

Colorado Limited Gaming Control Commission

Minutes of Meeting
December 22, 1994

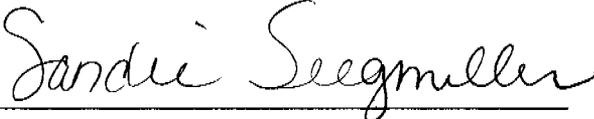
The meeting was held telephonically and commenced at 1:07 p.m., at 720 S. Colorado Blvd., Suite 540-S, Denver, Colorado, on December 22, 1994. The meeting was Noticed by facsimile on Monday, December 19, 1994, to interested parties who had access to a fax machine, and others were notified by telephone and/or by U.S. mail by the Commission's Secretary, Sandie Seegmiller. Present via telephone were Chairman Daniel Hyatt, Commissioner Richard Harvey and Commissioner Harlan Rubottom. Those in personal attendance were: George Turner, Director of the Division of Gaming; Tom Kitts, Director of Administration; Mel Grantham, Chief of Investigations; and Sandie Seegmiller, Secretary.

Ms. Seegmiller opened the meeting by announcing all the parties present on the conference call, and took roll call of the Commissioners, noting that Commissioner Brower was unavailable for this call.

Mr. Grantham discussed some of the issues with the proposed Central City Lease Agreement and asked the Commissioners to approve the agreement as discussed. Chairman Hyatt made the motion to approve the lease agreement provided to them and authorize the Commissioner Rubottom to sign the Agreement. Mr. Harvey seconded the motion. The motion was adopted.

Chairman Hyatt called for a motion to excuse Commissioner Ben Brower from the meeting. Mr. Harvey made the motion. Mr. Rubottom seconded the motion. The motion was adopted.

There being no further business to come before the Commission, the meeting was adjourned at 1:24 p.m.



Sandie Seegmiller, Secretary

Colorado Limited Gaming Control Commission

Minutes of Meeting
December 19, 1994

The meeting was called to order by the Chairperson of the Colorado Limited Gaming Control Commission, Daniel Hyatt, at 9:05 a.m. on December 19, 1994, at 600 S. Colorado Blvd. (Cherry Creek Inn) Denver, Colorado. Present were Commissioners Ben Brower, Harlan Rubottom and Richard Harvey. Also attending were: the Department of Revenue Deputy Director, Amelie Buchanan; the Division of Gaming Director, George Turner; Chief of Investigations, Mel Grantham; Deputy Chief of Investigations, Jim Cain; Administrative Director, Tom Kitts; Controller, Brent Voge; Public Information Officer, Don Burmania; Chief Auditor, Georgine Zalesky; Budget Officer, Linda Petkash; Auditor, Charissa Hammer; Division of Gaming's Central City/Black Hawk Supervisor, Jim Huskey; Investigator, Vic Freburg; Assistant Attorney General, Tom Fears. Persons making presentations included: from Regulatory Agencies, Rene Ramirez and Polly Nolin; from Liquor Enforcement Division, Joan Vecchi; from the Colorado Lottery, Mark Zamarippa; support licensee, Ron McClinton; from Colorado Bureau of Investigation, Dick McNamee and Steve Vaughn (presentation done in executive session).

Chairman Hyatt asked if anybody from the public wished to address the Commission. There being no persons from the public who wished to address the Commission, the Chair requested Mr. Ramirez and Ms. Nolin to proceed with their presentation.

Mr. Ramirez and Ms. Nolin, from Regulatory Agencies, briefed the Commission on the legislative sunset review to be conducted on the Division of Gaming. They noted that the draft report would be completed on May 1, 1995 for the Division to review, and the final report that goes to the Legislature would be completed on July 1st.

The Chair called for a motion to approve the Minutes of November 9, 1994. Mr. Rubottom made the motion. Mr. Brower seconded the motion. The motion was adopted.

The Chair called for a motion to approve the Minutes of November 17, 1994. Mr. Brower made the motion. Mr. Rubottom seconded the motion. The motion was adopted.

Chairman Hyatt called for a motion to set aside the petition for a Declaratory Order from desMaret Corporation, Inc., Phillip Demarest and convert that petition into a request to appeal the director's decision, and requested that a briefing be completed by the Division of Gaming and the petitioner by February 6th regarding the issue in dispute. Mr. Harvey made the motion. Mr. Brower seconded the motion. The motion was adopted.

Ms. Buchanan, Mr. Reitz, Mr. Turner, Ms. Vecchi and Mr. Zamarippa discussed possible future legislation gaming scenarios and their possible impact on the Lottery, Gaming, Racing and Liquor divisions if those scenarios were to succeed.

The meeting was recessed at 10:30 a.m. by Chairman Hyatt.

The meeting was reconvened at 10:45 a.m. by Chairman Hyatt.

Mr. Voge gave an overview of the Financial Reports and Balance Sheet for the month of October 1994. The Chair called for a motion to approve and adopt the Financial Reports and Balance Sheet for October 1994 and authorize distribution. Mr. Harvey made the motion. Mr. Brower seconded the motion. The motion was adopted.

Ms. Petkash presented a supplemental budget request for the Division that would increase the Division's budget by \$275,975 for slot machine testing services by Gaming Laboratories, Inc. (GLI) and decrease the Division's budget by \$191,296 in the area of licensure activities, specifically applicant fingerprints and name searches. Ms. Petkash noted that the Division's contract with GLI is a "pass through" expenditure. Mr. Brower made the motion to approve the supplemental budget request. Mr. Harvey seconded the motion. The motion was adopted.

Mr. Burmania presented the Commissioners preliminary November gaming figures. He noted that the data was available in 2 days as a result of electronic filing of tax returns compared to the 5 to 7 days would take under the old filing process.

The meeting was recessed for lunch at 11:53 by Chairman Hyatt.

The meeting was reconvened at 1:06 p.m. by Chairman Hyatt.

The Chair called for a motion to go into executive session at 1:10 p.m. to consider information of the denial hearings in the matter of support applicant Leroy Aragon, Janet King and Austin Harvill and requested that the only parties to participate in this executive session be the Commissioners. Mr. Harvey made the motion. Mr. Brower seconded the motion. The motion was adopted.

The meeting was reconvened into public session at 1:37 p.m. by Chairman Hyatt.

The Chair called for a motion to deny the appeal of Leroy Aragon and to approve the Findings of Fact, Conclusion of Law and Order and authorize the Chair to sign. Mr. Brower made the motion. Mr. Rubottom seconded the motion. The motion was adopted.

The Chair called for a motion to deny the appeal of Janet King and to approve the Findings of Fact, Conclusion of Law and Order and authorize the Chair to sign. Mr. Brower made the motion. Mr. Rubottom seconded the motion. The motion was adopted.

The Chair announced that the Austin Harvill appeal request would be set aside until the January meeting.

The Chair called for a motion to go into executive session at 1:41 p.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. Rubottom seconded the motion. The motion was adopted.

The meeting was recessed at 3:55 p.m. by Chairman Hyatt.

The meeting was reconvened into public session at 4:00 p.m. by Chairman Hyatt.

Mr. Grantham reviewed with the Commissioners the details involved in the rent with option agreement for a new Central City office and asked the Chair to authorize a Commission member to sign this agreement when it was in final form. Mr. Harvey did not believe that enough notice was given to the Commission to review this lease and requested a telephone conference call later in the week after the Commission had time to review the agreement. A meeting was scheduled for Thursday, December 22, 1994 at 1:00 p.m.

