartsough, Investigator Huck Henderson, Investigator Jim Taylor, Investigator Jim Kirby, Investigator Bob Abbott, and Investigator James Taylor. Persons making presentations included Don Mjoen, Laura Jes, Jerry Kissler, Bob Greenley, Angela de Lavelege and Martin Dinetz.

The Chair called for a motion to adopt the Minutes of the Meetings of October 21 and October 22, 1992. Mr. Robison made the motion. Mr. Hyatt seconded the motion. The motion was adopted.

Mr. Mjoen, an employee of the gaming industry, spoke to the Commissioners on the effects the higher tax rate (set on September 29, 1992) was having on key and support personnel. He said that benefits are being taken away. He noted that more layoffs were occurring, and the pay was decreasing. He reviewed with the Commissioners a survey he had handed out to employees of various casinos, noting that the majority of the responses he received from this survey were negative -- in reference to the benefits and pay. Mr. Mjoen asked that the Commissioners take the employees of the gaming industry into consideration when setting the tax rate.

Ms. Jes, said her pay increase and her benefits were cut in half. She asked that the Commissioners re-examine the tax rate, as the tax rate has hurt the employees.

Mr. Kissler, a poker dealer, said he had been through three layoffs in a six week period, and believed this was due to the higher tax rate that was recently set. He asked that the Commissioners take care of the Colorado people.

Mr. Greenley, an associated person with Gilpin Hotel, said he believed the communication between the Gaming Commission and the public was poor and that he thought the meetings were unfriendly. He suggested that the Commission get more involved with the gaming communities, and also meet in those towns on a regular basis. He asked that the Commission revisit the tax rate.

Ms. de Lavelege, said that many employees of the gaming industry had been to school for poker in order to work in these towns, and now there were very few jobs due to layoffs.

Mr. Dinetz, from D & D Broadcasting, came before the Commission asking them to influence Gold Coin to start paying some of the debt owed D & D Broadcasting.

The Chair announced that this issue could be considered when the Commission renews Gold Coin's license, but she could not make any promises.

The Chair called for a motion to go into executive session at 10:05 a.m. for the purpose of reviewing and considering temporary and permanent licensure and the backgrounds of various applicants for gaming licenses. Mr. Robison made the motion. Mr. Hyatt seconded the motion. The motion was adopted.

The meeting recessed at 12:30 p.m. for lunch by Chairperson Kelly.

The meeting was reconvened into executive session at 1:45 p.m. by Chairperson Kelly.

The meeting reconvened into public session at 3:30 p.m. by Chairperson Kelly.

The Chair called for a motion to issue to G.F. GAMING CORPORATION, doing business as THE FAMOUS BONANZA, and DILLON'S DOUBLE EAGLE, INC., doing business as DILLON'S, operator and retailer licenses to expire in 1993 on the respective dates when the licenses were originally issued. Mr. Hyatt made the motion. Mr. Robison seconded the motion. The motion was adopted.

The Chair called for a motion to issue to GOLD COIN LIMITED LIABILITY COMPANY , doing business as GOLD COIN SALOON AND CASINO, temporary six-month operator and retailer licenses, effective upon expiration of the current licenses. Mr. Hyatt made the motion. Mr. Robison seconded the motion. The motion was adopted.

The chair called for a motion to issue to ARISTOCRAT, INC., doing business as ARISTOCRAT LEISURE INDUSTRIES, a three-month temporary manufacturer/distributor license effective upon expiration of current license. Mr. Brower made the motion. Mr. Hyatt seconded the motion. The motion was adopted.

The Chair called for a motion to approve the change in ownership for GOLDEN ROSE CASINO, as detailed in the letter, included with the investigative report, from Huck Henderson to Roger Morris regarding the GOLDEN ROSE. Mr. Hyatt made the motion. Mr. Robison seconded the motion. The motion was adopted.

The Chair called for a motion to approve the change in ownership for 123 BENNETT PARTNERS, as detailed in the letter from Huck Henderson to Roger Morris regarding 123 BENNETT PARTNERS. Mr. Brower made the motion. Mr. Robison seconded the motion. The motion was adopted.

The Chair called for a motion to approve the changes in ownership for GOLD CREEK ASSOCIATES, LTD., as detailed in the report of November 4, 1992, from the Division of Gaming to the Commission regarding GOLD CREEK ASSOCIATES, LTD. Mr. Brower made the motion. Mr. Robison seconded the motion. The motion was adopted.

The Chair called for a motion to issue REYNOLDS COURT PARTNERSHIP, LTD., doing business as CENTRAL PALACE CASINO, and OLD CHICAGO CRIPPLE CREEK L.P., doing business as OLD CHICAGO RESTAURANT AND CASINO, operator and retailer licenses effective for one year beginning on November 18, 1992, at 5:00 p.m., provided that all the standard conditions are met (see conditions cited below). Mr. Robison made the motion. Mr. Hyatt seconded the motion. The motion was adopted.

#### **STANDARD OPERATOR AND RETAILER CONDITIONS**

- a. Confirmation that a valid certificate of occupancy has been issued by the appropriate local authorities for the building in which limited gaming is to be conducted.
- b. Confirmation by the local historical preservation commission that the building in which limited gaming is to be conducted meets the architectural requirements of the Limited Gaming Act of 1991.
- c. Certification by the appropriate local officials that the building in which limited gaming is to be conducted meets the standards for fire safety set forth in the Limited Gaming Act of 1991.
- d. Certification by the appropriate local official that access to the building for the handicapped has been approved as required in the Limited Gaming Act of 1991.
- e. Payment in advance of the amount of the state device fee for all devices to be used in limited gaming.

The chair called for a motion to issue LILLY BELLE'S, INC., doing business as LILLY BELLE'S CASINO, an operator license effective for one year beginning on November 18, 1992, at 5:00 p.m. Mr. Brower made the motion. Mr. Hyatt seconded the motion. The motion was

adopted.

Mr. Morris requested that the Commissioners approve \$13,042.40 for the cost of CCIC System (terminal, hardware, circuit installation, modem purchase, and monthly billing). The Chair called for a motion to approve the \$13,042.40 for the CCIC System. Mr. Brower made the motion. Mr. Robison seconded the motion. The motion was adopted.

The Chair announced that the Commissioners all had reviewed the amended "Statement of Policy - Tax Rate". The Chair then called for a motion to adopt the "Statement of Policy - Tax Rate". Mr. Robison made the motion. Mr. Hyatt seconded the motion. The motion was adopted.

After the Commissioners reviewed the transcript on Gary Gauss, Case Number GAD92003, the Chair called for a motion to approve and adopt the "Findings of Fact, Conclusions of Law and Order" on Case Number GAD92003, for Gary Gauss, submitted by the Assistant Attorney General, Sue Beck-Ferkiss, and to authorize the Chair to sign the Order. Mr. Robison made the motion. Mr. Brower seconded the motion. The motion was adopted.

After the Commissioners reviewed the transcript on Frank Haberl III, Case Number GAD92006, the Chair called for a motion to approve and adopt the "Findings of Fact, Conclusions of Law and Order" on Case Number GAD92006, for Frank Haberl III, submitted by the Assistant Attorney General, Mark Gerganoff, and to authorize the Chair to sign the Order. Mr. Brower made the motion. Mr. Robison seconded the motion. The motion was adopted.

Mr. Gerganoff presented the Summary Suspension on Wayne Kenneth Gritzke. Chairperson Kelly called for a motion to approve and issue an ORDER OF SUSPENSION, ORDER TO SHOW CAUSE, NOTICE OF HEARING AND NOTICE OF CHARGES for Wayne Kenneth Gritzke. Mr. Brower made the motion. Mr. Robison seconded the motion. The motion was adopted.

Mr. Morris announced Mr. Thomas L. Feeney's six-month license was to expire prior to the next Commission meeting and asked that the Commissioners extend his current license until then (December 14, 1992). At that time the Division would have all the information needed for the Commissioners to act upon this license. The Chair called for a motion to extend Thomas L. Feeney's current license until December 14, 1992. Mr. Hyatt made the motion. Mr. Brower seconded the motion. The motion was adopted.

Mr. Papish and Ms. Freedle reviewed with the Commissioners July and August Financial Statements. Ms. Freedle discussed the \$17,105 bill for applicant prints that the Division did request from C.B.I last year; but the Division did not receive the bill until this year. Mr. Robison called for a motion to approve a \$17,105 increase in the 1993 budget for the name searches from

C.B.I. Mr. Hyatt made the motion. Mr. Brower seconded the motion. The motion was adopted.

The Chair called for a motion to approve and adopt the August and July Financial Statements. (See Exhibit A). Mr. Robison made the motion. Mr. Hyatt seconded the motion. The motion was adopted.

Mr. Morris announced that Publicly Traded Corporations proposed regulations would be discussed at the next Commission meeting. He said he would also like to get the rule-making process for progressive slots, and some house cleaning rules, on track to be heard in January. The Commission agreed with his proposed schedule.

The Chair called for a motion to go into executive session to discuss enforcement issues. Mr. Hyatt made the motion. Mr. Brower seconded the motion. The motion was adopted.

There being no further business to come before the Commission, the meeting adjourned at 4:50 p.m.

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Sandie Seegmiller, Secretary

COLORADO DIVISION OF GAMING  
FINANCIAL STATEMENTS  
(UNAUDITED)

DISTRIBUTION:

Honorable Roy Romer	Governor
Ms. Gail S. Schoettler	State Treasurer
Mr. Charles Berry	Speaker of the House of Representatives
Mr. Ted L. Strickland	President of the Senate
Mr. Larry Trujillo	Senate Minority Leader
Mrs. Ruth Wright	House Minority Leader
Mr. Tony Grampas	Chairperson, Joint Budget Committee
Mrs. Aurel Kelly	Chairperson, Limited Gaming Control Commission
Mrs. Ava Brackett	Vice-Chairperson, Limited Gaming Control Commission
Mr. Lavoy Robison	Limited Gaming Control Commission
Mr. Renny Fagan	Executive Director, Department of Revenue
Ms. Amelie Buchanan	Deputy Director, Department of Revenue
Mr. Roger Morris	Director, Division of Gaming
Mr. Mel Grantham	Chief Investigator, Division of Gaming
Mr. Cliff Hall	State Controller
Mr. Terry Ketelson	State Archivist
Mr. Timothy M. O'Brien	State Auditor

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**COLORADO DIVISION OF GAMING**  
**COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS**  
**JULY 31, 1992**  
**(UNAUDITED)**

	GOVERNMENTAL FUND TYPES	FIDUCIARY FUND TYPES	ACCOUNT GROUPS		TOTALS (MEMORANDUM ONLY)
	SPECIAL REVENUE	AGENCY	FIXED ASSETS	LONG-TERM DEBT	
<b>ASSETS:</b>					
Cash	\$ 11,148,756	\$ 27,144	\$		\$ 11,175,899
Accounts Receivable - Note 2					
Gaming Taxes	2,210,365				2,210,365
Background	69,439				69,439
Gaming Manufacturers	106,165				106,165
Prepaid Expenses	8,497				8,497
Fixed Assets - Note 3			203,102		203,102
Amount to be Provided for Retirement of Long-Term Obligations				126,948	126,948
<b>TOTAL ASSETS</b>	<b>\$ 13,543,221</b>	<b>\$ 27,144</b>	<b>\$ 203,102</b>	<b>\$ 126,948</b>	<b>\$ 13,900,415</b>
<b>LIABILITIES AND FUND EQUITY:</b>					
<b>Liabilities:</b>					
Accounts Payable	72,384				72,384
Wages Payable	16,111				16,111
Gaming Laboratories Payable - Note 4	105,190				105,190
Background Refunds Payable - Note 5	160,389				160,389
Due to Other State Agencies - Note 6	160,472				160,472
Background Deposits - Note 7	545,248				545,248
Funds to be Distributed FY 92 - Note 8	9,114,730	27,144			9,114,730
Deposits Held in Custody				126,948	126,948
Accrued Compensated Absences - Note 9				126,948	126,948
<b>Total Liabilities</b>	<b>10,174,524</b>	<b>27,144</b>	<b>0</b>	<b>126,948</b>	<b>10,328,616</b>
<b>Fund Equity:</b>					
Fund Balance - Note 10	3,368,697		203,102		3,368,697
Investment in Fixed Assets			203,102	0	203,102
<b>Total Fund Equity</b>	<b>3,368,697</b>	<b>0</b>	<b>203,102</b>	<b>0</b>	<b>3,571,799</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 13,543,221</b>	<b>\$ 27,144</b>	<b>\$ 203,102</b>	<b>\$ 126,948</b>	<b>\$ 13,900,415</b>

The notes to the financial statements are an integral part of this statement.

COLORADO DIVISION OF GAMING  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCE - SPECIAL REVENUE FUND  
 FOR THE MONTH ENDED JULY 31, 1992  
 (UNAUDITED)

REVENUES:	
Gaming Taxes	\$ 2,210,015
License and Application Fees	132,575
Device Fees	397,100
Background Investigations	116,121
Interest Revenue	31,538
Other Revenue - Note 11	1,014
TOTAL REVENUES	<u>2,888,362</u>
EXPENDITURES:	
PERSONAL SERVICES	
Gaming Division Salaries	115,485
Overtime	19,040
Benefits	19,768
Temporary Agencies	2,272
Commission Per Diem	1,400
Department of Revenue - Information Support Services	3,047
Consulting Services	10,507
TOTAL PERSONAL SERVICES	<u>171,519</u>
OPERATING EXPENDITURES	
Travel - Commission	55
Travel - Division	1,084
Automobiles	7,159
Printing	2,936
Police Supplies	185
Undercover Fund	500
Computer Services	2,828
Applicant Prints	60,404
Materials and Supplies	5,784
Postage	1,637
Dues, Memberships, Registration Fees	1,575
Official Functions	923
Maintenance and Repair Services	763
Telephone	7,854
Utilities	77
Other Operating Expenditures	423
TOTAL OPERATING	<u>94,186</u>
LEGAL SERVICES	<u>7,398</u>
LEASE SPACE - Note 12	<u>6,026</u>
CAPITAL OUTLAY	
Computer Equipment	4,239
Furniture and Office Equipment	1,418
TOTAL CAPITAL OUTLAY	<u>5,658</u>
EXPENDITURES - SUBTOTAL	\$ <u>284,787</u>

COLORADO DIVISION OF GAMING  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCE - SPECIAL REVENUE FUND  
 FOR THE MONTH ENDED JULY 31, 1992  
 (UNAUDITED)

EXPENDITURES - SUBTOTAL		\$ <u>284,787</u>
OTHER STATE AGENCIES		
DEPARTMENT OF PUBLIC SAFETY		
Colorado Bureau of Investigations	24,862	
Fire Safety	7,683	
Colorado State Patrol	<u>40,288</u>	
Total Department of Public Safety	72,832	
Local Affairs	<u>2,083</u>	
TOTAL OTHER STATE AGENCIES	<u>74,916</u>	
TOTAL DIVISION EXPENDITURES		<u>359,702</u>
INDIRECT COSTS - Department of Revenue		<u>19,826</u>
PASSTHROUGH EXPENDITURES		
Background Travel	11,595	
Computer Services	1,149	
Applicant Finger Prints	2,279	
Miscellaneous Background Expenditures	<u>340</u>	
TOTAL PASSTHROUGH EXPENDITURES	<u>15,363</u>	
TOTAL EXPENDITURES		<u>394,891</u>
EXCESS OF REVENUES OVER EXPENDITURES		2,493,471
OTHER REVENUE AND REIMBURSABLE EXPENDITURES		
Revenue - Gaming Laboratories International - Note 13	38,232	
Expenditures - Professional Services - Note 13	<u>(38,232)</u>	
EXCESS OF REVENUES AND REIMBURSABLES OVER EXPENDITURES		2,493,471
FUND BALANCE AT JULY 1, 1992		<u>875,226</u>
FUND BALANCE AT JULY 31, 1992		\$ <u>3,368,697</u>

The notes to the financial statements are an integral part of this statement.

**COLORADO DIVISION OF GAMING**  
**BUDGET REPORT - BUDGET COMPARED TO ACTUAL**  
**FOR THE MONTH ENDED JULY 31, 1992**

**REVISED BUDGET**  
**(UNAUDITED)**

	BUDGET FISCAL YEAR	*	YEAR - TO - DATE		YEAR - TO - DATE		VARIANCE UNDER(OVER)
			BUDGET	ACTUAL	BUDGET	ACTUAL	
<b>EXPENDITURES:</b>							
<b>PERSONAL SERVICES</b>							
Gaming Division Salaries	\$ 1,935,629	\$	115,485	\$ 125,705	\$ 115,485	\$ 10,220	
Overtime	89,336		19,040	13,834	19,040	(5,206)	
Benefits	354,143		19,768	21,859	19,768	2,090	
Annual and Sick Leave	102,000	0	0	8,500	0	8,500	
Temporary Agencies	95,696	2,272	2,272	10,108	2,272	7,835	
Commission Per Diem	24,000	1,400	1,400	2,000	1,400	600	
Department of Revenue - Information Support Services	100,500	3,047	3,047	8,350	3,047	5,303	
Professional Purchased Services	21,000	0	0	1,750	0	1,750	
Consulting Services	78,840	10,507	10,507	5,457	10,507	(5,050)	
<b>TOTAL PERSONAL SERVICES</b>	<b>2,801,145</b>		<b>171,519</b>	<b>197,862</b>	<b>171,519</b>	<b>26,043</b>	
<b>OPERATING EXPENDITURES</b>							
Travel - Commission	23,856	55	55	968	55	903	
Travel - Division	87,692	1,064	1,064	6,455	1,064	5,371	
Travel - Indian Gaming	40,200	0	0	3,350	0	3,350	
Automobiles	107,696	7,159	7,159	6,328	7,159	(831)	
Printing	40,625	2,936	2,936	3,275	2,936	339	
Police Supplies	19,906	185	185	9,344	185	9,160	
License Laminating	5,881	0	0	473	0	473	
Undercover Fund	5,000	500	500	500	500	0	
Computer Services	94,870	2,828	2,828	3,822	2,828	994	
Applicant Prints	83,740	60,404	60,404	6,978	60,404	(53,426)	
Materials and Supplies	32,906	5,784	5,784	6,915	5,784	1,131	
Postage	6,270	1,637	1,637	505	1,637	(1,132)	
Dues, Memberships, Registration Fees	25,102	1,575	1,575	3,115	1,575	1,540	
Official Functions	12,200	923	923	1,017	923	94	
Maintenance and Repair Services	15,072	763	763	1,054	763	291	
Telephone	105,605	7,854	7,854	6,788	7,854	(1,066)	
Utilities	3,095	77	77	210	77	133	
Other Operating Expenditures	15,160	423	423	1,130	423	707	
<b>TOTAL OPERATING</b>	<b>694,676</b>		<b>94,186</b>	<b>62,217</b>	<b>94,186</b>	<b>(31,969)</b>	
<b>LEGAL SERVICES</b>							
Legal Services - Division	93,825	7,398	7,398	7,819	7,398	421	
Legal Services - Ute	50,000	0	0	4,167	0	4,167	
<b>TOTAL LEGAL SERVICES</b>	<b>143,825</b>		<b>7,398</b>	<b>11,985</b>	<b>7,398</b>	<b>4,588</b>	
<b>EXPENDITURES - SUBTOTAL</b>	<b>\$ 3,609,646</b>		<b>\$ 273,103</b>	<b>\$ 271,765</b>	<b>\$ 273,103</b>	<b>\$ (1,338)</b>	

**COLORADO DIVISION OF GAMING**  
**BUDGET REPORT - BUDGET COMPARED TO ACTUAL**  
**FOR THE MONTH ENDED JULY 31, 1992**  
**REVISED BUDGET**  
**(UNAUDITED)**

	BUDGET FISCAL YEAR	* ACTUAL YEAR-TO-DATE	YEAR-TO-DATE		VARIANCE UNDER (OVER)
			BUDGET	ACTUAL	
EXPENDITURES - SUBTOTAL	\$ 3,609,646	\$ 273,103	\$ 271,765	\$ 273,103	\$ (1,338)
LEASE SPACE	105,775	6,026	6,026	6,026	0
CAPITAL OUTLAY					
Computer Equipment	63,922	4,239	15,279	4,239	11,040
Furniture and Office Equipment	36,334	1,418	7,808	1,418	6,390
Investigative Equipment	48,833	0	18,143	0	18,143
TOTAL CAPITAL OUTLAY	149,089	5,658	41,230	5,658	35,572
OTHER STATE AGENCIES					
DEPARTMENT OF PUBLIC SAFETY					
Colorado Bureau of Investigations	240,852	24,862	20,071	24,862	(4,791)
Fire Safety	121,661	7,663	10,138	7,663	2,455
Colorado State Patrol	416,254	40,288	34,688	40,288	(5,600)
Total Department of Public Safety	778,767	72,832	64,897	72,832	(7,935)
State Auditors	10,000	0	833	0	833
Local Affairs	23,832	2,063	1,996	2,063	(97)
TOTAL OTHER STATE AGENCIES	812,589	74,916	67,717	74,916	(7,199)
TOTAL DIVISION EXPENDITURES	4,677,109	359,702	386,737	359,702	27,035
INDIRECT COSTS - Department of Revenue	239,307	19,826	19,826	19,826	0
PASSTHROUGH EXPENDITURES					
Background Travel	186,000	11,595	15,500	11,595	3,905
Computer Services	16,536	1,149	1,378	1,149	229
Applicant Finger Prints	18,520	2,279	1,543	2,279	(736)
Miscellaneous Background Expenditures	15,000	340	1,250	340	910
TOTAL PASSTHROUGH EXPENDITURES	236,056	15,363	19,671	15,363	4,308
TOTAL EXPENDITURES BEFORE OTHER REIMBURSABLE EXPENSES	5,152,472	394,891	426,234	394,891	31,343
OTHER REIMBURSABLE EXPENDITURES					
Expenditures - Professional Services	183,750	38,232	15,313	38,232	(22,919)
TOTAL EXPENDITURES	\$ 5,336,222	\$ 433,123	\$ 441,547	\$ 433,123	\$ 8,424

\* Amended as of September 29, 1992

# **COLORADO DIVISION OF GAMING NOTES TO FINANCIAL STATEMENTS JULY 31, 1992**

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Colorado Division of Gaming (Division) was created June 4, 1991, under the provision of section 12-47.1-201, C.R.S. The Colorado Division of Gaming operates under the Colorado Limited Gaming Control Commission (Commission) and implements, regulates, and supervises the conduct of limited gaming in the State, as authorized by statute.

The financial statements reflect activities of the Division for the month ended July 31, 1992. The Division is an agency and sub-entity of the State of Colorado. For reporting purposes and in conformance with the National Council of Government Accounting Statement #3, pertaining to oversight responsibilities, the State of Colorado is the primary reporting entity for State financial activities. Therefore, the Division's accounts are presented in a manner consistent with presentation of statewide financial activities, which are reported in accordance with generally accepted accounting principles for governmental organizations. The following is a summary of the more significant policies:

### **A. FUND STRUCTURE AND BASIS OF ACCOUNTING**

The financial activities of the Division are organized on the basis of individual funds and account groups. The operations of each fund, which are separate accounting entities, are recorded in discrete sets of self-balancing accounts that comprise the assets, liabilities, fund equity, revenues and expenditures, or expenses, of the entity. For financial statement presentation, similar funds have been combined into fund types and categories.

#### **GOVERNMENTAL FUNDS**

##### **Special Revenue Funds**

Transactions related to resources obtained from specific sources, which are restricted to specific purposes are accounted for in the special revenue funds. The Division's resources are obtained from specific gaming related activities such as: application fees, license fees, device fees, and gaming taxes. These resources are restricted for specific uses as outlined in Title 12-47.1-0, C.R.S.

## FIDUCIARY FUND TYPES

### Agency Funds

These funds account for assets held by the State as an agent for other organizations or individuals. They are custodial in nature and do not involve the measurement of operations. This represents funds seized and held as evidence in cases resulting from criminal investigations conducted by the Division.

## ACCOUNT GROUPS

### Fixed Assets

This is a self-balancing set of accounts used to account for fixed assets used in governmental fund type operations. All fixed assets are valued at historical cost, or estimated historical cost, if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated. No depreciation has been provided on general fixed assets.

The Fixed Asset Account Group is not a "fund". It is concerned with the measurement of financial position, it is not involved with measurement of results of operations. The Fixed Asset Account Group fund equity balance is not available for distribution since it merely states the value of the fixed assets.

### Long-term Debt

This account represents long-term debt of governmental type funds of the State, for the recording of Accrued Compensated Absences Liability.

## BASIS OF ACCOUNTING

Basis of accounting refers to when revenues or expenditures are recognized in the accounts and reported in the financial statements. The Division reports on the modified accrual basis.

## B. BUDGET

Each year, the Division Director submits to the Commission a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them. Public hearings are conducted by the Commission to obtain comments and approval. During the fiscal year, the approved budget may be modified due to roll-forward authorization or supplemental budget approval. All modifications must be approved by the Commission.

## C. TOTAL COLUMNS ON COMBINED STATEMENTS

Total columns on the Combined Statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Nor are they comparable to a consolidation, as interfund eliminations have not been made in the aggregation of this data.

### 2. ACCOUNTS RECEIVABLE

As of July 31, 1992, the Division had an accounts receivable balance of \$2,210,365 from gaming taxes for the month of July, which are due on the 15th of August. The Division had an accounts receivable balance of \$69,439 from Background Investigations. This represents monies owed to the Division by entities being investigated in preparation to participate in Limited Gaming. Accounts receivable from Gaming Manufacturers of \$106,165 represents the reimbursable amount charged to the slot machine manufacturers for testing by Gaming Laboratories International.

### 3. CHANGES IN FIXED ASSETS

A summary of changes in fixed assets follows:

	Balance July 1, 1992	Additions	Balance July 31, 1992
Computer Equipment	\$112,672	\$4,239	\$116,911
Office Equipment	26,726	0	26,726
Investigative Equipment	59,465	0	59,465
Total	<u>\$198,863</u>	<u>\$4,239</u>	<u>\$203,102</u>

### 4. GAMING LABORATORIES PAYABLE

As of July 31, 1992, the Division had a balance of \$105,190 due to Gaming Laboratories International. This amount represents reimbursable expenses owed by slot machine manufacturers to the Division for Gaming Laboratories International.

### 5. BACKGROUND REFUNDS PAYABLE

As of July 31, 1992, the Division had a Background Refunds Payable of \$160,389. This liability is for background investigation deposit refunds to entities approved for permanent Limited Gaming Licenses.

## **6. DUE TO OTHER STATE AGENCIES**

As of July 31, 1992, the Division had a liability to other State agencies for \$160,472 as follows:

Department of Revenue - Information Support Services	\$ 3,047
Department of Revenue - Indirect Costs	19,826
Colorado Bureau of Investigations - Personal Services	24,862
Colorado Bureau of Investigations - Prints and Name Searches	62,683
Colorado State Patrol	40,288
Colorado Fire Safety	7,683
Department of Local Affairs	2,083
	-----
TOTAL	\$ 160,472
	=====

## **7. BACKGROUND DEPOSITS**

The \$545,248 of background deposits represent deposits received from applicants applying for gaming licenses. The deposits are used to perform background investigations. Said deposits are recorded as a liability until the Division incurs the expense or the remaining balance is refunded to the applicant.

## **8. FUNDS TO BE DISTRIBUTED - FISCAL YEAR 92**

The Division shall distribute funds in the percentages called for under the provision of C.R.S., 12-47.1-701.(1)(c). The amount to be distributed is derived from revenues collected by the Division for the preceding fiscal year, after payment of the operating expenses of the Commission and other regulatory expenses, and after reserving an amount equal to all expenses for the preceding two-month period.

**8. FUNDS TO BE DISTRIBUTED - FISCAL YEAR 92 (Continued)**

As of June 30, 1992, the Division had \$9,114,730 available for distribution, as follows:  
(No disbursements were made during July, 1992.)

General Fund		\$4,114,136	45.14%
Contiguous County Limited Gaming Impact Fund		425,000	4.66%
Colorado Tourism Promotion Fund		18,229	.20%
State Historical Fund		2,552,124	28.00%
City of Blackhawk	\$ 263,783		
City of Central City	394,629		
City of Cripple Creek	<u>253,061</u>	911,473	10.00%
Teller County	303,673		
Gilpin County	<u>790,095</u>	1,093,768	12.00%
		-----	-----
TOTAL		<u>\$9,114,730</u>	<u>100.00%</u>
		=====	=====

**9. ACCRUED COMPENSATED ABSENCES**

All permanent employees of the Division may accrue annual and sick leave based on length of service. The accrued amount will be paid upon termination, subject to certain limitations.

Annual Leave	\$113,830
Sick Leave	13,118
	-----
Total	<u>\$126,948</u>
	=====

## **10. FUND BALANCE**

In accordance with C.R.S. 12-47.1-701(1)(c), at the end of each state fiscal year the balance remaining in the Limited Gaming Fund is to be distributed by the State Treasurer according to the following formula:

- . Fifty percent (50%) to the General Fund,
- . Twenty-eight percent (28%) to the State Historical Fund,
- . Twelve percent (12%) to Gilpin and Teller counties (in proportion to the gaming revenues generated in the respective counties), and
- . Ten percent (10%) to the towns of Cripple Creek, Central City, and Black Hawk (in proportion to the gaming revenues generated in the respective towns).

Under the provision of C.R.S., 12-47.1-701(1)(d)(4), of the 50% distributed to the General Fund, two-tenths percent (.2%) is to be distributed to the Colorado Tourism Promotion Fund. In addition, a percentage (as determined by the Commission) will be distributed to the Contiguous County Limited Gaming Impact Fund as stated in C.R.S., 12-47.1-1401(2).

The amount to be distributed is derived from revenues collected by the Division for the preceding fiscal year after payment of the operating expenses of the Commission and other regulatory expenses, and after reserving an amount equal to all expenses for the preceding two-month period.

As of July 31, 1992, the amount to be reserved by the Division for all expenses for the preceding two-month period is \$629,774.

## **11. OTHER REVENUE**

For the month ended July 31, 1992, the Division collected \$1,014 in Other Revenue, which consists of fees for photocopying, and other miscellaneous fees.

## **12. LEASE SPACE**

The Division occupies office space in Denver, Cripple Creek and Central City. Rental payments are contingent upon the continuing availability of funds. Specific lease information follows:

### **DENVER:**

Effective October 11, 1991, the Division entered into a lease agreement with Galleria Towers, Inc. for office space at 720 South Colorado Blvd, Suite 540-S, Denver. The term of the lease is for five years and ends on October 31, 1996.

## 12. LEASE SPACE (Continued)

In fiscal year 1993, there will be a two-step expansion of the Denver lease space. From July 1, 1992 through November 30, 1992, the monthly rent will be \$4,083. From December 1, 1992 through December 31, 1992, the monthly rent will be \$6,049, and starting January 1, 1993, the monthly rent will be \$6,986. The total rent for fiscal year 1993 will be \$68,382. The annual rent for lease space starting July 1, 1993 will be \$83,834.

### CENTRAL CITY:

Effective May 1, 1992, the Division entered into a lease agreement with Gilpin County for office space at 203 Eureka Street, Central City. The term of the lease ends on July 31, 1994. Annual rent for the lease space is \$11,313 to be paid monthly in the amount of \$943.

### CRIPPLE CREEK

Effective November 12, 1991, the Division entered into a lease agreement with Herbert L. and C. Kristen Sprague for office space at 511 E. Golden, Cripple Creek. The term of the lease is for three years and ends on June 30, 1994. Annual rent for fiscal year 1993 is \$12,000 to be paid monthly in the amount of \$1,000.

Effective October 1, 1992, the Division entered into a lease agreement with Michael and Daniel Pepe for office space at 513 E. Golden, Cripple Creek. The term of the lease is from October 1, 1992 through June 30, 1994. Nine months rent for fiscal year 1993 is \$9,000 to be paid monthly in the amount of \$1,000.

Additional lease information follows:

Office	Total Paid FY 1993	<u>Future Obligated Payments</u>				
		FY 1993	FY 1994	FY 1995	FY 1996	FY 1997
Denver	\$4,083	\$64,299	\$83,834	\$83,834	\$83,834	\$27,944
Central City	943	10,370	11,313	--	--	--
Cripple Creek	1,000	20,000	25,200	--	--	--
TOTAL:	\$6,026	\$94,669	\$120,347			

## 13. GAMING LABORATORIES INTERNATIONAL

The Division contracts with Gaming Laboratories International (GLI) to test slot machines to ensure compliance with the Colorado Gaming Regulations. Part of the costs associated with GLI are passed on to the manufacturers of the slot machines. For the month ended July 31, 1992, total cost associated with GLI was \$38,232, all of which was passed on to the manufacturers.

## 14. PENSION PLAN

Employees of the Division are covered by the Public Employees Retirement Association of Colorado (PERA). PERA is a cost-sharing multiple-employer.

The Division's total payroll for the month ended July 31, 1992, was \$134,525; the total payroll for employees covered by PERA was \$130,425. Employer and employee obligations to contribute to PERA are established under Colorado State Law; specifically, Title 24, Article 51, C.R.S. For the month ended July 31, 1992, the Division's contribution to PERA was \$13,825, which is 10.6% of covered payroll. Contributions by employees were \$10,434, which is 8% of covered payroll. Covered payroll equals total payroll less adjustments for the salary reduction "125 Plan" and flexible spending accounts.

An employee is eligible for full retirement benefits at age 55 with at least 30 years of service with the State and other entities covered by PERA, at age 60 with at least 20 years of service, or at age 65 with at least five years of service, or by earning 35 or more years of credited service. Reduced retirement benefits are available at age 55 with at least 20 years of service or at age 60 with at least five years of service.

Disability and survivors benefits are also available. PERA benefits vest after five years of service with covered employers. Benefit provisions are established under Colorado State Law, specifically, Title 24, Article 51, C.R.S.

The pension benefit obligation, which is the actuarial measure of the present value of credited projected benefits, is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and any step-rate benefits, estimated to be payable in the future as a result of employee services to date. The measure is intended to help users of agency's financial statements assess PERA's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among PERA and other pension programs and among employers.

The annual report of PERA provides historical trend information under the heading "Schedule of Funding Progress." This historical trend information shows the progress being made in accumulating sufficient assets to pay benefits when due.

COLORADO DIVISION OF GAMING  
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
 AS OF AUGUST 31, 1992  
 (UNAUDITED)

		GOVERNMENTAL FUND TYPES		FIDUCIARY FUND TYPES		ACCOUNT GROUPS		TOTALS (MEMORANDUM ONLY)
	\$	SPECIAL REVENUE	AGENCY	FIXED ASSETS	LONG-TERM DEBT	TOTALS	(MEMORANDUM ONLY)	TOTALS (MEMORANDUM ONLY)
<b>ASSETS:</b>								
Cash	\$	8,862,889	\$ 27,144	\$	\$	\$	\$	8,890,033
Accounts Receivable - Note 2								
Gaming Taxes	2,358,343							2,358,343
Background	71,968							71,968
Gaming Manufacturers	88,034							88,034
Prepaid Expenses	18,377			204,683				18,377
Fixed Assets - Note 3					143,214			204,683
Amount to be Provided for Retirement of Long-Term Obligations					143,214			143,214
<b>TOTAL ASSETS</b>	<b>\$</b>	<b>11,399,611</b>	<b>\$ 27,144</b>	<b>\$</b>	<b>\$ 143,214</b>	<b>\$</b>	<b>\$</b>	<b>11,774,652</b>
<b>LIABILITIES AND FUND EQUITY:</b>								
<b>Liabilities:</b>								
Accounts Payable	\$	170,552	\$	\$	\$	\$	\$	170,552
Wages Payable		4,264						4,264
Gaming Laboratorfes Payable - Note 4		87,176						87,176
Background Refunds Payable - Note 5		9,305						9,305
Due to Other State Agencies - Note 6		281,050						281,050
Background Deposits - Note 7		457,351						457,351
Funds to be Distributed FY 92 - Note 8		4,557,365	27,144		143,214			4,557,365
Deposits Held In Custody								27,144
Accrued Compensated Absences - Note 9								143,214
<b>Total Liabilities</b>		<b>5,867,063</b>	<b>27,144</b>	<b>0</b>	<b>143,214</b>	<b>0</b>	<b>0</b>	<b>5,737,421</b>
<b>Fund Equity:</b>								
Fund Balance - Note 10		5,832,548				204,683		5,832,548
Investment in Fixed Assets						204,683		204,683
<b>Total Fund Equity</b>		<b>5,832,548</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,037,231</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$</b>	<b>11,399,611</b>	<b>\$ 27,144</b>	<b>\$</b>	<b>\$ 143,214</b>	<b>\$</b>	<b>\$</b>	<b>11,774,652</b>

The notes to the financial statements are an integral part of this statement.