The meeting was recessed at 4:10 p.m. by Chairman Hyatt.

The meeting was reconvened into public session at 4:34 p.m. by Chairman Hyatt.

Mr. Fears announced that the Respondent, Ronald McClinton, who was scheduled for a hearing that day had come to an agreement with the Division. Mr. Fears reviewed the agreement with the Commissioners noting that the Respondent voluntarily surrendered his license and would not re-apply until he satisfies his 1986 and 1987 state taxes. Mr. McClinton testified that he did agree with this stipulation and agreement as discussed by Mr. Fears.

The Chair called for a motion to approve and adopt the Stipulation and Agreement between the Division of Gaming and Ronald McClinton and authorize the Chair to sign the Order. Mr. Harvey made the motion. Mr. Brower seconded the motion. The motion was adopted.

The Chair called for a motion to go into executive session at 4:40 p.m. for the purpose of reviewing and considering temporary and permanent licensure and the backgrounds of various applicants for gaming licenses. Mr. Harvey made the motion. Mr. Brower seconded the motion. The motion was adopted.

The meeting was reconvened into public session at 5:10 p.m. by Chairman Hyatt.

The Chair called for a motion to renew the permanent retailer/operator licenses of: CENTRAL CITY GAMING INVESTORS LTD. LIABILITY CO., doing business as HARRAH'S CENTRAL CITY CASINO; and HORSESHOE LTD. LIABILITY CO., doing business HARRAH'S BLACK HAWK CASINO. These licenses shall be issued upon the expiration of the current licenses and expire one year from the date of issuance. Mr. Brower made the motion. Mr. Rubottom seconded the motion. The motion was adopted.

The Chair called for a motion to approve the changes of ownership as outlined in the respective investigative reports for: JAZZ ALLEY CASINO, INC., doing business as JAZZ ALLEY CASINO; and THE GOLD MINE, INC., doing business as THE GOLD MINE CASINO. Mr. Rubottom made the motion. Mr. Brower seconded the motion. The motion was adopted.

The Chair called for a motion to issue a conditional permanent manufacturer/distributor license to VISTA GAMING CORP. This license shall become effective on December 19, 1994, at 5:00 p.m., and expire one year from the date of issuance. Further, this license will be conditioned upon the licensee remaining current on all government obligations. Mr. Rubottom made the motion. Mr. Brower seconded the motion. The motion was adopted.

The Chair called for a motion to accept the Long Branch Casino and Saloon Audit report. Mr. Rubottom made the motion. Mr. Brower seconded the motion. The motion was adopted.

Mr. Fears reviewed the Order to Show Cause in the matter of JOLLY JOKER LIMITED LIABILITY COMPANY, doing business as FIREHOUSE CASINO. The Chair called for motion to approve the Order to Show Cause on JOLLY JOKER LIMITED LIABILITY COMPANY, doing business as FIREHOUSE CASINO, and to authorize the Chair to sign the Order. Mr. Brower made the motion. Mr. Rubottom seconded the motion. The motion was adopted.

Mr. Fears reviewed the Order to Show Cause in the matter of Melanie Vastardis. The Chair called for motion to approve the Order to Show Cause on Melanie Vastardis, and to authorize the Chair to sign the Order. Mr. Brower made the motion. Mr. Harvey seconded the motion. The motion was adopted.

Mr. Fears reviewed the Order of Summary Suspension in the matter of David Knowles. The Chair called for motion to approve the Order of Summary Suspension on David Knowles, and to authorize the Chair to sign the Order. Mr. Harvey made the motion. Mr. Rubottom and Mr. Brower seconded the motion. The motion was adopted.

Mr. Fears reviewed the Order of Summary Suspension in the matter of Nick Pallotto. The Chair called for motion to approve the Order of Summary Suspension on Nick Pallotto, and to authorize the Chair to sign the Order. Mr. Brower made the motion. Mr. Harvey seconded the motion. The motion was adopted.

Mr. Fears reviewed the Order of Summary Suspension in the matter of Richard Mansfield. The Chair called for motion to approve the Order of Summary Suspension on Richard Mansfield, and to authorize the Chair to sign the Order. Mr. Brower made the motion. Mr. Rubottom seconded the motion. The motion was adopted.

There being no further business to come before the Commission, the meeting was adjourned at 5:25 p.m.



Sandie Seegmiller, Secretary

Colorado Limited Gaming Control Commission

Minutes of Meeting
November 17, 1994

The meeting was called to order by the Chairperson of the Colorado Limited Gaming Control Commission, Daniel Hyatt, at 9:10 a.m. on November 17, 1994, at 690 Kipling Street, Suite 4000 Denver, Colorado. Present were Commissioners Ben Brower and Harlan Rubottom. Absent and excused was Richard Harvey. Also attending were: the Department of Revenue Executive Director, Renny Fagan; Deputy Director, Amelie Buchanan; the Division of Gaming Director, George Turner; Chief of Investigations, Mel Grantham; Deputy Chief of Investigations, Jim Cain; Administrative Director, Tom Kitts; Controller, Brent Voge; Public Information Officer, Don Burmania; Chief Auditor, Georgine Zalesky; Division of Gaming's Central City/Black Hawk Supervisor, Jim Huskey; Investigator, Vic Freburg; Investigator, Bob Abbott; Investigator, Max Kettler; Colorado Bureau Investigator, Steve Vaughn and Ron Carssallen; Assistant Attorney General, Sue Beck-Ferkiss, and Assistant Attorney General, Tom Fears. Persons making presentations included: from Colorado Bureau of Investigation, Dick McNamee (presentation done in executive session).

Chairman Hyatt called for a motion to approve the "Statement of Position on Setting the Gaming Tax for Tax Year October 1, 1994 - September 30, 1995." Mr. Rubottom made the motion. Mr. Brower seconded the motion. The motion was adopted.

The Chair called for a motion to excuse Richard Harvey from the meeting. Mr. Brower made the motion. Mr. Rubottom seconded the motion. The motion was adopted.

Mr. Voge gave an overview of the Financial Reports and Balance Sheet for the month of September 1994. The Chair called for a motion to approve and adopt the Financial Reports and Balance Sheet for September 1994 and authorize distribution. Mr. Rubottom made the motion. Mr. Brower seconded the motion. The motion was adopted.

The Chair called for a motion to approve the Minutes of September 8, 1994, as amended with typographical changes. Mr. Brower made the motion. Mr. Rubottom seconded the motion. The motion was adopted.

The Chair called for a motion to approve the Minutes of September 9, 1994. Mr. Brower made the motion. Mr. Rubottom seconded the motion. The motion was adopted.

The Chair called for a motion to approve the Minutes of September 20, 1994. Mr. Brower made

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

The Chair called for a motion to approve the Minutes of September 29, 1994. Mr. Brower made the motion. Mr. Rubottom seconded the motion. The motion was adopted.

The Chair called for a motion to approve the Minutes of October 20, 1994. Mr. Brower made the motion. Mr. Rubottom seconded the motion. The motion was adopted.

The Chair called for a motion to go into executive session at 9:34 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. Rubottom seconded the motion. The motion was adopted.

The meeting was recessed at 12:00 p.m. for lunch by Chairman Hyatt.

The meeting was reconvened into executive session at 1:30 p.m. by Chairman Hyatt.

The meeting was reconvened into public session at 3:17 p.m. by Chairman Hyatt.

The Chair called for a motion to renew the permanent operator and retailer licenses for REYNOLDS COURT PARTNERSHIP, LTD., doing business as CENTRAL PALACE CASINO; G.F. GAMING CORPORATION, doing business as THE FAMOUS BONANZA; and ANCHOR COIN, INC., doing business as COLORADO CENTRAL STATION. These licenses shall be issued on the date of expiration of the current licenses and expire one year from the date of issuance. Mr. Brower made the motion. Mr. Rubottom seconded the motion. The motion was adopted.

The Chair called for motion to renew the permanent operator and retailer licenses and approve the changes of ownership as detailed in the investigative report for OLD CHICAGO CRIPPLE CREEK L.P., doing business as OLD CHICAGO RESTAURANT AND CASINO. Mr. Brower made the motion. Mr. Rubottom seconded the motion. The motion was adopted.

The Chair called for a motion to renew the permanent operator and retailer licenses for BWCC, INC., doing business as BULLWHACKERS CENTRAL CITY CASINO; and BWBH, INC., doing business as BULLWHACKERS BLACK HAWK CASINO. These licenses shall be issued on the date of expiration of the current licenses and expire one year from the date of issuance. Further these licenses will be conditioned that all new investors or other changes of ownership in BWCC, INC. and BWBH, INC. must receive prior approval by the Commission, unless such investors otherwise comply with the requirements of rule 4.5 of the Colorado Gaming

Regulations pertaining to Publicly Traded Corporations. Mr. Brower made the motion. Mr. Rubottom seconded the motion. The motion was adopted.

The Chair called for a motion to approve the transfer of shares of ownership related to BWCC, INC. and BWBH, INC. from Mark Hemmeter to the trusts detailed in the respective investigative reports and the transfer of warrants related to BWCC, INC. and BWBH, INC. from Christopher Hemmeter and Richard Babbit as detailed in the respective investigative reports. Mr. Brower made the motion. Mr. Rubottom seconded the motion. The motion was adopted.

The Chair also called for a motion to approve the transfer of various warrants for HEMMETER ENTERPRISES, INC. stock from Dan Chandler, Richard Crane and Richard Babbit to Christopher Hemmeter. Mr. Brower made the motion. Mr. Rubottom seconded the motion. The motion was adopted. This approval is only for the transfer from the record owner and does not constitute approval for the purpose of exercising the warrants transferred.

The Chair called for a motion to issue to VISION GAMING, INC., doing business as CRAPPER JACK'S GAMBLING HALL & SALOON at 404-406 E. Bennett Avenue, in Cripple Creek, permanent operator licenses, effective November 17, 1994, at 5:00 p.m. and expiring one year from the date of issuance. Further the standard conditions for retail licenses shall apply:

STANDARD CONDITIONS

(amended 5/19/94)

- 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 state Division of Fire Safety and 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.

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

The Chair called for motion to renew the permanent manufacturer/distributor license to COLLINS GAMES OF COLORADO, INC. This license shall be issued on the date of expiration of the current license and expire one year from the date of issuance. Mr. Brower made the motion. Mr. Rubottom seconded the motion. The motion was adopted.

The Chair called for a motion to issue a permanent operator license to CHARLES H. CALLAWAY, effective November 17, 1994, at 5:00 p.m. and expiring one year from the date of issuance. Mr. Brower made the motion. Mr. Rubottom seconded the motion. The motion was adopted.

Ms. Beck-Ferkiss reviewed the Division's Order to Show Cause on Hiromi Matasuyama. The Chair called for motion to approve the Order to Show Cause on Hiromi Matasuyama and to authorize the Chair to sign the Order. Mr. Rubottom made the motion. Mr. Brower seconded the motion. The motion was adopted.

Ms. Beck-Ferkiss reviewed with the Commission the Stipulation and Agreement between the Division of Gaming and DEC INC., doing business as THE EUREKA! LTD. The Chair called for a motion to approve the Stipulation and Agreement between and DEC INC., doing business as THE EUREKA! LTD., and to authorize the Chair to sign the order. Mr. Rubottom made the motion. Mr. Brower seconded the motion. The motion was adopted.

Mr. Fears reviewed the Division's Order to Show Cause to WILD WILD WEST GAMBLING HALL AND BREWERY, INC. The Chair called for motion to issue the Order to Show Cause to WILD WILD WEST GAMBLING HALL AND BREWERY, INC., and to authorize the Chair to sign the Order. Mr. Rubottom made the motion. Mr. Brower seconded the motion. The motion was adopted.

A Settlement Stipulation and Agreement was presented to the Commission by Mr. Fears between the Division of Gaming and Paul F. Gilson, a denied Key employee applicant. The Chair called for a motion to approve and adopt the Settlement Stipulation between the Division of Gaming and Paul F. Gilson and authorize the Chair to sign the Order. Mr. Brower made the motion. Mr. Rubottom seconded the motion. The motion was adopted.

Mr. Dan Carr, appearing for BALLY'S GAMING, INC., petitioned the Commission to modify the current condition imposed on BALLY'S GAMING, INC. to reflect a date of May or June of next year, the date of the licensee's next annual stockholders meeting. After consideration the Chair called for a motion to amend the conditions on the manufacturer/distributor license issued

to BALLY'S GAMING, INC. The License shall be conditioned upon the amendment of the corporate documents of the licensee before August 1, 1995 to include all language required by Rule 4.5 of the Colorado Gaming Regulations. Mr. Rubottom made the motion. Mr. Brower seconded the motion. The motion was adopted.

Mr. Kitts updated the Commission on the support and key license fees. He noted the Division is currently working on a process that would allow the Division to track direct and indirect cost on these licenses. He said he will continue to keep them updated on this process.

Mr. Turner announced that Ms. Beck-Ferkiss will be leaving the State of Colorado to go to Washington D.C. He said she has been a dedicated worker and that she will be missed.

There being no further business to come before the Commission, the meeting was adjourned at 3:56 p.m.



Sandie Seegmiller, Secretary

Colorado Limited Gaming Control Commission

Minutes of Meeting
November 9, 1994

The meeting was held telephonically and commenced at 2:33 p.m. 720 S. Colorado Blvd., Suite 540-S, Denver, Colorado, on November 9, 1994. The meeting was Noticed by facsimile on Thursday, November 3, 1994, to interested parties who had access to a fax machine, and others were notified by telephone and/or by U.S. mail by the Commission's Secretary, Sandie Seegmiller. Present via telephone were Chairman Daniel Hyatt, Commissioner Ben Brower and Commissioner Harlan Rubottom. Those in personal attendance were: George Turner, Director of the Division of Gaming; Tom Kitts, Director of Administration; Brent Voge, Controller; and Sandie Seegmiller, Secretary.

Ms. Seegmiller announced all the parties present on the conference call, and took roll call of the Commissioners, noting that Commissioner Harvey was unavailable for this call.

Chairman Hyatt opened the meeting by calling for a motion to excuse Commissioner Dick Harvey from the meeting. Mr. Brower made the motion. Mr. Rubottom seconded the motion. The motion was adopted.

The Chair called for a motion to go into executive session at 2:34 p.m. for the purpose of reviewing the State Auditors Audit Report and the Commissioner's response to the Report. Mr. Rubottom made the motion. Mr. Brower seconded the motion. The motion was adopted.