COLORADO DIVISION OF GAMING  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCE - SPECIAL REVENUE FUND  
 FOR THE TWO MONTHS ENDED AUGUST 31, 1992  
 (UNAUDITED)

	<u>AUGUST</u>	<u>YEAR-TO-DATE</u>
REVENUES:		
Gaming Taxes	\$ 2,362,493	\$ 4,572,508
License and Application Fees	245,150	377,725
Device Fees	115,300	512,400
Background Investigations	127,377	243,498
Interest Revenue	31,334	62,872
Other Revenue - Note 11	<u>1,816</u>	<u>2,830</u>
TOTAL REVENUES	<u>2,883,470</u>	<u>5,771,833</u>
EXPENDITURES:		
PERSONAL SERVICES		
Gaming Division Salaries	132,485	247,970
Overtime	9,065	28,104
Benefits	21,332	41,100
Temporary Agencies	15,120	17,392
Commission Per Diem	1,800	3,200
Department of Revenue - Information Support Services	4,030	7,077
Consulting Services	<u>8,090</u>	<u>18,597</u>
TOTAL PERSONAL SERVICES	<u>191,922</u>	<u>363,441</u>
OPERATING EXPENDITURES		
Travel - Commission	1,648	1,702
Travel - Division	3,107	4,190
Travel - Indian Gaming	586	586
Automobiles	8,469	15,628
Printing	2,358	5,295
Police Supplies	270	454
License Laminating	1,861	1,861
Undercover Fund	0	500
Computer Services	1,873	4,701
Applicant Prints	62,969	123,373
Materials and Supplies	2,484	8,269
Postage	1,219	2,856
Dues, Memberships, Registration Fees	1,076	2,651
Official Functions	534	1,457
Maintenance and Repair Services	1,774	2,537
Telephone	6,630	14,484
Utilities	113	190
Other Operating Expenditures	<u>1,799</u>	<u>2,222</u>
TOTAL OPERATING	<u>98,769</u>	<u>192,955</u>
LEGAL SERVICES	<u>4,877</u>	<u>12,275</u>
LEASE SPACE - Note 12	<u>6,026</u>	<u>12,052</u>
CAPITAL OUTLAY		
Computer Equipment	1,482	5,721
Furniture and Office Equipment	822	2,240
Investigative Equipment	<u>1,581</u>	<u>1,581</u>
TOTAL CAPITAL OUTLAY	<u>3,885</u>	<u>9,542</u>
EXPENDITURES - SUBTOTAL	<u>\$ 305,478</u>	<u>\$ 590,265</u>

COLORADO DIVISION OF GAMING  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCE - SPECIAL REVENUE FUND  
 FOR THE TWO MONTHS ENDED AUGUST 31, 1992  
 (UNAUDITED)

	<u>AUGUST</u>	<u>YEAR-TO-DATE</u>
REVENUES:		
EXPENDITURES - SUBTOTAL	\$ <u>305,478</u>	\$ <u>590,265</u>
OTHER STATE AGENCIES		
DEPARTMENT OF PUBLIC SAFETY		
Colorado Bureau of Investigations	18,307	43,169
Fire Safety	9,228	16,911
Colorado State Patrol	<u>39,136</u>	<u>79,424</u>
Total Department of Public Safety	66,671	139,504
Local Affairs	<u>2,083</u>	<u>4,167</u>
TOTAL OTHER STATE AGENCIES	<u>68,755</u>	<u>143,671</u>
TOTAL DIVISION EXPENDITURES	<u>374,233</u>	<u>733,935</u>
INDIRECT COSTS - Department of Revenue	<u>19,826</u>	<u>39,652</u>
PASSTHROUGH EXPENDITURES		
Background Travel	18,637	30,232
Computer Services	1,189	2,338
Applicant Finger Prints	5,476	7,755
Miscellaneous Background Expenditures	<u>258</u>	<u>599</u>
TOTAL PASSTHROUGH EXPENDITURES	<u>25,560</u>	<u>40,923</u>
TOTAL EXPENDITURES	<u>419,619</u>	<u>814,510</u>
EXCESS OF REVENUES OVER EXPENDITURES	2,463,851	4,957,323
OTHER REVENUE AND REIMBURSABLE EXPENDITURES		
Revenue - Gaming Laboratories International - Note 13	24,358	62,590
Expenditures - Professional Services - Note 13	<u>(24,358)</u>	<u>(62,590)</u>
EXCESS OF REVENUES AND REIMBURSEABLES OVER EXPENDITURES	\$ <u>2,463,851</u>	4,957,323
FUND BALANCE AT JULY 1, 1992		<u>875,226</u>
FUND BALANCE AT AUGUST 31, 1992		\$ <u>5,832,548</u>

The notes to the financial statements are an integral part of this statement.

**COLORADO DIVISION OF GAMING**  
**BUDGET REPORT - BUDGET COMPARED TO ACTUAL**  
**FOR THE TWO MONTHS ENDED AUGUST 31, 1992**  
**REVISED BUDGET**  
**(UNAUDITED)**

	BUDGET FISCAL YEAR	*	YEAR-TO-DATE		BUDGET	YEAR-TO-DATE		VARIANCE UNDER (OVER)
			ACTUAL YEAR-TO-DATE	ACTUAL		ACTUAL	ACTUAL	
<b>EXPENDITURES:</b>								
<b>PERSONAL SERVICES</b>								
Gaming Division Salaries	\$ 1,935,629		\$ 247,970		\$ 289,591		\$ 247,970	\$ 41,611
Overtime	89,336		28,104		28,934		28,104	830
Benefits	354,143		41,100		51,360		41,100	10,260
Annual and Sick Leave	102,000		0		17,000		0	17,000
Temporary Agencies	95,698		17,382		21,975		17,382	4,593
Commission Per Diem	24,000		3,200		4,000		3,200	800
Department of Revenue - Information Support Services	100,500		7,077		16,700		7,077	9,623
Professional Purchased Services	21,000		0		3,500		0	3,500
Consulting Services	78,840		18,597		17,034		18,597	(1,563)
<b>TOTAL PERSONAL SERVICES</b>	<b>2,801,145</b>		<b>363,441</b>		<b>450,094</b>		<b>363,441</b>	<b>86,643</b>
<b>OPERATING EXPENDITURES</b>								
Travel - Commission	23,858		1,702		1,916		1,702	214
Travel - Division	87,882		4,190		11,858		4,190	7,668
Travel - Indian Gaming	40,200		588		6,700		588	6,114
Automobiles	107,698		15,628		15,458		15,628	(172)
Printing	40,825		5,295		8,550		5,295	1,255
Police Supplies	19,908		454		11,298		454	10,844
License Laminating	5,881		1,861		948		1,861	(915)
Undercover Fund	5,000		500		1,000		500	500
Computer Services	34,870		4,701		6,844		4,701	1,943
Applicant Prints	83,740		123,373		13,956		123,373	(109,417)
Materials and Supplies	32,908		8,269		17,692		8,269	9,423
Postage	6,270		2,856		1,010		2,856	(1,846)
Dues, Memberships, Registration Fees	25,102		2,851		3,975		2,851	1,325
Official Functions	12,200		1,457		2,034		1,457	577
Maintenance and Repair Services	15,072		2,537		2,572		2,537	35
Telephone	105,805		14,484		15,642		14,484	1,158
Utilities	3,095		190		420		190	230
Other Operating Expenditures	15,160		2,222		2,210		2,222	(12)
<b>TOTAL OPERATING</b>	<b>664,676</b>		<b>192,955</b>		<b>121,877</b>		<b>192,955</b>	<b>(71,078)</b>
<b>LEGAL SERVICES</b>								
Legal Services - Division	93,825		12,275		15,638		12,275	3,363
Legal Services - Ute	50,000		0		8,333		0	8,333
<b>TOTAL LEGAL SERVICES</b>	<b>143,825</b>		<b>12,275</b>		<b>23,971</b>		<b>12,275</b>	<b>11,696</b>
<b>EXPENDITURES - SUBTOTAL</b>	<b>\$ 3,809,646</b>		<b>\$ 568,671</b>		<b>\$ 595,932</b>		<b>\$ 568,671</b>	<b>\$ 27,261</b>

**COLORADO DIVISION OF GAMING**  
**BUDGET REPORT - BUDGET COMPARED TO ACTUAL**  
**FOR THE TWO MONTHS ENDED AUGUST 31, 1992**  
**REVISED BUDGET**  
**(UNAUDITED)**

	BUDGET FISCAL YEAR	* ACTUAL YEAR-TO-DATE	YEAR - TO - DATE		VARIANCE UNDER (OVER)
			BUDGET	ACTUAL	
EXPENDITURES - SUBTOTAL	\$ 3,609,846	\$ 568,671	\$ 595,932	\$ 568,671	\$ 27,261
LEASE SPACE	105,775	12,052	14,399	12,052	2,347
CAPITAL OUTLAY					
Computer Equipment	63,922	5,721	55,064	5,721	49,343
Furniture and Office Equipment	36,334	2,240	22,372	2,240	20,132
Investigative Equipment	48,833	1,581	30,493	1,581	28,912
TOTAL CAPITAL OUTLAY	149,089	9,542	107,929	9,542	98,387
OTHER STATE AGENCIES					
DEPARTMENT OF PUBLIC SAFETY					
Colorado Bureau of Investigations	240,852	43,189	40,142	43,189	(9,027)
Fire Safety	121,661	16,911	20,277	16,911	3,366
Colorado State Patrol	418,254	79,424	69,376	79,424	(10,049)
Total Department of Public Safety	778,767	139,504	129,795	139,504	(6,709)
State Auditors	10,000	0	1,667	0	1,667
Local Affairs	23,632	4,167	3,972	4,167	(195)
TOTAL OTHER STATE AGENCIES	812,596	143,671	135,433	143,671	(6,237)
TOTAL DIVISION EXPENDITURES	4,677,109	733,935	853,693	733,935	119,758
INDIRECT COSTS - Department of Revenue	239,307	39,652	39,652	39,652	(0)
PASSTHROUGH EXPENDITURES					
Background Travel	186,000	30,232	31,000	30,232	768
Computer Services	16,536	2,336	2,756	2,336	418
Applicant Finger Prints	18,520	7,755	3,066	7,755	(4,689)
Miscellaneous Background Expenditures	15,000	599	2,500	599	1,901
TOTAL PASSTHROUGH EXPENDITURES	236,056	40,923	39,342	40,923	(1,581)
TOTAL EXPENDITURES BEFORE OTHER REIMBURSABLE EXPENDITURES	5,152,472	814,510	932,687	814,510	118,177
OTHER REIMBURSABLE EXPENDITURES					
Expenditures - Professional Services	183,750	62,590	30,625	62,590	(31,965)
TOTAL EXPENDITURES	5,336,222	877,099	963,312	877,099	86,212

\* Amended as of September 29, 1992

# COLORADO DIVISION OF GAMING NOTES TO FINANCIAL STATEMENTS AUGUST 31, 1992

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Colorado Division of Gaming (Division) was created June 4, 1991, under the provision of section 12-47.1-201, C.R.S. The Colorado Division of Gaming operates under the Colorado Limited Gaming Control Commission (Commission) and implements, regulates, and supervises the conduct of limited gaming in the State, as authorized by statute.

The financial statements reflect activities of the Division for the two months ended August 31, 1992. The Division is an agency and sub-entity of the State of Colorado. For reporting purposes and in conformance with the National Council of Government Accounting Statement #3, pertaining to oversight responsibilities, the State of Colorado is the primary reporting entity for State financial activities. Therefore, the Division's accounts are presented in a manner consistent with presentation of statewide financial activities, which are reported in accordance with generally accepted accounting principles for governmental organizations. The following is a summary of the more significant policies:

### A. FUND STRUCTURE AND BASIS OF ACCOUNTING

The financial activities of the Division are organized on the basis of individual funds and account groups. The operations of each fund, which are separate accounting entities, are recorded in discrete sets of self-balancing accounts that comprise the assets, liabilities, fund equity, revenues and expenditures, or expenses, of the entity. For financial statement presentation, similar funds have been combined into fund types and categories.

#### GOVERNMENTAL FUNDS

##### Special Revenue Funds

Transactions related to resources obtained from specific sources, which are restricted to specific purposes are accounted for in the special revenue funds. The Division's resources are obtained from specific gaming related activities such as: application fees, license fees, device fees, and gaming taxes. These resources are restricted for specific uses as outlined in Title 12-47.1-0, C.R.S.

## FIDUCIARY FUND TYPES

### Agency Funds

These funds account for assets held by the State as an agent for other organizations or individuals. They are custodial in nature and do not involve the measurement of operations. This represents funds seized and held as evidence in cases resulting from criminal investigations conducted by the Division.

## ACCOUNT GROUPS

### Fixed Assets

This is a self-balancing set of accounts used to account for fixed assets used in governmental fund type operations. All fixed assets are valued at historical cost, or estimated historical cost, if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated. No depreciation has been provided on general fixed assets.

The Fixed Asset Account Group is not a "fund". It is concerned with the measurement of financial position, it is not involved with measurement of results of operations. The Fixed Asset Account Group fund equity balance is not available for distribution since it merely states the value of the fixed assets.

### Long-term Debt

This account represents long-term debt of governmental type funds of the State, for the recording of Accrued Compensated Absences Liability.

## BASIS OF ACCOUNTING

Basis of accounting refers to when revenues or expenditures are recognized in the accounts and reported in the financial statements. The Division reports on the modified accrual basis.

## B. BUDGET

Each year, the Division Director submits to the Commission a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them. Public hearings are conducted by the Commission to obtain comments and approval. During the fiscal year, the approved budget may be modified due to roll-forward authorization or supplemental budget approval. All modifications must be approved by the Commission.

## C. TOTAL COLUMNS ON COMBINED STATEMENTS

Total columns on the Combined Statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Nor are they comparable to a consolidation, as interfund eliminations have not been made in the aggregation of this data.

### 2. ACCOUNTS RECEIVABLE

As of August 31, 1992, the Division had an accounts receivable balance of \$2,358,343 from gaming taxes for the month of August, which are due on the 15th of September. The Division had an accounts receivable balance of \$71,968 from Background Investigations. This represents monies owed to the Division by entities being investigated in preparation to participate in Limited Gaming. Accounts receivable from Gaming Manufacturers of \$88,034 represents the reimbursable amount charged to the slot machine manufacturers for testing by Gaming Laboratories International.

### 3. CHANGES IN FIXED ASSETS

A summary of changes in fixed assets follows:

	Balance July 1, 1992	Additions	Balance August 31, 1992
Computer Equipment	\$112,672	\$4,239	\$116,911
Office Equipment	26,726	0	26,726
Investigative Equipment	59,465	1,581	61,046
	-----	-----	-----
Total	\$198,863	\$5,820	\$204,683
	=====	=====	=====

### 4. GAMING LABORATORIES PAYABLE

As of August 31, 1992, the Division had a balance of \$87,176 due to Gaming Laboratories International. This amount represents reimbursable expenses owed by slot machine manufacturers to the Division for Gaming Laboratories International.

### 5. BACKGROUND REFUNDS PAYABLE

As of August 31, 1992, the Division had a Background Refunds Payable of \$9,305. This liability is for background investigation deposit refunds to entities approved for permanent Limited Gaming Licenses.

## 6. DUE TO OTHER STATE AGENCIES

As of August 31, 1992, the Division had a liability to other State agencies for \$281,050 as follows:

Department of Revenue - Information Support Services	\$ 7,077
Department of Revenue - Indirect Costs	39,652
Colorado Bureau of Investigations - Personal Services	43,169
Colorado Bureau of Investigations - Prints and Name Searches	90,650
Colorado State Patrol	79,424
Colorado Fire Safety	16,911
Department of Local Affairs	4,167
	-----
TOTAL	\$ 281,050
	=====

## 7. BACKGROUND DEPOSITS

The \$ 457,351 of background deposits represent deposits received from applicants applying for gaming licenses. The deposits are used to perform background investigations. Said deposits are recorded as a liability until the Division incurs the expense or the remaining balance is refunded to the applicant.

## 8. FUNDS TO BE DISTRIBUTED - FISCAL YEAR 92

The Division shall distribute funds in the percentages called for under the provision of C.R.S., 12-47.1-701.(1)(c). The amount to be distributed is derived from revenues collected by the Division for the preceding fiscal year, after payment of the operating expenses of the Commission and other regulatory expenses, and after reserving an amount equal to all expenses for the preceding two-month period.

As of August 31, 1992, the remaining undistributed funds of \$4,557,365 for fiscal year 1992 are available for distribution, as follows:

State Historical Fund	\$2,552,124
City of Blackhawk	263,783
City of Central City	394,629
City of Cripple Creek	253,061
Teller County	303,673
Gilpin County	790,095
	-----
	\$4,557,365
	=====

## 9. ACCRUED COMPENSATED ABSENCES

All permanent employees of the Division may accrue annual and sick leave based on length of service. The accrued amount will be paid upon termination, subject to certain limitations.

Annual Leave	\$128,972
Sick Leave	14,242
	-----
Total	\$143,214
	=====

## 10. FUND BALANCE

In accordance with C.R.S. 12-47.1-701(1)(c), at the end of each state fiscal year the balance remaining in the Limited Gaming Fund is to be distributed by the State Treasurer according to the following formula:

- . Fifty percent (50%) to the General Fund,
- . Twenty-eight percent (28%) to the State Historical Fund,
- . Twelve percent (12%) to Gilpin and Teller counties (in proportion to the gaming revenues generated in the respective counties), and
- . Ten percent (10%) to the towns of Cripple Creek, Central City, and Black Hawk (in proportion to the gaming revenues generated in the respective towns).

Under the provision of C.R.S., 12-47.1-701(1)(d)(4), of the 50% distributed to the General Fund, two-tenths percent (.2%) is to be distributed to the Colorado Tourism Promotion Fund. In addition, a percentage (as determined by the Commission) will be distributed to the Contiguous County Limited Gaming Impact Fund as stated in C.R.S., 12-47.1-1401(2).

The amount to be distributed is derived from revenues collected by the Division for the preceding fiscal year after payment of the operating expenses of the Commission and other regulatory expenses, and after reserving an amount equal to all expenses for the preceding two-month period.

As of August 31, 1992, the amount to be reserved by the Division for all expenses for the preceding two-month period is \$814,510.

## **11. OTHER REVENUE**

For the two months ended August 31, 1992, the Division collected \$2,830 in Other Revenue, which consists of fees for photocopying and other miscellaneous fees.

## **12. LEASE SPACE**

The Division occupies office space in Denver, Cripple Creek and Central City. Rental payments are contingent upon the continuing availability of funds. Specific lease information follows:

### **DENVER:**

Effective October 11, 1991, the Division entered into a lease agreement with Galleria Towers, Inc. for office space at 720 South Colorado Blvd, Suite 540-S, Denver. The term of the lease is for five years and ends on October 31, 1996.

In fiscal year 1993, there will be a two-step expansion of the lease space. From July 1, 1992 through November 30, 1992, the monthly rent will be \$4,083. From December 1, 1992 through December 31, 1992, the monthly rent will be \$6,049, and starting January 1, 1993, the monthly rent will be \$6,986. The total rent for fiscal year 1993 will be \$68,382. The annual rent for lease space starting July 1, 1993 will be \$83,834.

### **CENTRAL CITY:**

Effective May 1, 1992, the Division entered into a lease agreement with Gilpin County for office space at 203 Eureka Street, Central City. The term of the lease ends on July 31, 1994. Annual rent for the lease space is \$11,313 to be paid monthly in the amount of \$943.

### **CRIPPLE CREEK**

Effective November 12, 1991, the Division entered into a lease agreement with Herbert L. and C. Kristen Sprague for office space at 511 E. Golden, Cripple Creek. The term of the lease is for three years and ends on June 30, 1994. Annual rent for fiscal year 1993 is \$12,000 to be paid monthly in the amount of \$1,000.

Effective October 1, 1992, the Division entered into a lease agreement with Michael and Daniel Pepe for office space at 513 E. Golden, Cripple Creek. The term of the lease is from October 1, 1992 through June 30, 1994. Nine months rent for fiscal year 1993 is \$9,000 to be paid monthly in the amount of \$1,000.

## 12. LEASE SPACE (Continued)

Additional lease information follows:

Office	Total Paid FY 1993	<u>Future Obligated Payments</u>				
		FY 1993	FY 1994	FY 1995	FY 1996	FY 1997
Denver	\$8,166	\$60,216	\$83,834	\$83,834	\$83,834	\$27,944
Central City	1,886	9,427	11,313	--	--	--
Cripple Creek	2,000	19,000	25,200	--	--	--
TOTAL:	<u>\$12,052</u>	<u>\$88,643</u>	<u>\$120,347</u>			

## 13. GAMING LABORATORIES INTERNATIONAL

The Division contracts with Gaming Laboratories International (GLI) to test slot machines to ensure compliance with the Colorado Gaming Regulations. Part of the costs associated with GLI are passed on to the manufacturers of the slot machines. For the two months ended August 31, 1992, total cost associated with GLI was \$62,613, of which \$62,590 was passed on to the manufacturers.

## 14. PENSION PLAN

Employees of the Division are covered by the Public Employees Retirement Association of Colorado (PERA). PERA is a cost-sharing multiple-employer.

The Division's total payroll for the two months ended August 31, 1992, was \$276,074; the total payroll for employees covered by PERA was \$267,459. Employer and employee obligations to contribute to PERA are established under Colorado State Law; specifically, Title 24, Article 51, C.R.S. For the two months ended August 31, 1992, the Division's contribution to PERA was \$28,351, which is 10.6% of covered payroll. Contributions by employees were \$21,377, which is 8% of covered payroll. Covered payroll equals total payroll less adjustments for the salary reduction "125 Plan" and flexible spending accounts.

#### **14. PENSION PLAN (Continued)**

An employee is eligible for full retirement benefits at age 55 with at least 30 years of service with the State and other entities covered by PERA, at age 60 with at least 20 years of service, or at age 65 with at least five years of service, or by earning 35 or more years of credited service. Reduced retirement benefits are available at age 55 with at least 20 years of service or at age 60 with at least five years of service.

Disability and survivors benefits are also available. PERA benefits vest after five years of service with covered employers. Benefit provisions are established under Colorado State Law, specifically, Title 24, Article 51, C.R.S.

The pension benefit obligation, which is the actuarial measure of the present value of credited projected benefits, is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and any step-rate benefits, estimated to be payable in the future as a result of employee services to date. The measure is intended to help users of agency's financial statements assess PERA's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among PERA and other pension programs and among employers.

The annual report of PERA provides historical trend information under the heading "Schedule of Funding Progress." This historical trend information shows the progress being made in accumulating sufficient assets to pay benefits when due.

## Colorado Limited Gaming Control Commission

Minutes of Meeting  
October 21, 1992

The meeting was called to order by the Chairperson of the Colorado Limited Gaming Control Commission, Aurel Kelly, at 9:15 a.m. on October 21, 1992, at 720 S. Colorado Blvd., 1st floor conference room, Denver, Colorado. Present were Commissioners Ben Brower, LaVoy Robison and Dan Hyatt. Also attending were Division of Gaming Director, Roger Morris, Chief of Investigations, Mel Grantham, Deputy Chief of Investigations, Jim Cain, Public Information Officer, Tom Kitts, and Assistant Attorneys General, Sue Beck-Ferkiss and Mark Gerganoff, Investigator Phil Dinan, Investigator Chris Hartman, Investigator Eric Hartsough, Investigator Huck Henderson, Investigator Rennea Jensen-Brown, Investigator Kristie McDonald, Investigator Jack Seward, Investigator James Taylor, Investigator Clifford Volz, Investigator Phil Wargo, Criminal Financial Auditor, Kendall Dittmer and from the South Dakota Gaming Commission Don Gromer, Karen Crew, Karl Fischer, Chuck Lien, Kristi Wagner, and Jack Yonkivich. Members of the public making presentations included Andrea Schatz.

The first organizational matter brought before the Commission was the swearing in of the new investigators for the Division of Gaming. The investigators that were sworn in by Chairperson Kelly included Phil Dinan, Eric Hartsough, Rennea Jensen-Brown, Kristie McDonald, Jack Seward, James Taylor, Clifford Volz, and Criminal Financial Auditor, Kendall Dittmer.

Mr. Morris announced that the South Dakota Gaming Commission present there and introduced Don Gromer, the Executive Secretary of the South Dakota Commission. Mr. Gromer introduced Karen Crew, Karl Fischer (Vice Chairman), Chuck Lien (Chairman), Kristi Wagner, and Jack Yonkivich. Mr. Gromer thanked the Colorado Gaming Commission for inviting them to Colorado.

Mr. Morris noted that the Joint Budget Committee (JBC) was interested at some point in obtaining some information from the Division of Gaming and the Commission. Chairperson Kelly said she would be glad to meet with the JBC to discuss matters with them.

The Chair called for a motion to adopt the Minutes of the Meetings of September 21, September 22, September 28, and September 29, 1992. Mr. Robison asked Ms. Seegmiller to change September 28, 1992, 3rd page, second to last paragraph, to accurately reflect Mr. Hyatt's request from the Department of Revenue to work up some figures with an effective tax rate up to 25%. Ms. Seegmiller said she would make this change. The Chair called again for a motion to adopt the Minutes of September 21, September 22, September 28, as amended, and

September 29, 1992. Mr. Brower made the motion. Mr. Hyatt seconded the motion. The motion was adopted.

The Commission discussed the "Statement of Position - Gaming Tax". After some discussion the Chairperson asked the Assistant Attorney General, Mark Gerganoff, to review the draft on the Statement of Position and make sure that the Commission has the authority to do what they have done, and to prepare an informal opinion. Mr. Gerganoff said he would do so.

The Chair called for a motion to go into executive session at 9:36 a.m. for the purpose of reviewing and considering temporary and permanent licensure and the backgrounds of various applicants for gaming licenses. Mr. Hyatt made the motion. Mr. Brower seconded the motion. The motion was adopted.

The meeting was recessed at 12:00 p.m. for lunch by Chairperson Kelly.

The meeting reconvened into executive session at 1:35 p.m. by Chairperson Kelly.

The meeting reconvened into public session at 2:55 p.m. by Chairperson Kelly.

The Chair called for a motion to issue to STELLA ELECTRONIC SPIELGERATE GMBH, a permanent manufacturer license, effective October 21, 1992, at 3:00 p.m. and expiring one year from that date. Mr. Hyatt made the motion. Mr. Brower seconded the motion. The motion was adopted.

Ms. Schatz, an officer of STELLA, thanked the Commission for all their hard work.

The Chair called for a motion to issue to PONY EXPRESS, INC., and CREEKERS, INC., operator and retailer licenses, and issue to SIGMA GAME, INC., ROYAL BELL, I.G.T., I.G.T. COLORADO CORP., and DEWITT TRANSPORTATION, manufacturer/distributor licenses, all to expire in 1993 on the respective dates when the licenses were originally issued. Mr. Hyatt made the motion. Mr. Brower seconded the motion. The motion was adopted.

The Chair called for a motion to reprimand DEWITT TRANSPORTATION for the transaction involving Richard Tremayne and the of issuance of credit, which is contrary to the Limited Gaming Act, and asked that the Attorney General write the reprimand for the Chair's approval. Mr. Brower made the motion. Mr. Robison seconded the motion. The motion was adopted.

The Chair called for a motion to authorize the Chair to sign the final reprimand for Dewitt Transportation. Mr. Robison made the motion. Mr. Hyatt seconded the motion. The motion was adopted.

The Chair called for a motion to issue to SMK CORP., a temporary manufacturer and distributor license for three months, effective upon the expiration of the current license. Mr. Robison made the motion. Mr. Hyatt seconded the motion. The motion was adopted.

The Chair called for a motion to issue to COLORADO GAME EXCHANGE, a temporary manufacturer and distributor license. This license shall be a temporary license valid only until a renewal hearing can be held. In no event shall the term of this license exceed six months, and no officer or director shall have any criminal arrest during the duration of this license. Mr. Hyatt made the motion. Mr. Robison seconded the motion. The motion was adopted.

The Chair called for a motion to issue a temporary six month manufacturer and distributor license to UNIVERSAL DISTRIBUTING OF NEVADA, INC., effective upon expiration of the current license. Mr. Hyatt made the motion. Mr. Robison seconded the motion. The motion was adopted. The Commission asked Mr. Morris to arrange to have at the next meeting UNIVERSAL DISTRIBUTING OF NEVADA, so the Commissioners could obtain answers to a few questions. Mr. Morris said he would do so.

The Chair called for a motion to go into executive session at 3:05 p.m. to discuss background information and procedures with the South Dakota Gaming Commission. Mr. Hyatt made the motion. Mr. Robison and Mr. Brower seconded the motion. The motion was adopted.

The meeting was recessed at 3:49 p.m. by Chairperson Kelly.

The meeting was reconvened into public session at 4:05 p.m. by Chairperson Kelly.

The Chair called for a motion to approve premise modifications and additional investors in CENTRAL CITY GAMING INVESTORS, L.P., doing business as THE GLORY HOLE SALOON & GAMING HALL, to include: Curtis Rochelle (3.96934%); Riordan Communications Limited (1.71%); Leonard E. Allsup (1.53395%); and Dean Gilbert (1.49764%). Mr. Hyatt made the motion. Mr. Brower seconded the motion. The motion was adopted.

The Commissioners noted they had read the transcript of the appeal hearing held on September 3, 1992, on support applicants David Moya, and Karl Berge.

The Chair called for a motion to approve and adopt the "Findings of Fact, Conclusions of Law and Order" on Case Number GAD92004, for David Moya, submitted by the Attorney General, Sue Beck-Ferkiss, and to authorize the Chair to sign the Order. Mr. Hyatt made the motion. Mr. Robison seconded the motion. The motion was adopted.

The Chair called for a motion to approve and adopt the "Findings of Fact, Conclusions of Law and Order" on Case Number GAD92005, for Karl Berge, submitted by the Attorney General, Sue Beck-Ferkiss, and to authorize the Chair to sign the Order. Mr. Robison made the motion. Mr. Brower seconded the motion. The motion was adopted.

The Chair called for a motion to approve the Order to Grant Dismissal on Terry Maxwell, Denial Case Number GAD92008, and to authorize the Chair to sign the Order. Mr. Robison made the motion. Mr. Brower seconded the motion. The motion was adopted.

The Chair called for a motion to approve the Order to Grant Dismissal on William Moore, Denial Case Number GAD92006, and to authorize the Chair to sign the Order. Mr. Robison made the motion. Mr. Brower seconded the motion. The motion was adopted.

Mr. Grantham notified the Commission that the Denver lease agreement was completed and needed the Commission's approval.

The Chair called for a motion to approve the Denver lease agreement and authorize the Chair to sign. Mr. Robison made the motion. Mr. Hyatt seconded the motion. The motion was adopted.

Mr. Morris brought a request from George Vahsholtz, a private attorney, to the Commissioners requesting temporary relief in the case of Susan Petersilie, a support licensee that was denied her renewal license. Mr. Morris noted that her attorney's request the Commission grant temporary relief to Ms. Petersilie until a hearing can be held.

After some discussion, the Chair called for a motion to direct the Director to issue a temporary license to Susan Petersilie until a hearing

Page 5 of 5  
October 21, 1992

can be held. Mr. Robison made the motion. Mr. Hyatt seconded the motion. The motion was adopted.

There being no further business to come before the Commission, the meeting was adjourned at 5:05 p.m.

Sandie Seegmiller  
Sandie Seegmiller, Secretary

## COLORADO LIMITED GAMING CONTROL COMMISSION

Minutes of Meeting  
October 22, 1992

The meeting was held in Central City, Colorado, on October 22, 1992, beginning at 10:00 a.m. Present were Commissioners Ben Brower, Dan Hyatt and Aurel Kelly. Absent and excused was LaVoy Robison. Also attending were Division of Gaming Director, Roger Morris, Public Information Officer, Tom Kitts, Supervisor of the Central City/Black Hawk Gaming Office, Jim Husky, and Secretary, Sandie Seegmiller. From the South Dakota Gaming Commission were: Don Gromer; Karen Crew; Karl Fischer; Chuck Lien; Kristi Wagner; and Jack Yonkivich. Members of the public present were: Greg Moates, from the Weekly Register; and Peter Droege, from the Colorado Gambler.

The Commissioners arrived at 203 Eureka Street where they met Mr. Husky. He proceeded to give them an over view of the gaming industry. Their photographs were taken by Mr. Moates.

The Colorado Limited Gaming Control Commissioners and the South Dakota Commissioners toured Central City; and they spoke with various employees of several casinos and met with the public.

The tour ended at 11:30 a.m. October 22, 1992.

  
Sandie Seegmiller, Secretary

## Colorado Limited Gaming Control Commission

Minutes of Meeting  
September 29, 1992

The meeting was called to order by the Chairperson of the Colorado Limited Gaming Control Commission, Aurel Kelly, at 9:17 a.m. on September 29, 1992, at 200 E. Colfax, in the Old Supreme Court Chambers, Denver, Colorado. Present were Commissioners Ben Brower, LaVoy Robison and Dan Hyatt. Also attending were the Department of Revenue Executive Director, Renny Fagan, Department of Revenue Deputy Director, Amelie Buchanan, Division of Gaming Director, Roger Morris, Chief of Investigations, Mel Grantham, Public Information Officer, Tom Kitts, and Assistant Attorney General, Sue Beck-Ferkiss. Persons making presentations included: from the Office of the Executive Director, Jim Huyghebaert; and the Division of Gaming Controller, Joe Papish. Members of the public making presentations were Bill Large, Christine McCleary, Jacque Machol, and Ted Simon.

Mr. Huyghebaert discussed with the Commission projected gaming revenues by casino size, with graduated adjusted gross proceeds tax rates and a device fee of \$100 and \$200.

Mr. Large, owner of Wild Bills, said he felt the tax rate last year was good, but felt the device fee was a burden both at the local level and the state level. He suggested that, if they were to get rid of the device fee for one year, it would help the industry.

Ms. McCleary, partner in a couple of casinos, suggested that when they set the brackets that the first bracket be AGP up to 2 million dollars and the second bracket to be 2 million dollars and over. She stated that, if they set the first bracket at 1 million dollars, it would not provide the smaller casinos any relief-- because most small casinos will hit the 1 million dollar mark fairly quickly.

Mr. Machol, partner in the Independence Hotel and Maverick's Casinos, said that in the last few months (when more casinos were coming on line) the revenue for the existing casinos was dramatically dropping. He suggested that they make the first bracket 1.2 million dollars; and suggested the device fee be set at \$100.00 for the first 100 devices, and anything over 100 devices be charged \$125.00 per device.

Mr. Simon, partner in Black Diamond, suggested that the first bracket the Commission has considering be bumped up to 2 million dollars instead of 1 million dollars. He stated the small casinos need all the help they can get.

The meeting was recessed at 10:15 a.m. by Chairperson Kelly.

The meeting was reconvened at 10:40 a.m. by Chairperson Kelly.