The meeting was reconvened into public session at 2:54 p.m. by Chairman Hyatt.

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
October 20, 1994

The meeting was called to order by the Chairperson of the Colorado Limited Gaming Control Commission, Dan Hyatt, at 9:10 a.m. on October 20, 1994, at 600 S. Colorado Blvd. (Cherry Creek Inn) Denver, Colorado. Present were Commissioners Ben Brower, Richard Harvey and Harlan Rubottom. Also attending were: the Department of Revenue Executive Director, Renny Fagan (arriving at 11:30 a.m.); Deputy Director, Amelie Buchanan; the Division of Gaming Director, George Turner; Chief of Investigations, Mel Grantham; Deputy Chief of Investigations, Jim Cain; Administrative Director, Tom Kitts; Controller, Brent Voge; Public Information Officer, Don Burmania; Division of Gaming's Cripple Creek Supervisor, Craig Bridgmon; Division of Gaming's Central City/Black Hawk Supervisor, Jim Huskey; Investigator, Huck Henderson; Investigator, Bill Garrett; Investigator, William Lukela; Investigator, Jim Keller; Investigator, Robb Neely; Investigator, Dan McEwen; Department of Revenue Program Analyst, Jim Huyghebaert; Department of Revenue, Liquor Division, Joan Vecchi; the Department of Revenue, Information Support Services, Jim Koenig; Assistant Attorney General, Sue Beck-Ferkiss, and Assistant Attorney General, Tom Fears. Persons making presentations included: from Colorado Bureau of Investigation, Carl Whiteside and Dick McNamee (presentation done in executive session); State Auditors Office, Becky Richardson and Mike Acimovic (presentation done in executive session); Counsel for the Casino Owners' Association, Mark Grueskin; Casino Owner, Bill Evers, Casino Owner, Kay Lorenz; and John Tipton.

Mr. Huyghebaert reviewed with the Commission the "Statement of Position on Setting the Gaming Tax for Tax Year October 1, 1994 - September 30, 1995" that he had prepared for the Commission. Chairman Hyatt announced that the Commission would take it under advisement and take formal action at the next Commission meeting.

Ms. Buchanan stated that she will be preparing a document listing future legislative proposals that could effect the Division of Gaming and the Commission. The Commission was in favor of receiving such information.

Mr. Voge gave an overview of the Financial Reports and Balance Sheet for the month of August 1994. The Chair called for a motion to approve and adopt the Financial Reports and Balance Sheet for August 1994 and authorize distribution. Mr. Rubottom made the motion. Mr. Harvey seconded the motion. The motion was adopted.

The Chair called for a motion to go into executive session at 10:30 a.m. for the purpose of reviewing the State Auditors Audit Report and enforcement reports. Mr. Brower made the motion. Mr. Rubottom seconded the motion. The motion was approved.

The meeting was recessed at 12:00 p.m. for lunch by Chairman Hyatt.

The meeting reconvened into public session at 1:15 p.m. by Chairman Hyatt.

Mr. Harvey was not in attendance after the lunch break due to prior commitments.

Mr. Voge and Mr. Koenig gave a presentation of the EDI/EFT software that had been developed by the Department of Revenue, which was to be distributed to casinos during training sessions in Black Hawk, Central City, and Cripple Creek.

Mr. Huskey reviewed the proposed amendments to Regulation 47.1-817 Procedure for dealing cards and 47.1-819 The deal, noting that this is an industry request and that it is also easier to enforce.

Mr. Burmania reviewed the proposed amendments to Regulation 47.1-405(4) Information to be furnished by licensee, Regulation 47.1-1401(b) Gaming and Devices Taxes, and Regulation 47.1-1803 Budget preparation. Mr. Evers, Mr. Grueskin and Mr. Nathan questioned when Regulation 47.1-1401(b) Gaming and Devices Taxes would be effective because device stamps for most devices were already purchased and put on the devices. The Division responded that at the time of purchase they were given instructions of where to put the stamp and the Division does have replacement stamps, if necessary, to correct any mistakes. The Chair called for a motion to adopt Regulation 47.1-405(4) Information to be furnished by licensee, Regulation 47.1-817 Procedure for dealing cards and 47.1-819 The deal, Regulation 47.1-1401(b) Gaming and Devices Taxes, and Regulation 47.1-1803 Budget preparation as permanent amendments. Mr. Brower made the motion. Mr. Rubottom seconded the motion. The motion was adopted.

The Chair called for a motion to go into executive session at 1:45 p.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. Rubottom seconded the motion. The motion was adopted.

The meeting was reconvened into public session at 3:40 p.m. by Chairman Hyatt.

The Chair called for a motion to renew the permanent operator and retailer licenses for PONY EXPRESS, INC., doing business PONY EXPRESS CASINO. These licenses shall be issued on the date of expiration of the current licenses and expire one year from the date of issuance. Mr. Brower made the motion. Mr. Rubottom seconded the motion. The motion was adopted.

The Chair called for a motion to issue permanent operator and retailer licenses for CENTURY CASINOS CRIPPLE CREEK, INC., doing business as LEGENDS AT THE LONG BRANCH SALOON & CASINO. These licenses shall be effective at 5 p.m. on October 20, 1994 and expire one year from the date of issuance. Further, the standard conditions for retail licenses shall apply and this license is further conditioned upon the surrender of the current retail licenses for this property and that the licensee continue paying gaming taxes at the level and rate accrued in this gaming year by the prior retail licensee for this property. Mr. Brower made the motion. Mr. Rubottom seconded the motion. The motion was adopted.

The Chair called for a motion to renew the permanent operator and retailer licenses for RWH INC., doing business as MIDNIGHT ROSE HOTEL AND CASINO. These licenses shall be issued on the date of expiration of the current licenses and expire one year from the date of issuance. Further, these licenses shall be conditioned on continuing jurisdiction over and responsibility for all matters contained in the Order to Show Cause issued on April 21, 1994, and that the licensee continue the employment of a compliance officer for the term of the licenses. Mr. Brower made the motion. Mr. Rubottom seconded the motion. The motion was adopted.

The Chair called for a motion to renew the permanent operator and retailer licenses for CREEKER'S INC., doing business as CREEKER'S and approve the change of ownership as detailed in the investigative report. These licenses shall be issued on the date of expiration of the current licenses and expire one year from the date of issuance. Mr. Brower made the motion. Mr. Rubottom seconded the motion. The motion was adopted.

The Chair called for a motion to approve the change of ownership as detailed in the investigative report for 139 MAIN LLC., doing business as BLAZING SADDLES CASINO. Mr. Rubottom made the motion. Mr. Brower seconded the motion. The motion was adopted.

Ms. Beck-Ferkiss reviewed the Order to Show Cause in the matter of DEC INC., doing business as THE EUREKA! LTD. The Chair called for motion to approve the Order to Show Cause on DEC INC., doing business as THE EUREKA! LTD., and to authorize the Chair to sign the Order. Mr. Brower made the motion. Mr. Rubottom seconded the motion. The motion was adopted.

Mr. Fears reviewed the Order to Show Cause in the matter of RWH INC., doing business as MIDNIGHT ROSE HOTEL AND CASINO. The Chair called for motion to approve the Order to Show Cause on RWH INC., doing business as MIDNIGHT ROSE HOTEL AND CASINO, and to authorize the Chair to sign the Order. Mr. Rubottom made the motion. Mr. Brower seconded the motion. The motion was adopted.

Mr. Fears requested the Commission to grant a continuance in the hearing concerning Paul Francis Gilson as stated in the written request submitted by the Division of Gaming. The Chair called for a motion to grant the Motion for Continuance for a mutually agreed upon date and authorize the Chair to sign. Mr. Brower made the motion. Mr. Rubottom seconded the motion. The motion was adopted.

Mr. Kitts discussed with the Commission the Division's desire to obtain some storage space at the Galleria building to archive license files. He asked the Commission to approve the negotiation lease process and to authorize a Commission member to sign the lease agreement once it is completed. The Chair called for a motion to approve the Division to start the negotiation process and the authorize a local Commission member to sign the lease agreement once it is complete. Mr. Rubottom made the motion. Mr. Brower seconded the motion. The motion was adopted.

The next matter brought before the Commission was the swearing in of new investigators for the Division of Gaming. Mr. Rob Neely, Mr. Jim Keller, Mr. William Lukela, Mr. Dan McEwen, and Mr. Bill Garrett were sworn in by Chairman Hyatt.

Chairman Hyatt, Mr. Turner, Mr. Bridgmon, Mr. Brower, Mr. Harvey, Mr. Rubottom, Mr. Tipton, Ms. Lorenz, and Mr. Grueskin made presentations in tribute to retired Commission member Aurel Kelly.

There being no further business to come before the Commission, the meeting was adjourned at 4:30 p.m.



Sandie Seegmiller, Secretary

Colorado Limited Gaming Control Commission

Minutes of Meeting
September 29, 1994

The meeting was called to order by the Chairperson of the Colorado Limited Gaming Control Commission, Dan Hyatt, at 9:06 a.m. on September 29, 1994, at 600 S. Colorado Blvd.(Cherry Creek Inn) Denver, Colorado. Present were Commissioners Ben Brower, Aurel Kelly, Richard Harvey and Harlan Rubottom. Also attending were: the Department of Revenue Executive Director, Renny Fagan; Deputy Director, Amelie Buchanan; the Division of Gaming Director, George Turner; Chief of Investigations, Mel Grantham; Administrative Director, Tom Kitts; Controller, Brent Voge; Budget Officer, Linda Petkash; Public Information Officer, Don Burmania; Investigator, Phil Dinan; Secretary, Sandie Seegmiller; and Assistant Attorney General, Sue Beck-Ferkiss. Persons making presentations included: Ed Meier, Commission's CPA Consultant; Jim Huyghebaert and Susan Conwell, Department of Revenue, Office of Tax Analysis; Mark Grueskin, Counsel for the Casino Owners' Association; Bill Evers, Casino Owner; Debbie Paletto, Executive Director of the Central City Casino Owners Association; Virginia Lewis, Casino Owner; and Rich Cooper, Casino Owner.

Mr. Grantham gave a brief overview of the construction that was occurring in Central City.

Mr. Huyghebaert and Ms. Conwell discussed alternate gaming tax structures for gaming year 1994-95 by class and by AGP. The tax brackets were left the same while the AGP brackets were widened. Some of the proposals presented kept the tax brackets but lowered the two middle AGP brackets.

Upon request from Commissioner Hyatt, Mr. Burmania presented to the Commission a report showing the growth in casino AGP for the past three years in Colorado.

Ms. Paletto invited the Commissioners to attend the October 1st anniversary party in Central City. She announced that Senator Sally Hopper and possibly Senator Sam Williams would be there at 5:00 p.m. for the cake cutting ceremony.

Mr. Evers noted that with Harvey's casino getting ready to open, he believed this would improve the industry's market. He noted that only 30% of the industry is making a profit and he did not believe that is was healthy. When asked by Commissioner Kelly if a tax break should be given to all classes of casinos or to the smaller and less profitable ones, he answered that it should be given to all classes.

Mr. Cooper said the State imposed device fee is not a big factor to the casinos, it is the local device fee that is a burden. Mr. Grueskin commented that Black Hawk lowered Black Hawk device fee by \$50.00 on September 28, 1994.

Mr. Grueskin said that he had a few casino owners and representatives of various casinos who wished to review their financials with the Commissioners in executive session. The Chair called for a motion to go into executive session at 10:40 a.m. for the purpose of reviewing confidential financial data related to taxes. Mr. Brower made the motion. Mr. Rubottom seconded the motion. The motion was adopted.

The meeting was recessed at 12:05 p.m. for lunch by Chairman Hyatt.

The meeting was reconvened into executive session at 1:15 p.m. by Chairman Hyatt.

The meeting was reconvened into public session at 2:45 p.m. by Chairman Hyatt.

The Chair thanked those who shared their financial data with the Commissioners. He noted that it was very informative to the Commission.

Mr. Grueskin thanked the Department of Revenue and the Division of Gaming for all the effort and work produced by them. He briefed the Commission on what the industry believed was a fair tax rate. He said a 11.5% effective rate that was set last year, was a good and positive perspective investors. He said the industry believed that the tax rate should be:

Tax rate of 2% on the first 2.5 million dollars of proceeds, tax rate of 8% for 2.5 to 5 million dollars of proceeds, and tax rate of 15% for 5 million and over dollars of proceeds.

The meeting was recessed at 3:25 p.m. by Chairman Hyatt.

The meeting was reconvened at 3:40 p.m. by Chairman Hyatt.

The Chair asked the other Commission members for their comments and discussion regarding the taxes.

Mr. Rubottom commented that he believed the current tax rate would fund the identified needs.

Mr. Harvey believed the maximum relief should go to the smaller casinos and suggested the device fee should go to \$50 and the tax rate should be set as follows:

Tax rate of 2% on the first 1 million dollars of proceeds, tax rate of 8% for 1 to 3 million dollars of proceeds, tax rate of 15% for 3 to 5 million dollars of proceeds, and tax rate of 18% for 5 million and over dollars of proceeds.

Chairman Hyatt said that his impression of the industry's needs are different this year than in the past. Chairman Hyatt noted that he believed from the industry's testimony that they're doing better than they were a year ago, and he didn't feel the need to change the tax rate to make it a viable industry. He said if there was to be any change it should be a modest change.

Mr. Brower said he believed that it was the smaller casinos that needed the relief.

Ms. Kelly said she did not have comments but moved to adopt this tax structure:

Tax rate of 2% on the first 2 million dollars of proceeds, tax rate of 8% for 2 to 4 million dollars of proceeds, tax rate of 15% for 4 to 5 million dollars of proceeds, and tax rate of 18% for 5 million and over dollars of proceeds. A \$75.00 device fee payable annually.

Mr. Harvey seconded the motion.

The Chair asked Ms. Kelly if she would explain how she reached this tax structure. She said that she believed that this was an adequate overall effective rate that she thought would help the industry do better in the future in generating revenues for the industry as well as for the State. She said this established a tax rate that will provide enough of a significant change so it will not need to be restructured in the foreseeable future.

Predictable tax structure is ⁶much to be desired from the stand point of investors coming into Colo. and certainty in the tax structure is important. She said her rationale in lowering the device fee was to adjust the effective rate to stay closer to 11.5% and hoped that the cities will follow suit in lowering the local device fee.

The Chair asked Ms. Seegmiller to take roll of the motion that was on the table. Ms. Seegmiller called roll. Commissioners Brower, Harvey, Kelly and Rubottom all were in favor. Chairman Hyatt opposed.