The Commission expressed to the public what their obligations were when setting the tax rate,

and one of those obligations is to insure that the gaming business as a whole be allowed to make a fair and just profit. They thanked all of those who testified on the tax issues.

The Chair called for a motion to amend Regulation 12-47.1-1401, tax rate, brackets and the device fee. Mr. Hyatt made a motion to set the tax rate for Class A (\$0 to 1,000,000) at 2%, and the tax rate for Class B (over \$1,000,000) at 21%, with a device fee of \$100.00. The Chair seconded the motion.

Mr. Robison said he would feel more comfortable if they were to use 20% on the upper tier, and \$150.00 for the device fee.

After some discussion on the effective rate, Mr. Hyatt made a motion to amend his motion to set the tax rate for Class B (over \$1,000,000) at 20% and the device fee at \$150.00 with Class A to remain at 2% for the first million dollars. Mr. Robison seconded the motion. The motion was adopted.

The Chair called for a motion to amend 12-47.1-1401 to adopt a tax rate of 2% on the first 1 million dollars of proceeds, and a tax rate 20% on anything over one million dollars of proceeds, and to set a fee of \$150.00 per device. Mr. Robison seconded the motion. All were in favor: the motion was adopted.

The Chair called for a motion to allow this amendment to Regulation 47.1-1401 to be made both temporary and as a permanent rule change. Mr. Robison made the motion. Mr. Brower seconded the motion. The motion was adopted.

Mr. Hyatt suggested that the Commission consider allowing the device fee to be paid semi-annually or quarterly.

Mr. Robison made a motion that the device fee be allowed to be paid semi-annually: October 1 and April 1, \$75.00 at each period and that it be considered due on devices regardless of later decreases in the number of devices in a particular casino. Mr. Hyatt seconded the motion. The motion was adopted.

The Chair called for a motion to retain the 3% tax rate on charitable gaming. Mr. Brower made the motion. Mr. Hyatt seconded the motion. The motion was adopted.

Mr. Papish discussed with the Commission the situation concerning a few items which were approved last year -- where the Division did not spend the money last year for those items. He asked that the Commissioners approve a total of \$39,941 (Personnel Services -\$24,481; Lease Costs - \$464; Laptops for Audit Section - \$4,238; Furniture for Audit Section -\$3,998; Furniture

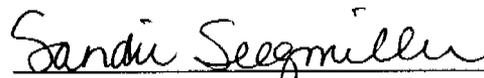
for Licensing Section - \$520; Body Transmitter - \$6,240) to be added to the 1992 budget, and authorize the spending of this amount. He also asked that they approve \$100,500 to be transferred from the "Indirect Costs" category to "Technical Personal Services" category. He noted the reason for this was there was a change in policy so that Information Support Services will now bill the Division of Gaming for actual services performed by its staff. Mr. Brower made the motion. Mr. Hyatt seconded the motion. The motion was adopted.

The meeting was recessed at 11:53 p.m. by Chairperson Kelly.

The meeting was reconvened at 12:02 p.m. by Chairperson Kelly.

The Chair called for a motion to approve the Bill of Particulars on West Pikes Peak Entertainment and authorize the Chair to sign on behalf of the Commission. Mr. Brower made the motion. Mr. Robison seconded the motion. The motion was approved.

There being no further business to come before the Commission, the meeting was adjourned.

  
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Sandie Seegmiller, Secretary

## Colorado Limited Gaming Control Commission

Minutes of Meeting  
September 28, 1992

The meeting was called to order by the Chairperson of the Colorado Limited Gaming Control Commission, Aurel Kelly, at 9:13 a.m. on September 28, 1992, at 200 E. Colfax, in the Old Supreme Court Chambers, Denver, Colorado. Present were Commissioners Ben Brower, LaVoy Robison and Dan Hyatt. Also attending were the Department of Revenue Executive Director, Renny Fagan, Department of Revenue Deputy Director, Amelie Buchanan, Division of Gaming Director, Roger Morris, Chief of Investigations, Mel Grantham, Public Information Officer, Tom Kitts, and Assistant Attorney General, Sue Beck-Ferkiss. Persons making presentations included: from the Office of the Executive Director, Jim Huyghebaert, and Investigator Huck Henderson. Members of the public making presentations were Ross Grimes, Virginia Lewis, Mike Huseby, Tom Lettero, Jerry Brown, Rob Whitacre, Mark Hemmeter, and Sharron Slavens.

Chairperson Kelly asked Mr. Morris if he had any organizational matters to discuss with the Commission; he stated that he did not have any informational or organizational matters to report at that time.

The Chair asked if any persons from the public had any concerns to be brought before the Commission.

Mr. Grimes, owner of Famous Bonanza, said that he would like to distribute a self-explanatory tax method using different tax rates that he would like for the Commissioners to consider. Mr. Brown, part owner of Crook's Palace, was there speaking on behalf of a mother that asked him to speak for her. He said that the employees feared that, if the Commission raised the tax rate, many of them would lose their jobs.

The Chair called for a motion to go into executive session at 9:19 a.m. for the purpose of reviewing and considering temporary and permanent licensure and the backgrounds of various applicants for gaming licenses. Mr. Hyatt made the motion. Mr. Brower seconded the motion. The motion was adopted.

The meeting was reconvened into public session by Chairperson Kelly at 11:20 a.m.

The Chair announced that consideration of INDEPENDENCE HOTEL, LIMITED PARTNERSHIP and UNIVERSAL GAMING TECHNOLOGY, INC., dba SILVER MINE CASINO, would be postponed until the afternoon.

The Chair called for a motion to issue to LEASTEC CORPORATION, dba EARNEST GROUP, INC., and BLACK FOREST INN, INC., dba OTTO'S, permanent operator and retailer licenses, for the premises set forth in the applicants' gaming license applications, effective one year from the original expiration dates. Mr. Hyatt made the motion. Mr. Brower seconded the motion. The motion was adopted.

The Chair called for a motion to issue to GAM BELL OF CRIPPLE CREEK, INC., dba WILD HORSE SALOON & GAMBLING HALL, and GOLDEN ROSE CASINO, dba GOLDEN ROSE CASINO, temporary operator and retailer licenses for the premises set forth in the applicants' gaming license applications, effective for ninety days from the original expiration dates. Mr. Hyatt made the motion. Mr. Brower seconded the motion. The motion was adopted.

The Chair called for a motion to approve the settlement and lease agreement between GOLD VEIN LIMITED LIABILITY COMPANY and Barbara Novicke as outlined in the September 25, 1992, letter to Roger Morris and authorize the Chair to sign the Order approving the agreement. Mr. Brower made the motion. Mr. Hyatt seconded the motion. The motion was approved.

The Chair then opened the meeting up for discussion on the tax issues, and she asked for comments on positive impacts the industry has brought to the communities.

Mr. Whitacre commented that various people and businesses had benefitted from the gaming industry. Some of those he mentioned were: Gilpin County Schools; Elks Lodge; the restoration of trains; and the charity nights that are held at the casinos.

Ms. Lewis said that, as a result of gaming, some of the residents' concerns have been met, and some casinos have also responded to requests for schools needing computers. The casinos also employ hundreds of people.

Ms. Slavens said, as a CPA, she has noticed a higher volume of business being conducted in the smaller business due to the gaming industry.

The meeting was recessed at 11:56 a.m. by Chairperson Kelly.

The meeting was reconvened at 1:55 p.m. by Chairperson Kelly.

Ms. Buchanan stated that, per the Commissioners' request, the Department of Revenue had reviewed the material provided to them from Arthur Anderson. She asked that Mr. Huyghebaert give a summary of the report.

Mr. Huyghebaert stated that, after reviewing the information given to the Department of Revenue by Arthur Anderson, that study focused on gaming devices and averages and not actual casinos or casino group profiles. In the statute the Commission is required to examine the profitability and financial health of individual casinos and the industry in general.

Mr. Huseby responded by saying that their study was based on a two-month period (July & August) and the reason for only having two months of data was due to their belief the industry had dramatically changed from June -- for which the Commission already had data. He said he did not realize the Commissioners had criteria the study had to meet.

Mr. Robison announced that he asked the Department of Revenue to put together information on two brackets consisting of \$0 to \$1,000,000 for the lower tax rate and \$1,000,000 and over for a higher tax rate.

Mr. Huyghebaert reviewed the requested material he had put together with \$0 to \$1,000,000 with a 2% tax, and \$1,000,000 and over at 17%, 18%, and 20%.

Mr. Hyatt expressed his views on the reasons why the industry was experiencing lower revenues per machine.

Mr. Robison called for a motion to take all the comments up to date on the tax issue and end the tax discussion. There being no second, the motion failed.

The meeting was recessed at 3:13 p.m. by Chairperson Kelly.

The meeting was reconvened at 3:35 p.m. by Chairperson Kelly.

Mr. Hyatt requested that the Department of Revenue run one more study using an effective tax rate between 15% and 25% with a \$100/\$200 device fee. Ms. Buchanan said that they would have that for the Commissioners for the September 29 meeting.

The Chair called for a motion to go into executive session at 3:40 p.m. to review tax information on various casinos and to consider temporary and permanent licensure and the backgrounds of various applicants for gaming licenses. Mr. Hyatt made the motion. Mr. Brower seconded the motion. The motion was adopted.

The meeting reconvened into public session at 4:00 p.m. by Chairperson Kelly.

The Chair called for a motion to issue to INDEPENDENCE HOTEL, LTD. PARTNERSHIP temporary operator and retailer licenses, for the premises set forth in the applicant's gaming license application, for six months from their respective expiration dates, under the same conditions that pertained to their prior licenses. With respect to associated person Jacques Machol III, the following conditions apply during the term of these temporary licenses: 1. Mr. Machol shall have no association or personal contact with any of following individuals: Roland Iacino; John Santucci; Pete Iacino; Sol Davidson; Joey Napolitan; 2. Licensee Machol shall not, without prior notification to the Division, employ or associate with any individual, not already possessing a limited gaming license, having an extensive criminal background or individuals known by Machol to have any felony convictions; 3. Licensee Machol shall comply with all the laws of the State of Colorado. Mr. Hyatt made the motion. Mr. Brower seconded the motion. The motion was adopted.

The Chair called for a motion to issue to UNIVERSAL GAMING TECHNOLOGY, doing business as SILVER MINE, permanent operator and retailer licenses effective upon expiration of the existing temporary licenses and to expire one year from the respective dates of the issuance of the original temporary licenses. Mr. Hyatt made the motion. Mr. Brower seconded the motion. The motion was adopted.

There being no further business to come before the Commission, the meeting was adjourned at 4:03 p.m.

  
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Sandie Seegmiller, Secretary

## Colorado Limited Gaming Control Commission

Minutes of Meeting  
September 22, 1992

The meeting was called to order by the Chairperson of the Colorado Limited Gaming Control Commission, Aurel Kelly, at 9:12 a.m. on September 22, 1992, at 200 E. Colfax, in the Old Supreme Court Chambers, Denver, Colorado. Present were Commissioners Ben Brower, LaVoy Robison and Dan Hyatt. Also attending were the Department of Revenue Executive Director, Renny Fagan, Department of Revenue Deputy Director, Amelie Buchanan, Division of Gaming Director, Roger Morris, designee for Enforcement Section, Phil Wargo, Public Information Officer, Tom Kitts, and Assistant Attorney General, Sue Beck-Ferkiss. Persons making presentations included; from the Office of the Executive Director, Jim Huyghebaert, and Susan Conwell. Members of the public making presentations were Virginia Lewis, Mike Huseby, Tom Lettero, Jerry Brown, Rob Whitacre, Ted Parker, Carol Capps, Mark Hemmeter, Gary Rieff, Ron Knauber, Sharon Perea, Sherron Slavens, Mike Kelly, Shannon Hopkins, and Joe Behm.

Mr. Morris took a moment to introduce the new Commissioner, Daniel Hyatt. Mr. Hyatt said that he was looking forward to the challenge of working with this Commission.

Chairperson Kelly announced that she would like to read the standard conditions for the operator and retailer licenses and refer to them in the future as "Standard Operator and Retailer Conditions" instead of reading them aloud each time. She said that she will request that the secretary put the conditions in full in the minutes. They are as follows:

- a. Confirmation that a valid certificate of occupancy has been issued by the appropriate local authorities for the building in which limited gaming is to be conducted.
- b. Confirmation by the local historical preservation commission that the building in which limited gaming is to be conducted meets the architectural requirements of the Limited Gaming Act of 1991.
- c. Certification by the appropriate local officials that the building in which limited gaming is to be conducted meets the standards for fire safety set forth in the Limited Gaming Act of 1991.
- d. Certification by the appropriate local official that access to the building for the handicapped has been approved as required in the Limited Gaming Act of 1991.
- e. Payment in advance of the amount of the state device fee for all devices to be used in limited gaming.

The Chair called for a motion to adopt the foregoing as "Standard Operator and Retailer Conditions". Mr. Brower made the motion. Mr. Hyatt seconded the motion. The motion was adopted.

Ms. Buchanan announced the Department of Revenue would be presenting various tax rates with the rate of return to the Commission per their request from the last meeting. She also noted that part of their presentation will take place in executive session due to the sensitivity of the financial material.

Ms. Conwell discussed the rate of return options. She illustrated with two-tiered tax rates and with three-tiered tax rates as well as different device fees.

Mr. Huyghbaert presented the options of modifying the tax brackets, tax rates and the state device fee that was adopted last year by the Commission.

The Chair called for a motion to go into executive session at 9:55 a.m. to review tax information on various casinos. Mr. Brower made the motion. Mr. Hyatt seconded the motion. The motion was adopted.

The meeting was reconvened into public session at 11:00 a.m. by Chairperson Kelly.

Ms. Lewis, President of Black Hawk Owners Association and casino owner, announced that some of the casino owners, in conjunction with Arthur Anderson, compiled information on the casinos' financial health. She introduced Mike Huseby, a CPA from Arthur Anderson.

Mr. Huseby briefly gave the results of the survey they had conducted on the information provided by the casinos. Mr. Huseby said that, based on the survey, he believed that since June 1, 1992, when the industry thought it would be the most profitable, it had deteriorated drastically. He told the Commission he thought it was to soon to change the tax rate; he thought the industry needed to be more stable.

Mr. Lettero, Bullwhacker's Chief Financial Officer, spoke to the Commissioners on what the casinos were facing at this time. He told the Commissioners that there was a 90% decrease in June due to the number of devices that had come on line, and it was only going to get worse with the number of proposed casinos to open soon. He thought the industry was too unpredictable to change the tax rate at this time.

Mr. Brown, Partner of Crook's Place, said that in the past three months business was at a frightening low. He asked the Commissioners to keep this in mind when considering the tax rate.

Mr. Parker, General Manager for the Tollgate Casino, noted how the industry has declined since July 1, and was concerned about the tax rate changing before the stability of the industry was established.

Ms. Capps, Director of the Glory Hole, said that the projection she had submitted to the Department of Revenue for the Glory Hole were too high, and have been continually going down ever since. She also thought it was to soon to change the tax rate.

Mr. Mark Hemmeter noted that for the industry to be profitable, the taxes needed to be decreased.

Mr. Rieff, attorney for various casinos, addressed his concerns about the industry's stability and how it needed more time to achieve this stability. He noted that the State should encourage growth, and not raise the tax.

Chairperson Kelly announced that the Commissioners were familiar with the needs of the industry, and that they have been following the financial health of the industry.

The meeting was recessed at 12:30 p.m. by Chairperson Kelly.

The meeting was reconvened at 1:50 p.m. by Chairperson Kelly.

Mr. Hyatt wanted to make a statement regarding the tax material that had been given to him by the casinos, and invited discussion on this matter:

"If taxes remain the same, then more investment capital is available. If more investment capital is available, more devices will be added. If more devices are added the AGP per device would decline further. If the AGP per device declines further, the casinos will lose more profit. Therefore, the tax ought to be raised."

Mr. Rieff addressed Mr. Hyatt's comments and stated that, no matter what, the industry was going to have a shake out, and a higher tax rate would worsen it.

Mr. Robison asked why the information provided to Arthur Anderson was not made available to the Department of Revenue. He said he felt it was the owners' obligation to provide the best information possible to the Department so the Commission could come up with a fair and just tax rate.

Mr. Lettero and Mr. Huseby said it was not their intent to acquire any information which the Commission did not have. Mr. Lettero noted that Arthur Anderson acted as a support vehicle

compile the information from casinos.

Mr. Knauber, part owner of the El Dorado Casino and Chief Financial officer, asked that the Commission consider small casinos to be those with 115 machines or less and 4 tables.

The meeting was recessed at 3:11 p.m. by Chairperson Kelly.

The meeting was reconvened at 3:31 p.m. by Chairperson Kelly.

Ms. Perea, part owner in Gregory Street Casino, addressed her concerns regarding small casinos. She said she would like to see a lower tax rate or see the \$440,000 bracket raised to \$800,000.

Ms. Slavens, owner of a small tax firm, said she would like to see small casinos make it, and a lower tax rate would help.

Mr. Behm, Director of the Central City Gaming Owners Association, said the Association is concerned with the what the patrons may be experiencing. He said he would like to see the industry, including the small casinos make it, as well as the bigger casinos.

Ms. Hopkins, from the Cripple Creek Owners Association, stated that she would like to see the tax rate stay the way it is until the industry stabilized. She said she believed the tax rate the Commissioners imposed for the first gaming year was good.

Mr. Kelly, Director of the Black Hawk Owners Association, stated that the Commission would be able to make a better decision on setting a tax rate if they had another year of gaming history.

The Commission thanked everybody for appearing before them.

The Chair called for a motion to go into executive session at 3:45 p.m. to review tax information on various casinos. Mr. Robison made the motion. Mr. Brower seconded the motion. The motion was adopted.

The meeting was reconvened into public session at 4:07 p.m. by Chairperson Kelly.

The Commission reviewed the Notice of Denial for West Pikes Peak Entertainment prepared by Ms. Sue Beck-Ferkiss. Chairperson Kelly called for a motion to authorize the Chair to sign the Notice of Denial. Mr. Brower made the motion. Mr. Hyatt seconded the motion. The motion was adopted. The Chair asked Ms. Beck-Ferkiss and the Director of the Division to collaborate in the preparation of a the Bill of Particulars for West Pikes Peak Entertainment and present it to the Commission at the next Commission meeting.

Ms. Beck-Ferkiss briefed the Commissioners on the Traci L. Fickel and Dennis Agnew Summary Suspension hearing that was to be held on that day. Ms. Beck-Ferkiss noted that both Mr. Agnew and Ms. Fickel had surrendered their gaming licenses, and asked the Commission to accept the Affidavit to Surrender license for Traci Fickel and Dennis Agnew.

The Chair called for a motion to accept the Affidavit of Surrender of Limited Gaming License of Dennis Agnew and Traci Fickel. Mr. Hyatt made the motion. Mr. Brower seconded the motion. The motion was adopted.

There being no further business to come before the Commission, the meeting was adjourned at 4:29 p.m.

  
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Sandie Seegmiller, Secretary

## Colorado Limited Gaming Control Commission

Minutes of Meeting  
September 21, 1992

The meeting was called to order by the Chairperson of the Colorado Limited Gaming Control Commission, Aurel Kelly, at 9:11 a.m. on September 21, 1992 at 200 E. Colfax, in the Old Supreme Court Room, Denver, Colorado. Present were Commissioners Ben Brower, LaVoy Robison, and Dan Hyatt. Also attending were the Department of Revenue Executive Director, Renny Fagan, Department of Revenue Deputy Director, Amelie Buchanan, and as the designee for Gaming Division, Chief of Investigations, Mel Grantham. Also present were Public Information Officer, Tom Kitts, and Assistant Attorney General, Sue Beck-Ferkiss. Persons making presentations included: Division of Gaming Investigator Vic Freburg; Investigator Phil Wargo; Investigator Mark Walters; and Investigator Ralph Henning. Members of the public making presentations included John Tipton.

Chairperson Kelly opened the meeting by voicing a kind remembrance for Ava Brackett, a Gaming Control Commissioner, who passed away on September 12, 1992. She noted what an addition she was to the Commission and that she will be deeply missed.

Mr. Tipton came to pay his respects to Ava Brackett. Mr. Robison added to what Mr. Tipton and Chairperson Kelly had to say and made a motion that the Commission reduce to writing the comments that had been made, make that part of the permanent record, and forward a copy to her family. Mr. Brower seconded the motion. The motion was adopted. (Exhibit 1).

Chairperson Kelly called for a motion to adopt the Minutes of the Meetings of September 9, 1992, and September 10, 1992, without reading. Mr. Robison asked Ms. Seegmiller to make a minor change to the September 10, 1992, Minutes. Ms. Seegmiller agreed to make this change. Chairperson Kelly called for a motion to adopt the minutes, as amended. Mr. Brower made the motion. Mr. Robison seconded the motion. The motion was adopted.

Chairperson Kelly asked Mr. Grantham if he had any organizational matters to discuss with the Commission; he stated that he did not have any informational or organizational matters to report at that time.

The Chair called for a motion to go into executive session at 9:20 a.m. for the purpose of reviewing and considering temporary and permanent licensure and the backgrounds of various applicants for gaming licenses. Mr. Brower made the motion. Mr. Robison seconded the motion. The motion was adopted.

The meeting was recessed at 12:25 p.m. by Chairperson Kelly.

The meeting has reconvened into public session at 2:15 p.m. by Chairperson Kelly.

The Chair called for a motion to issue to RESORTS INTERNATIONAL, INC. (a publically traded corporation) doing business as LILLY BELL'S, temporary operator and retailer licenses, for the premises set forth in the applicant's gaming license application, effective September 21, 1992, at noon, and expiring at 11:59 a.m. on March 20, 1993, and to issue to GILPIN HOTEL VENTURE, doing business as GILPIN HOTEL CASINO, LTD., permanent operator and retailer licenses, for the premises set forth in the applicant's gaming license application, effective September 21, 1992, at noon, and expiring at 11:59 a.m. on September 20, 1993.

Such licenses were granted as conditional licenses subject to the following conditions: No limited gaming shall be conducted or permitted on the licensed premises of the applicant prior to 8:00 a.m. on September 21, 1992; and no limited gaming shall be permitted or conducted on the licensed premises even after 8:00 a.m. on September 21, 1992, unless the following requirements are met. These requirements are actual receipt by the Division of Gaming of the following:

- a. Confirmation that a valid certificate of occupancy has been issued by the appropriate local authorities for the building in which limited gaming is to be conducted.
- b. A confirmation by the local historical preservation commission that the building in which limited gaming is to be conducted meets the architectural requirements of the Limited Gaming Act of 1991.
- c. A certification by the appropriate local officials that the building in which limited gaming is to be conducted meets the standards for fire safety set forth in the Limited Gaming Act of 1991.
- d. A certification by the appropriate local official that access to the building for the handicapped has been approved as required in the Limited Gaming Act of 1991.
- e. Payment in advance of the amount of the state device fee for all devices to be used in limited gaming.

With respect to GILPIN HOTEL VENTURE, doing business as GILPIN HOTEL CASINO, the following condition applies:

- \* Joseph Capps shall not participate in the management or be employed by GILPIN HOTEL VENTURE;
- \* Kathy Dunlap and Frank Day shall have no further incidents involving driving

under the influence of alcohol or drugs.

Mr. Brower made the motion. Mr. Robison seconded the motion. The motion was adopted.

The Chair called for a motion to issue to WEST PIKES PEAK ENTERTAINMENT, INC. a second renewed operator license for six months from its respective expiration date, under the same conditions that pertained to their prior license. There was no motion. Therefore, the motion died.

The Chair called for a motion that the second temporary license for WEST PIKES PEAK ENTERTAINMENT, INC., be denied and a Notice of Denial be sent out stating the grounds on which the Commission has chosen not to renew pursuant to the statute. The grounds the chair noted were as follows:

1. The failure of WEST PIKES PEAK ENTERTAINMENT to prove that it is qualified for licensure pursuant to the statute (Limited Gaming Act of 1991).
2. The operation of the business has been unsuitable.
3. WEST PIKES PEAK ENTERTAINMENT failed to provide documentation and factual information concerning a loan transaction conducted by the business.

Mr. Robison made the motion. Mr. Brower seconded the motion. The motion was adopted.

The Chair called for a motion to issue renewed licenses for one year from their respective expiration dates, under the same conditions that pertained to their prior licenses, to: DOSTAL ALLEY, INC., doing business as DOSTAL ALLEY SALOON & GAMBLING EMPORIUM; MOLLY'S LIMITED LIABILITY CO., doing business as MOLLY'S; GRUBSTAKE INN LIMITED LIABILITY COMPANY, doing business as GRUBSTAKE INN; CENTRAL CITY GAMING INVESTORS LTD, doing business as THE GLORY HOLE SALOON AND GAMING HALL; PIONEER GROUP, INC., doing business as BRONCO BILLY'S; THE PIONEER GROUP, INC., doing business as NARROW GAUGE GAMING DEPOT AND SALOON; JOHNNY NOLON SALOON & GAMBLING EMPORIUM, doing business as JOHNNY NOLON SALOON & GAMBLING EMPORIUM; CRIPPLE CREEK'S PHENIX HOUSE GAMING, doing business as THE PHENIX HOUSE; ACES CASINO EQUIPMENT, INC.; and BALLY GAMING.

Mr. Hyatt made the motion. Mr. Robison seconded the motion. The motion was adopted.

The Chair called for a motion to approve additional investors totalling 4.17% ownership of the 777 Gaming Ltd. Liability Company, doing business as Long Branch Saloon & Casino, Ltd., to Stanley F. Green (.11%), Mark E. Reed (.11%), Martin Lazechko (.66%), Louis Bartoletti (.33%), Angie Delaney (.16%), Steven K. Romijue (.11%), John Field (.77%), Paul T. Scott (.33%), Janet C. Dennehy (1.10%), Robert Jolliffe (.33%), and Michael W. Delaney (.16%). Such approval is effective September 21, 1992. Mr. Brower made the motion. Mr. Hyatt seconded the motion. The motion was adopted.

The Chair called for a motion to authorize the Chair to sign the Order to Show Cause and Notice of Hearing for: Delores Lucille Kroll, a support licensee; Ralph Terry Harper, a support licensee; and Dallas C. Foster, Jr., a support licensee. Mr. Brower made the motion. Mr. Robison seconded the motion. The motion was adopted.

The Chair announced that it was necessary that the Commission elect a new Vice Chairperson. Mr. Robison made the motion to nominate Ben Brower for vice chairperson. Mr. Hyatt seconded the motion. The motion was adopted.

The Chair asked if any persons from the public had any concerns to be brought before the Commission.

There being no persons from the public to come before the Commission, the meeting was adjourned at 2:30 p.m.

  
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Sandie Seegmiller, Secretary

**IN MEMORY OF AVA BRACKETT**

*Chairperson Aurel Kelly*

*"I would like to take a few moments to mark a passing of our friend and colleague, Ava Brackett, who died about ten days ago. I believe that many of you may have known that Mrs. Brackett was very ill during her 14 months of service on this Commission. Yet, she never uttered a complaint nor gave expression of the pain that she suffered almost continuously. She gave us her considerable amount of time and energy on behalf of the work of this Commission. Her attention, her intelligence, and her wit were always focused on the work before her. She was thoughtful and caring citizen representative on this Commission for the people of Colorado. Her serenity and her courage were exceeded only by her beauty of mind and spirit. We shall miss her deeply."*

*Mr. Tipton, former Executive Director of the Department of Revenue*

*"It is a privilege to have the opportunity to address all of you publically and to pay my respects to Commissioner Ava Brackett and also to her family. From the beginning of the Gaming Commission she has been an inspiration to all of us. She has demonstrated a remarkable commitment to Colorado by agreeing to help implement limited gaming in the face of tremendous personal difficulty. At certain times she did this at her own expense and the expense of her family, by taking away from herself and her family and giving back to the people of Colorado. She has brought to the Commission the courage to make difficult choices, the wisdom to balance competing interests and see all sides of an issue, and I believe most importantly a unique sense of humor which helped us all through some very difficult times. Her faith and will to go forward when many of us might have given up has served as a reminder to all of us of how to keep things in perspective. I once heard it said that one of the greatest lessons a person can share during his or her life time, is to help others to learn to deal with death. Ava has been a thoughtful and caring teacher in this regard and has taught us that lesson very well. Colorado owes Ava, her husband, and her children, a great debt of gratitude, and I thank them all for sharing Ava with us, for the work she has done and for the time we have had the opportunity to get to know her. Thank you very much."*

*Lavoy Robison, Gaming Commissioner*

*"I don't have any prepared remarks but I want to indicate my concurrence in support for the comments made by Mr. Tipton and by Aurel Kelly."*

*My association with Ava was one of just this Commission, but in that acquaintance I have found her to be a lovely person, who did in fact have a great deal of sympathy for individuals. It's going to be difficult to not have a person like that associated with us because she added so much to what we do."*

## Colorado Limited Gaming Control Commission

Minutes of Meeting  
September 10, 1992

The meeting was called to order by the Chairperson of the Colorado Limited Gaming Control Commission, Aurel Kelly, at 9:13 a.m. on September 10, 1992 at 200 E. Colfax, in room 0107 Legislative Hearing Room, Denver, Colorado. Present were Commissioners Ben Brower, and LaVoy Robison. Absent and excused were Ava Brackett and Dan Hyatt. Also attending were the Department of Revenue Executive Director, Renny Fagan, Department of Revenue Deputy Director, Amelie Buchanan, Division of Gaming Director, Roger Morris, Chief of Investigations, Mel Grantham, Public Information Officer, Tom Kitts, and Assistant Attorney General, Sue Beck-Ferkiss. Persons making presentations included: Division of Gaming Controller, Joe Papish; Investigator Huck Henderson; Investigator Bob Abbott; and from the Office of the Executive Director, Jim Huyghebaert, and Susan Conwell. Members of the public making presentations were Arun Pande, Virginia Lewis, Bruce Schmaltz, Reed Grimes, Rick Cooper and Ross Grimes.

Mr. Papish presented the Financial Statements - Fiscal Year End June 30, 1992 (Exhibit 1). The Chair called for a motion to approve and adopt the Financial Statements for the fiscal year ending June 30, 1992, and to authorize Mr. Papish to distribute the warrants accordingly. Mr. Robison made the motion. Mr. Brower seconded the motion. The motion was adopted.

The Chair called for a motion to go into executive session at 9:35 a.m. for the purpose of reviewing and considering temporary and permanent licensure and the backgrounds of various applicants for gaming licenses. Mr. Robison made the motion. Mr. Brower seconded the motion. The motion was adopted.

The meeting was reconvened into public session at 10:45 a.m. by Chairperson Kelly.

The Chair called for a motion to issue renewed licenses for one year from their respective expiration dates, under the same conditions that pertained to their prior licenses, to: BOWL OF GOLD RESORTS, INC., dba BOWL OF GOLD CASINO; BOWL OF GOLD RESORTS, INC., dba LUCKY LOLA'S PLEASURE PALACE; BOWL OF GOLD RESORTS, INC., dba LOOSE CABOOSE; and GOLD VEIN LIMITED LIABILITY COMPANY, dba BLACK DIAMOND.

With respect to BOWL OF GOLD RESORTS, INC. the following condition applies:

- \* The Commission must approve the lenders listed in the letter from Susan Wood-Ellis to Huck Henderson, dated August 25, 1992. Such approval should come during the period of the license.

Mr. Robison made the motion. Mr. Brower seconded the motion. The motion was adopted.

With respect to GOLD VEIN LIMITED LIABILITY COMPANY, dba BLACK DIAMOND, the following condition applies:

- \* GOLD VEIN LIMITED LIABILITY COMPANY has 30 days from the renewal date to close on it's agreement with Barbara Novicke, dated September 9, 1992.

Mr. Robison made the motion. Mr. Brower seconded the motion. The motion was adopted.

The Chair called for a motion to issue to WILLARD FAMILY ENTERPRISES, dba DOC HOLLIDAY'S, permanent operator and retailer licenses, for the premises set forth in the applicant's gaming license application, effective September 10, 1992, at noon, and expiring at 11:59 a.m. on September 9, 1993.

Such license was granted as a conditional license subject to the following conditions: No limited gaming shall be conducted or permitted on the licensed premises of the applicant prior to 8:00 a.m. on September 10, 1992; and no limited gaming shall be permitted or conducted on the licensed premises even after 8:00 a.m. on September 10, 1992, unless the following requirements are met. These requirements are actual receipt by the Division of Gaming of the following:

- a. Confirmation that a valid certificate of occupancy has been issued by the appropriate local authorities for the building in which limited gaming is to be conducted.
- b. A confirmation by the local historical preservation commission that the building in which limited gaming is to be conducted meets the architectural requirements of the Limited Gaming Act of 1991.
- c. A certification by the appropriate local officials that the building in which limited gaming is to be conducted meets the standards for fire safety set forth in the Limited Gaming Act of 1991.
- d. A certification by the appropriate local official that access to the building for the handicapped has been approved as required in the Limited Gaming Act of 1991.
- e. Payment in advance of the amount of the state device fee for all devices to be used in limited gaming.

Mr. Robison made the motion. Mr. Brower seconded the motion. The motion was adopted.

The meeting was recessed at 10:50 a.m. by Chairperson Kelly.

The meeting was reconvened at 11:09 a.m. by Chairperson Kelly.

Ms. Buchanan announced that Ms. Conwell and Mr. Huyghebaert would be presenting data from the casinos that supplied their financial statements to the Department. She also noted that part of their presentation will take place in executive session due to the sensitivity of the financial material.

Ms. Conwell and Mr. Huyghebaert reviewed with the Commission the expense breakdown on an average casino, and a comparison of costs based upon size of the casino.

The meeting was recessed for lunch at 12:10 p.m. by Chairperson Kelly.

The meeting was reconvened into public session at 1:50 p.m. by Chairperson Kelly.

The Chair called for a motion to go into executive session at 1:50 p.m. to review tax information on various casinos. Mr. Robison made the motion. Mr. Brower seconded the motion. The motion was adopted.

The meeting was reconvened into public session at 2:45 p.m. by Chairperson Kelly.

Mr. Pande, president of the Black Hawk Owners Association, said he had reviewed what the Department of Revenue had put together. He thought that it was an accurate information, although he believed the industry was still in infancy and did not have enough data on which to base a conclusion. He stated that if the Commission decided to raise the tax now, it would only penalize the industry.

Mr. Robison said he was disappointed to hear that some of the casinos that were asked to submit their financial statements did not respond to this request by the Department of Revenue.

Ms. Lewis, owner of Gold Mine Casino and Jazz Alley, said it will be tough when winter arrives. She stated that it will cost the casino owners more money because they will have to advertise more, lower food and beverage prices, and have more entertainment; and the number of lay-offs will be greater. She did not have a suggestion on what the tax rate should be.

Mr. Schmaltz, owner of Dostal Alley, expressed his concerns that the industry did not have enough history to judge. He suggested that the Commissioners leave the tax rate as is until there has been a longer period of time in the casino industry to base information on.

Mr. Reed Grimes, from the Gilpin County Chamber of Commerce and a gift shop owner in Central City, stated that he was concerned that several of the casinos were going out of business or were up for sale. He believed that before a change was made in the tax rate, the industry needed to be healthier. He felt that if the tax rate was raised now, the local economy would be hurt.

Mr. Cooper, owner of Golden Rose Casino, stated that although the Golden Rose is a large casino, they are struggling. He said he would like to see lower taxes.

Mr. Ross Grimes, owner of Famous Bonanza, handed out an updated financial statement for the month of August. Mr. Robison expressed his disappointment that these financial statements were not supplied to the Department when requested.

The meeting was recessed at 3:43 p.m. by Chairperson Kelly.

The meeting was reconvened at 3:54 p.m. by Chairperson Kelly.