The Chair called for a motion to amend Regulation 47.1-1401(1)(4) to read:

If The Annual Adjusted Gross Proceeds are:	The Tax Is:
Up to \$2,000,000 (Including \$2,000,000)	2%
Over \$2,000,000 to \$4,000,000	8%
Over \$4,000,000 to \$5,000,000	15%
Over \$5,000,000	18%

Device fee at \$75.00 payable annually.

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

Mr. Voge briefly reviewed the Regulation 47.1-1401 (2) regarding the EFT/EDI. Chairman Hyatt said that the Commissioners had read through the draft provided to them. The Chair called for a motion to temporarily and permanently adopt the amendments to Regulation 47.1-1401 (2). Ms. Kelly made the motion. Mr. Brower seconded the motion. The motion was adopted.

Mr. Voge gave an overview of the Financial Reports and Balance Sheet for the month of July 1994. Ms. Kelly moved to approve and adopt the Financial Reports and Balance Sheet for July 1994 and authorize distribution. Mr. Harvey seconded the motion. The motion was adopted. The Chair called for a motion to go into executive session at 4:43 p.m. for the purpose of reviewing and considering temporary and permanent licensure and the backgrounds of various applicants for gaming licenses. Ms. Kelly made the motion. Mr. Brower seconded the motion. The motion was adopted.

The meeting was reconvened into public session at 5:47 p.m. by Chairman Hyatt.

The Chair called for a motion to issue permanent operator and retailer licenses to TOLL GATE/STAGE DOOR, LLC doing business as TOLL GATE/STAGE DOOR, at 106 and 108 Main Street, Central City. These licenses to be issued at 5:00 p.m. on September 29, 1994, and expire one year from the date of issuance. Further these licenses will be subject to the standard conditions for retailer licenses.

STANDARD CONDITIONS

(amended 5/19/94)

- 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 state Division of Fire Safety and 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.

Ms. Kelly made the motion. Mr. Brower seconded the motion. The motion was adopted.

Ms. Beck-Ferkiss presented to the Commission the Voluntarily of Surrender from Phong Nguyen. The Chair called for a motion to except Voluntarily of Surrender from Phong Nguyen and authorize the Chair to sign the Order. Mr. Brower made the motion. Mr. Harvey seconded the motion. The motion was adopted.

Chairman Hyatt announced the resignation of Aurel Kelly, from the Colorado Limited Gaming Control Commission, noting her last day would be September 30. He thanked her for her many hours of work that she has put into the Commission and said that we all appreciate her for all her efforts.

There being no further business to come before the Commission, the meeting was adjourned at 5:53 p.m.



Sandie Seegmiller, Secretary

Colorado Limited Gaming Control Commission

Minutes of Meeting
September 20, 1994

The meeting was called to order by the Chairperson of the Colorado Limited Gaming Control Commission, Dan Hyatt, at 1:00 p.m. on September 20, 1994, at 600 S. Colorado Blvd.(Cherry Creek Inn) Denver, Colorado. Present were Commissioners Ben Brower, Aurel Kelly, Richard Harvey and Harlan Rubottom. Also attending were: the Department of Revenue Executive Director, Renny Fagan; Deputy Director, Amelie Buchanan; the Division of Gaming Director, George Turner; Administrative Director, Tom Kitts; Controller, Brent Voge; Budget Officer, Linda Petkash; Public Information Officer, Don Burmania; Auditor, Charissa Hammer; Auditor George Clifford; and Assistant Attorney General, Tom Fears. Persons making presentations included: Richard Elemendorf, University of Wyoming; Keith Schwer, University of Nevada-Las Vegas; Ed Meier, Commission's CPA Consultant; Jim Huyghebaert and Susan Conwell, Department of Revenue, Office of Tax Analysis; and Mark Grueskin, Counsel for the Casino Owners' Association.

Chairman Hyatt asked if anybody from the public wished to address the Commission. There being no persons from the public who wished to address the Commission, the Chair called for a motion to go into executive session 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. Ms. Kelly seconded the motion. The motion was adopted.

The meeting reconvened into public session at 1:20 p.m. by Chairman Hyatt.

The Chair called for a motion to renew the permanent operator and retailer licenses for GILPIN HOTEL ADVENTURE, doing business as GILPIN HOTEL CASINO, LTD. These licenses shall be issued on the date of expiration of the current licenses and expire one year from the date of issuance. Further, the original condition involving Joe Capps shall remain in effect. Mr. Rubottom made the motion. Mr. Harvey seconded the motion. The motion was adopted.

Mr. Huyghebaert, Ms. Conwell and Mr. Meier presented to the Commission financial statement information they received from the casinos. Mr. Huyghebaert noted that information was provided to them from 59 of the 62 casinos that had been requested to provide reports.

The meeting was recessed at 2:47 p.m. by Chairman Hyatt.

The meeting was reconvened into public session at 3:03 p.m. by Chairman Hyatt.

Mr. Grueskin introduced Professor Richard Elemendorf, from the University of Wyoming and Keith Schwer, from the University of Nevada-Las Vegas.

Mr. Schwer summarized their economic research of the casino industry in Colorado. He noted that gaming in Colorado is not as profitable as other jurisdictions, although he said that Colorado gaming is doing better than in the past year. He told the Commission that all the casinos but the larger casinos have a negative rate of return.

After hearing the tax testimony, the Chair asked for open discussion on gaming taxes and testimony from Commission members.

Mr. Brower requested the Department of Revenue to run the following figures:

- 1) Tax rate of 2% on the first 2 million dollars of proceeds, tax rate of 8% for 2 to 4 million dollars of proceeds, tax rate of 15% for 4 to 6 million dollars of proceeds, and tax rate of 18% for 6 million and over dollars of proceeds.

Mr. Harvey asked the Department of Revenue to run the industries' proposals with the device fee at \$50 and at \$75.

Mr. Rubottom questioned what the impact would be if the tax rate was changed. Ms. Kelly suggested that selected casinos review with the Commission in executive session their individual financial data so the Commission could get some idea what the impact would be if the tax rate was changed. The Commission agreed to have a few casino owners come before them in executive session on September 29th meeting.

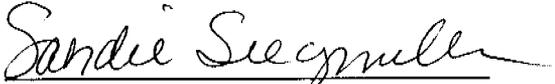
Chairman Hyatt requested the Department of Revenue to run the following figures:

- 1) Tax rate of 2% on the first 2 million dollars of proceeds, tax rate of 8% for 2 to 3 million dollars of proceeds, tax rate of 15% for 3 to 4 million dollars of proceeds, and tax rate of 18% for 4 million and over dollars of proceeds.
- 2) Tax rate of 2% on the first 2 million dollars of proceeds, tax rate of 8% for 2 to 4 million dollars of proceeds, tax rate of 15% for 4 to 5 million dollars of proceeds, and tax rate of 18% for 5 million and over dollars of proceeds.

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The Department said they would run the requested figures and bring them back on September 29th.

There being no further business to come before the Commission, the meeting was adjourned at 5:15 p.m.


Sandie Seegmiller, Secretary

Colorado Limited Gaming Control Commission

Minutes of Meeting
September 9, 1994

The meeting was called to order by the Vice Chairperson of the Colorado Limited Gaming Control Commission, Ben Brower, (Acting Chairman for Dan Hyatt) at 9:05 a.m. on September 9, 1994, at 600 S. Colorado Blvd. (Cherry Creek Inn) Denver, Colorado. Present were Commissioners Aurel Kelly, Richard Harvey and Harlan Rubottom. Also attending were: the Department of Revenue Executive Director, Renny Fagan; the Division of Gaming Director, George Turner; Controller, Brent Voge; Budget Officer, Linda Petkash; Public Information Officer, Don Burmania; Assistant Attorney General, Sue Beck-Ferkiss; and CPA Consultant, Ed Meier. Making presentations were: Bill Kendall, Center for Business and Economic Forecasting and Bob Hall, from Harvey's Casino.

The Chair called for a motion to excuse Dan Hyatt from the meeting. Mr. Rubottom made the motion. Ms. Kelly seconded the motion. The motion was adopted.

Chairman Brower asked if anyone wished to speak to the Commission. Mr. Grimes addressed his concerns about the lack of historical preservation of the communities; restoring the historical preservation was a major reason to bringing gaming to these towns.

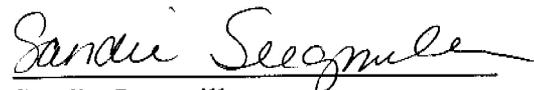
Mr. Grueskin addressed the industry's concern about the unregulated video poker in fraternal lodges and bars throughout Colorado. He asked if there was anything the Commission could do to regulate video machines not located in the gaming towns. The Commission responded that it did not have the authority to regulate outside of the three gaming towns, but agreed this issue needed to be examined.

Mr. Fagan said the Department's position is that legislative changes are necessary. He said it would be informative if Liquor Enforcement and Colorado Bureau of Investigations discussed their efforts in regulating this business. The Commission agreed to ask the two agencies to meet with the Commission on October 20, 1994.

Mr. Kendall presented his report on the economic impacts of the limited gaming in Colorado. He said that the new industry has brought in \$30 million in revenues, 5,300 jobs and another \$7 million in taxes from employee income taxes. Overall he believed, after analyzing the economics of gaming, that the industry is healthy and favorable.

Mr. Hall told the Commission that lowering the tax rate was a major factor in Harvey's locating in Colorado. He said the lower rate has created more of a comfort zone for investors and perspective investors.

There being no further business to come before the Commission, the meeting was adjourned at 10:50 a.m.


Sandie Seegmiller

Colorado Limited Gaming Control Commission

Minutes of Meeting
September 8, 1994

The meeting was called to order by the Chairperson of the Colorado Limited Gaming Control Commission, Dan Hyatt, at 9:02 a.m. on September 8, 1994, at 600 S. Colorado Blvd. (Cherry Creek Inn) Denver, Colorado. Present were Commissioners Ben Brower, Aurel Kelly, Richard Harvey and Harlan Rubottom. Also attending were: the Division of Gaming Director, George Turner; Chief of Investigations, Mel Grantham; Deputy Chief of Investigations, Jim Cain; Division of Gaming's Central City/Black Hawk Supervisor, Jim Huskey; Controller, Brent Voge; Budget Officer, Linda Petkash; Public Information Officer, Don Burmania; Chief Auditor, Georgine Zalesky; Auditor, Charissa Hammer; Auditor, Sharon New; Auditor, Shelly Tubach; Tax Examiner, Wendy Spaulding; and Assistant Attorney General, Sue Beck-Ferkiss. Persons making presentations included: Dick Beck, Dan Petersen and Larry Desman, Black Hawk Gaming and Development; Rosemary Pettis, Department Labor & Employment; Ronald Cattany, Department of Natural Resources; Tom Talmadge, Ken Conyers and John Umbewust, the Department of Transportation; Tom Hadden, Roger Holbrook and Marie Swigert, the Department of Health; and Paul Litschewski and Sherri Cester, Judicial Department.

Chairman Hyatt asked if there was anybody from the public who wished to address the Commission. Mr. Beck, Mr. Petersen and Mr. Desman presented to the Commissioners the street scape and drainage project Black Hawk Gaming & Development was having completed in Black Hawk. They also talked about the many benefits that this will be providing the city once it is completed. The Commission thanked the group for coming in and presenting this information to them.

Ms. Petkash briefly reviewed with the Commissioner the information provided to them from the various State agencies, noting that most of the agencies were present to answer questions.

Ms. Pettis talked about some of the services Labor & Employment provide statewide and the need to provide these counties with the services, such as training.

Mr. Talmadge, Mr. Conyers and Mr. Umbewust spoke about the increase in the daily average traffic. They spoke about the plan to improve State Highway 24 between Woodland Park and Divide, as well as the intersection of Highways 6 and 119. They said over the period of five years they would be requesting from the gaming fund about \$5.5 million dollars.

The meeting was recessed at 10:40 a.m. by Chairman Hyatt.

The meeting was reconvened at 10:55 a.m. by Chairman Hyatt.

Mr. Cattany addressed several needs in the gaming towns. He said they were in need of mine rescue equipment and training. He also mentioned there were still several mines that still needed to be safeguarded.

Ms. Cester and Mr. Litschewski spoke to the Commission about the increase in court case load in Gilpin and Teller County. Ms. Cester discussed the increase in judges' salaries and also the need for more court clerks to help the system keep current with the volume of cases.

Mr. Hadden, Mr. Holbrook and Ms. Swigert addressed the Commission about the impacts gaming is having on the Department of Health. They noted the need for nursing services in both counties. They also said that the gaming fund would help provide such services as immunization, health checks, prenatal service, and family planning.

Ms. Petkash spoke on behalf on the Department of Human Services as no representative was present. She noted the increase in total service units provided to residents of Gilpin and Teller Counties. She also noted that the Department of Human Services identified the need for an on-site full-time clinician in both areas.

The meeting was recessed at 12:15 p.m. for lunch by Chairman Hyatt.

The meeting reconvened at 1:45 p.m. by Chairman Hyatt.

Mr. Voge discussed with the Commission the results of personal interviews with casino owners/representatives regarding electronic data interchange (EDI) and electronic fund transfers (EFT). He said that most casinos favored EDI, but were split on EFT.

Mr. Harvey made the motion to direct the Division of Gaming to draft a rule making EDI mandatory and the EFT optional and bring it back to the Commission. Mr. Rubottom seconded the motion. The motion was adopted.

The meeting reconvened at 4:01 p.m. into public session by Chairman Hyatt.

The Chair called for a motion to go into executive session at 2:12 p.m. for the purpose of reviewing and considering temporary and permanent licensure and the backgrounds of various applicants for gaming licenses. Mr. Harvey made the motion. Mr. Brower seconded the motion. The motion was adopted.

The Chair called for a motion to renew the permanent operator and retailer licenses for: COLORADO GRANDE ENTERPRISES, INC., doing business as COLORADO GRANDE GAMING PARLOR; BOWL OF GOLD RESORTS, INC., doing business as LOOSE CABOOSE;

BOWL OF GOLD RESORTS, INC., doing business as LUCKY LOLA'S PLEASURE PALACE; JOLLY JOKER LTD. LIABILITY CO., doing business as FIREHOUSE CASINO; GOLD VEIN LTD. LIABILITY CO., doing business as BLACK DIAMOND; PHENIX HOUSE LTD. LIABILITY COMPANY, doing business as PHENIX HOUSE; and DOSTAL ALLEY, INC., doing business as DOSTAL ALLEY SALOON & GAMBLING EMPORIUM. These licenses shall be issued on the date of expiration of the current licenses and expire one year from the date of issuance. Further, the conditions that currently exist on the licenses for JOLLY JOKER LTD., LIABILITY COMPANY, doing business as FIREHOUSE CASINO, shall continue on the renewed licenses and shall be further conditioned that the standard financial statement required by Gaming Regulation 47.1-1619 must be submitted to the Division of Gaming by 12 noon on September 19, 1994, and that all government obligations must be made current (within 90 days of the issuance of the licenses) and maintained current thereafter. Mr. Harvey made the motion. Mr. Brower and Ms. Kelly seconded the motion. The motion was adopted.