Ms. Beck-Ferkiss reviewed the Declaratory Order for Scott McDowell and First Choice Coin she prepared after the Commission had reviewed these issues. Chairperson Kelly made a motion to authorize the Chair to sign these Orders. Mr. Brower made the motion. Mr. Robison seconded the motion. The motion was adopted.

Mr. Grantham relayed the Division's request that the Chair sign the lease agreement for Cripple Creek, noting that the Commission already authorized the Division to negotiate this lease on July 30, 1992. The Chair called for a motion to authorize the Chair to sign the lease agreement for the Cripple Creek office. Mr. Robison made the motion. Mr. Brower seconded the motion. The motion was adopted.

Mr. Morris reiterated for the sake of clarification that the renewed license that was issued on September 9, 1992, to Rocky Mountain Gaming Equipment was issued with the ownership changes mentioned in the report relating to that company.

There being no further business to come before the Commission, the meeting was adjourned at 4:00 p.m.

  
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Sandie Seegmiller, Secretary

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DIVISION  
OF  
GAMING

FINANCIAL STATEMENTS

(UNAUDITED)

FISCAL YEAR ENDED JUNE 30, 1992

**COLORADO DIVISION OF GAMING  
FINANCIAL STATEMENTS  
(UNAUDITED)**

**DISTRIBUTION:**

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Mrs. Aurel Kelly	Chairperson, Limited Gaming Control Commission
Mrs. Ava Brackett	Vice-Chairperson, Limited Gaming Control Commission
Mr. Lavoy Robison	Limited Gaming Control Commission
Mr. Renny Fagan	Executive Director, Department of Revenue
Ms. Amelie Buchanan	Deputy Director, Department of Revenue
Mr. Roger Morris	Director, Division of Gaming
Mr. Mel Grantham	Chief Investigator, Division of Gaming
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# STATE OF COLORADO

**DIVISION OF GAMING**  
Department of Revenue

720 S. Colorado Blvd., Suite 540-S  
Denver, Colorado 80222-1917  
(303) 757-7555  
FAX (303) 757-8624



Roy Romer  
Governor

John Tipton  
Executive Director

Roger Morris  
Division Director

## MANAGEMENT COMMENTS

**Members of the Colorado Limited Gaming Control Commission:**

Pursuant to section 12-47.1-203 (i), C.R.S., the Colorado Division of Gaming is required to furnish financial statements to the Colorado Limited Gaming Control Commission. The attached financial statements for June 30, 1992 have not been audited. They contain the most current data available. This information has been collected and recorded in accordance with generally accepted accounting principles.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Joe Papish".

Joe Papish  
Controller

September 10, 1992

**COLORADO DIVISION OF GAMING**  
**COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS**  
**JUNE 30, 1992**  
**(UNAUDITED)**

	GOVERNMENTAL FUND TYPES	FIDUCIARY FUND TYPES	ACCOUNT GROUPS	TOTALS
	SPECIAL REVENUE	AGENCY	FIXED ASSETS	MEMORANDUM ONLY
			LONG-TERM DEBT	
<b>ASSETS:</b>				
Cash	\$ 9,082,050	\$ 27,144	\$	\$ 9,109,194
Accounts Receivable - Note 2	1,846,000			1,846,000
Gaming Taxes	61,603			61,603
Background	69,716			69,716
Gaming Manufacturers	2,064			2,064
Other	13,883		198,863	13,883
Prepaid Expenses				198,863
Fixed Assets - Note 3				115,208
Amount to be Provided for Retirement of Long-Term Obligations				115,208
<b>TOTAL ASSETS</b>	<b>\$ 11,074,817</b>	<b>\$ 27,144</b>	<b>\$ 198,863</b>	<b>\$ 11,416,032</b>
<b>LIABILITIES AND FUND EQUITY:</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ 56,626	\$	\$	\$ 56,626
Gaming Laboratores Payable - Note 4	66,958			66,958
Background Refunds Payable - Note 5	48,013			48,013
Due to Other State Agencies - Note 6	232,248			232,248
Background Deposits - Note 7	681,016			681,016
Funds to be Distributed FY 92 - Note 8	9,114,730	27,144		9,114,730
Deposits Held in Custody				27,144
Accrued Compensated Absences - Note 9				115,208
<b>Total Liabilities</b>	<b>10,199,582</b>	<b>27,144</b>	<b>0</b>	<b>10,341,944</b>
<b>Fund Equity:</b>				
Fund Balance - Unrestricted - Note 10	875,226			875,226
Investment in Fixed Asset			198,863	198,863
<b>Total Fund Equity</b>	<b>875,226</b>	<b>0</b>	<b>198,863</b>	<b>1,074,089</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 11,074,817</b>	<b>\$ 27,144</b>	<b>\$ 198,863</b>	<b>\$ 11,416,032</b>

The notes to the financial statements are an integral part of this statement.

COLORADO DIVISION OF GAMING  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCE - SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 1992

REVENUES:

Gaming Taxes	\$ 10,810,238
License Fees - Note 11	806,950
Application Fees - Note 11	176,950
Device Fees	663,900
Background Investigations	847,800
Other Revenue - Note 12	<u>152,768</u>
<b>TOTAL REVENUES</b>	<u><b>13,458,607</b></u>

EXPENDITURES:

PERSONAL SERVICES

Gaming Division Salaries	975,668
Overtime	95,317
Benefits	155,143
Annual and Sick Leave	2,605
Temporary Agencies	55,481
Commission Per Diem	16,200
Professional Purchased Services	22,906
Technical Purchased Services	<u>22,633</u>
<b>TOTAL PERSONAL SERVICES</b>	<u><b>1,345,953</b></u>

OPERATING EXPENSES

Travel - Commission	9,507
Travel - Division	41,242
Automobiles	54,274
Printing	34,041
Police Supplies	12,895
Materials and Supplies	51,586
Postage	5,574
Dues, Memberships, Registration Fees	6,324
Official Functions	9,647
Maintenance and Repair Services	4,473
Telephone	65,330
Utilities	1,616
Other Operating Expenses	<u>4,094</u>
<b>TOTAL OPERATING</b>	<u><b>300,603</b></u>

LEGAL SERVICES

112,537

LEASE SPACE - Note 13

60,489

CAPITAL OUTLAY

Computer Equipment	172,855
Furniture and Office Equipment	94,721
Investigative Equipment	<u>80,432</u>
<b>TOTAL CAPITAL OUTLAY</b>	<u><b>348,008</b></u>

EXPENDITURES - SUBTOTAL

**2,167,591**

COLORADO DIVISION OF GAMING  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCE - SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 1992

EXPENDITURES - SUBTOTAL		\$ <u>2,167,591</u>
INDIRECT COSTS		
Department of Revenue		130,627
Department of Revenue - Information Support Services		<u>100,437</u>
TOTAL INDIRECT COSTS		<u>231,064</u>
DEPARTMENT OF PUBLIC SAFETY		
Colorado Bureau of Investigations		315,465
Less Passthrough		<u>(169,960)</u>
Subtotal Colorado Bureau of Investigations		145,505
Fire Safety		99,641
Colorado State Patrol		<u>247,293</u>
TOTAL DEPARTMENT OF PUBLIC SAFETY		<u>492,439</u>
TOTAL DIVISION EXPENDITURES		<u>2,891,094</u>
PASSTHROUGH EXPENSES		
Colorado Bureau of Investigations		169,960
Background Travel		143,941
Computer Services		17,774
Applicant Finger Prints		<u>177,323</u>
TOTAL PASSTHROUGH EXPENSES		<u>508,999</u>
TOTAL EXPENDITURES		<u>- 3,400,093</u>
EXCESS OF REVENUES OVER EXPENDITURES		10,058,514
OTHER REVENUE AND REIMBURSABLE EXPENSES		
Revenue - Gaming Laboratories International - Note 14		219,857
Expense - Professional Services - Note 14		<u>(219,857)</u>
EXCESS OF REVENUES AND REIMBURSEABLES OVER EXPENDITURES		10,058,514
FUND DEFICIT AT JULY 1, 1991 (RESTATED)		(68,559)
FUNDS TO BE DISTRIBUTED		<u>(9,114,730)</u>
FUND BALANCE AT JUNE 30, 1992		\$ <u>875,226</u>

The notes to the financial statements are an integral part of this statement.

**COLORADO DIVISION OF GAMING  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1992**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Colorado Division of Gaming (Division) was created June 4, 1991, under the provision of section 12-47.1-201, C.R.S. The Colorado Division of Gaming operates under the Colorado Limited Gaming Control Commission (Commission) and implements, regulates, and supervises the conduct of limited gaming in the State, as authorized by statute.

The financial statements reflect activities of the Division for the year ended June 30, 1992. The Division is an agency and sub-entity of the State of Colorado. For reporting purposes and in conformance with the National Council of Government Accounting Statement #3, pertaining to oversight responsibilities, the State of Colorado is the primary reporting entity for State financial activities. Therefore, the Division's accounts are presented in a manner consistent with presentation of statewide financial activities, which are reported in accordance with generally accepted accounting principles for governmental organizations. The following is a summary of the more significant policies:

**A. FUND STRUCTURE AND BASIS OF ACCOUNTING**

The financial activities of the Division are organized on the basis of individual funds and account groups. The operations of each fund, which are separate accounting entities, are recorded in discrete sets of self-balancing accounts that comprise the assets, liabilities, fund equity, revenues and expenditures, or expenses, of the entity. For financial statement presentation, similar funds have been combined into fund types and categories.

**GOVERNMENTAL FUNDS**

**Special Revenue Funds**

Transactions related to resources obtained from specific sources, which are restricted to specific purposes are accounted for in the special revenue funds. The Division's resources are obtained from specific gaming related activities such as: application fees, license fees, device fees, and gaming taxes. These resources are restricted for specific uses as outlined in Title 12-47.1-0, C.R.S.

## FIDUCIARY FUND TYPES

### Agency Funds

These funds account for assets held by the State as an agent for other organizations or individuals. They are custodial in nature and do not involve the measurement of operations. This represents funds seized and held as evidence in cases resulting from criminal investigations conducted by the Division.

## ACCOUNT GROUPS

### Fixed Assets

This is a self-balancing set of accounts used to account for fixed assets used in governmental fund type operations. All fixed assets are valued at historical cost, or estimated historical cost, if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated. No depreciation has been provided on general fixed assets.

The Fixed Asset Account Group is not a "fund". It is concerned with the measurement of financial position, it is not involved with measurement of results of operations. The Fixed Asset Account Group fund equity balance is not available for distribution since it merely states the value of the fixed assets.

### Long-term Debt

This account represents long-term debt of governmental type funds of the State, for the recording of Accrued Compensated Absences Liability.

## BASIS OF ACCOUNTING

Basis of accounting refers to when revenues, expenditures or expenses are recognized in the accounts and reported in the financial statements. The Division reports on the modified accrual basis.

## B. BUDGET

Each year, the Division Director submits to the Commission a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them. Public hearings are conducted by the Commission to obtain comments and approval. During the fiscal year, the approved budget may be modified due to roll-forward authorization or supplemental budget approval. All modifications must be approved by the Commission.

## C. TOTAL COLUMNS ON COMBINED STATEMENTS

Total columns on the Combined Statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Nor are they comparable to a consolidation, as interfund eliminations have not been made in the aggregation of this data.

### 2. ACCOUNTS RECEIVABLE

As of June 30, 1992, the Division had an accounts receivable balance of \$1,846,000 from gaming taxes for the month of June, which are due on the 15th of July. The Division had an accounts receivable balance of \$61,603 from Background Investigations. This represents monies owed to the Division by entities being investigated in preparation to participate in Limited Gaming. Accounts receivable from Gaming Manufacturers of \$69,716 represents the reimbursable amount charged to the slot machine manufacturers for testing by Gaming Laboratories International. Additionally, the Division had other accounts receivable in the amount of \$2,064.

### 3. CHANGES IN FIXED ASSETS

A summary of changes in fixed assets follows:

	Balance July 1, 1991	Additions	Balance June 30, 1992
Computer Equipment	\$ --	\$112,672	\$112,672
Office Equipment	--	26,726	26,726
Investigative Equipment	--	59,465	59,465
	-----	-----	-----
Total	\$ --	\$198,863	\$198,863
	=====	=====	=====

### 4. GAMING LABORATORIES PAYABLE

As of June 30, 1992, the Division had a balance of \$66,958 due to Gaming Laboratories International. This amount represents reimbursable expenses paid by slot machine manufacturers to the Division for Gaming Laboratories International.

### 5. BACKGROUND REFUNDS PAYABLE

As of June 30, 1992, the Division had a Background Refunds Payable of \$48,013, which represents refunds that were paid to applicants in July, 1992. This liability is for background investigation deposit refunds to entities approved for permanent Limited Gaming Licenses.

## **6. DUE TO OTHER STATE AGENCIES**

As of June 30, 1992, the Division had a liability to other State agencies for \$232,248, as follows:

Department of Revenue - Information Support Services	\$ 100,437
Department of Revenue - Indirect Costs	130,627
Correctional Industries	1,184
	-----
TOTAL	\$ 232,248
	=====

## **7. BACKGROUND DEPOSITS**

The \$ 681,016 of background deposits represent deposits received from applicants applying for gaming licenses. The deposits are used to perform background investigations. Said deposits are recorded as a liability until the Division incurs the expense or the remaining balance is refunded to the applicant.

## **8. FUNDS TO BE DISTRIBUTED - FISCAL YEAR 92**

The Division shall distribute funds in the percentages called for under the provision of C.R.S., 12-47.1-701.(1)(c). The amount to be distributed is derived from revenues collected by the Division for the preceding fiscal year, after payment of the operating expenses of the Commission and other regulatory expenses, and after reserving an amount equal to all expenses for the preceding two-month period.

Of the amount distributed to the General Fund, a percentage (as determined by the Commission) is to be distributed to the Contiguous County Limited Gaming Impact Fund, as stated in C.R.S., 12-47.1-1401(2). On August 25, 1992, the Commission determined that \$425,000, should be distributed to the Contiguous County Limited Gaming Impact Fund, leaving a balance of \$4,114,136 to be distributed to the General Fund.

## 8. FUNDS TO BE DISTRIBUTED - FISCAL YEAR 92 (Continued)

As of June 30, 1992, the Division had \$9,114,730 available for distribution, as follows:

General Fund		\$4,114,136	45.14%
Contiguous County Limited Gaming Impact Fund		425,000	4.66%
Colorado Tourism Promotion Fund		18,229	.20%
State Historical Fund		2,552,124	28.00%
City of Blackhawk	\$ 263,783		
City of Central City	394,629		
City of Cripple Creek	<u>253,061</u>	911,473	10.00%
Teller County	303,673		
Gilpin County	<u>790,095</u>	1,093,768	12.00%
		-----	-----
TOTAL		<u>\$9,114,730</u>	<u>100.00%</u>

## 9. ACCRUED COMPENSATED ABSENCES

All permanent employees of the Division may accrue annual and sick leave based on length of service subject to certain limitations on the amount that will be paid on termination.

Annual Leave	\$102,542
Sick Leave	12,666
	-----
Total	<u>\$115,208</u>

## 10. FUND BALANCE

According to C.R.S., 12-47.1-701(1)(c), the Division is required to reserve an amount equal to expenditures of the previous two months. As of June 30, 1992, the amount to be reserved by the Division is \$875,226.

## 11. LICENSE AND APPLICATION FEES

For the year ended June 30, 1992, the Division collected \$806,950 in license fees and \$176,950 in application fees. Following is a break down of the fees:

### FOR THE YEAR ENDED JUNE 30, 1992

	<u>Application Fees</u>			<u>License Fees</u>
	Type 1	Type 2	Total	
Support	\$ --	\$ --	\$ --	\$ 579,550
Key	--	450	450	83,600
Operator	19,500	62,000	81,500	103,550
Retailer	20,500	61,000	81,500	25,250
Manufacturer/Distributor	1,500	12,000	13,500	15,000
	-----	-----	-----	-----
Total	\$41,500	\$135,450	\$176,950	\$ 806,950
	=====	=====	=====	=====

## 12. OTHER REVENUE

For the year ended June 30, 1992, Other Revenue consisted of the following:

Photo Copy Charges	\$ 15,061
Interest Income	137,707
	-----
Total	\$ 152,768
	=====

## 13. LEASE SPACE

The Division occupies office space in Denver, Cripple Creek and Central City. Rental payments are contingent upon the continuing availability of funds. Specific lease information follows:

### DENVER:

Effective October 11, 1991, the Division entered into a lease agreement with Galleria Towers, Inc. for office space at 720 South Colorado Blvd, Suite 540-S, Denver. The term of the lease is for five years and ends on October 31, 1996. Annual rent for the lease space is \$48,720 to be paid monthly in the amount of \$4,060.

### 13. LEASE SPACE (Continued)

In fiscal year 1993, there will be a two-step expansion of the lease space. Starting July 1, 1992, the monthly rent will be \$5,420, and starting October 1, 1992, the monthly rent will be \$6,033 for a total rent of \$70,570 for fiscal year 1993. The annual rent for lease space starting July 1, 1993 will be \$72,396 to be paid monthly in the amount of \$6,033.

#### CENTRAL CITY:

Effective May 1, 1992, the Division entered into a lease agreement with Gilpin County for office space at 203 Eureka Street, Central City. The term of the lease ends on June 30, 1994. Annual rent for the lease space is \$11,313 to be paid monthly in the amount of \$943.

#### CRIPPLE CREEK

Effective November 12, 1991, the Division entered into a lease agreement with Herbert L. and C. Kristen Sprague for office space at 511 E. Golden, Cripple Creek. The term of the lease is for three years and ends on June 30, 1994. Annual rent for the first term of the lease space is \$8,100 to be paid monthly in the amount of \$900.

Additional lease information follows:

Office	Total Paid FY 1992	<u>Future Obligated Payments</u>				
		FY 1993	FY 1994	FY 1995	FY 1996	FY 1997
Denver	\$35,329	\$70,570	\$72,396	\$72,396	\$72,396	\$24,132
Central City	18,320	11,313	11,313	--	--	--
Cripple Creek	6,840	12,000	13,200	--	--	--
<b>TOTAL:</b>	<b>\$60,489</b>	<b>\$93,883</b>	<b>\$96,909</b>			

### 14. GAMING LABORATORIES INTERNATIONAL

The Division contracts with Gaming Laboratories International (GLI) to test slot machines to ensure compliance with the Colorado Gaming Regulations. Part of the costs associated with GLI are passed on to the manufacturers of the slot machines. For the year ended June 30, 1992, total costs associated with GLI were \$230,336, of which \$219,857 is passed on to the manufacturers.

## **15. PENSION PLAN**

Employees of the Division are covered by the Public Employees Retirement Association of Colorado (PERA). PERA is a cost-sharing multiple-employer.

The Division's total payroll for the year ended June 30, 1992, was \$1,070,985; the total payroll for employees covered by PERA was \$993,105. Employer and employee obligations to contribute to PERA are established under Colorado State Law; specifically, Title 24, Article 51, C.R.S. For the year ended June 30, 1992, the Division's contribution to PERA was \$105,914 which is 11.6% of covered payroll from July 1, 1991 to April 30, 1992 and 5.6% of covered payroll for May and June 1992. Contributions by employees were \$72,544, which is 8% of covered payroll. Covered payroll equals total payroll less adjustments for the salary reduction "125 Plan" and flexible spending accounts.

An employee is eligible for full retirement benefits at age 55 with at least 30 years of service with the State and other entities covered by PERA, at age 60 with at least 20 years of service, or at age 65 with at least five years of service, or by earning 35 or more years of credited service. Reduced retirement benefits are available at age 55 with at least 20 years of service or at age 60 with at least five years of service.

Disability and survivors benefits are also available. PERA benefits vest after five years of service with covered employers. Benefit provisions are established under Colorado State Law, specifically, Title 24, Article 51, C.R.S.

The pension benefit obligation, which is the actuarial measure of the present value of credited projected benefits, is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and any step-rate benefits, estimated to be payable in the future as a result of employee services to date. The measure is intended to help users of agency's financial statements assess PERA's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among PERA and other pension programs and among employers.

The annual report of PERA provides historical trend information under the heading "Schedule of Funding Progress." This historical trend information shows the progress being made in accumulating sufficient assets to pay benefits when due.

COLORADO DIVISION OF GAMING  
 BUDGET REPORT FOR FISCAL YEAR 1992  
 BUDGET COMPARED TO ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 1992  
 ACCRUAL BASIS - REVISED BUDGET

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>(OVER)/UNDER BUDGET</u>
<b>PERSONAL SERVICES</b>			
Gaming Division Salaries	\$ 1,013,650	\$ 975,668	\$ 37,982
Overtime	56,419	95,317	(38,898)
Benefits	192,540	155,143	37,397
Annual and Sick Leave	115,200	2,605	112,595
Temporary Agencies	35,823	55,481	(19,658)
Commission Per Diem	24,500	16,200	8,300
Professional Purchased Services	41,988	22,906	19,082
Technical Purchased Services	40,343	22,633	17,710
<b>TOTAL PERSONAL SERVICES</b>	<u>1,520,463</u>	<u>1,345,953</u>	<u>174,510</u>
<b>OPERATING EXPENSES</b>			
Travel - Commission	25,235	9,507	15,728
Travel - Division	47,500	41,242	6,258
Automobiles	70,722	54,274	16,448
General Government Computer Center Services	5,480	0	5,480
Printing	19,500	34,041	(14,541)
Police Supplies	0	12,895	(12,895)
Materials and Supplies	33,349	51,586	(18,237)
Postage	5,000	5,574	(574)
Dues, Memberships, Registration Fees	1,900	6,324	(4,424)
Official Functions	8,283	9,647	(1,364)
Maintenance and Repair Services	7,000	4,473	2,527
Telephone	42,027	65,330	(23,303)
Utilities	2,250	1,616	634
Other Operating Expenses	14,120	4,094	10,026
<b>TOTAL OPERATING</b>	<u>282,366</u>	<u>300,603</u>	<u>(18,237)</u>
<b>LEGAL SERVICES</b>	<u>125,594</u>	<u>112,537</u>	<u>13,057</u>
<b>LEASE SPACE</b>	<u>63,342</u>	<u>60,489</u>	<u>2,853</u>
<b>CAPITAL OUTLAY</b>			
Computer Equipment	192,862	172,855	20,007
Furniture and Office Equipment	110,158	94,721	15,437
Investigative Equipment	62,668	80,432	(17,764)
<b>TOTAL CAPITAL OUTLAY</b>	<u>365,688</u>	<u>348,008</u>	<u>17,680</u>
<b>EXPENDITURES - SUBTOTAL</b>	<u>2,357,453</u>	<u>2,167,591</u>	<u>189,862</u>

COLORADO DIVISION OF GAMING  
 BUDGET REPORT FOR FISCAL YEAR 1992  
 BUDGET COMPARED TO ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 1992  
 ACCRUAL BASIS - REVISED BUDGET

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>(OVER)/UNDER BUDGET</u>
EXPENDITURES - SUBTOTAL	\$ 2,357,453	\$ 2,167,591	\$ 189,862
INDIRECT COSTS			
Department of Revenue	136,297	130,627	5,670
Department of Revenue - Information Support Services	100,435	100,437	(2)
Department of Revenue - Pipeline	1,396	0	1,396
TOTAL INDIRECT COSTS	<u>238,128</u>	<u>231,064</u>	<u>7,064</u>
DEPARTMENT OF PUBLIC SAFETY			
Colorado Bureau of Investigations	337,533	315,465	22,068
Less Passthrough	<u>(169,960)</u>	<u>(169,960)</u>	<u>0</u>
Subtotal Colorado Bureau of Investigations	167,573	145,505	22,068
Fire Safety	99,641	99,641	0
Colorado State Patrol	<u>247,293</u>	<u>247,293</u>	<u>0</u>
TOTAL DEPARTMENT OF PUBLIC SAFETY	<u>514,507</u>	<u>492,439</u>	<u>22,068</u>
TOTAL DIVISION EXPENDITURES	<u>3,110,088</u>	<u>2,891,094</u>	<u>218,994</u>
PASSTHROUGH EXPENSES			
Colorado Bureau of Investigations	169,960	169,960	0
Background Travel	152,073	143,941	8,132
Computer Services	42,000	17,774	24,226
Applicant Finger Prints	179,103	177,323	1,780
Miscellaneous Passthrough	<u>8,623</u>	<u>0</u>	<u>8,623</u>
TOTAL PASSTHROUGH EXPENSES	<u>551,759</u>	<u>508,999</u>	<u>42,760</u>
TOTAL EXPENDITURES	<u>\$ 3,661,847</u>	<u>\$ 3,400,093</u>	<u>\$ 261,754</u>

Mr. Welch and Mr. Johnson also addressed their the issue of the renewal fee of the support licenses, noting they thought the amount the Commission was imposing was too high.

Ms. Peterson told the Commission that she had compared other renewal fees, for example real estate, and medical license renewals, and said these license renewal fees were half of what the initial costs were. She asked the Commission to remember that most of the casinos do not pay for insurance and other benefits; therefore, the employees were paying for these expenses themselves.

Mr. Morris outlined some of the expenses the Division incurs in the process of handling a support renewal license.

The Commission thanked everyone for appearing before them, and stated they would take their suggestions into consideration.

The Chair called for a motion to go into executive session at 11:05 a.m. for the purpose of reviewing and considering temporary and permanent licensure and the backgrounds of various applicants for gaming licenses. Mr. Robison made the motion. Mr. Brower seconded the motion. The motion was adopted.

The meeting was recessed for lunch at 12:30 p.m. by Chairperson Kelly.

The meeting was reconvened into executive session at 2:00 p.m. by Chairperson Kelly.

The meeting was reconvened into public session at 2:50 p.m. by Chairperson Kelly.

The Chair called for a motion to issue renewed licenses for one year from their respective expiration dates, under the same conditions that pertained to their prior licenses, to: GOLD MINE CASINO, INC., dba GOLD MINE CASINO; ROCKY MOUNTAIN GAMING EQUIPMENT; and NEVADA VIDEO, INC., dba P & M COIN. Mr. Brower made the motion. Mr. Robison seconded the motion. The motion was adopted.

The Chair called for a motion to issue to NORTH STAR CASINO LTD. LIABILITY COMPANY, dba GOLDEN GATE CASINO, and PIONEER ASSOCIATES LIMITED LIABILITY COMPANY, dba BRONCO BILLY'S II, permanent operator and retailer licenses, for the premises set forth in the applicants' gaming license applications, effective September 9, 1992, at noon, and expiring at 11:59 a.m. on September 8, 1993.

Such licenses were granted as conditional licenses subject to the following conditions: No limited gaming shall be conducted or permitted on the licensed premises of the applicant prior

to 8:00 a.m. on September 9, 1992; and no limited gaming shall be permitted or conducted on the licensed premises even after 8:00 a.m. on September 9, 1992, unless the following requirements are met. These requirements are actual receipt by the Division of Gaming of the following:

- a. Confirmation that a valid certificate of occupancy has been issued by the appropriate local authorities for the building in which limited gaming is to be conducted.
- b. A confirmation by the local historical preservation commission that the building in which limited gaming is to be conducted meets the architectural requirements of the Limited Gaming Act of 1991.
- c. A certification by the appropriate local officials that the building in which limited gaming is to be conducted meets the standards for fire safety set forth in the Limited Gaming Act of 1991.
- d. A certification by the appropriate local official that access to the building for the handicapped has been approved as required in the Limited Gaming Act of 1991.
- e. Payment in advance of the amount of the state device fee for all devices to be used in limited gaming.

With respect to PIONEER ASSOCIATES LIMITED LIABILITY COMPANY, dba BRONCO BILLY'S II, the following condition applies:

- \* Cal Kinney shall not participate in management or be employed by PIONEER ASSOCIATES LIMITED LIABILITY COMPANY.

Mr. Robison made the motion. Mr. Brower seconded the motion. The motion was adopted.

There being no further business to come before the Commission, the meeting was adjourned at 2:54 p.m.

  
Sandie Seegmiller, Secretary

## Colorado Limited Gaming Control Commission

Minutes of Meeting  
August 24, 1992

The meeting was called to order by the Chairperson of the Colorado Limited Gaming Control Commission, Aurel Kelly, at 10:09 a.m. on August 24, 1992, at 200 E. Colfax, in the Old Supreme Court Chambers, Denver, Colorado. Present were Commissioners Ben Brower, and LaVoy Robison. Absent and excused was Ava Brackett. Also attending were the Department of Revenue Executive Director, John Tipton, Department of Revenue Deputy Director, Amelie Buchanan, Division of Gaming Director, Roger Morris, Chief of Investigations, Mel Grantham, Deputy Chief Investigator, Jim Cain, Public Information Officer, Tom Kitts, and Assistant Attorney General, Sue Beck-Ferkiss. Persons making presentations included: Investigator Phil Wargo; Investigator Jim Kirby; Investigator Vic Freburg; Investigator Jeff Foster; Investigator Mark Walters; C.B.I Investigator Mike Chapla, and Fire Safety Deputy Director, Paul Cook.

Mr. Cook presented to the Commission the Division of Fire Safety's supplemental budget request for \$7,984.00 for computer equipment (P.C. in Black Hawk, software, tape substation, supplies and maintenance). Chairperson Kelly called for a motion to approve the budget request. Mr. Robison made the motion. Mr. Brower seconded the motion. The motion was adopted.

Chairperson Kelly asked Mr. Morris if he had any organizational matters to discuss with the Commission; he stated that he did not have any informational or organizational matters to report at that time.

The Chair called for a motion to go into executive session at 10:18 a.m. for the purpose of reviewing and considering temporary and permanent licensure and the backgrounds of various applicants for gaming licenses. Mr. Robison made the motion. Mr. Brower seconded the motion. The motion was adopted.

The meeting was reconvened into public session at 11:03 a.m. by Chairperson Kelly.

The Chair called for a motion to issue renewals for one year from their expiration date, under the same conditions that pertained to their prior licenses, to: WILD WILD WEST GAMBLING HALL & BREWERY, INC.; OUR SERENDPITY, INC., dba BABY DOE'S SILVER DOLLAR CASINO; REMINGTON GAMING, INC.; 777 GAMING LTD. LIABILITY CO., dba LONG BRANCH SALOON & CASINO; COLORADO GRANDE ENTERPRISE, INC., dba COLORADO GRANDE GAMING PARLOR; TIVOLINO TELLER HOUSE, INC., dba TELLER HOUSE CASINO, INC.

With respect to TIVOLINO TELLER HOUSE, INC., dba THE TELLER HOUSE CASINO, INC., the following condition applies:

- \* Dale Van der Schaaf shall not be allowed on the premises until he is issued a gaming license.

With respect to COLORADO GRANDE ENTERPRISES, INC., dba COLORADO GRANDE GAMING PARLOR, the following condition applies:

- \* David Williams shall not have any connection with COLORADO GRANDE and no financial interest in the casino.

Mr. Robison made the motion. Mr. Brower seconded the motion. The motion was adopted.

The Chair called for a motion to go into executive session at 11:07 a.m. for the purpose of reviewing and considering temporary and permanent licensure and the backgrounds of various remaining applicants for gaming licenses. Mr. Robison made the motion. Mr. Brower seconded the motion. The motion was adopted.

The meeting was reconvened into public session at 12:25 p.m. by Chairperson Kelly.

The Chair called for a motion to issue to ANNIE OAKLEY'S LTD. LIABILITY COMPANY, dba ANNIE OAKLEY'S, DIAMOND LIL'S GAMBLING PARLOR, INC., dba DIAMOND LIL'S GAMBLING PARLOR, and SILVER SLIPPER LTD. LIABILITY COMPANY, dba SILVER SLIPPER, temporary operator and retailer licenses, effective upon their respective expiration dates for the premises set forth in the applicants' original gaming licenses. These licenses shall be temporary licenses until a renewal hearing can be held to resolve and act upon certain issues pertaining to each of these casinos.

Mr. Robison made the motion. Mr. Brower seconded the motion. The motion was adopted.

The Chair called for a motion to issue to 127 MAIN STREET CORP., dba RED HORSE SALOON, COLORADO/KING LTD. LIABILITY COMPANY, dba GOLDEN CANARY LTD. LIABILITY COMPANY, BLACK HAWK GAMING VENTURES LTD. LIABILITY COMPANY, dba THE CRACKER FACTORY CASINO, permanent operator and retailer licenses, for the premises set forth in the applicants' gaming license applications, effective August 24, 1992, at noon, and expiring at 11:59 a.m. on August 24, 1993.

Such licenses were granted as conditional licenses subject to the following conditions: No limited gaming shall be conducted or permitted on the licensed premises of the applicant prior to 8:00 a.m. on August 24, 1992; and no limited gaming shall be permitted or conducted on the licensed premises even after 8:00 a.m. on August 24, 1992, unless the following requirements

are met. These requirements are actual receipt by the Division of Gaming of the following:

- a. Confirmation that a valid certificate of occupancy has been issued by the appropriate local authorities for the building in which limited gaming is to be conducted.
- b. A confirmation by the local historical preservation commission that the building in which limited gaming is to be conducted meets the architectural requirements of the Limited Gaming Act of 1991.
- c. A certification by the appropriate local officials that the building in which limited gaming is to be conducted meets the standards for fire safety set forth in the Limited Gaming Act of 1991.
- d. A certification by the appropriate local official that access to the building for the handicapped has been approved as required in the Limited Gaming Act of 1991.
- e. Payment in advance of the amount of the state device fee for all devices to be used in limited gaming.

Mr. Robison made the motion. Mr. Brower seconded the motion. The motion was adopted.

Mr. Robison had to leave the meeting to attend to prior commitments.

There being no quorum to conduct business, the meeting was adjourned at 12:32 p.m.

  
Sandie Seegmiller, Secretary

## Colorado Limited Gaming Control Commission

Minutes of Meeting  
August 11, 1992

The meeting was called to order by the Chairperson of the Colorado Limited Gaming Control Commission, Aurel Kelly, at 9:20 a.m. on August 11, 1992, at 200 E. Colfax, in the Old Supreme Court Chambers, Denver, Colorado. Present were Commissioners Ben Brower and Ava Brackett. Absent and excused was LaVoy Robison. Attending as the designee for Gaming Division was Chief of Investigations, Mel Grantham, also present were Public Information Officer, Tom Kitts, Deputy Chief of Investigations, Jim Cain, Supervisor, Jim Husky, and Assistant Attorney General, Sue Beck-Ferkiss. Persons making presentations included: Investigator Max Kettler and Ross Grimes from the Famous Bonanza.

Chairperson Kelly asked Mr. Grantham if he had any organizational matters to discuss with the Commission; he stated that he did not have any informational or organizational matters to report at that time.

Chairperson Kelly asked if there was anybody from the public that would like to address the Commission before they went into executive session. Mr. Grimes spoke to the Commission regarding the tax rate. He suggested eliminating the the state device fee, imposing a flat 4% tax rate on table games, and imposing a 4% tax rate on other proceeds starting with the first million adjusted gross proceeds, 8% on the second million, 12% on third million, and 16% on anything above four million. The Commission thanked Mr. Grimes for appearing before them, and stated they would take his suggestions into consideration.

The Chair called for a motion to go into executive session at 9:43 a.m. for the purpose of reviewing and considering temporary and permanent licensure and the backgrounds of various applicants for gaming licenses. Mr. Brower made the motion. Mrs. Brackett seconded the motion. The motion was adopted.

The meeting was reconvened into public session at 10:30 a.m. by Chairperson Kelly.

The Chair called for a motion to issue to KWIK MART, INC., dba CROOK'S PALACE, permanent operator and retailer licenses for a period of one year from the date of the issuance of the original temporary licenses. Mr. Brower made the motion. Mrs. Brackett seconded the motion. The motion was adopted.

The Chair called for a motion to issue to SILVER STAR LTD. LIABILITY COMPANY, dba GOLD STAR CASINO, and SOUTHERN GROUP, INC., dba CALAMITY JO'S CASINO, permanent operator and retailer licenses, for the premises set forth in the applicants' gaming license applications, effective August 11, 1992, at noon, and expiring at 11:59 a.m. on August 11, 1993.

Such licenses were granted as conditional licenses subject to the following conditions: No limited gaming shall be conducted or permitted on the licensed premises of the applicant prior to 8:00 a.m. on August 11, 1992; and no limited gaming shall be permitted or conducted on the licensed premises even after 8:00 a.m. on August 11, 1992, unless the following requirements are met. These requirements are actual receipt by the Division of Gaming of the following:

- a. Confirmation that a valid certificate of occupancy has been issued by the appropriate local authorities for the building in which limited gaming is to be conducted.
- b. A confirmation by the local historical preservation commission that the building in which limited gaming is to be conducted meets the architectural requirements of the Limited Gaming Act of 1991.
- c. A certification by the appropriate local officials that the building in which limited gaming is to be conducted meets the standards for fire safety set forth in the Limited Gaming Act of 1991.
- d. A certification by the appropriate local official that access to the building for the handicapped has been approved as required in the Limited Gaming Act of 1991.
- e. Payment in advance of the amount of the state device fee for all devices to be used in limited gaming.

Mr. Brower made the motion. Mrs. Brackett seconded the motion. The motion was adopted.

There being no further business to come before the Commission, the meeting was adjourned at 10:35 a.m.

  
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Sandie Seegmiller, Secretary

## Colorado Limited Gaming Control Commission

Minutes of Meeting  
August 10, 1992

The meeting was called to order by the Chairperson of the Colorado Limited Gaming Control Commission, Aurel Kelly, at 9:17 a.m. on August 10, 1992, at 200 E. Colfax, in the Old Supreme Court Chambers, Denver, Colorado. Present were Commissioners Ben Brower, Ava Brackett and LaVoy Robison. Also attending were the Department of Revenue, Deputy Director, Amelie Buchanan, Division of Gaming Director, Roger Morris, Public Information Officer, Tom Kitts, and Assistant Attorney General, Sue Beck-Ferkiss. Persons making presentations included: Ken Jacobs and Susan Conwell from the Department of Revenue; representing Gilpin County was Gilpin County Commissioner, Leslie Williams; representing Black Hawk was Mona Dawkins; representing Central City was Mayor Dick Allen; representing Cripple Creek was Kathryn Hurns; Local Affairs Director, Jerry Smith; Jefferson County Commissioner, John Stone; and from The Lincoln Company, Jim Lincoln.

Chairperson Kelly called for a motion to adopt the Minutes of the Meetings of July 27, 1992, and July 30, 1992, without reading. Mr. Robison requested that his absence from the meeting of July 30 be documented as an excused absence. Ms. Seegmiller agreed to make this change. Chairperson Kelly called for a motion to adopt the Minutes of the Meeting of July 30, 1992, and the Minutes of the Meeting of July 27, 1992. Mr. Brower made the motion. Mrs. Brackett seconded the motion. The motion was adopted.

Ms. Buchanan announced that the Department of Revenue had prepared an estimate on the amount of the monies to be distributed and would like to present that to the Commission.

Ms. Conwell and Mr. Jacobs reviewed with the Commissioners the preliminary estimate of distributable funds from the Limited Gaming Fund for Teller and Gilpin Counties as well as for the three gaming towns.

Ms. Williams, from Gilpin County, talked about the concerns that Gilpin County had due to lack of funds. She said that the county was currently paying for the gaming impacts, and the only way to recover these costs would be from the portion the county would receive from the gaming tax. She asked the Commissioners to keep this in mind when setting the tax rate.

Ms. Dawkins, from the City of Black Hawk, spoke about the need for parking spaces and the need for a new fire station. She said she felt the present tax rate was good, but would like to see a change in the distribution of the funds, so more of the fund would be distributed to the counties.

Mr. Allen, Mayor of Central City, spoke on some of the impacts Central City was experiencing due to gaming. He said that he felt the tax rate imposed for this gaming year was good and would like to see the same for next year.

Mr. Winkler, from Teller County, believed there were many effects on Teller County, in areas such as housing, schools, emergency equipment and child care. Mr. Winkler request that the gaming tax rate stay the same for the upcoming gaming tax year. This would allow for the generation of the revenues necessary to mitigate these county impacts.

Ms. Hurns, from Cripple Creek, said that the budget estimates produced by the Department of Revenue accurately reflect the situation in Cripple Creek. She asked the Commissioners to keep the tax rate the same, stating that if they raised the tax rate it would put pressure on Cripple Creek to lower the device fee.

The Commission thanked everybody for appearing before them.

The meeting was recessed by Chairperson Kelly at 11:52 a.m.

The meeting was reconvened into public session by Chairperson Kelly at 1:40 p.m.

Ms. Buchanan introduced Mr. Jerry Smith, from Local Affairs, who looked at the negative and positive impacts gaming had on contiguous counties, and Jim Lincoln, from The Lincoln Company, who conducted a study on the contiguous counties. She also introduced County Commissioner, John Stone, from Jefferson County.

Mr. Smith spoke to the Commissioners on the impacts that were affecting contiguous counties. He noted that some of the needs for each county were the same, and the equipment that they were requesting would be a one time cost.

Mr. Stone reviewed some of the impacts on Jefferson County due to gaming. He noted the increase of emergency medical services and law enforcement services. He stated that the volume of traffic had increased from 3,000 last year at this time to 8,000 this year. Mr. Stone asked the Commissioners to keep this in mind when distributing the funds for the contiguous counties.

Mr. Lincoln summarized the results of his survey on the impacts on contiguous counties directly related to gaming. He noted the greatest impact will occur this summer, and his data, however, went only through June. Mr. Lincoln reviewed the effects of gaming on each contiguous county individually. He asked the Commission to focus on 6 out of the 8 counties, leaving out Grand County and Douglas County -- according to his survey the impacts to Grand and Douglas counties were negative to none, and neither County requested any funds up to this date.

The Commission thanked Mr. Smith, Mr. Stone, and Mr. Lincoln for appearing before them with their informative materials and said they would take the material presented to them and consider it.

Mr. Morris mentioned once again that the South Dakota Gaming Commissioners wanted to visit with the Colorado Limited Gaming Control Commission either October 21st or the 22nd. The Commission agreed on October 21 to have a Commission meeting and to meet with the South Dakota Commission.

Mr. Morris said that he spoke with Dean Smith from Division of Fire Safety regarding the request of \$7,900 for computer equipment. He said that Mr. Smith stated that \$3,300 of the \$7,900 was for a backup tape system, of which 80% of this system would be used for gaming, and the rest of the monies they requested would be used 100% for gaming computer equipment. The Commissioners asked that someone from Fire Safety come to the next meeting to explain to the Commissioners the details. Mr. Morris said he would get in touch with them and have someone from Fire Safety attend the next Commission meeting.

There being no further business to come before the Commission, the meeting was adjourned at 3:25 p.m.

  
Sandie Seegmiller, Secretary

## Colorado Limited Gaming Control Commission

Minutes of Meeting  
August 25, 1992

The meeting was called to order by the Chairperson of the Colorado Limited Gaming Control Commission, Aurel Kelly, at 9:15 a.m. on August 25, 1992, at 200 E. Colfax, in the Old Supreme Court Chambers, Denver, Colorado. Present were Commissioners Ben Brower, Ava Brackett, and LaVoy Robison. Also attending were the Department of Revenue Executive Director, John Tipton, Department of Revenue Deputy Director, Amelie Buchanan, Division of Gaming Director, Roger Morris, Chief of Investigations, Mel Grantham, Public Information Officer, Tom Kitts, Assistant Attorney General, Sue Beck-Ferkiss, Budget Officer Dominique DeMar and Investigator, Phil Wargo. Persons making presentations included: Famous Bonanza Owner, Ross Grimes; Division of Gaming Controller, Joe Papish; Department of Revenue Budget Analyst; Bob Cockerill; from the Department of Transportation, Dr. Ray Chamberlain; from the Department of Labor & Employment, Joe Donlon; from the Department of Health, Tom Hadden; from the Department of Institutions, Dave Winfrey; from the Department of Natural Resources, Tom Canttany; and Partner in Molly's and Terp's Casino, Dave Wahl.

Chairperson Kelly called for a motion to adopt the Minutes of the Meetings of August 10, 1992, and August 11, 1992, without reading. Mr. Brower made the motion. Mr. Robison seconded the motion. The motion was adopted.

Mr. Papish briefly reviewed with the Commissioners the Financial Reports and the Balance Sheets for the months of April and May. The Chair called for a motion to approve and adopt the Financial Reports and the Balance Sheets for April and May. Mr. Brower made the motion. Mr. Robison seconded the motion. The motion was adopted.

Mr. Tipton reviewed with the Commissioners the budget request submitted by the Colorado Bureau of Investigations. With Personal Services, Operating and Travel expenses, the request would total \$222,731.00, and the indirect cost (at 10%) would total \$18,121.00. The Chair called for a motion to approve and adopt C.B.I.'s budget request for \$222,731.00 and the indirect cost of \$18,121.00. Mr. Robison made the motion. Mr. Brower seconded the motion. The motion was adopted.

The Chair called for a motion to issue a permanent state Certification to FULL HOUSE LTD., dba UTE MOUNTAIN CASINO, for one year pursuant to the Ute Mountain Ute and the State of Colorado Indian Gaming compact. Mr. Robison made the motion. Mr. Brower seconded the motion. The motion was adopted.

The Chair announced that the other Commissioners asked her to state on behalf of the Commission that they are granting this Certification because they lack any legal grounds to deny it, and that the Commissioners were uncomfortable in the manner in which this application was handled by the applicant.

Mr. Grimes spoke to the Commission regarding the square footage of the gaming area. He thought that many of the casinos were exceeding the allowed space for gaming to be conducted. He said that there was not enough being done to prohibit this. He also addressed his concerns on the taxes, and asked the Commission to remember the small casinos when deciding the tax rates.

Ms. Buchanan asked the Commissioners when reviewing the tax rates to keep the impacts of other state agencies in mind. She noted that the request that the other state agencies presented to the Department were justifiable.

Mr. Cockerill presented to the Commission information he had reviewed with each state agency that had an impact from gaming, noting that most of the agencies were there if they had any questions.

Dr. Chamberlain spoke about the rise in traffic accidents, DUI's and the increase of vehicles on the road, stating that the volume of traffic was up 150%. His suggestion was to put more patrol men on duty, more traffic lights, and more warning signs up.

Mr. Donlon talked about the services Labor & Employment provides statewide. With the gaming industry growing, it creates a larger workload for his Department to provide these counties with service, such as training.

The meeting was recessed at 10:32 a.m. by Chairperson Kelly.

The meeting reconvened into public session at 11:03 by Chairperson Kelly.

Mr. Hadden spoke about the impacts gaming was having on the Department of Health. He noted that currently there was a half time nurse on duty in both Teller and Gilpin Counties; but he felt it was necessary to have a nurse on full time. He also noted the increase of food and beverage operations which need to be inspected.

Mr. Winfrey spoke on the need to provide medical health care and mental health care to these towns.

Mr. Canttany addressed the need for soil surveys in these mining towns. He said that there were a number of mines that were not safeguarded, but those mines needed to be secure with the

volume of people in these towns for gaming.

After receiving all the testimony from the various state agencies, the Chair called for a motion to forward the information they received from each state agency to the Joint Budget Committee for their consideration. Mr. Robison made the motion. Mr. Brower seconded the motion. The motion was adopted.

Mr. Robison called for a motion to allocate \$425,000 to the Contiguous County Fund and a percentage would be calculated once the total amount of available funds were calculated. Ms. Kelly made the motion. Mr. Brower seconded the motion. The motion was adopted.

The meeting was recessed at 11:59 a.m. by Chairperson Kelly.

Mr. Robison left at 11:59 a.m. to attend to prior commitments.

The meeting was reconvened at 2:00 p.m. by Chairperson Kelly.

Chairperson Kelly reiterated the amount the Commission allocated to Contiguous Counties of \$425,000. She noted that this decision was made after a great deal of information was provided and reviewed by the Commission.

The Chair asked that anyone from the public would like to make a presentation do so at this time.

Mr. Dave Wahl, a partner in 3 casinos, asked that the Commission to please consider the smaller casinos when setting the tax rate. He suggested a 4% tax rate on the first million, and the rate go on from there.

Ms. Christine McCleary spoke on the gaming tax rate, asking the Commission also to consider the smaller casinos. She did not have a suggestion on what the tax rate should be. The Chair thanked the public for coming before them.

The Commission reviewed the petition received from attorney Scott McDowell, requesting the Commission for issue declaratory order on these issues:

"Whether and under what circumstances a spouse acquires the other spouse's ownership interest in a retail license.

A related question is whether the Commission has adopted any criteria by which spouses are considered separate persons for purposes of this statute. (C.R.S. §12-47.1-808)."

The Commission determined that the petition called for an answer to a hypothetical question and that the person wishing the Commission to issue a ruling was not inquiring about the applicability of a law, rule, or Commission order as to that person. Therefore, the Commission decided to dismiss this petition.

Ms. Beck-Ferkiss reviewed with the Commissioners a draft of the Summary Suspension of Tracy Fickel. The Chair called for a motion to authorize the Chair to sign the Summary Suspension and set a hearing date for September 22, 1992, at 9:00 a.m. Mr. Brower made the motion. Mrs. Brackett seconded the motion. The motion was adopted.

The Chair called for a motion to go into executive session at 2:47 p.m. for the purpose of reviewing pending gaming investigations and matters of security. Mr. Brower made the motion. Mrs. Brackett seconded the motion. The motion was adopted.

The meeting was reconvened into public session at 3:10 p.m. by Chairperson Kelly.

Ms. Beck-Ferkiss reviewed with the Commissioners a Summary Suspension on Dennis Agnew. The Chair called for a motion to authorize the Chair to sign the Summary Suspension and set a hearing date for September 22, 1992, at 9:00 a.m. Mr. Brower made the motion. Mrs. Brackett seconded the motion. The motion was adopted.

There being no further business to come before the Commission, the meeting was adjourned at 3:18 p.m.

  
Sandie Seegmiller, Secretary

## Colorado Limited Gaming Control Commission

Minutes of Meeting  
July 30, 1992

The meeting was called to order by the Chairperson of the Colorado Limited Gaming Control Commission, Aurel Kelly, at 9:10 a.m. on July 30, 1992, at 200 E. Colfax, in the Old Supreme Court Chambers, Denver, Colorado. Present were Commissioners Ben Brower and Ava Brackett. Also attending were the Department of Revenue Executive Director, John Tipton, Deputy Director, Amelie Buchanan, Division of Gaming Director, Roger Morris, Chief of Investigations, Mel Grantham, Public Information Officer, Tom Kitts, Deputy Chief of Investigations, Jim Cain, Supervisor, Jim Husky, and Assistant Attorney General, Sue Beck-Ferkiss. Persons making presentations included CBI Investigator Phil Wilson, and Ross Grimes from the Famous Bonanza.

The Chair announced to the public that the tax rate would not be discussed at this Commission meeting and that the July 31, 1992 meeting had been cancelled.

Mr. Papish presented the financial statements and balance sheet for March 31, 1992. Mr. Papish reviewed the cost of the three investigators, and one clerical positions, previously approved by the Commission at the July 10th meeting. He explained to the Commission the cost of these positions; they are as follows:

3 Investigators I A/B (plus benefits)	122,254.00
1 Administrative Clerk (plus benefits)	25,426.00
Indirect Cost	14,768.00
Vehicles\Equipment	20,460.00
Investigative Supplies	6,060.00
Fixed Assets	18,655.00
Office Supplies/misc.	<u>7,500.00</u>
<b>TOTAL</b>	<b>215,123.00</b>

Mr. Grantham discussed the opportunity to expand the Cripple Creek office and asked that the Commission authorize the Division of Gaming to negotiate additional leased space in the amount of \$13,875.00.

The Chair called for a motion to adopt and approve the Division of Gaming's Financial Statements and the Balance Sheet of March 31, 1992. Mr. Brower made the motion. Mrs. Brackett seconded the motion. The motion was adopted.

The Chair called for a motion to approve and adopt the supplemental budget concerning the investigative personnel in the amount of \$215,123.00. Mrs. Brackett made the motion. Mr. Brower seconded the motion. The motion was adopted.

The Chair called for a motion to approve the expansion and to authorize the Division of Gaming to negotiate additional leased space for the Cripple Creek office in the amount of \$13,875.00. Mr. Brower made the motion. Mrs. Brackett seconded the motion. The motion was adopted.

The Chair asked if there were any organizational matters to come before the Commission, Mr. Morris said he had spoken with the Executive Secretary for the South Dakota Gaming Commission, Don Gromer, and said the South Dakota Gaming Commission would like to meet the Colorado Limited Gaming Commission in the beginning of October. The Commission felt that this was a good idea, and Mr. Morris should go ahead and plan a Commission meeting with the South Dakota Gaming Commission.

The Chair called for a motion to adopt and approve the July 9, 1992, and the July 10, 1992, Minutes of Meeting without reading. Mrs. Brackett made the motion. Mr. Brower seconded the motion. The motion was adopted.

Chairperson Kelly asked if any persons from the public had any concerns to be brought before the Commission.

Mr. Grimes felt that the Division and the Commission were not enforcing the laws regarding the gaming areas (35% of any building or 50% of any floor). He stated that he felt that the gaming towns had too many slot machines in each casino, which the situation was decreasing the revenues per machine. Mr. Grimes asked the Commission to enforce these laws. The Commission thanked Mr. Grimes for coming before the Commission and noted they would look into his concerns.

The Chair called for motion to go into executive session at 9:45 a.m. Mr. Brower made the motion. Mrs. Brackett seconded the motion. The motion was adopted.

The meeting reconvened into public session at 11:59 a.m. by Chairperson Kelly.

The Chair called for a motion to issue to DOC HOLLIDAY, INC., doing business as DOC HOLLIDAY, LTD., and to R. W. H., INC., doing business as MIDNIGHT ROSE HOTEL AND CASINO, permanent operator and retailer licenses, for the premises set forth in the applicants'

gaming license applications, effective July 30, 1992, at noon, and expiring at 11:59 a.m. on July 30, 1993.

Such licenses were granted as conditional licenses subject to the following conditions: No limited gaming shall be conducted or permitted on the licensed premises of the applicant prior to 8:00 a.m. on July 30, 1992; and no limited gaming shall be permitted or conducted on the licensed premises even after 8:00 a.m. on July 30, 1992, unless the following requirements are met. These requirements are actual receipt by the Division of Gaming of the following:

- a. Confirmation that a valid certificate of occupancy has been issued by the appropriate local authorities for the building in which limited gaming is to be conducted.
- b. A confirmation by the local historical preservation commission that the building in which limited gaming is to be conducted meets the architectural requirements of the Limited Gaming Act of 1991.
- c. A certification by the appropriate local officials that the building in which limited gaming is to be conducted meets the standards for fire safety set forth in the Limited Gaming Act of 1991.
- d. A certification by the appropriate local official that access to the building for the handicapped has been approved as required in the Limited Gaming Act of 1991.
- e. Payment in advance of the amount of the state device fee for all devices to be used in limited gaming.

Mr. Brower made the motion. Mrs. Brackett seconded the motion. The motion was adopted.

The Chair called for a motion to issue to COLORADO NITRO LIMITED LIABILITY CO., doing business as THE NITRO CLUB, and LUCKY STAR SALOON, INC. doing business as LUCKY STAR CASINO permanent operator and retailer licenses for a period of one year from the date of the issuance of the original temporary licenses. Mr. Brower made the motion. Mrs. Brackett seconded the motion. The motion was adopted.

The Chair again reminded the public the July 31, 1992, meeting had been cancelled.

There being no organizational matters to come before the Commission, the meeting was adjourned at 12:07 p.m.

  
Sandie Seegmiller, Secretary

**Colorado Limited Gaming Control Commission**

Minutes of Meeting  
July 27, 1992

The emergency meeting was held by telephone and commenced at 10:35 a.m. at 720 S. Colorado Blvd., Suite 540-S, Denver, Colorado. Present via telephone were Chairperson Aurel Kelly, and Commissioners Ava Brackett and Ben Brower. Also present were Division Director, Roger Morris, Assistant Attorney General, Sue Beck-Ferkiss, and Secretary, Sandie Seegmiller.

The business before the Commission involved two casino licenses that were due to expire before the next Commission meeting, and they needed temporary licenses for one day in order for the casinos to remain in business.

Mr. Morris explained to the Commissioners that the Division of Gaming has had no problems with either LUCKY STAR SALOON, INC., or COLORADO NITRO LIMITED LIABILITY CO.; therefore, did not see a problem with issuing these casinos licenses for one extra day until the Commission met on the 30th of July.

The Chair called for motion to issue COLORADO NITRO LIMITED LIABILITY COMPANY, doing business as THE NITRO CLUB and LUCKY STAR SALOON, INC., doing business as LUCKY STAR CASINO, operator and retailer licenses, for the premises set forth in the applicants' original gaming license applications, effective July 27, 1992, at noon and expiring July 30, 1992, at 5:00 p.m. Mrs. Brackett made the motion. Mr. Brower seconded the motion the motion was adopted.

There being no further business to come before the Commission the meeting was adjourned at 10:48 a.m.

  
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Sandie Seegmiller, Secretary

# COLORADO LIMITED GAMING CONTROL COMMISSION

## MINUTES OF MEETING

July 10, 1992

The meeting was called to order by the Chairperson of the Colorado Limited Gaming Control Commission, Aurel Kelly, at 9:10 a.m. on July 10, 1992, at 720 S. Colorado Blvd., second floor conference room. Present were Commissioners Ben Brower, Ava Brackett, and Lavoy Robison. Also attending were the Department of Revenue Deputy Director, Amelie Buchanan, Division of Gaming Director, Roger Morris, Chief of Investigations, Mel Grantham, Public Information Officer, Tom Kitts, Assistant Attorney General, Sue Beck-Ferkiss and from the Office of the Executive Director, Jim Huyghebaert. Persons making presentations included: private attorney Kevin Burr representing First Choice Coin; Division of Liquor Enforcement Director, David Reitz; and Liquor Agents Laura Smith and Matt Cook.

Mr. Burr spoke on behalf of First Choice Coin, noting that he thought that the investigation had been unreasonably delayed; he would like for the Commissioners to consider the application soon. Chairperson Kelly said that they could consider the application at the July 30 meeting, but in the case of the investigation not being complete by this date, First Choice Coin would run the risk of being denied. Mr. Burr assured them they did not want this to occur, and the applicant would just like for the investigation to be completed. Chairperson Kelly said that the Commission would get with the Division to get this issue resolved.

Mr. Morris announced that he was going to postpone discussion of the Regulation concerning Publicly traded Corporations and Public Offerings of Securities until a later date.

Mr. Reitz spoke with the Commission and wanted to make them aware of the Liquor Division's involvement with the gaming towns. He noted that the Liquor Enforcement Division had an opportunity to dedicate 1 FTE for six months to service the casinos that hold liquor licenses. He introduced Laura Smith, the investigator that is filling this position. The Commission thanked Mr. Reitz for coming before them.

The Chair called for a motion to issue temporary manufacturer and distributor licenses to: SMK CORPORATION; ROYAL BELL, LTD.; I.G.T.; IGT COLORADO CORPORATION; UNIVERSAL DISTRIBUTING OF NEVADA, INC.; SIGMA GAMES, INC.; and BALLY'S INC., and COLORADO GAME EXCHANGE, INC., effective July 29, 1992, at 8:00 a.m. and expiring October 29, 1992, at 8:00 a.m. conditioned on the full payment of application and license fees by July 29, 1992, at 5:00 p.m. Mr. Brower made the motion. Mrs. Brackett seconded the motion. The motion was adopted.

Mr. Huyghebaert and Ms. Buchanan reviewed with the Commission the methodology the Commission used last year when deciding the tax rate, and the methodology they would like to see the Commission use this year, noting that there were only minor changes.

Ms. Buchanan announced that the tax hearings would begin on July 30, 1992.

The meeting was recessed by Chairperson Kelly at 10:35 a.m.

The meeting was reconvened into public session by Chairperson Kelly at 10:47 a.m.

The Chair called for a motion to go into executive session to review CBI funding. Mrs. Brackett made the motion. Mr. Brower seconded the motion. The motion was adopted.

The Chair called for a motion to ratify and approve the agreement between the Department of Revenue and the Department of Public Safety and the Chairperson of the Colorado Limited Gaming Control Commission that was signed on July 7, 1992, and provides generally for the transfer of background investigations activities from the CBI to the Division of Gaming. Mr. Brower made the motion. Mrs. Brackett seconded the motion. The motion was adopted. (Exhibit A).

The Chair called for a motion to approve and adopt Accountability Indicators Colorado Bureau of Investigation Organized Crime/Limited Gaming (Exhibit B). Mr. Robison made the motion. Mr. Brower seconded the motion. The motion was adopted.

The Chair called for a motion to approve funding for the Colorado Bureau of Investigation for the following: two Field Agents; one Senior Crime Data Specialist; and one Senior Secretary, for fiscal year 1993; as well as the currently-employed background investigators for a two-month period. Mrs. Brackett made the motion. Mr. Brower seconded the motion. The motion was adopted.

The meeting was recessed by Chairperson Kelly at 1:15 p.m.

The meeting was reconvened into public session by Chairperson Kelly at 1:45 p.m.

Mr. Morris presented the following regulations to be adopted by the Commission as permanent amendments: 47.1-305(1)(2) Investigation fees; and 47.1-1202 Testing. The Chair called for a motion to adopt 47.1-305(1)(2) Investigation fees, and 47.1-1202 Testing as permanent amendments. Mr. Brower made the motion. Mr. Robison seconded the motion. The motion was adopted.

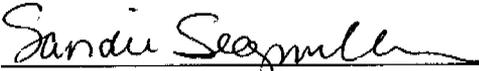
The Chair called for a motion to go into executive session at 1:55 p.m. to consider the State Auditor's report. Mr. Brower made the motion. Mr. Robison seconded the motion. The motion was adopted.

The meeting was reconvened into public session at 2:05 p.m. by Chairperson Kelly.

Page 3 of 3  
July 10, 1992

Mr. Morris asked that the Commission approve three investigators and one clerical position for the Division, as the CBI would be turning over the investigations to Gaming. The Chair called for a motion to authorize three investigators and one administrative clerk for the Division of Gaming. Mr. Robison made the motion. Mr. Brower seconded the motion. The motion was adopted.

There being no further business to come before the Commission, the meeting was adjourned at 2:15 p.m.

  
Sandie Seegmiller, Secretary

**LIMITED GAMING COMMISSION/C.B.I.****Funding Procedures****1. STANDARD**

The policy of the Colorado Limited Gaming Control Commission is that the Limited Gaming Fund should pay for the costs of state agencies involved in the implementation and oversight of Limited Gaming activities in Colorado. Likewise, the Limited Gaming Fund should not pay for costs that are not a result of Limited Gaming. The Commission recognizes that state agencies need to work on a budget basis and not on reimbursement. Therefore, the following standard is to be applied in establishing funding for the C.B.I.:

- ▶ The Commission will consider a budget for C.B.I. relating to Limited Gaming. For funding purposes, cases not connected to Limited Gaming will be handled by investigators other than the Gaming investigators.

**2. PROCEDURES**

1. In order to avoid duplication of effort and double funding of the same activities:
  - ▶ Commencing July 7, 1992, all new and all future background investigations will be conducted by the Division of Gaming.
  - ▶ All pending background investigations being handled by C.B.I. will be completed by C.B.I. no later than September 1, 1992.
2. Criminal Investigations relating to violations of Colorado Organized Crime Control Act:
  - ▶ May be initiated by C.B.I. based upon standard operating procedures established by the agency.
  - ▶ If the investigation involves an applicant for a gaming license, licensee, associated person, employee or any other person linked to Limited Gaming, the Commission and the Division will be informed at the initiation of the investigation, and such investigation will be conducted under the aegis of the Commission.

- ▶ The Division of Gaming and the Commission will be notified of the impending filing of criminal charges prior to such filing and appropriate investigative reports will be provided.
- ▶ Investigations not resulting in the filing of criminal charges will be reported to the Commission at the conclusion of the investigation for possible administrative action.

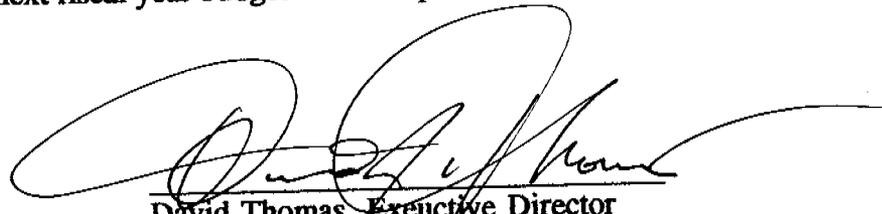
3. Periodic Briefings:

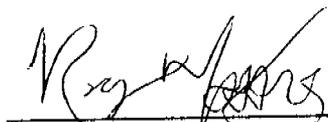
- ▶ Monthly briefings will be conducted jointly by the Division of Gaming and C.B.I. for the Commission by a designated representative of the Division of Gaming and C.B.I. of pending investigations and prosecutions (except those ordered by the Governor). Notwithstanding this provision, either the Division of Gaming or C.B.I. may independently brief the Commission at any time.

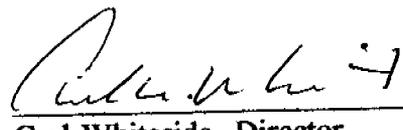
4. Funding Decisions:

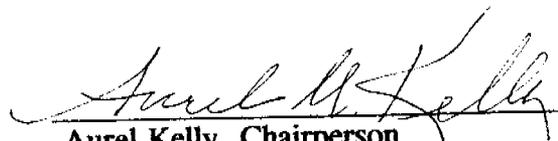
- ▶ A formal budgetary request will be presented to the Commission each year concerning the next fiscal year budget of the Department of Public Safety.

  
 John Tipton, Executive Director  
 Department of Revenue

  
 David Thomas, Executive Director  
 Department of Public Safety

  
 Roger Morris, Director  
 Division of Gaming

  
 Carl Whiteside, Director  
 Colorado Bureau of Investigation

  
 Aurel Kelly, Chairperson  
 Colorado Limited Gaming Control Commission

ACCOUNTABILITY INDICATORS  
 COLORADO BUREAU OF INVESTIGATION  
 ORGANIZED CRIME/LIMITED GAMING

I. Areas of Emphasis

CBI will focus its efforts on the accountability indicators approved by the Commission on July 10, 1992, in evaluating the possible presence of organized crime in limited gaming in Colorado and report to the Commission stating with specificity its compliance on the 11th day of January, 1993, and again on July 10, 1993.

- \* Suppliers and Contractors
- \* Property Transactions
- \* Hidden ownership by organized crime figures
- \* Influence of government officials
- \* Union influence, if appropriate

II. Performance Measures

The following performance measures will be used by CBI to track performance over the fiscal year. The data is not intended as a quota system but as one of a number of tools in tracking performance. The measures will be applied to each area of focus so that the Commission has a clearer sense of activity in each of these areas of focus.

**WORKLOAD MEASURES**

- # of investigations completed
- # of investigations resulting in cases presented to the DA/AG for filing of charges
- # of misdemeanor arrests
- # of felony arrests
- # of field contacts recorded
- # of intelligence reports completed
- # of intelligence summaries prepared for dissemination to investigators

**EFFICIENCY MEASURES**

- # of investigations per FTE
- # of investigations per FTE resulting in cases presented to the DA/AG for filing of charges
- # of arrests per investigation

**EFFECTIVENESS MEASURES**

- % of investigations which are self-initiated/result of information developed by investigator
- % of investigations which result from observation of criminal activities
- % of investigations resulting from external complaints/information

% of cases presented to DA/AG accepted for criminal filings  
% of arrests resulting in conviction

#### ASSUMPTIONS

1. All of the above measures pertain to organized crime as it specifically relates to limited gaming activities.
2. Performance to be measured is independent (i.e., not a duplication) of Division of Gaming activities.
3. The Division of Gaming and the Colorado Bureau of Investigation will exchange information as appropriate.

# COLORADO LIMITED GAMING CONTROL COMMISSION

## MINUTES OF MEETING

July 9, 1992

The meeting was called to order by the Chairperson of the Colorado Limited Gaming Control Commission, Aurel Kelly, at 9:12 a.m. on July 9, 1992, at 720 S. Colorado Blvd., second floor conference room. Present were Commissioners Ben Brower, Ava Brackett, and Lavoy Robison. Also attending were the Department of Revenue Deputy Director, Amelie Buchanan, Division of Gaming Director, Roger Morris, Chief of Investigations, Mel Grantham, Public Information Officer, Tom Kitts, Assistant Attorney General, Sue Beck-Ferkiss, Administrative Assistant, Wendy Spaulding, and Auditor, Charissa Hammer. Persons making presentations included: Department of Public Safety Executive Director Dave Thomas; Colorado Bureau of Investigation Director, Carl Whiteside; Investigator Huck Henderson; CBI Investigator Mike Chapla; and Investigator Bob Abbott.

Chairperson Kelly asked Mr. Morris if he had any organizational matters to discuss with the Commission; Mr. Morris introduced Wendy Spaulding and Charissa Hammer, new employees with the Division of Gaming.

Chairperson Kelly called for a motion to adopt the Minutes of the Meeting of June 30, 1992, without reading. Mr. Brower made the motion. Mrs. Brackett seconded the motion. The motion was adopted.

Mr. Thomas asked that his presentation be considered in executive session. The Chair called for a motion to go into executive session at 9:15 a.m. for consideration of matters to be addressed by Mr. Thomas, and for the purpose of reviewing and considering temporary licensure and the backgrounds of various applicants for gaming licenses. Mrs. Brackett made the motion. Mr. Brower seconded the motion. The motion was adopted.

The meeting was reconvened into public session by Chairperson Kelly at 3:10 p.m.

The Chair called for a motion to issue to TERP'S LIMITED LIABILITY COMPANY, doing business as TERP'S CASINO, and to 353 MYERS AVENUE LIMITED PARTNERSHIP, doing business as JUBILEE CASINO, temporary operator and retailer licenses, for the premises set forth in the applicants' gaming license applications, effective July 9, 1992, at noon, and expiring at 11:59 a.m. on January 8, 1993, and to SORENSEN GAMING, INC., doing business as H.A.W. TABOR'S SILVER DOLLAR CASINO, RICHMAN PROPERTIES LIMITED LIABILITY COMPANY, doing business as THE RICHMAN, GOLD CREEK ASSOCIATES, LTD., doing business as WOMACK'S SALOON AND GAMING PARLOR, BLACK HAWK MANAGEMENT COMPANY, L.P., doing business as BULLWHACKERS BLACK HAWK, LTD., permanent operator and retailer licenses, for the premises set forth in the applicants'

gaming license applications, effective July 9, 1992, at noon and expiring at 11:59 a.m. on July 9, 1993.

Such licenses were granted as conditional licenses subject to the following conditions: No limited gaming shall be conducted or permitted on the licensed premises of the applicants prior to 8:00 a.m. on July 9, 1992; and no limited gaming shall be permitted or conducted on the licensed premises even after 8:00 a.m. on July 9, 1992, unless the following requirements are met. These requirements are actual receipt by the Division of Gaming of the following:

- a. Confirmation that a valid certificate of occupancy has been issued by the appropriate local authorities for the building in which limited gaming is to be conducted.
- b. A confirmation by the local historical preservation commission that the building in which limited gaming is to be conducted meets the architectural requirements of the Limited Gaming Act of 1991.
- c. A certification by the appropriate local officials that the building in which limited gaming is to be conducted meets the standards for fire safety set forth in the Limited Gaming Act of 1991.
- d. A certification by the appropriate local official that access to the building for the handicapped has been approved as required in the Limited Gaming Act of 1991.
- e. Payment in advance of the amount of the state device fee for all devices to be used in limited gaming.

Mr. Robison made the motion. Mr. Brower seconded the motion. The motion was adopted.

The Chair called for a motion to return to executive session at 3:17 p.m. to discuss the State Auditor's report. Mr. Brower made the motion. Mr. Robison seconded the motion. The motion was adopted.

The meeting was reconvened into public session by Chairperson Kelly at 4:25 p.m.

The Chair asked nominations for a new Chair and Vice Chair for the Colorado Limited Gaming Control Commission.

The nominations for the Chairperson were as follows: Mr. Robison nominated Aurel Kelly; Ms. Kelly nominated Ben Brower.

The nominations for the Vice Chairperson were as follows: Mr. Robison nominated Ava Brackett; Mrs. Brackett nominated Ben Brower.

The Commission voted on each Chairperson and Vice Chairperson separately. The Chair called for a motion for Aurel Kelly as the Chairperson. Mr. Robison made the motion. Mr. Brower seconded the motion. Mr. Brower, Mrs. Brackett and Mr. Robison all were in favor. Chairperson Kelly opposed. The motion for Aurel Kelly as Chairperson was adopted.

The Chair called for a motion on the nomination of Ava Brackett for Vice Chairperson. Mr. Brower made the motion. Mr. Robison seconded the motion. Mr. Brower, Mr. Robison, and Ms. Kelly were in favor. Mrs. Brackett opposed. The motion for Ava Brackett for Vice Chairperson was adopted.

There being no further business to come before the Commission, the meeting was adjourned at 4:32 p.m.

  
Sandie Seegmiller, Secretary

# COLORADO LIMITED GAMING CONTROL COMMISSION

## MINUTES OF MEETING

June 30, 1992

The meeting was called to order by the Chairperson of the Colorado Limited Gaming Control Commission, Aurel Kelly, at 9:16 a.m. on June 30, 1992, at 720 S. Colorado Blvd., second floor conference room. Present were Commissioners Ava Brackett and Lavoy Robison. Absent and excused was Ben Brower. Attending as the designee for Gaming Division was Chief of Investigations, Mel Grantham; also present were Public Information Officer, Tom Kitts, Controller, Joe Papish, and Assistant Attorney General, Sue Beck-Ferkiss. Persons making presentations included: Investigator Craig Bridgmon; Investigator Huck Henderson; and Division of Fire Safety Deputy Director, Paul Cook.

Chairperson Kelly asked Mr. Grantham if he had any organizational matters to discuss with the Commission; he stated that he did not have any informational or organizational matters to report at that time.

Chairperson Kelly called for a motion to adopt the Minutes of the Meeting of June 17, 1992. Mrs. Brackett made the motion. Mr. Robison seconded the motion. The motion was adopted.

Mr. Cook reviewed with the Commission the Division of Fire Safety's \$11,000 request for data processing supplies and the request for \$3,000 for postage. The discussion of these matters had been deferred from the June 17, 1992, meeting. Mr. Cook said the Division of Fire Safety was willing to reduce the postage amount from \$3,000 to \$2,000, and the monies were for the purpose of mailing safety plans to each of the casinos. He noted that the data supplies were for the computer equipment set up in Grand Junction where the Division Director was soon to relocate.

The Commission concluded that the \$11,000 for computer equipment was not to be for the sole purpose of gaming-related activity, and therefore the Commission was not willing to approve the amount of \$11,000 as requested.

The Chair called for a motion to approve the \$2,000 for postage. Mr. Robison made the motion. Mrs. Brackett seconded the motion. The motion was adopted.

The Chair called for a motion to go into executive session at 9:37 a.m. for the purpose of reviewing and considering temporary and permanent licensure and the backgrounds of various applicants for gaming licenses. Mr. Robison made the motion. Mrs. Brackett seconded the motion. The motion was adopted.

The meeting was reconvened into public session by Chairperson Kelly at 12:10 p.m.

The Chairperson called for a motion to grant to O-G ENTERPRISE, INC., doing business as

CRYSTAL CAROUSEL, RIO CASINO A LIMITED LIABILITY CO., doing business as ROHLING INN CASINO, and 777 GAMING LTD. LIABILITY CO., doing business as LONG BRANCH SALOON & CASINO, permanent operator and retailer licenses for a period of one year from the date of the issuance of the original temporary licenses. Mr. Robison made the motion. Mrs. Brackett seconded the motion. The motion was adopted.

The Chair called for a motion to issue to STAR OF CRIPPLE CREEK 1992 LIMITED LIABILITY COMPANY, doing business as STAR OF CRIPPLE CREEK, permanent operator and retailer licenses, for the premises set forth in the applicant's gaming license application, effective June 30, 1992, at noon, and expiring at 11:59 a.m. on June 30, 1993.

Such licenses were granted as conditional licenses subject to the following conditions: No limited gaming shall be conducted or permitted on the licensed premises of the applicant prior to 8:00 a.m. on June 30, 1992; and no limited gaming shall be permitted or conducted on the licensed premises even after 8:00 a.m. on June 30, 1992, unless the following requirements are met. These requirements are actual receipt by the Division of Gaming of the following:

- a. Confirmation that a valid certificate of occupancy has been issued by the appropriate local authorities for the building in which limited gaming is to be conducted.
- b. A confirmation by the local historical preservation commission that the building in which limited gaming is to be conducted meets the architectural requirements of the Limited Gaming Act of 1991.
- c. A certification by the appropriate local officials that the building in which limited gaming is to be conducted meets the standards for fire safety set forth in the Limited Gaming Act of 1991.
- d. A certification by the appropriate local official that access to the building for the handicapped has been approved as required in the Limited Gaming Act of 1991.
- e. Payment in advance of the amount of the state device fee for all devices to be used in limited gaming.

Mr. Robison made the motion. Mrs. Brackett seconded the motion. The motion was adopted.

The meeting was recessed by Chairperson Kelly at 12:15 p.m.

The meeting was resumed into executive session at 1:30 p.m. by the Commission.

The meeting was reconvened into public session by Chairperson Kelly at 2:10 p.m.

The Chair called for a motion to issue to TOLL GATE LIMITED LIABILITY COMPANY, permanent operator and retailer licenses, for the premises set forth in the applicant's gaming license application, effective June 30, 1992, at noon, and expiring at 11:59 a.m. on June 30, 1993.

Such licenses were granted as conditional licenses subject to the following conditions: No limited gaming shall be conducted or permitted on the licensed premises of the applicant prior to 8:00 a.m. on June 30, 1992; and no limited gaming shall be permitted or conducted on the licensed premises even after 8:00 a.m. on June 30, 1992, unless the following requirements are met. These requirements are actual receipt by the Division of Gaming of the following:

- a. Confirmation that a valid certificate of occupancy has been issued by the appropriate local authorities for the building in which limited gaming is to be conducted.
- b. A confirmation by the local historical preservation commission that the building in which limited gaming is to be conducted meets the architectural requirements of the Limited Gaming Act of 1991.
- c. A certification by the appropriate local officials that the building in which limited gaming is to be conducted meets the standards for fire safety set forth in the Limited Gaming Act of 1991.
- d. A certification by the appropriate local official that access to the building for the handicapped has been approved as required in the Limited Gaming Act of 1991.
- e. Payment in advance of the amount of the state device fee for all devices to be used in limited gaming.

Mr. Robison made the motion. Mrs. Brackett seconded the motion. The motion was adopted.

Mr. Papish reviewed with the Commission the estimated pass-through cost for Gaming Laboratories International, Inc. in the amount of \$183,750. The Chair called for a motion to

approve the \$183,750 pass-through expenses for Gaming Laboratories International, Inc. as part of the 1993 budget. Mr. Robison made the motion. Mrs. Brackett seconded the motion. The motion was adopted.

Ms. Beck-Ferkiss asked that the Commission approve and sign the Order that accepts the Affidavit for Surrender of Limited Gaming License for Daniel Meryle Coon and William Michael Brown. The Chair called for a motion to authorize the Chair to sign the Orders. Mrs. Brackett made the motion. Mr. Robison seconded the motion. The motion was adopted.

The Chair called for a motion to delegate the responsibilities of conducting hearings concerning appeals of denied support applications, and preparing a record for the Commissioners to review, to Ava Brackett. Mr. Robison made the motion. Mrs. Brackett seconded the motion. The motion was adopted.

There being no further business to come before the Commission, the meeting was adjourned at 2:50 p.m.

Sandie Seegmiller  
Sandie Seegmiller, Secretary

# COLORADO LIMITED GAMING CONTROL COMMISSION

## MINUTES OF MEETING

June 17, 1992

The meeting was called to order by the Chairperson of the Colorado Limited Gaming Control Commission, Aurel Kelly, at 9:15 a.m. on June 17, 1992, at 720 S. Colorado Blvd., second floor conference room. Present were Commissioners Ben Brower, Ava Brackett, and Lavoy Robison. Also attending were the Department of Revenue Executive Director, John Tipton, Deputy Director, Amelie Buchanan, Division of Gaming Director, Roger Morris, Chief of Investigations, Mel Grantham, Deputy Chief of Investigations, Jim Cain, Public Information Officer, Tom Kitts, Controller, Joe Papish, Budget Officer Dominique de Mar, System Analyst, Bob Cockerill, and Assistant Attorney General, Sue Beck-Ferkiss. Persons making presentations included: Investigator Al Dougan; Investigator Huck Henderson; Investigator Mike Walker; Investigator Bob Abbott; CBI Investigator Harold Foster; private attorney Leo Zuckerman; and Department of Public Safety Officer, Ron Simsick.

Chairperson Kelly asked Mr. Morris if he had any organizational matters to discuss with the Commission; he stated that he did not have any informational or organizational matters to report at that time.

Chairperson Kelly called for a motion to adopt the Minutes of the Meeting of May 27, 1992, without reading. Mr. Brower made the motion. Mr. Robison seconded the motion. The motion was adopted.

Chairperson Kelly called for a motion to adopt the Minutes of the Meeting of June 3, 1992, without reading. Mr. Robison made the motion. Mr. Brower seconded the motion. The motion was adopted.

Chairperson Kelly called for a motion to adopt the Minutes of the Meeting of June 4, 1992, without reading. Mr. Brower made the motion. Mr. Robison seconded the motion. The motion was adopted.

Mr. Zuckerman asked that the Commission consider the Terp's Limited Liability Co. and The Silver Star Limited Liability Co. applications for temporary licenses until the investigations are completed. He noted that associated persons David Wahl, Fred Kaufman, Vern Terpening, and Dr. Larry McCleary were previously approved for licensure by the Commission. The Commission responded that it would discuss this issue in executive session when attending to other licensing matters.

Mr. Papish, Ms. de Mar, and Mr. Cockerill reviewed with the Commission the proposed budget for fiscal year 1993. The Commission requested that they return in the afternoon to address

detailed questions about the budget.

The meeting was recessed by Chairperson Kelly at 11:00 a.m.

The meeting was reconvened by Chairperson Kelly at 11:11 a.m.

Ms. Buchanan presented to the Commissioners an outline of the State Auditor's report on the audit performed at the Division of Gaming. Ms. Buchanan asked that the Commissioners report any factual discrepancies they find to Sandie Seegmiller by Wednesday, June 24.

The Chair called for a motion to go into executive session at 11:17 a.m. for the purpose of reviewing and considering temporary licensure and the backgrounds of various applicants for gaming licenses and to hear the monthly report on enforcement statistics. Mr. Robison made the motion. Mr. Brower seconded the motion. The motion was adopted.

The meeting was reconvened into public session by Chairperson Kelly at 3:02 p.m.

The Chair called for a motion to issue to TERRY'S CAFE LIMITED PARTNERSHIP, doing business as MAVERICK'S CASINO, temporary operator and retailer licenses, for the premises set forth in the applicant's gaming license application, effective June 17, 1992, at noon, and expiring at 11:59 a.m. on December 16, 1992, and to TOOTSIE'S CASINO LIMITED LIABILITY COMPANY, doing business as MAYOR WILLIE'S SALOON AND CASINO, THE LAYS' PALACE, LTD., doing business as THE PALACE HOTEL AND CASINO, CRIPPLE CREEK ASSOCIATES doing business as MADAM JUNE'S, and BLUE BUILDING DEVELOPMENT, INC. doing business as GOLDDIGGERS', permanent operator and retailer licenses, for the premises set forth in the applicants' gaming license applications, effective June 17, 1992, at noon and expiring at 11:59 a.m. on June 17, 1993.

Such licenses were granted as conditional licenses subject to the following conditions: No limited gaming shall be conducted or permitted on the licensed premises of the applicants prior to 8:00 a.m. on June 17, 1992; and no limited gaming shall be permitted or conducted on the licensed premises even after 8:00 a.m. on June 17, 1992, unless the following requirements are met. These requirements are actual receipt by the Division of Gaming of the following:

- a. Confirmation that a valid certificate of occupancy has been issued by the appropriate local authorities for the building in which limited gaming is to be conducted.

- b. A confirmation by the local historical preservation commission that the building in which limited gaming is to be conducted meets the architectural requirements of the Limited Gaming Act of 1991.
- c. A certification by the appropriate local officials that the building in which limited gaming is to be conducted meets the standards for fire safety set forth in the Limited Gaming Act of 1991.
- d. A certification by the appropriate local official that access to the building for the handicapped has been approved as required in the Limited Gaming Act of 1991.
- e. Payment in advance of the amount of the state device fee for all devices to be used in limited gaming.

Additionally, for the TERRY'S CAFE LIMITED PARTNERSHIP, doing business as MAVERICK'S CASINO, with respect to associated person Jacques Machol III, the following conditions apply during the term of these temporary licenses:

- f. Mr. Machol shall have no association or personal contact with any of following individuals:
  - Roland Iacino;
  - John Santucci;
  - Pete Iacino;
  - Sol Davidson;
  - Joey Napolitan;
- g. Licensee Machol shall not, without prior notification to the Division, employ or associate with any individual, not already possessing a limited gaming license, having an extensive criminal background or individuals known by Machol to have any felony convictions;
- h. Licensee Machol shall comply with all the laws of the State of Colorado.

An additional condition for the BLUE BUILDING DEVELOPMENT, INC. doing business as GOLDDIGGERS' is as follows:

- f. Licensee shall have a complete audit conducted as required for a Class C licensee by an outside CPA firm as of September 30, 1992. Such audit shall be paid for by the licensee and shall be submitted to the Commission no later than December 31, 1992.

Mr. Brower made the motion. Mrs. Brackett seconded the motion. The motion was adopted.

The Chair asked Mr. Morris to advise Mr. Zuckerman that the Commission would not consider the Terp's and Silver Star applications until the investigations were completed. Mr. Morris agreed to do so.

Mr. Simsick presented to the Commission the Department of Public Safety's budget request for Fire Safety and for State Patrol for fiscal year 1993.

The Commission had a few questions regarding the \$11,000 for data supplies and \$3,000 for postage and asked that the Division of Fire Safety support this amount. Mr. Simsick said he would bring supporting documentation for these two items to the June 30 meeting.

The Chair called for a motion to approve and adopt Fire Safety's budget request for \$111,677 (not including the above-mentioned amounts totalling \$14,000). Mrs. Brackett made the motion. Mr. Brower seconded the motion. The motion was adopted.

The Chair called for a motion to approve and adopt State Patrol's request for \$416,254 subject to future request for spending authority of \$64,975. Mr. Brower made the motion. Mrs. Brackett seconded the motion. The motion was adopted.

The Chair called for motion to adopt the Notice of Rule-Making on the tax issues that Ms. Beck-Ferkiss drafted up for the Commissions approval. Mr. Robison made the motion. Mr. Brower seconded the motion. The motion was adopted.

Mr. Papish and Mr. Cockerill presented the Division of Gaming budget for fiscal 1993. Mr. Robison called for a motion to approve and adopt the budget request totalling \$3,868,709 combined with the pass through expenses of \$236,056 (this amount does not include CBI's pass-through expenses). Ms. Kelly made the motion. Mrs. Brackett seconded the motion. The motion was adopted.

The Chair called for a motion to go into executive session at 4:13 p.m. for the purpose of reviewing and considering temporary licensure and the backgrounds of various applicants for gaming licenses. Mr. Brower made the motion. Mr. Robison seconded the motion. The motion was adopted.

The meeting was reconvened into public session by Chairperson Kelly at 5:15 p.m.

The Chair called for a motion to issue to 777 GAMING LTD. LIABILITY CO., doing business as LONG BRANCH SALOON & CASINO, LTD. temporary operator and retailer licenses, for the premises set forth in the applicant's gaming license application, effective June 17, 1992, at 5:00 p.m. and expiring at 5:00 p.m. on June 30, 1992.

Such licenses were granted as conditional licenses subject to the following conditions: No limited gaming shall be conducted or permitted on the licensed premises of the applicants prior to 8:00 a.m. on June 17, 1992; and no limited gaming shall be permitted or conducted on the licensed premises even after 8:00 a.m. on June 17, 1992, unless the following requirements are met. These requirements are actual receipt by the Division of Gaming of the following:

- a. Confirmation that a valid certificate of occupancy has been issued by the appropriate local authorities for the building in which limited gaming is to be conducted.
- b. A confirmation by the local historical preservation commission that the building in which limited gaming is to be conducted meets the architectural requirements of the Limited Gaming Act of 1991.
- c. A certification by the appropriate local officials that the building in which limited gaming is to be conducted meets the standards for fire safety set forth in the Limited Gaming Act of 1991.
- d. A certification by the appropriate local official that access to the building for the handicapped has been approved as required in the Limited Gaming Act of 1991.
- e. Payment in advance of the amount of the state device fee for all devices to be used in limited gaming.

Mr. Robison made the motion. Mrs. Brackett seconded the motion. The motion was adopted.

There being no further business to come before the Commission, the meeting was adjourned at 5:27 p.m.

  
Sandie Seegmiller, Secretary

# COLORADO LIMITED GAMING CONTROL COMMISSION

## MINUTES OF MEETING

June 4, 1992

The meeting was called to order by the Chairperson of the Colorado Limited Gaming Control Commission, Aurel Kelly, at 9:10 a.m. on June 4, 1992, at 200 E. Colfax, in the Old Supreme Court Chambers, Denver, Colorado. Present were Commissioners Ben Brower, Ava Brackett, and Lavoy Robison. Also attending were the Department of Revenue Executive Director, John Tipton, Deputy Director, Amelie Buchanan, Division of Gaming Director, Roger Morris, Chief of Investigations, Mel Grantham, Public Information Officer, Tom Kitts, Investigator Max Kettler, Investigator Craig Bridgmon, and Assistant Attorney General, Sue Beck-Ferkiss. Persons making presentations included Mark Hemmeter.

There being no organizational matters to come before the Commission, the Chair called for a motion to go into executive session at 9:15 a.m. for the purpose of reviewing and considering temporary and permanent licensure and the backgrounds of various applicants for gaming licenses. Mr. Robison made the motion. Mr. Brower seconded the motion. The motion was adopted.

The Commission reconvened into public session by Chairperson Kelly at 11:35 a.m.

The Chair called for a motion to issue to the CENTRAL CITY MANAGEMENT COMPANY, doing business as BULLWHACKERS CENTRAL CITY, LTD., permanent operator and retailer licenses, for the premises set forth in the applicant's gaming license application, effective June 4, 1992, at noon and expiring at 11:59 a.m. on June 3, 1993. Such licenses are to be conditional licenses subject to the following conditions: No limited gaming shall be conducted or permitted on the licensed premises of any applicant prior to 8:00 a.m. on June 4, 1992; and no limited gaming shall be permitted or conducted on the licensed premises even after 8:00 a.m. June 4, 1992, unless the following requirements are met. These requirements are actual receipt by the Division of Gaming of the following:

- a. Confirmation that a valid certificate of occupancy has been issued by the appropriate local authorities for the building in which limited gaming is to be conducted.
- b. A confirmation by the local historical preservation commission that the building in which limited gaming is to be conducted meets the architectural requirements of the Limited Gaming Act of 1991.

- c. A certification by the appropriate local officials that the building in which limited gaming is to be conducted meets the standards for fire safety set forth in the Limited Gaming Act of 1991.
- d. A certification by the appropriate local official that access to the building for the handicapped has been approved as required in the Limited Gaming Act of 1991.
- e. Payment in advance of the amount of the state device fee for all devices to be used in limited gaming.
- f. Receipt by the Division of a written guarantee that Chris B. Hemmeter and Mark M. Hemmeter are personally obligated for any gaming tax liabilities as required by law.

Mrs. Brackett made the motion. Mr. Brower seconded the motion. The motion was adopted.

The Chair called for a motion to issue to the GOLD COIN LIMITED LIABILITY COMPANY, doing business as GOLD COIN SALOON AND CASINO, temporary operator and retailer licenses, for the premises set forth in the applicant's gaming license application, effective June 4, 1992, at noon and expiring at 11:59 a.m. on December 3, 1992. Such licenses are to be conditional licenses subject to the following conditions: No limited gaming shall be conducted or permitted on the licensed premises of any applicant prior to 8:00 a.m. on June 4, 1992; and no limited gaming shall be permitted or conducted on the licensed premises even after 8:00 a.m. June 4, 1992, unless the following requirements are met. These requirements are actual receipt by the Division of Gaming of the following:

- a. Confirmation that a valid certificate of occupancy has been issued by the appropriate local authorities for the building in which limited gaming is to be conducted.
- b. A confirmation by the local historical preservation commission that the building in which limited gaming is to be conducted meets the architectural requirements of the Limited Gaming Act of 1991.
- c. A certification by the appropriate local officials that the building in which limited gaming is to be conducted meets the standards for fire safety set forth in the Limited Gaming Act of 1991.

- d. A certification by the appropriate local official that access to the building for the handicapped has been approved as required in the Limited Gaming Act of 1991.
- e. Payment in advance of the amount of the state device fee for all devices to be used in limited gaming.

Mr. Robison made the motion. Mrs. Brackett seconded the motion. The motion was adopted.

Mr. Hemmeter thanked the Commission and the Division for all their hard work and promised not to let them down.

The meeting was recessed by Chairperson Kelly at 11:40 a.m.

The meeting was reconvened by Chairperson Kelly at 11:55 a.m.

Ms. Buchanan reviewed a proposed schedule concerning the gaming tax and contiguous counties issues for the July, August, and September Commission meetings. She recommended that two meetings in August and three meetings in September be set aside to hear testimony from the Department of Revenue and the public regarding gaming taxes, as well as regarding the contiguous county fund.

Mr. Morris distributed to the Commission background information about a possible Exclusion List.

There being no further business to come before the Commission, the meeting was adjourned at 1:30 p.m.

  
Sandie Seegmiller, Secretary

# COLORADO LIMITED GAMING CONTROL COMMISSION

## MINUTES OF MEETING

June 3, 1992

The meeting was called to order by the Chairperson of the Colorado Limited Gaming Control Commission, Aurel Kelly, at 9:11 a.m. on June 3, 1992, at 200 E. Colfax, Old Supreme Court Chambers, Denver, Colorado. Present were Commissioners Ben Brower, Ava Brackett, and Lavoy Robison. Also attending were the Department of Revenue Executive Director, John Tipton, Deputy Director, Amelie Buchanan, Division of Gaming Director, Roger Morris, Chief of Investigations, Mel Grantham, Public Information Officer, Tom Kitts, Investigator Max Kettler, Investigator Laura Friedrich, Investigator Craig Bridgmon and Assistant Attorney General, Sue Beck-Ferkiss. Persons making presentations included: private attorney Tom Dunn; Thomas Feeney; Jay Edward Jones; Bill Lowe; Richard Anderson; Gerry Brown; Mike Callihan; and Gene Reagin.

Chairperson Kelly asked if there were any organizational matters to discuss with the Commission; Ms. Beck-Ferkiss stated that Don Mielke, the D.A. for Jefferson and Gilpin Counties, requested an opinion from the Attorney General's office asking for advise on appropriate venue for specific gaming law offense. Ms. Beck-Ferkiss said that Gail Norton was looking into the matter.

Mr. Tipton announced that the Governor wanted to speak the Commission at 10:30 a.m.; he therefore suggested the Commission go into executive session at that time.

The Chair called for a motion to go into executive session at 9:15 a.m. for the purpose of reviewing and considering temporary and permanent licensure and the backgrounds of various applicants for gaming licenses and to meet with the Governor. Mr. Robison made the motion. Mr. Brower seconded the motion. The motion was adopted.

The Commission reconvened into public session at 11:20 a.m. for the purpose of holding a hearing on the appeal of Thomas Feeney, case #GAD91008.

Representing Mr. Feeney was Mr. Tom Dunn. Representing the Division of Gaming was Sue Beck-Ferkiss. Representing the Gaming Commission as conflicts counsel was Tom Callison.

Having considered extensive testimony from both the Division and the applicant in this matter, the Commission overruled the denial by the Division of Mr. Feeney's key employee license application dated November 19, 1991, and granted a temporary key employee license to the applicant for six months based on the following conditions:

1. The licensee shall have his state and federal tax liabilities resolved within one year of the date of the issuance of this license;
2. The licensee shall have all child support issues related to his son resolved within one year of the date of the issuance of this license;
3. The licensee shall make written quarterly reports to the Colorado Limited Gaming Control Commission through the Division of Gaming concerning the status of his tax liabilities, the status of his child support payments, and including an affirmative statement of his compliance with the gaming laws, rules and regulations of the State of Colorado;
4. The licensee shall not engage in any drug-related or alcohol-related offenses, and he shall comply with all the rules and regulations of the Commission and all the laws of the State of Colorado and of the United States.

The licensee shall appear before the Commission in six months to report on his progress. If after six months the licensee has not violated any aforementioned condition, the Commission shall issue either a temporary or a permanent license for the next six months. The license issued at that time shall be subject to renewal like any other key employee license issued by the Division of Gaming. At all times the license shall be subject to revocation, suspension, or other disciplinary action for failure to comply with the conditions of the license, any provisions of the Limited Gaming Act of 1991, and the rules and regulations promulgated pursuant to the Act.

Chairperson Kelly called for a motion to go into executive session at 4:50 p.m. for the purpose of reviewing and considering temporary and permanent licensure and the backgrounds of various applicants for gaming licenses. Mrs. Brackett made the motion. Mr. Brower seconded the motion. The motion was adopted.

The Commissioners reconvened from executive session into their public meeting at 5:36 p.m.

The Chair called for a motion to issue to the KWIK MART, INC., doing business as BLACK HAWK STATION, permanent operator and retailer licenses, for the premises set forth in the applicant's gaming license application, effective June 3, 1992, at noon and expiring at 11:59 a.m. on June 2, 1993. Such licenses are to be conditional licenses subject to the following conditions: No limited gaming shall be conducted or permitted on the licensed premises of any applicant prior to 8:00 a.m. on June 3, 1992; and no limited gaming shall be permitted or conducted on the licensed premises even after 8:00 a.m. June 3, 1992, unless the following requirements are met. These requirements are actual receipt by the Division of Gaming of the following:

- a. Confirmation that a valid certificate of occupancy has been issued by the appropriate local authorities for the building in which limited gaming is to be conducted.
- b. A confirmation by the local historical preservation commission that the building in which limited gaming is to be conducted meets the architectural requirements of the Limited Gaming Act of 1991.
- c. A certification by the appropriate local officials that the building in which limited gaming is to be conducted meets the standards for fire safety set forth in the Limited Gaming Act of 1991.
- d. A certification by the appropriate local official that access to the building for the handicapped has been approved as required in the Limited Gaming Act of 1991.
- e. Payment in advance of the amount of the state device fee for all devices to be used in limited gaming.

Mr. Brower made the motion. Mrs. Brackett and Mr. Brower seconded the motion. The motion was adopted.

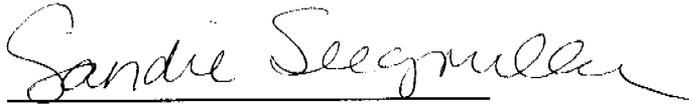
The Chairperson called for a motion to grant SILVER HAWK SALOON AND CASINO, INC., doing business as SILVER HAWK SALOON AND CASINO, permanent operator and retailer licenses, for the premises set forth in the applicant's gaming license application, effective June 3, 1992, at noon and expiring at 11:59 a.m. on June 2, 1993. Such licenses are to be conditional licenses subject to the following conditions: No limited gaming shall be conducted or permitted on the licensed premises of any applicant prior to 8:00 a.m. on June 3, 1992; and no limited gaming shall be permitted or conducted on the licensed premises even after 8:00 a.m. June 3, 1992, unless the following requirements are met. These requirements are actual receipt by the Division of Gaming of the following:

- a. Confirmation that a valid certificate of occupancy has been issued by the appropriate local authorities for the building in which limited gaming is to be conducted.
- b. A confirmation by the local historical preservation commission that the building in which limited gaming is to be conducted meets the architectural requirements of the Limited Gaming Act of 1991.

- a. Confirmation that a valid certificate of occupancy has been issued by the appropriate local authorities for the building in which limited gaming is to be conducted.
- b. A confirmation by the local historical preservation commission that the building in which limited gaming is to be conducted meets the architectural requirements of the Limited Gaming Act of 1991.
- c. A certification by the appropriate local officials that the building in which limited gaming is to be conducted meets the standards for fire safety set forth in the Limited Gaming Act of 1991.
- d. A certification by the appropriate local official that access to the building for the handicapped has been approved as required in the Limited Gaming Act of 1991.
- e. Payment in advance of the amount of the state device fee for all devices to be used in limited gaming.
- f. Proof received by the Division of Gaming, of David Spellman's resignation from the City Counsel of Black Hawk.
- g. No owner may have arrest or convictions of alcohol-related offenses of any kind.

Mrs. Brackett made the motion. Mr. Brower seconded the motion. The motion was adopted.

There being no further business to come before the Commission, the meeting was adjourned at 5:45 p.m.

  
Sandie Seegmiller  
Sandie Seegmiller, Secretary

## COLORADO LIMITED GAMING CONTROL COMMISSION

Minutes of Meeting  
May 27, 1992

The meeting was called to order by the Chairperson of the Colorado Limited Gaming Control Commission, Aurel Kelly, at 9:11 a.m. on May 27, 1992, at 123 N. Third Street, Cripple Creek, Colorado. Present were Commissioners Ben Brower, Ava Brackett, and Lavoy Robison. Also attending were the Department of Revenue Executive Director, John Tipton, Department of Revenue Deputy Director, Amelie Buchanan, Division of Gaming Director, Roger Morris, Chief of Investigations, Mel Grantham, Deputy Chief Investigator, Jim Cain, Public Information Officer, Tom Kitts, Cripple Creek Supervisor, Craig Bridgmon, Assistant Attorney General, Sue Beck-Ferkiss, Controller Joe Papish, Accountant, Laurie Freedle, Administrative Clerk, Reba Beekman, and from the Tax Analysis Section, Bob Cockerill. Persons making presentations included: Investigator Jeff Foster; Investigator Jim Husky; Investigator Al Dougan; Investigator Huck Henderson; Ted Simon from the Black Diamond Casino; John Foss from the Bowl of Gold; Louis Woods; Russel Gult; Duanne Hayes; and Tom Berg.

Chairperson Kelly asked Mr. Morris if he had any organizational matters to discuss with the Commission; he stated that he wanted to thank everyone for inviting the Commission to Cripple Creek and that he was impressed with the spirit of the town.

Chairperson Kelly announced on behalf of all the Commissioners, that the visit around Cripple Creek was impressive; and they were delighted with the cooperative atmosphere.

The Chair called for a motion to adopt the Minutes of May 13, 1992. Mrs. Brackett had a few changes she would like to see made. Ms. Seegmiller agreed to make these changes. Chairperson Kelly called for a motion to adopt the Minutes of May 13, 1992, as amended. Mrs. Brackett made the motion. Mr. Brower seconded the motion. The motion was adopted.

The Commission asked if any one would like to speak to the Commission.

Mr. Simon announced that there are plans to have more parking spaces available to the public.

Mr. Ross and Ms. Woods addressed their concerns on the length of time it was taking for the support licenses to be processed and were concerned that there would not be enough licensed employees for the summer. Chairperson Kelly and Mr. Morris stated that the Division was working on speeding up the process.

The Chair called for a motion to go into executive session at 9:40 a.m. for the purpose of reviewing and considering temporary licensure and the backgrounds of various applicants for gaming licenses. Mr. Brower made the motion. Mrs. Brackett seconded the motion. The motion was adopted.

The meeting was reconvened into public session by Chairperson Kelly at 1:40 p.m..

The Chairperson called for a motion to grant to G.K. CORP., doing business as TURF CLUB, BLACK HAWK GAMING LIMITED LIABILITY CO., doing business as PROSPECTORS POKER PARLOR, and MAIN STREET GAMING HOUSE PARTNERSHIP LP., doing business as MAIN STREET GAMING, permanent operator and retailer licenses for a period of one year from the date of the issuance of the original temporary licenses. Mrs. Brackett made the motion. Mr. Brower seconded the motion. The motion was adopted.

The Chair called for a motion to grant a temporary manufacturer/distributor license for ARISTOCRAT, INC., effective May 27, 1992, at 12:00 noon and expiring at 11:59 a.m. on November 26, 1992. Mrs. Brackett made the motion. Mr. Brower seconded the motion. The motion was adopted.

The Chair called for a motion to issue to PAPONE'S PALACE LTD., doing business as PAPONE'S PALACE, WORLD GAMING CONCEPTS, INC., doing business as SILVER PALACE, INC., DEC, INC., doing business as EUREKA! LTD., and IMPERIAL CASINO LIMITED, doing business as IMPERIAL HOTEL & CASINO, permanent operator and retailer licenses, for the premises set forth in the applicants' gaming license applications, effective May 27, 1992, at noon and expiring at 11:59 a.m. on May 27, 1993.

Such licenses were granted as conditional licenses subject to the following conditions: No limited gaming shall be conducted or permitted on the licensed premises of the applicants prior to 8:00 a.m. on May 27, 1992; and no limited gaming shall be permitted or conducted on the licensed premises even after 8:00 a.m. on May 27, 1992, unless the following requirements are met. These requirements are actual receipt by the Division of Gaming of the following:

- a. Confirmation that a valid certificate of occupancy has been issued by the appropriate local authorities for the building in which limited gaming is to be conducted.
- b. A confirmation by the local historical preservation commission that the building in which limited gaming is to be conducted meets the

architectural requirements of the Limited Gaming Act of 1991.

- c. A certification by the appropriate local officials that the building in which limited gaming is to be conducted meets the standards for fire safety set forth in the Limited Gaming Act of 1991.
- d. A certification by the appropriate local official that access to the building for the handicapped has been approved as required in the Limited Gaming Act of 1991.
- e. Payment in advance of the amount of the state device fee for all devices to be used in limited gaming.

An additional condition for the IMPERIAL CASINO LIMITED is as follows:

- f. In calculating the square footage of its building licensee shall include the overhead walk way, known as the Galloping Goose.

Mrs. Brackett made the motion. Mr. Brower seconded the motion. The motion was adopted.

Mr. Gault, a CPA for a casino, addressed his concerns regarding the ability to see a drop without having a license, and proposed the idea of possibly having a license for auditors only. Mr. Robison replied that this issue was brought to his attention some time ago, and the procedures are in place requiring both the licensed casino and the independent auditing firm to notify the Division of the identity of the auditor(s), areas to be examined, and proposed dates of examinations.

Mr. Hayes and Mr. Berg brought before the Commission old slot machines they found near their building. They stated that these would be on display at the Imperial Hotel & Casino once it was cleaned up.

Chairperson Kelly noted that she was absent from the May 13, 1992, meeting and it did not reflect in the Minutes of the meeting of May 13, 1992. Chairperson Kelly requested a motion to excuse the absence of the Chairperson from the May 13, 1992 meeting, for the reason that she was ill. Mrs. Brackett made the motion. Mr. Brower seconded the motion. The motion was adopted.

Mr. Papish reviewed with the Commission the continuation of the supplemental budget presented on the May 13, 1992. He reviewed the budget as follows:

\$224,399	for indirect and direct pass-through cost
51,451	overtime (17 hours a week, per investigator, and \$2,500 clerical overtime)
36,000	impact study on contiguous counties (down from \$40,000 originally requested)

\$ 72,265	for personal services (plus benefits), temporary outside services, operating expenses and capital outlay
<u>\$384,115</u>	Total amount requested.

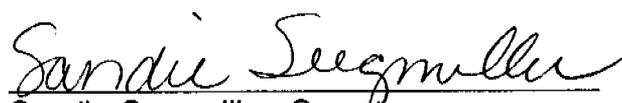
Chairperson Kelly called for motion to approve the supplemental budget request. Mr. Robison made the motion. Mr. Brower seconded the motion. The motion was adopted.

Mr. Morris announced that the revenues for April were at 1.6 million--up from 1.3 million in March and was pleased to see the success in all three towns.

Mr. Morris noted that due to an early retirement in Central City, Craig Bridgmon was filling in at the Central City office and that Al Dougan was the appointing authority in Cripple Creek until there is a replacement for the Central City office.

Ms. Beck-Ferkiss reviewed with the commission the process of having an Administrative Law Judge handle the Division of Gaming's appeal hearings on the denials of support and key applicants. The Commission did not feel they wanted turn over any hearings at this time.

There being no further business to come before the Commission, the meeting was adjourned at 2:40 p.m.

  
Sandie Seegmiller, Secretary

## COLORADO LIMITED GAMING CONTROL COMMISSION

Minutes of Meeting  
May 13, 1992  
(amended 5/27/92)

The meeting was called to order by the Vice Chairperson of the Colorado Limited Gaming Control Commission, Ava Brackett, at 9:12 a.m. on May 13, 1992, at 710 S. Colorado Blvd., first floor conference room. Present were Commissioners Ben Brower and Lavoy Robison. Also attending were the Department of Revenue Executive Director, John Tipton, Division of Gaming Director, Roger Morris, Chief of Investigations, Mel Grantham, Deputy Chief Investigator, Jim Cain, Public Information Officer, Tom Kitts, Controller, Joe Papish, Chief Auditor, Georgine Zalesky and Assistant Attorney General, Sue Beck-Ferkiss. Persons making presentations included private attorney, Tom Dunn.

Chairperson Brackett asked Mr. Morris if he had any organizational matters to discuss with the Commission; he stated that he did not at that time but possibly would have some later on that day.

Chairperson Brackett called for a motion to adopt the Minutes of April 22, 1992, without reading. Mr. Robison made the motion. Mr. Brower seconded the motion. The motion was adopted.

The Chair called for a motion to go into executive session at 9:21 a.m. for the purpose of reviewing and considering temporary licensure and the backgrounds of various applicants for gaming licenses, and to hear the monthly report on enforcement statistics. Mr. Robison made the motion. Mr. Brower seconded the motion. The motion was adopted.

The meeting was reconvened into public session by Chairperson Brackett at 10:52 a.m.

Chairperson Brackett announced that the hearing on Tom Feeney had been continued due to Mr. Dunn's request. Ms. Beck-Ferkiss said that Mr. Dunn and Mr. Feeney were now asking that this hearing be held May 13 as originally planned. The Commission heard debate from both Ms. Beck-Ferkiss and Mr. Dunn on whether or not to continue the hearing.

The Chair called for a motion to go into executive session at 11:02 a.m. to consider the matter before them. Mr. Brower made the motion. Mr. Robison seconded the motion. The motion was adopted.

The meeting was reconvened into public session by Chairperson Brackett at 11:36 a.m.

The Chair called for a motion to have the hearing concerning the Division's denial of a key employee license to Thomas Fenney continued to another date. Mr. Robison made

the motion. Mr. Brower seconded the motion. The motion was adopted.

The Chair called for a motion to go back into executive session at 11:50 a.m. to continue reviewing and considering temporary licensure and the backgrounds of various applicants for gaming licenses, and to hear the monthly report on enforcement statistics. Mr. Robison made the motion. Mr. Brower seconded the motion. The motion was adopted.

The meeting was reconvened into public session by Chairperson Brackett at 1:30 p.m.

The Chair called for a motion to issue to KDL, INC., dba EL DORADO CASINO, JAZZ ALLEY CASINO, INC., RED DOLLY CASINO, INC., GOLD RUSH HOTEL AND CASINO and THE VIRGIN MULE APOTHECARY, INC., dba THE VIRGIN MULE, INC., permanent operator and retailer licenses, for the premises set forth in the applicants' gaming license applications, effective May 13, 1992, at noon and expiring at 11:59 a.m. on May 12, 1993.

Such licenses were granted as conditional licenses subject to the following conditions: No limited gaming shall be conducted or permitted on the licensed premises of the applicants prior to 8:00 a.m. on May 13, 1992; and no limited gaming shall be permitted or conducted on the licensed premises even after 8:00 a.m. on May 13, 1992, unless the following requirements are met. These requirements are actual receipt by the Division of Gaming of the following:

- a. Confirmation that a valid certificate of occupancy has been issued by the appropriate local authorities for the building in which limited gaming is to be conducted.
- b. A confirmation by the local historical preservation commission that the building in which limited gaming is to be conducted meets the architectural requirements of the Limited Gaming Act of 1991.
- c. A certification by the appropriate local officials that the building in which limited gaming is to be conducted meets the standards for fire safety set forth in the Limited Gaming Act of 1991.
- d. A certification by the appropriate local official that access to the building for the handicapped has been approved as required in the Limited Gaming Act of 1991.
- e. Payment in advance of the amount of the state device fee for all devices to be used in limited gaming.

An additional condition for the GOLD RUSH HOTEL AND CASINO is as follows:

- f. Licensee shall have a complete audit conducted as required for a Class C licensee by an outside CPA firm as of September 30, 1992. Such audit shall be paid for by the licensee and shall be submitted to the Commission no later than December 31, 1992.

An additional condition with respect to Mohammed Shalhout from THE VIRGIN MULE, INC. is as follows:

- f. Mohammed Shalhout, while an officer of the licensee, or a member of the Board of Directors, shall not be convicted of any alcohol-related offense for the period of the license.

Mr. Brower made the motion. Mr. Robison seconded the motion. The motion was adopted.

The Chairperson called for a motion to grant to DILLON'S DOUBLE EAGLE, INC., permanent operator and retailer licenses for a period of one year from the date of the issuance of the original temporary licenses. Mr. Robison made the motion. Mr. Brower seconded the motion. The motion was adopted.

The Chair called for a motion to approve any future transfer of 66-2/3 shares of SORENSON HOSPITALITY, INC., from Eunice and Verner Sorenson to Rock Sorenson, such approval to be effective May 13, 1992. Mr. Brower made the motion. Mr. Robison seconded the motion. The motion was adopted.

The Chair called for a motion to approve any future transfer of 9.99% ownership of THE BLACK HAWK PROSPECTOR, INC., from THE BLACK HAWK PROSPECTOR, INC. to Mike and Martha Moore, such approval to be effective May 13, 1992. Mr. Brower made the motion. Mr. Robison seconded the motion. The motion was adopted.

Ms. Zalesky reviewed with the Commissioners the necessity of hiring two more auditors and a senior administrative clerk. She calculated the cost of 3 FTE (through the end of fiscal year 1992), 2 laptop computers and 1 desk top computer, office furniture and filing cabinets. The total cost came to \$23,211.00 plus benefits, and she asked that the Commissioners approve this.

The Chair called for a motion to approve the \$23,211.00 plus benefits for the Audit Section. Mr. Brower made the motion. Mr. Robison seconded the motion. The motion was adopted.

Mr. Papish asked that the Commissioners approve an Accountant IA for the Accounting Section, noting that it would cost \$2,409 plus benefits through the fiscal year 1992. Mr.

Papish also reviewed with the Commissioners the cost for additional computer equipment that was needed that would cost the state \$21,184 beyond the cost of the new computers for new audit personnel for the Audit Section.

The Chair called for a motion to approve the Accountant IA for the Accounting Section. Mr. Brower made the motion. Mr. Robison seconded the motion. The motion was adopted.

The Chair called for a motion to approve the computer equipment in the amount of \$21,184. Mr. Robison made the motion. Mr. Brower seconded the motion. The motion was adopted.

Mr. Cain explained to the Commissioners that it was necessary to have an undercover fund so that the Enforcement Section can investigate, in undercover capacity, illegal gambling. He stated the amount for this fund for the fiscal year 1992 would be \$1,000.

The Chair called for a motion to approve the undercover fund of \$1,000 for the fiscal year 1992. Mr. Robison made the motion. Mr. Brower seconded the motion. The motion was adopted.

Mr. Papish asked the Commission to confirm the amount previously adopted of \$337,533 for Colorado Bureau of Investigation. Chairperson Brackett called for a motion to confirm funding for CBI of \$337,533, noting that this included the one FTE clerical support. Mr. Brower made the motion. Mr. Robison seconded the motion. The motion was adopted.

Mr. Papish briefly reviewed the February financial statements with the Commissioners. Chairperson Brackett called for a motion to adopt the February financial statements. Mr. Brower made the motion. Mr. Robison seconded the motion. The motion was adopted.

Mr. Morris presented the following amendments to regulations: 47.1-405, Information to be furnished by licensee; 47.1-1202, Testing; 47.1-1401, Gaming and Device taxes; 47.1-1608 Commission examination procedure; and 47.1-1620, Audited financial statements.

After the Commission reviewed the amendments, they asked the Division and Ms. Beck-Ferkiss to make a few changes to Regulations 47.1-405, and 47.1-1401 and present the changes to the Commission on a later date. Mr. Morris and Ms. Beck-Ferkiss agreed to do that.

Chairperson Brackett called for a motion to adopt the amendments to Regulation 47.1-1202 as temporary amendments. Mr. Robison made the motion. Mr. Brower seconded the motion. The motion was adopted.

Chairperson Brackett called for a motion to adopt the amendments to Regulation 47.1-1608 and 47.1-1620 as temporary and permanent amendments. Mr. Brower made the motion. Mr. Robison seconded the motion. The motion was adopted.

There being no further business to come before the Commission, the meeting was adjourned at 4:04 p.m.

  
Sandie Seegmiller, Secretary

# COLORADO LIMITED GAMING CONTROL COMMISSION

Minutes of Meeting  
May 13, 1992

The meeting was called to order by the Vice Chairperson of the Colorado Limited Gaming Control Commission, Ava Brackett, at 9:12 a.m. on May 13, 1992, at 710 S. Colorado Blvd., first floor conference room. Present were Commissioners Ben Brower and Lavoy Robison. Also attending were the Department of Revenue Executive Director, John Tipton, Division of Gaming Director, Roger Morris, Chief of Investigations, Mel Grantham, Deputy Chief Investigator, Jim Cain, Public Information Officer, Tom Kitts, Controller, Joe Papish, Chief Auditor, Georgine Zalesky and Assistant Attorney General, Sue Beck-Ferkiss. Persons making presentations included private attorney, Tom Dunn.

Chairperson Brackett asked Mr. Morris if he had any organizational matters to discuss with the Commission; he stated that he did not at that time but possibly would have some later on that day.

Chairperson Brackett called for a motion to adopt the Minutes of April 22, 1992, without reading. Mr. Robison made the motion. Mr. Brower seconded the motion. The motion was adopted.

The Chair called for a motion to go into executive session at 9:21 a.m. for the purpose of reviewing and considering temporary licensure and the backgrounds of various applicants for gaming licenses, and to hear the monthly report on enforcement statistics. Mr. Robison made the motion. Mr. Brower seconded the motion. The motion was adopted.

The meeting was reconvened into public session by Chairperson Brackett at 10:52 a.m.

Chairperson Brackett announced that the hearing on Tom Feeney had been continued due to Mr. Dunn's request. Ms. Beck-Ferkiss said that Mr. Dunn and Mr. Feeney were now asking that this hearing be held May 13 as originally planned. The Commission heard debate from both Ms. Beck-Ferkiss and Mr. Dunn on whether or not to continue the hearing.

The Chair called for a motion to go into executive session at 11:02 a.m. to consider the matter before them. Mr. Brower made the motion. Mr. Robison seconded the motion. The motion was adopted.

The meeting was reconvened into public session by Chairperson Brackett at 11:36 a.m.

The Chair called for a motion to have the hearing concerning the Division's denial of a key employee license to Thomas Fenney continued to another date. Mr. Robison made the motion. Mr. Brower seconded the motion. The motion was adopted.

The Chair called for a motion to go back into executive session at 11:50 a.m. to continue reviewing and considering temporary licensure and the backgrounds of various applicants for gaming licenses, and to hear the monthly report on enforcement statistics. Mr. Robison made the motion. Mr. Brower seconded the motion. The motion was adopted.

The meeting was reconvened into public session by Chairperson Brackett at 1:30 p.m.

The Chair called for a motion to issue to KDL, INC., dba EL DORADO CASINO, JAZZ ALLEY CASINO, INC., RED DOLLY CASINO, INC., GOLD RUSH HOTEL AND CASINO and THE VIRGIN MULE APOTHECARY, INC., dba THE VIRGIN MULE, INC., permanent operator and retailer licenses, for the premises set forth in the applicants' gaming license applications, effective May 13, 1992, at noon and expiring at 11:59 a.m. on May 12, 1993.

Such licenses were granted as conditional licenses subject to the following conditions: No limited gaming shall be conducted or permitted on the licensed premises of the applicants prior to 8:00 a.m. on May 13, 1992; and no limited gaming shall be permitted or conducted on the licensed premises even after 8:00 a.m. on May 13, 1992, unless the following requirements are met. These requirements are actual receipt by the Division of Gaming of the following:

- a. Confirmation that a valid certificate of occupancy has been issued by the appropriate local authorities for the building in which limited gaming is to be conducted.
- b. A confirmation by the local historical preservation commission that the building in which limited gaming is to be conducted meets the architectural requirements of the Limited Gaming Act of 1991.
- c. A certification by the appropriate local officials that the building in which limited gaming is to be conducted meets the standards for fire safety set forth in the Limited Gaming Act of 1991.
- d. A certification by the appropriate local official that access to the building for the handicapped has been approved as required in the Limited Gaming Act of 1991.
- e. Payment in advance of the amount of the state device fee for all devices to be used in limited gaming.

An additional condition for the GOLD RUSH HOTEL AND CASINO is as follows:

- f. Licensee shall have a complete audit conducted as required for a Class C licensee by an outside CPA firm as of September 30, 1992. Such audit shall be paid for by the licensee and be shall submitted to the Commission no later than December 31, 1992.

An additional condition with respect to Mohammed Shalhout from THE VIRGIN MULE, INC. is as follows:

- f. Mohammed Shalhout, while an officer of the licensee, shall not be convicted of any alcohol-related offense for the period of the license.

Mr. Brower made the motion. Mr. Robison seconded the motion. The motion was adopted.

The Chairperson called for a motion to grant to DILLON'S DOUBLE EAGLE, INC., permanent operator and retailer licenses for a period of one year from the date of the issuance of the original temporary licenses. Mr. Robison made the motion. Mr. Brower seconded the motion. The motion was adopted.

The Chair called for a motion to approve any future transfer of 66-2/3 shares of SORENSON HOSPITALITY, INC., from Eunice and Verner Sorenson to Rock Sorenson, such approval to be effective May 13, 1992. Mr. Brower made the motion. Mr. Robison seconded the motion. The motion was adopted.

The Chair called for a motion to approve any future transfer of 9.99% ownership of THE BLACK HAWK PROSPECTOR, INC., from THE BLACK HAWK PROSPECTOR, INC. to Mike and Martha Moore, such approval to be effective May 13, 1992. Mr. Brower made the motion. Mr. Robison seconded the motion. The motion was adopted.

Ms. Zalesky reviewed with the Commissioners the necessity of hiring two more auditors and a senior administrative clerk. She calculated the cost of 3 FTE (through the end of fiscal year 1992), 2 laptop computers and 1 desk top computer, office furniture and filing cabinets. The total cost came to \$23,211.00 plus benefits, and she asked that the Commissioners approve this.

The Chair called for a motion to approve the \$23,211.00 plus benefits for the Audit Section. Mr. Brower made the motion. Mr. Robison seconded the motion. The motion was adopted.

Mr. Papish asked that the Commissioners approve an Accountant IA for the Accounting Section, noting that it would cost \$2,409 plus benefits through the fiscal year 1992. Mr. Papish also reviewed with the Commissioners the cost for additional computer equipment

that was needed that would cost the state \$21,184 beyond the cost of the new computers for new audit personnel for the Audit Section.

The Chair called for a motion to approve the Accountant IA for the Accounting Section. Mr. Brower made the motion. Mr. Robison seconded the motion. The motion was adopted.

The Chair called for a motion to approve the computer equipment in the amount of \$21,184. Mr. Robison made the motion. Mr. Brower seconded the motion. The motion was adopted.

Mr. Cain explained to the Commissioners that it was necessary to have an undercover fund so that the Enforcement Section can investigate, in undercover capacity, illegal gambling. He stated the amount for this fund for the fiscal year 1992 would be \$1,000.

The Chair called for a motion to approve the undercover fund of \$1,000 for the fiscal year 1992. Mr. Robison made the motion. Mr. Brower seconded the motion. The motion was adopted.

Mr. Papish asked the Commission to confirm the amount previously adopted of \$337,533 for Colorado Bureau of Investigation. Chairperson Brackett called for a motion to confirm funding for CBI of \$337,533, noting that this included the one FTE clerical support. Mr. Brower made the motion. Mr. Robison seconded the motion. The motion was adopted.

Mr. Papish briefly reviewed the February financial statements with the Commissioners. Chairperson Brackett called for a motion to adopt the February financial statements. Mr. Brower made the motion. Mr. Robison seconded the motion. The motion was adopted.

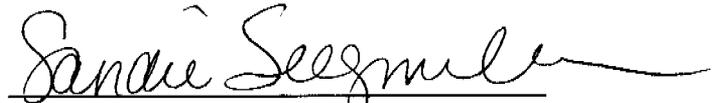
Mr. Morris presented the following amendments to regulations: 47.1-405, Information to be furnished by licensee; 47.1-1202, Testing; 47.1-1401, Gaming and Device taxes; 47.1-1608 Commission examination procedure; and 47.1-1620, Audited financial statements.

After the Commission reviewed the amendments, they asked the Division and Ms. Beck-Ferkiss to make a few changes to Regulations 47.1-405, and 47.1-1401 and present the changes to the Commission on a later date. Mr. Morris and Ms. Beck-Ferkiss agreed to do that.

Chairperson Brackett called for a motion to adopt the amendments to Regulation 47.1-1202 as temporary amendments. Mr. Robison made the motion. Mr. Brower seconded the motion. The motion was adopted.

Chairperson Brackett called for a motion to adopt the amendments to Regulation 47.1-1608 and 47.1-1620 as temporary and permanent amendments. Mr. Brower made the motion. Mr. Robison seconded the motion. The motion was adopted.

There being no further business to come before the Commission, the meeting was adjourned at 4:04 p.m.

  
Sandie Seegmiller, Secretary

## COLORADO LIMITED GAMING CONTROL COMMISSION

Minutes of Meeting  
April 22, 1992

The meeting was called to order by the Chairperson of the Colorado Limited Gaming Control Commission, Aurel Kelly, at 9:10 a.m. on April 22, 1992, at 211 Church Street, Black Hawk, Colorado. Present were Commissioners Ben Brower, Ava Brackett, and Lavoy Robison. Also attending were the Department of Revenue Executive Director, John Tipton, Department of Revenue Deputy Director, Amelie Buchanan, Division of Gaming Director, Roger Morris, Chief of Investigations, Mel Grantham, Deputy Chief Investigator, Jim Cain, Public Information Officer, Tom Kitts, and Assistant Attorney General, Sue Beck-Ferkiss. Persons making presentations included: Investigator Phil Wilson; Investigator Jim Kirby; Steve Grogan, from the 'Grogan Report'; Tom Feeney, from Crook's Palace; and Wade Blank, from the Atlantis Group.

Chairperson Kelly asked Mr. Morris if he had any organizational matters to discuss with the Commission; he announced that, after six months, limited stakes gaming has returned a total of \$5,573,151 in tax revenue to the state of Colorado. For the month of March the tax revenue collected was \$1,341,081 — up from \$1.26 million in February.

Mr. Morris distributed to the Commission the lease agreement between the Division of Gaming and Gilpin County. Mr. Grantham gave a few details, stating that the floor space was adequate for what the Division needed; and Gilpin County was being very helpful in making this move possible. Mr. Grantham noted that, under this lease agreement, Gilpin County would pay up to \$5,000 of the moving expenses.

The Chair called for motion to approve and adopt the lease agreement in Central City between the Division of Gaming and Gilpin County and to authorize Amelie Buchanan to sign the lease agreement. Mr. Robison and Mr. Brower made the motion. Mrs. Brackett seconded the motion. The motion was adopted.

Chairperson Kelly called for a motion to adopt the Minutes of April 8, 1992, without reading. Mr. Brower made the motion. Mrs. Brackett seconded the motion. The motion was adopted.

Mr. Grogan addressed his concerns about the Gaming Commission being short one commissioner and asked that they talk with Governor Romer to speed up the process of getting another commissioner appointed. Chairperson Kelly said the Commission understood the necessity of having another Commissioner appointed. It was her understanding that the Governor was giving this situation some consideration, but she did not think that the Commissioners could speed the process up significantly.

Mr. Blank, an advocate for the Atlantis Group, addressed his concerns regarding the Casinos that are not handicapped accessible. He said that these casinos are violating the civil rights of the handicapped, and he felt that no one in the Attorney General's office, Governor's office, or the Division of Gaming was addressing the concerns that the Atlantis group had. Mr. Blank indicated that had written a letter to the Americans with Disabilities Act Enforcement Division, United States Justice Department, and asked them to take some action against the casinos that are not handicapped accessible and the Division of Gaming for granting licenses to these casinos.

The Commissioners thanked Mr. Blank for speaking before them with his concerns.

Mr. Feeney announced to the Commission and to the public that 'Crook's Palace' was handicapped accessible for both its casino and its restaurant and welcomed patrons to visit this establishment.

The Chair called for a motion to go into executive session at 10:00 a.m. for the purpose of reviewing and considering temporary and permanent licensure and the backgrounds of various applicants for gaming licenses. Mr. Brower made the motion. Mrs. Brackett seconded the motion. The motion was adopted.

The meeting was reconvened into public session by Chairperson Kelly at 4:00 p.m.

The Chair called for a motion to issue to INDEPENDENCE HOTEL, LTD. PARTNERSHIP, temporary operator and retailer licenses, for the premises set forth in the applicant's gaming license application, effective April 22, 1992, at noon and expiring at 11:59 a.m. on October 21, 1992. Such licenses were granted as conditional licenses subject to the following conditions: No limited gaming shall be conducted or permitted on the licensed premises of the applicant prior to 8:00 a.m. on April 22, 1992; and no limited gaming shall be permitted or conducted on the licensed premises even after 8:00 a.m. on April 22, 1992, unless the following requirements are met. These requirements are actual receipt by the Division of Gaming of the following:

- a. Confirmation that a valid certificate of occupancy has been issued by the appropriate local authorities for the building in which limited gaming is to be conducted.
- b. A confirmation by the local historical preservation commission that the building in which limited gaming is to be conducted meets the architectural requirements of the Limited Gaming Act of 1991.

- c. A certification by the appropriate local officials that the building in which limited gaming is to be conducted meets the standards for fire safety set forth in the Limited Gaming Act of 1991.
- d. A certification by the appropriate local official that access to the building for the handicapped has been approved as required in the Limited Gaming Act of 1991.
- e. Payment in advance of the amount of the state device fee for all devices to be used in limited gaming.

With respect to associated person Jacques Machol III, the following conditions apply during the term of these temporary licenses:

1. Mr. Machol shall have no association or personal contact with any of following individuals:
  - Roland Iacino;
  - John Santucci;
  - Pete Iacino;
  - Sol Davidson;
  - Joey Napolitan;
2. Licensee Machol shall not, without prior notification to the Division, employ or associate with any individual, not already possessing a limited gaming license, having an extensive criminal background or individuals known by Machol to have any felony convictions;
3. Licensee Machol shall comply with all the laws of the State of Colorado.

Mr. Brower made the motion. Mr. Robison seconded the motion. The motion was adopted.

The Chair called for a motion to issue to NEW THOUGHTS, INC., dba MINERS PICK, and M.K. ARTS LTD., dba CLAIM JUMPERS CASINO, permanent operator and retailer licenses, for the premises set forth in the applicants' gaming license applications, effective April 22, 1992, at noon and expiring at 11:59 a.m. on April 21, 1993. Such licenses were granted as conditional licenses subject to the following conditions: No limited gaming shall be conducted or permitted on the licensed premises of the applicants prior to

8:00 a.m. on April 22, 1992; and no limited gaming shall be permitted or conducted on the licensed premises even after 8:00 a.m. on April 22, 1992, unless the following requirements are met. These requirements are actual receipt by the Division of Gaming of the following:

- a. Confirmation that a valid certificate of occupancy has been issued by the appropriate local authorities for the buildings in which limited gaming is to be conducted.
- b. A confirmation by the local historical preservation commission that the buildings in which limited gaming is to be conducted meet the architectural requirements of the Limited Gaming Act of 1991.
- c. A certification by the appropriate local officials that the buildings in which limited gaming is to be conducted meet the standards for fire safety set forth in the Limited Gaming Act of 1991.
- d. A certification by the appropriate local official that access to the buildings for the handicapped has been approved as required in the Limited Gaming Act of 1991.
- e. Payment in advance of the amount of the state device fee for all devices to be used in limited gaming.

Mrs. Brackett made the motion. Mr. Brower seconded the motion. The motion was adopted.

The Chairperson called for a motion to grant to G.F. GAMING CORP., dba THE FAMOUS BONANZA, permanent operator and retailer licenses for a period of one year from the date of the issuance of the original temporary licenses. Mr. Brower made the motion. Mrs. Brackett seconded the motion. The motion was adopted.

The Commission announced their next meetings were to be held on May 13 and 27, and June 3 and 17.

There being no further business to come before the Commission, the meeting was adjourned at 4:40 p.m.

  
Sandie Seegmiller, Secretary

## **COLORADO LIMITED GAMING CONTROL COMMISSION**

**Minutes of Meeting  
April 8, 1992**

The meeting was called to order by the Chairperson of the Colorado Limited Gaming Control Commission, Aurel Kelly, at 9:15 a.m. on April 8, 1992, at 710 S. Colorado Blvd., first floor conference room. Present were Commissioners Ben Brower, Ava Brackett, and Lavoy Robison. Also attending were the Department of Revenue Executive Director, John Tipton, Department of Revenue Deputy Director, Amelie Buchanan, Division of Gaming Director, Roger Morris, Chief of Investigations, Mel Grantham, Deputy Chief Investigator, Jim Cain, Public Information Officer, Tom Kitts, and Assistant Attorney General, Sue Beck-Ferkiss. Persons making presentations included Investigator Huck Henderson and the Director of the Department of Public Safety, Dave Thomas.

Chairperson Kelly asked Mr. Morris if he had any organizational matters to discuss with the Commission; he stated that he did, but he would like to address these issues after the Commission took care of the other items on the agenda.

Chairperson Kelly called for a motion to adopt the Minutes of March 25, 1992, without reading. Mr. Robison made the motion. Mr. Brower seconded the motion. The motion was adopted.

Mr. Thomas asked that his presentation be considered in executive session. The Chair called for a motion to go into executive session at 9:17 a.m. for consideration of matters to be addressed by Mr. Thomas, for the purpose of reviewing and considering temporary licensure and the backgrounds of various applicants for gaming licenses, and the monthly report on enforcement statistics. Mr. Robison made the motion. Mr. Brower seconded the motion. The motion was adopted.

The meeting was reconvened into public session by Chairperson Kelly at 3:43 p.m..

The Chair called for a motion to issue to LEASTEC CORPORATION, dba EARNEST GROUP, INC., a temporary operator license, for the premises set forth in the applicant's gaming license application, effective April 8, 1992, at noon and expiring at noon on October 7, 1992. Mrs. Brackett made the motion. Mr. Brower seconded the motion. The motion was adopted.

The Chair called for a motion to issue to GAM BELL OF CRIPPLE CREEK, INC., dba WILD HORSE SALOON AND GAMBLING HALL, and GOLDEN ROSE PARTNERSHIP, LTD., dba GOLDEN ROSE CASINO, temporary operator and retailer licenses, for the premises set forth in the applicants' gaming license applications, effective April 8, 1992, at noon and expiring at 11:59 a.m. on October 7, 1992.

Such licenses were granted as conditional licenses subject to the following conditions: No limited gaming shall be conducted or permitted on the licensed premises of the applicant prior to 8:00 a.m. on April 8, 1992; and no limited gaming shall be permitted or conducted on the licensed premises even after 8:00 a.m. on April 8, 1992, unless the following requirements are met. These requirements are actual receipt by the Division of Gaming of the following:

- a. Confirmation that a valid certificate of occupancy has been issued by the appropriate local authorities for the building in which limited gaming is to be conducted.
- b. A confirmation by the local historical preservation commission that the building in which limited gaming is to be conducted meets the architectural requirements of the Limited Gaming Act of 1991.
- c. A certification by the appropriate local officials that the building in which limited gaming is to be conducted meets the standards for fire safety set forth in the Limited Gaming Act of 1991.
- d. A certification by the appropriate local official that access to the building for the handicapped has been approved as required in the Limited Gaming Act of 1991.
- e. Payment in advance of the amount of the state device fee for all devices to be used in limited gaming.
- f. That the licensees shall not conduct or permit to be conducted on the licensed premises: a topless bar; a strip bar; stripteasing; or any other form of adult entertainment.

Mr. Brower made the motion. Mrs. Brackett seconded the motion. The motion was adopted.

The Chair called for motion to issue CREEKERS, INC., dba CREEKERS, permanent operator and retailer licenses for one year from the date of the issuance of the original temporary license. Mr. Brower made the motion. Mrs. Brackett seconded the motion. The motion was adopted.

The Chair called for a motion to issue to PONY EXPRESS, INC., dba PONY EXPRESS, and UNIVERSAL GAMING TECHNOLOGY, dba SILVER MINE, temporary operator and retailer licenses to take effect immediately upon expiration of the existing temporary licenses and to expire one year from the respective dates of the issuance of the original temporary licenses. The license to PONY EXPRESS, INC., shall be a conditional license with the conditions that there be no drunk driving convictions or prosecutions of any of the owners or operators of the licensee. Mr. Robison made the motion. Mr. Brower seconded the motion. The motion was adopted.

Ms. Beck-Ferkiss presented to the Commission the Stipulation and Agreement for Mark Russel Van Leuven that the Division of Gaming had agreed to, and asked that the Commission authorize Chairperson Kelly to sign the ORDER approving the Stipulation and Agreement on behalf of the Commission. Mr. Robison made the motion. Mr. Brower seconded the motion. The motion was adopted.

Mr. Morris presented to the Commission certain proposed amendments to Regulation 47.1-305 Investigation fees. Chairperson Kelly called for a motion to adopt these amendments to 47.1-305 as temporary regulatory amendments as it is imperative for the Commission to meet mandates set forth by the Colorado Constitution, Section 9 of Article XVIII, and by state law, and to preserve the public health, safety and welfare of the citizens of Colorado; and compliance with the Administrative Procedures Act would be contrary to the public interest. Mr. Robison made the motion. Mrs. Brackett seconded the motion. The motion was adopted.

Mr. Morris informed the Commission about the Central City office having to change locations due a pending sale of the property. He asked that the Commissioners give their preliminary approval for the Division to start negotiating on another lease. The Commissioners gave their preliminary approval for the Division to pursue this.

Mr. Morris asked the Commissioners to preliminarily approve the Division's expanding its Denver office space. The Commissioners gave their preliminary approval for the Division to pursue acquiring additional space on the same floor where it has current space.

There being no further business to come before the Commission, the meeting was adjourned at 4:15 p.m.

  
Sandie Seegmiller, Secretary

**COLORADO LIMITED GAMING CONTROL COMMISSION**

Minutes of Meeting  
March 25, 1992

The meeting was called to order by the Chairperson of the Colorado Limited Gaming Control Commission, Aurel Kelly, at 9:22 a.m. on March 25, 1992, at 710 S. Colorado Blvd., second floor conference room. Present were Commissioners Ben Brower, Ava Brackett, and Lavoy Robison. Also attending were the Department of Revenue Deputy Director, Amelie Buchanan, Division of Gaming Director, Roger Morris, Chief of Investigations, Mel Grantham, Deputy Chief Investigator, Jim Cain, Public Information Officer, Tom Kitts, Chief Auditor, Georgine Zalesky, Controller, Joe Papish, Secretary for the Enforcement Section, Cindy Elliott, Investigator, Bob Abbott, Investigator, Jeff Foster, Investigator, Vic Freburg, Investigator, Laura Friedrichs, Investigator, Christine Hartman, Investigator, Houston Henderson, Investigator, Ralph Henning, Investigator, James Kirby, Investigator, Leonard Martin, Investigator, Mike Walker, and Assistant Attorney General, Sue Beck-Ferkiss. Persons making presentations included Mike Acimovic and Cindi Lanning from the State Auditor's office.

The first organizational matter brought before the Commission was the swearing in of the new investigators for the Division of Gaming. The investigators that were sworn in by Chairperson Kelly included Bob Abbott, Jeff Foster, Vic Freburg, Laura Friedrichs, Christine Hartman, Houston Henderson, James Kirby, Leonard Martin, and Mike Walker.

Mr. Morris announced to the Commission tax collections of \$1,267,616.00 for the month of February. Mr. Morris also noted that there were 3,509 machines and devices currently in the three gaming towns.

Mr. Papish reviewed the financial statements with the Commissioners. Chairperson Kelly said that, as the Commissioners had just received these statements, she would like the Commissioners to have the opportunity to review them before approval.

Chairperson Kelly called for a motion to adopt the Minutes of March 11, 1992, without reading. Mrs. Brackett and Mr. Brower asked Ms. Seegmiller to change some typographical errors. Ms. Seegmiller said she would make those changes. Chairperson Kelly called again for a motion to adopt the Minutes of March 11, 1992, as corrected, without reading. Mrs. Brackett made the motion. Mr. Brower seconded the motion. The motion was adopted.

Mr. Acimovic and Ms. Lanning spoke to the Commission regarding the compliance and performance audit they are conducting of the Division of Gaming. Ms. Lanning stated that they expected to be on the audit anywhere from 60 to 90 days, and she planned to keep the Commission informed of the audit. The Commissioners thanked the auditors

for coming before them.

Mr. Morris presented to the Commission a signed, faxed copy of the Affidavit for Surrender of Limited Gaming License for Adolph LeGrand, Jr.. Chairperson Kelly called for a motion to approve and authorize the Chairperson to sign the ORDER accepting that Affidavit. Mr. Brower made the motion. Mrs. Brackett seconded the motion. The motion was adopted.

The Chair called for a motion to go into executive session at 9:45 a.m. for the purpose of reviewing and considering temporary licensure and the backgrounds of various applicants for gaming licenses. Mr. Brower made the motion. Mrs. Brackett seconded the motion. The motion was adopted.

The meeting was reconvened into public session by Chairperson Kelly at 11:30 a.m..

The Chairperson called for a motion to grant a temporary operator license to WEST PIKES PEAK ENTERTAINMENT, INC., effective March 25, 1992, at noon and expiring at noon on September 24, 1992. Mrs. Brackett made the motion. Mr. Brower seconded the motion. The motion was adopted.

The Chair called for several motions to correct erroneous license termination dates for various licenses as follows:

The first motion was to amend the motion of February 26, 1992, granting various permanent licenses, to substitute the expiration date of September 2, 1992, for the date of August 26, 1992, as stated in the original motion for the following licensees: REMINGTON GAMING, INC., doing business as LONGBRANCH SALOON; OUR SERENDIPITY, INC.; HAROLD W. LARGE; WILD WILD WEST GAMBLING HALL AND BREWERY, INC.; and EDWARD AND SHIRLEY SMITH.

Mr. Brower made the motion. Mrs. Brackett seconded the motion. The motion was adopted.

The second motion was to amend the motion of February 26, 1992, granting various permanent licenses, to substitute the expiration date of September 10, 1992, for the date of August 26, 1992, as stated in the original motion for the following licensees: S. KOLENBERG, INC.; GOLD MINE CASINO, INC.; and ROCKY MOUNTAIN GAMING EQUIPMENT.

Mrs. Brackett made the motion. Mr. Brower seconded the motion. The motion was adopted.

The third motion was to amend the motion of February 26, 1992, granting various permanent licenses, to substitute the expiration date of September 15, 1992, for the date of August 26, 1992, as stated in the original motion for the following licensees: GILDED GARTER LUCK, INC.; BOWL OF GOLD RESORTS, INC., doing business as BOWL OF GOLD; BOWL OF GOLD RESORTS, INC., doing business as LOOSE GOOSE; BOWL OF GOLD RESORTS, INC., doing business as LUCKY LOLA'S PLEASURE PALACE; and GOLD VEIN LIMITED LIABILITY COMPANY.

Mrs. Brackett made the motion. Mr. Brower seconded the motion. The motion was adopted.

The fourth motion was to amend the motion of February 26, 1992, granting various permanent licenses, to substitute the expiration date of September 25, 1992, for the date of August 26, 1992, as stated in the original motion for the following licensees: MOLLY'S LIMITED LIABILITY COMPANY; THE GRUBSTAKE INN LIMITED LIABILITY COMPANY; CENTRAL CITY INVESTORS; and PHENIX HOUSE - A LIMITED LIABILITY COMPANY.

Mr. Robison made the motion. Mrs. Brackett seconded the motion. The motion was adopted.

The fifth motion was to amend the motion of February 26, 1992, granting various permanent licenses, to substitute the expiration date of October 9, 1992, for the date of August 26, 1992, as stated in the original motion for the following licensee: BLACK FOREST INN, INC.

Mr. Brower made the motion. Mrs. Brackett seconded the motion. The motion was adopted.

The Chair called for a motion to adopt the amended Minutes of February 26, 1992. Mr. Robison made the motion to adopt the Minutes of February 26, 1992, adding the word "amended" to the amended minutes. Mrs. Brackett seconded the motion. The motion was adopted.

The Chair called for a motion to approve and adopt the financial statements for the period ending January 31, 1992, that were presented to the Commission by Mr. Papish. Mr. Robison made the motion. Mrs. Brackett seconded the motion. The motion was adopted.

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March 25, 1992

There being no further business to come before the Commission, the meeting was adjourned at 11:43 a.m..

  
Sandie Seegmiller, Secretary

## COLORADO LIMITED GAMING CONTROL COMMISSION

Minutes of Meeting  
March 11, 1992

The meeting was called to order by the Chairperson of the Colorado Limited Gaming Control Commission, Aurel Kelly, at 9:15 a.m. on March 11, 1992, at 710 S. Colorado Blvd., first floor conference room. Present were Commissioners Ben Brower, Ava Brackett, and Lavoy Robison. Also attending were the Department of Revenue Executive Director, John Tipton, Deputy Director, Amelie Buchanan, Chief of Investigations, Mel Grantham, Deputy Chief Investigator, Jim Cain, Public Information Officer, Tom Kitts, Chief Auditor, Georgine Zalesky, Jan Cowan, Administrative Clerk for the Central City office, and Assistant Attorney General, Sue Beck-Ferkiss. Persons making presentations included: Cliff Venerable, from the Famous Bonanza.

Mr. Grantham was the Director's designee for purposes of this Commission meeting.

Chairperson Kelly opened the meeting by voicing a kind remembrance for Chat Paterson who passed away on March 5, 1992. Mr. Robison made a motion that Chairperson Kelly's remarks be transcribed into a letter and sent to Mr. Paterson's family. Mrs. Brackett seconded the motion. The motion was adopted.

Chairperson Kelly called for a motion to adopt the Minutes of February 26, 1992, without reading. Mr. Robison made the motion. Mr. Brower seconded the motion. The motion was adopted.

Ms. Beck-Ferkiss announced that the Division had stipulated to a continuance of the Thomas Feeney hearing. She indicated the parties had agreed to reschedule this hearing for the 25th of March. Mr. Robison asked that this hearing be continued until the 8th of April. Ms. Beck-Ferkiss did not see a problem with this being continued until then.

Mr. Venerable suggested that the Commission change the format of meetings to place executive session last on the agenda. The Commission agreed to do this when possible.

Mr. Grantham presented to the Commission the amendments to Regulation 47.1-201, Commission Action. Chairperson Kelly called for a motion to adopt the amendments to Regulation 47.1-201 as permanent amendments. Mrs. Brackett made the motion. Mr. Brower seconded the motion. The motion was adopted.

Mr. Grantham presented to the Commission the amendments to Regulation 47.1-207 Director issues key employee and support licenses which had been previously passed as a temporary regulation on January 29, 1992. Chairperson Kelly called for a motion to adopt Regulation 47.1-207. Mr. Brower made the motion to adopt the amendments as permanent amendments. Mrs. Brackett seconded the motion. The motion was adopted.

Mr. Grantham presented the following regulations for amendment: 47.1-405, Information to be furnished by licensee; 47.1-1216, Specifications for tokens; 47.1-1401, Gaming and Device taxes; 47.1-1601, Definitions for accounting regulations; 47.1-1608 Commission examination procedure; and 47.1-1620, Audited financial statements.

Mr. Venerable spoke to some issues he had with the proposed amendments to Regulation 47.1-1401.

Ms. Beck-Ferkiss assisted Mr. Grantham on the presentation of the various proposed rule changes.

After the Commission reviewed the amendments, they asked the Division and Ms. Beck-Ferkiss to make a few changes to Regulations 47.1-405, 47.1-1401, 47.1-1601, 47.1-1608 and 47.1-1620 and present the changes to the Commission on the 8th of April. Ms. Beck-Ferkiss agreed to doing this.

Chairperson Kelly called for a motion to adopt the amendments to Regulation 47.1-1216 as permanent amendments. Mrs. Brackett made the motion. Mr. Brower seconded the motion. The motion was adopted.

Ms. Beck-Ferkiss presented the Summary Suspension on Mark Van Leuven that the Division of Gaming had drafted. Chairperson Kelly called for a motion to approve and issue an ORDER OF SUSPENSION, ORDER TO SHOW CAUSE, NOTICE OF HEARING AND NOTICE OF CHARGES. Mr. Robison made the motion. Mrs. Brackett seconded the motion. The motion was adopted.

Chairperson Kelly called for a motion to approve the final ORDER for Carl Thomas, Jr., and authorize Chairperson Kelly to sign it. Mr. Brower made the motion. Mrs. Brackett seconded the motion. The motion was adopted, and the ORDER was signed.

The Chair called for a motion to go into executive session at 10:37 a.m. for the purpose of reviewing and considering temporary licensure and the backgrounds of various applicants for gaming licenses. Mrs. Brackett made the motion. Mr. Brower seconded the motion. The motion was adopted.

The meeting was reconvened into public session by Chairperson Kelly at 12:25 p.m.

The Chair called for a motion to issue to GREGORY STREET CASINO, permanent operator and retailer licenses, for the premises set forth in the applicant's gaming license application, effective March 11, 1992, at noon and expiring at noon on March 10, 1993.

Such licenses were granted as conditional licenses subject to the following conditions: No limited gaming shall be conducted or permitted on the licensed premises of the applicant prior to 8:00 a.m. on March 11, 1992; and no limited gaming shall be permitted or conducted on the licensed premises even after 8:00 a.m. March 11, 1992, unless the following requirements are met. These requirements are actual receipt by the Division of Gaming of the following:

- a. Confirmation that a valid certificate of occupancy has been issued by the appropriate local authorities for the building in which limited gaming is to be conducted.
- b. A confirmation by the local historical preservation commission that the building in which limited gaming is to be conducted meets the architectural requirements of the Limited Gaming Act of 1991.
- c. A certification by the appropriate local officials that the building in which limited gaming is to be conducted meets the standards for fire safety set forth in the Limited Gaming Act of 1991.
- d. A certification by the appropriate local official that access to the building for the handicapped has been approved as required in the Limited Gaming Act of 1991.
- e. Payment in advance of the amount of the state device fee for all devices to be used in limited gaming.

Mrs. Brackett made the motion. Mr. Brower seconded the motion. The motion was adopted.

The Chairperson called for a motion to grant permanent licenses to the following operator/retailers: DOSTAL ALLEY, INC., doing business as DOSTAL ALLEY SALOON & GAMBLING EMPORIUM; BRONCO BILLY'S LTD., doing business as NARROW GAUGE GAMING DEPOT & SALOON; BRONCO BILLY'S LTD., doing business as BRONCO BILLY'S; KONCZAK CORP. LUXURY UNLIMITED, INC., doing business as THE JOHNNY NOLON SALOON & GAMBLING EMPORIUM; a permanent operators license was granted to ACES CASINO EQUIPMENT, INC.; and a permanent manufacturer/distributor license was granted to WILLIAM T. DEWITT, doing business as DEWITT TRANSPORTATION — all for a period of one year from the date of the

issuance of the original temporary licenses. Mr. Brower made the motion. Mrs. Brackett seconded the motion. The motion was adopted.

The meeting was recessed by Chairperson Kelly at 12:29 p.m..

Chairperson Kelly called for a motion to go into executive session for the purpose to review February's monthly report on Enforcement's statistics at 12:55 p.m.. Mrs. Brackett made the motion. Mr. Brower seconded the motion. The motion was adopted.

There being no further business to come before the Commission, the hearing was adjourned at 1:30 p.m..

  
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Sandie Seegmiller, Secretary

## COLORADO LIMITED GAMING CONTROL COMMISSION

Minutes of Meeting  
February 26, 1992

The meeting was called to order by the Chairperson of the Colorado Limited Gaming Control Commission, Aurel Kelly, at 9:10 a.m. on February 26, 1992, at 710 S. Colorado Blvd., first floor conference room. Present were Commissioners Ben Brower, Ava Brackett, and Lavoy Robison. Commissioner Chat Paterson was absent and excused. Also attending were the Department of Revenue Executive Director, John Tipton, Deputy Director, Amelie Buchanan, Division of Gaming Director, Roger Morris, Chief of Investigations, Mel Grantham, Deputy Chief Investigator, Jim Cain, Public Information Officer, Tom Kitts, Investigators, Craig Bridgmon, and Max Kettler, and Assistant Attorney General, Sue Beck-Ferkiss. Persons making presentations included the Executive Director of the Department of Public Safety, Dave Thomas, Attorneys for the Carl Thomas, Jr. hearing, George Kelesis and Jim Beimford, applicant Carl Thomas, Jr., and Laura Thomas.

Chairperson Kelly asked Mr. Morris if he had any organizational matters to discuss with the Commission; he stated that he did not have any informational or organizational matters to report at that time.

Chairperson Kelly called for a motion to adopt the Minutes of February 12, 1992, without reading. Mr. Brower made the motion. Mr. Robison seconded the motion. The motion was adopted.

Mr. Thomas tendered his draft of the "Test, Procedures and Standards" to the Commission and asked that they review it. He suggested he would come back soon to discuss this with the Commission. The Commissioners agreed to his doing so.

Chairperson Kelly called for a motion to go into executive session at 9:15 a.m. for the purpose of reviewing and considering temporary licensure and the backgrounds of various applicants for gaming licenses. Mr. Brower made the motion. Mr. Robison seconded the motion. The motion was adopted.

The meeting was reconvened into public session by Chairperson Kelly at 10:38 a.m.

The Chair called for a motion to issue to MOLLY'S LIMITED LIABILITY CO., GILDED GARTER LUCK, INC., S. KOLENBERG, Inc., THE GRUBSTAKE INN LIMITED LIABILITY CO., CENTRAL CITY INVESTORS, GOLD MINE CASINO, INC., BOWL OF GOLD RESORTS, INC., doing business as CRIPPLE CREEK ORE HOUSE, EDWARD AND SHIRLEY SMITH, BLACK FOREST INN, INC., OUR SERENDIPITY, INC., GOLD VEIN LIMITED LIABILITY COMPANY, PHENIX HOUSE -

A LIMITED LIABILITY COMPANY, HAROLD W. LARGE, BOWL OF GOLD RESORTS, INC., doing business as BOWL OF GOLD, ROCKY MOUNTAIN GAMING EQUIPMENT, REMINGTON GAMING INC., BOWL OF GOLD RESORTS, INC., doing business as LOOSE CABOOSE, and WILD WILD WEST GAMBLING HALL AND BREWERY INC., permanent operator and retailer licenses, for the premises set forth in the applicants' gaming license applications, effective February 26, 1992, at noon and expiring at noon on August 26, 1992. Such licenses were to be conditional licenses subject to the following conditions: No limited gaming shall be conducted or permitted on the licensed premises of any applicant prior to 8:00 a.m. on February 26, 1992; and no limited gaming shall be permitted or conducted on the licensed premises even after 8:00 a.m. February 26, 1992, unless the following requirements are met. These requirements are actual receipt by the Division of Gaming of the following:

- a. Confirmation that a valid certificate of occupancy has been issued by the appropriate local authorities for the building in which limited gaming is to be conducted.
- b. A confirmation by the local historical preservation commission that the building in which limited gaming is to be conducted meets the architectural requirements of the Limited Gaming Act of 1991.
- c. A certification by the appropriate local officials that the building in which limited gaming is to be conducted meets the standards for fire safety set forth in the Limited Gaming Act of 1991.
- d. A certification by the appropriate local official that access to the building for the handicapped has been approved as required in the Limited Gaming Act of 1991.
- e. Payment in advance of the amount of the state device fee for all devices to be used in limited gaming.

Mrs. Brackett made the motion. Mr. Brower seconded the motion. The motion was adopted.

The Chair called for a motion to issue to the ANNIE OAKLEY'S LIMITED LIABILITY CO., SILVER SLIPPER LIMITED LIABILITY CO., DIAMOND LIL'S GAMBLING PARLOR, INC., and COLORADO GRANDE ENTERPRISES, INC., temporary operator and retailer licenses and NEVADA VIDEO INC., a temporary manufacturer and distributor license on the same conditions stated above.

Mr. Brower made the motion. Mrs. Brackett seconded the motion. The motion was adopted.

The meeting was recessed by Chairperson Kelly at 10:26 a.m.

The meeting was reconvened by Chairperson Kelly at 10:40 a.m.

The Commission thereafter commenced the hearing on the appeal by Carl Thomas, Jr. of the Division's denial of his key employee license application. After hearing testimony from Mr. Kettler, Mr. Bridgmon, Mr. Thomas, and Mrs. Thomas, and argument by the attorneys for the Division and the applicant, the Commission issued to Carl Thomas, Jr. a six-month temporary key employee license effective from February 26, 1992, to August 26, 1992, with conditions in substantially the following form:

- 1) The licensee shall have no financial and/or business connections directly or indirectly with either his father or mother for the period of the license;
- 2) The licensee shall make no application for any owner/operator license for a period of 18 months from the date of issuance of this license;
- 3) The licensee shall not employ individuals previously employed by Carl Thomas, Sr. or any individual in any way associated with Carl Thomas, Sr.; and
- 4) The licensee shall comply with all the laws of the State of Colorado.

Mr. Robison made the motion. Mr. Brower seconded the motion. The motion was adopted.

Ms. Beck-Ferkiss reviewed the Summary Suspension on Adolph LeGrand that the Division had approved.

The Chair called for a motion to authorize the Chairperson to sign the Order of Summary Suspension for Adolph LeGrand. Mr. Robison made the motion. Mr. Brower seconded the motion. The motion was adopted.

There being no further business to come before the Commission, the hearing was adjourned at 4:45 p.m.

  
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Sandie Seegmiller, Secretary

## COLORADO LIMITED GAMING CONTROL COMMISSION

Minutes of Meeting  
February 12, 1992

The meeting was called to order by the Chairperson of the Colorado Limited Gaming Control Commission, Aurel Kelly, at 9:04 a.m. on February 12, 1992, at 710 S. Colorado Blvd., first floor conference room. Present were Commissioners Ben Brower, Ava Brackett, and Lavoy Robison. Also attending were the Department of Revenue Deputy Director, Amelie Buchanan, Division of Gaming Director, Roger Morris, Chief of Investigations, Mel Grantham, Deputy Chief of Investigations, Jim Cain, Public Information Officer, Tom Kitts, Chief Auditor, Georgine Zalesky, Controller, Joe Papish, and Assistant Attorney General, Sue Beck-Ferkiss. Persons making presentations included: the Executive Director of the Department of Public Safety, Dave Thomas, Director of Fire Safety, Dean Smith, Deputy Director of Local Affairs, Gerry Smith, as well as Nelson Fugate, Bob Wing, and Chris Porter,

Chairperson Kelly asked Mr. Morris if he had any organizational matters to discuss with the Commission; he stated he did not have any informational or organizational matters to report at that time.

Chairperson Kelly called for a motion to adopt the Minutes of Meeting of January 29, 1992, without reading. Mr. Robison made the motion. Mr. Brower seconded the motion. The motion was adopted.

The Commission heard from both sides regarding the Petition for Declaratory Order received from Bob Wing of Lots of Luck, Inc., and the counter - petition from Templeton Fowlkes, represented by Chris Porter. The Chairperson called for a motion to dismiss the Lots of Luck, Inc. petition. Mr. Robison made the motion. Mr. Brower seconded the motion. The motion was adopted.

Mr. Thomas presented to the Commission, the Colorado State Patrol budget request of \$247,293.00 for October 1991 through June 1992. Chairperson Kelly called for a motion to adopt the budget of \$247,293.00. Mr. Robison made the motion. Mrs. Brackett seconded the motion. The motion was adopted.

Mr. Thomas requested that the Commission fund the Colorado Bureau of Investigation in the amount of \$55,902 for the period of July 1, 1991, through December 31, 1991. Mr. Robison suggested that, although the Division had not reviewed the C.B.I.'s December bill, the Commission go ahead and adopt the \$55,902 -- if adjustment needed to be done, it could be reflected against the

January billing. The Chair called for a motion to approve the request for \$55,902 funding to C.B.I subject to adjustment for the December amount, should it be necessary. Mrs. Brackett made the motion. Mr. Brower seconded the motion. The motion was adopted.

Mr. Thomas reviewed the Standard, Test and Procedures that the Commission adopted on December 30, 1991, to be applied by the Limited Gaming Control Commission in evaluating the funding of C.B.I. from the Limited Gaming Fund. He noted that he did not agree with all the areas and said he would bring some of his suggestions to the next Commission meeting.

The meeting was recessed by Chairperson Kelly at 10:44 a.m.

The meeting was reconvened by Chairperson Kelly at 11:01 a.m.

Mr. Smith reviewed his revised budget for the Division of Fire Safety that he submitted to the Commission. He asked for \$99,641 for this fiscal year.

The Chair called for a motion to pay Fire Safety in the amount of \$99,641 and approve the budget submitted by Fire Safety. Mr. Robison made the motion. Mrs. Brackett seconded the motion. The motion was adopted.

Chairperson Kelly asked Ms. Beck-Ferkiss to get with Fire Safety and help promulgate rules to regulate fire safety in the casinos. Mr. Morris said he agreed this was necessary and he also would help with the promulgating of rules in this area.

Mr. Papish reviewed the December financial statement and the December balance sheet with the Commissioners. Chairperson Kelly called for a motion to approve and adopt the balance sheet and the financial statement of December 1991. Mr. Robison made the motion. Mrs Brackett seconded the motion. The motion was adopted.

Ms. Beck-Ferkiss briefed the Commissioners on the Annette Salazar Summary Suspension hearing that was to be held on that day, noting that this matter was resolved when Annette Salazar surrendered her gaming license and stated that she no longer wanted a gaming license. The Commission was asked to accept the Affidavit to Surrender license for Annette Salazar.

The Chair called for a motion to accept the Affidavit of Surrender of Limited Gaming License of Annette Salazar. Mrs. Brackett made the motion. Mr. Brower seconded the motion. The motion was adopted.

The meeting was recessed at 11:53 a.m. by Chairperson Kelly.

The meeting was reconvened at 1:00 p.m. by Chairperson Kelly.

Mr. Smith and Mr. Fugate presented to the Commission information regarding the contiguous counties. Concerns were expressed on generating funds for the contiguous counties.

Chairperson Kelly requested an impact study to be done before allocation takes place. Mr. Smith and Mr. Fugate agreed with the Chair's request.

Chairperson Kelly called for a motion to go into executive session at 1:40 p.m. for the purpose of reviewing and considering temporary licensure and the backgrounds of various applicants for gaming licenses. Mr. Brower made the motion. Mrs. Brackett seconded the motion. The motion was adopted.

The meeting reconvened into public session at 2:30 p.m.

The Chair called for a motion to issue to KWIK MART, INC., doing business as CROOK'S PLACE, a temporary retailer license, for the premises set forth in the applicant's gaming license application, effective February 12, 1992, at 12:00 p.m. and expiring at 11:59 a.m. on Aug. 12, 1992. Such license was to be a conditional license subject to the following conditions: No limited gaming shall be conducted or permitted on the licensed premises of any applicant prior to 8:00 a.m. on February 12, 1992; and no limited gaming shall be permitted or conducted on the licensed premises even after 8:00 a.m., February 12, 1992, unless the following requirements are met. These requirements are actual receipt by the Division of Gaming of the following:

- a. Confirmation that a valid certificate of occupancy has been issued by the appropriate local authorities for the building in which limited gaming is to be conducted.
- b. A confirmation by the local historical preservation commission that the building in which limited gaming is to be conducted meets the architectural requirements of the Limited Gaming Act of 1991.

- c. A certification by the appropriate local officials that the building in which limited gaming is to be conducted meets the standards for fire safety set forth in the Limited Gaming Act of 1991.
- d. A certification by the appropriate local official that access to the building for the handicapped has been approved as required in the Limited Gaming Act of 1991.
- e. Payment in advance of the amount of the state device fee for all devices to be used in limited gaming.

Mrs Brackett made the motion. Mr. Brower seconded the motion. The motion was adopted.

The Chair called for motion not to consider any material unless it has been given to the Commission for their review, 5 to 7 days prior to the meeting. Mr. Robison made the motion. Mrs. Brackett seconded the motion. The motion was adopted.

Mr. Kitts briefed the Commission on legislative matters that deal with the Division of Gaming.

There being no further business to come before the Commission, the meeting was adjourned at 3:08 p.m.

  
Sandie Seegmiller, Secretary

## COLORADO LIMITED GAMING CONTROL COMMISSION

Minutes of Meeting  
January 29, 1992

The meeting was called to order by the Chairperson of the Colorado Limited Gaming Control Commission, Aurel Kelly, at 9:22 a.m. on January 29, 1992, at 710 S. Colorado Blvd., first floor conference room. Present were Commissioners Ben Brower, and Lavoy Robison. Also attending were the Department of Revenue Executive Director, John Tipton, Deputy Director, Amelie Buchanan, Division of Gaming Director, Roger Morris, Deputy Chief of Investigations, Jim Cain, Public Information Officer, Tom Kitts, Chief Auditor, Georgine Zalesky and Assistant Attorney General, Sue Beck-Ferkiss.

Chairperson Kelly asked Mr. Morris if he had any organizational matters to discuss with the Commission; he stated he had a study from the Department of Transportation, on the traffic volume in Central City and Black Hawk, that he would like the Commissioners to read over at their convenience.

Chairperson Kelly called for a motion to approve and adopt the Minutes of Meeting of January 13, 1992, without reading. Mr. Brower made the motion. Mr. Robison seconded the motion. The motion was adopted.

Mr. Morris commented for the purpose of the public that, as of January 24, 1992, there were 30 establishments currently in operation. Central City had 11. Black Hawk had 6 open; and Cripple Creek had 13. The total number of devices in operation was 2,832.

Chairperson Kelly called for a motion to go into executive session at 9:27 a.m. for the purpose of reviewing and considering temporary licensure and the backgrounds of various applicants for gaming licenses. Mr. Robison made the motion. Mr. Brower seconded the motion. The motion was adopted.

The meeting reconvened into public session at 10:23 a.m.

The Chair called for a motion to issue to SORENSON HOSPITALITY, INC., doing business as BABY DOE'S SILVER DOLLAR, permanent operator/retailer licenses. Mr. Robison made the motion. Mr. Brower seconded the motion. The motion was adopted.

The Chair called for a motion to issue to BALLY GAMING, COLORADO GAME EXCHANGE, INC., SMK CORPORATION, IGT COLORADO CORP., INTERNATIONAL GAMING TECHNOLOGY, doing business as IGT COLORADO, NEVADA VIDEO, INC., ROYAL BELL, LTD., SIGMA GAMES, INC., and UNIVERSAL DISTRIBUTING OF NEVADA, INC., additional six-month temporary manufacturer/distributor licenses subject to the same conditions that were imposed upon the existing temporary licenses. Mr. Brower made the motion. Mr. Robison seconded the motion. The motion was adopted.

Chairperson Kelly announced that Chat Paterson and Ava Brackett were absent and excused from the meeting.

The Chair called for a motion to issue to the COLORADO NITRO LIMITED LIABILITY COMPANY, temporary operator and retailer licenses, for the premises set forth in the applicant's gaming license application, effective January 29, 1992, at noon and expiring at noon on July 29, 1992. Such licenses were to be conditional licenses subject to the following conditions: No limited gaming shall be conducted or permitted on the licensed premises of any applicant prior to 8:00 a.m. on January 29, 1992; and no limited gaming shall be permitted or conducted on the licensed premises even after 8:00 a.m. January 29, 1992, unless the following requirements are met. These requirements are actual receipt by the Division of Gaming of the following:

- a. Confirmation that a valid certificate of occupancy has been issued by the appropriate local authorities for the building in which limited gaming is to be conducted.
- b. A confirmation by the local historical preservation commission that the building in which limited gaming is to be conducted meets the architectural requirements of the Limited Gaming Act of 1991.
- c. A certification by the appropriate local officials that the building in which limited gaming is to be conducted meets the standards for fire safety set forth in the Limited Gaming Act of 1991.
- d. A certification by the appropriate local official that access to the building for the handicapped has been approved as required in the Limited Gaming Act of 1991.
- e. Payment in advance of the amount of the state device fee for all devices to be used in limited gaming.

Mr. Brower made the motion. Mr. Robison seconded the motion. The motion was adopted.

The Chair called for a motion to issue to the LUCKY STAR SALOON, INC., temporary operator and retailer licenses, for the premises set forth in the applicant's gaming license application, effective January 29, 1992, at noon and expiring at noon on July 29, 1992. Such licenses were to be conditional licenses subject to the following conditions: No limited gaming shall be conducted or permitted on the licensed premises of any applicant prior to 8:00 a.m. on January 29, 1992; and no limited gaming shall be permitted or conducted on the licensed premises even after 8:00 a.m. January 29, 1992, unless the following requirements are met. These requirements are actual receipt by the Division of Gaming of the following:

- a. Confirmation that a valid certificate of occupancy has been issued by the appropriate local authorities for the building in which limited gaming is to be conducted.
- b. A confirmation by the local historical preservation commission that the building in which limited gaming is to be conducted meets the architectural requirements of the Limited Gaming Act of 1991.
- c. A certification by the appropriate local officials that the building in which limited gaming is to be conducted meets the standards for fire safety set forth in the Limited Gaming Act of 1991.
- d. A certification by the appropriate local official that access to the building for the handicapped has been approved as required in the Limited Gaming Act of 1991.
- e. Payment in advance of the amount of the state device fee for all devices to be used in limited gaming.
- f. Confirmation that applicant, Reginald David Gray, has no traffic offenses that are alcohol-related during the period of the temporary license.

Mr. Brower made the motion. Mr. Robison seconded the motion. The motion was adopted.

The Chair expressed the Commission's concern with traffic safety and the potential problems of any licensed person with illegal drugs or alcohol-related driving offenses and announced that this will be closely examined and that any such incident could jeopardize an applicant's license.

The meeting was recessed by Chairperson Kelly at 10:30 a.m.

The meeting reconvened by Chairperson Kelly at 10:45 a.m.

Ms. Zalesky reviewed the November financial statement and the November balance sheet with the Commissioners. Chairperson Kelly called for a motion to approve and adopt the balance sheet and the financial statement of November 1991. Mr. Robison made the motion. Mr. Brower seconded the motion. The motion was adopted.

Mr. Tipton announced that, once the Division has some established a budget history, it will budget annually as well as monthly.

Mr. Morris reviewed Rule 47.1-207 and Rule 47.1-1216 with the Commissioners and recommended that these be adopted as temporary rules.

The Chair called for a motion to adopt the temporary amendments to 47.1-207 and 47.1-1216. Mr. Brower made the motion. Mr. Robison seconded the motion. The motion was adopted.

Chairperson Kelly called for a motion to adopt, as the Commission's position relative to the C.B.I., those positions of Mr. Tipton as outlined in the letter to Mr. Dave Thomas from Mr. John Tipton. Mr. Robison made the motion. Mr. Brower seconded the motion. The motion was adopted.

There being no further business to come before the Commission, the meeting was adjourned at 1:50 p.m.

  
Sandie Seegmiller, Secretary

# COLORADO LIMITED GAMING CONTROL COMMISSION

## MINUTES OF MEETING JANUARY 13, 1992

The meeting was called to order by the Chairperson of the Colorado Limited Gaming Control Commission, Aurel Kelly, at 9:17 a.m. on January 13, 1992, at 710 S. Colorado Blvd., first floor conference room. Present were Commissioners Ben Brower, Ava Brackett, and Lavoy Robison. Also attending were the Department of Revenue Executive Director, John Tipton, Deputy Director, Amelie Buchanan, Division of Gaming Director, Roger Morris, Chief of Investigations, Mel Grantham, Public Information Officer, Tom Kitts, Investigator, Steve Lines, and Assistant Attorney General, Sue Beck-Ferkiss. Persons making presentations included: John Stonbraker.

Chairperson Kelly asked Mr. Morris if he had any organizational matters to discuss with the Commission; he stated he did not have any informational or organizational matters to report at that time.

Chairperson Kelly called for a motion to adopt the Minutes of Meeting of December 30, 1991, without reading. Mrs. Brackett asked Ms. Seegmiller to correct a typographical error on the first page, fourth paragraph. She asked that the word "the" before January 13, be stricken. Ms. Seegmiller said she would make that change. Chairperson Kelly called again for a motion to adopt the Minutes of December 30, 1991, as corrected. Mrs. Brackett made the motion. Mr. Brower seconded the motion. The motion was adopted.

Chairperson Kelly went over the Orders for Austin Harvill and Ron DeMarco. The Commissioners agreed to these Orders, and the Chairperson signed the documents.

Chairperson Kelly announced that Chat Paterson was absent and excused from the meeting.

Ms. Beck-Ferkiss reviewed the Summary Suspension on Annette Salazar that the Division of Gaming had written up. Chairperson Kelly called for a motion to approve and issue an ORDER OF SUSPENSION, ORDER TO SHOW CAUSE, NOTICE OF HEARING AND NOTICE OF CHARGES. Mrs. Brackett made the motion. Mr. Brower seconded the motion. The motion was adopted.

After Mr. Morris reviewed the request of BLUE SPRUCE INVESTMENT CORP., doing business as PETE'S PLACE, to surrender its owner/operator licenses, Chairperson Kelly called for a motion to adopt the Affidavit for Surrender of Colorado Limited Gaming License for BLUE SPRUCE INVESTMENT CORP. Mr. Robison made the motion. Mr. Brower seconded the motion. The motion was adopted.

Chairperson Kelly called for a motion to go into executive session at 9:37 a.m. for the purpose of reviewing and considering temporary licensure and the backgrounds of various applicants for gaming licenses. Mr. Brower made the motion. Mrs. Brackett seconded the motion. The motion was adopted.

The meeting reconvened into public session at 12:17 p.m.

Chairperson Kelly called for a motion for discussion of the Attorney General's Formal Opinion that the Commission requested a month ago and had not yet received. Mrs. Brackett made a motion to withdraw the Commission's request for the Attorney General's Formal Opinion. The basis for this action was the Commission's belief that it had discretion to manage the budget based on authority from the gaming statutes and the Colorado Constitution. Mr. Robison and Mr. Brower seconded the motion. The motion was adopted.

Chairperson Kelly asked that Mr. Tipton advise the Attorney General of the Commission's desire to withdraw the request for the Opinion. Mr. Tipton agreed to do so.

The Chair called for a motion to issue to the RIO CASINO, Limited Liability Company, and O-G ENTERPRISES, INC., temporary operator and retailer licenses, for the premises set forth in the applicants' gaming license applications, effective January 13, 1992, at noon and expiring at 11:59 p.m. on July 12, 1992. Such licenses were to be conditional licenses subject to the following conditions: No limited gaming shall be conducted or permitted on the licensed premises of any applicant prior to 8:00 a.m. on January 13, 1992; and no limited gaming shall be permitted or conducted on the licensed premises even after 8:00 a.m. January 13, 1992, unless the following

requirements are met. These requirements are actual receipt by the Division of Gaming of the following:

- a. Confirmation that a valid certificate of occupancy has been issued by the appropriate local authorities for the building in which limited gaming is to be conducted.
- b. A confirmation by the local historical preservation commission that the building in which limited gaming is to be conducted meets the architectural requirements of the Limited Gaming Act of 1991.
- c. A certification by the appropriate local officials that the building in which limited gaming is to be conducted meets the standards for fire safety set forth in the Limited Gaming Act of 1991.
- d. A certification by the appropriate local official that access to the building for the handicapped has been approved as required in the Limited Gaming Act of 1991.

Mr. Robison and Mrs. Brackett made the motion. Mr. Brower seconded the motion. The motion was adopted.

Chairperson Kelly called for a motion to go into executive session at 12:45 p.m. for the purpose of reviewing and considering the temporary licensure and the backgrounds of various applicants for gaming licenses. Mr. Brower made the motion. Mrs. Brackett seconded the motion. The motion was adopted.

The meeting was reconvened into public session by Chairperson Kelly at 1:38 p.m.

Mr. Stonbraker, representative for Colorado Nitro Limited Liability Company, responded to a schedule he felt erroneously was distributed to the Commissioners and wanted to clarify the schedule they received. The Commissioners responded to Mr. Stonbraker by letting him know that the schedule was not the only reason Colorado Nitro Limited Liability Company

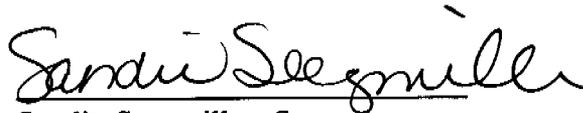
had not received its license; and this matter would be postponed until the January 29th meeting.

Ms. Beck-Ferkiss reviewed drafts A and B on Rule 14. She announced that she was having them review these drafts prior to the March 11, 1992, rule-making hearing; and at that meeting she hoped that the Commission would adopt A or B as a permanent rule. The Commission agreed on draft A of rule 14 as the version to proceed with on the 11th of March.

Mr. Lines reviewed a proposed rule change to Rule 12 allowing five dollar tokens. The Commission agreed that this was an appropriate addition to this rule and would pass it as a temporary rule at the January 29, 1992, meeting.

Ms. Buchanan briefed the Commission on the statutes concerning the contiguous counties. The Commissioners said they would hear from Local Affairs on February 12, 1992, regarding this issue.

There being no further business to come before the Commission, the meeting was adjourned at 2:47 p.m.

  
Sandie Seegmiller, Secretary