The Chair called for a motion to renew the permanent manufacturer/distributor license for SIGMA GAME, INC. This license shall be issued on the date of expiration of the current and expire one year from the date of issuance. Mr. Brower made the motion. Mr. Harvey seconded the motion. The motion was adopted.

The Chair called for a motion to approve the changes of ownership as detailed in the respective investigative reports and renew the permanent operator and retailer licenses for OUTLAWS MANAGEMENT COMPANY LTD. LIABILITY COMPANY, doing business as CROOKS PALACE, and TIVOLINO TELLER HOUSE, INC., doing business as TELLER HOUSE CASINO, INC. These licenses shall be issued on the date of expiration of the current licenses and expire one year from the date of issuance. Ms. Kelly and Mr. Brower made the motion. Mr. Harvey seconded the motion. The motion was adopted.

The Chair called for a motion to approve the change of ownership as detailed in the investigative report and renew the permanent manufacturer/distributor license for STELLA ELECTRONIC SPIELGERATE GmbH, doing business as STELLA INTERNATIONAL. This license shall be issued on the date of expiration of the current license and expire one year from the date of issuance. Mr. Rubottom made the motion. Mr. Brower seconded the motion. The motion was adopted.

Ms. Beck-Ferkiss reviewed the Order to Show Cause in the matter of Ronald McClinton. The Chair called for a motion to approve the Order to Show Cause and authorize the Chair to sign the Order. Mr. Brower made the motion. Mr. Harvey seconded the motion. The motion was adopted.

Ms. Beck-Ferkiss reviewed the Order of Summary Suspension in the matter of Phong Nguyen. The Chair called for motion to approve the Order of Summary Suspension on Phong Nguyen, and authorize the Chair to sign the Order. Mr. Brower made the motion. Mr. Harvey seconded the motion. The motion was adopted.

Chairman Hyatt called for a motion to approve the Minutes of August 18, 1994 as written. Ms. Kelly 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 4:08 p.m.



Sandie Seegmiller, Secretary

Colorado Limited Gaming Control Commission

Minutes of Meeting
August 18, 1994

The meeting was called to order by the Vice Chairperson of the Colorado Limited Gaming Control Commission, Ben Brower, (Acting Chairman for Dan Hyatt) at 9:05 a.m. on August 18, 1994, at 132 Lawrence Street, Central City, Colorado (Central Palace Casino). Present were Commissioners Aurel Kelly, Richard Harvey and Harlan Rubottom. Also attending were: the Department of Revenue Executive Director, Renny Fagan; the Department of Revenue Deputy Director, Amelie Buchanan; the Division of Gaming Director, George Turner; Chief of Investigations, Mel Grantham; Director of Administration, Tom Kitts; Deputy Chief of Investigations, Jim Cain; Division of Gaming's Central City/Black Hawk Supervisor, Jim Huskey; Controller, Brent Voge; Budget Officer, Linda Petkash; Public Information Officer, Don Burmania; Tax Examiner, Wendy Spaulding; Assistant Attorney General, Sue Beck-Ferkiss; and from the Department of Revenue Information and Support Services, Mike Renth. Persons making presentations included: Kay Cullar, Central City Alderman; Dale Van Der Schaaf; Debbie Paletto, Executive Director of the Central City Casino Owners Association; Cliff Potter, Central Palace Casino; Stan Hartwick, Golden Rose Casino; Doug Dorsey, Toll Gate Casino; Medill Barnes, Black Hawk Casino Owners Association; Mark Grueskin, Counsel for the Colorado Casino Owners Association; Lesly Williams; Donna Martin; and Ralph Knull, Gilpin County; Jerry Smith and Jack Kirtland, Division of Local Affairs; Charlie McCall, Fremont County; and Bob Brubaker, Montezuma County.

Chairman Brower asked if there was anybody from the public who wished to address the Commission. Ms. Cullar invited the Commissioners to a reception at the Elks Lodge that evening.

Mr. Van Der Schaaf announced that he believed the tax rate that was set last year was adequately set from the industry's perspective, but felt the local device fees are too high.

Mr. Barnes gave the Commissioners a video tape produced by Black Hawk Owners Association, touting the benefits to the town due to gaming.

Ms. Paletto introduced herself as the new Executive Director of the Central City Owners Association and welcomed the Commissioners to Central City.

Mr. Potter requested that the Commissioners evaluate the EFT system the Division of Gaming is proposing as a new regulation. He stated that it would be a burden to the industry if the EFT regulation was adopted by the Commission.

Mr. Hartwick and Mr. Dorsey addressed the on-going concerns of the industry about the amount of time and cost it takes to process a support license. Mr. Turner announced that an one hour licensing process will be in place on September 1st in the Denver office. He said he would look into the cost associated with the support licenses.

Mr. Harvey requested the Division to preform an analysis of the cost of other state issued licenses. Mr. Turner agreed to have this analysis done and report back to the Commission.

The Chair called for a motion to excuse Dan Hyatt from the meeting. Ms. Kelly made the motion. Mr. Rubottom seconded the motion. The motion was adopted.

Ms. Petkash briefly reviewed the agreement between the Division of Fire Safety and the Commission. She asked the Commission to approve the agreement. Mr. Harvey moved to approve the agreement and authorize the Chair to sign the agreement. Mr. Rubottom seconded the motion. The motion was adopted.

Ms. Petkash reviewed with the Commissioners the funded and unfunded gaming impacts in Gilpin County. Ms. Martin and Ms. Williams elaborated on some of the issues Ms. Petkash discussed.

Mr. Smith, Mr. Kirtland, Mr. McCall and Mr. Brubaker addressed the Commission regarding the Contiguous County Impact Fund. Mr. Smith indicated the Contiguous County Gaming Impact Advisory Committee had met to discuss the \$2.6 million in gaming-related impacts that were reported for fiscal year 1994 by the eight counties contiguous to Gilpin and Teller counties. The Committee had decided to ask the Commission for only the 9% of the General Fund share of the Limited Gaming Fund that is guaranteed to those eight counties, although it was the Commission's discretion to grant more. In addition, the Committee decided to ask the Commission to approve \$197,010 for impacts to Montezuma and LaPlata counties, which are contiguous to tribal gaming operations. Ms. Kelly moved to allocate 9% of the 50% general fund share (\$1,698,224) to the Contiguous County Impact Fund for the eight counties contiguous to Gilpin and Teller counties and allocate \$197,010 for those counties contiguous to tribal gaming. Mr. Harvey seconded the motion. The motion was adopted.

The meeting was recessed at 10:50 a.m. by Chairman Brower.

The meeting was reconvened at 11:12 a.m. by Chairman Brower.

Mr. Voge gave an overview of the Financial Reports and Balance Sheet for the month of June 1994. The Chair called for a motion to approve and adopt the Financial Reports and Balance

Sheet for June 1994 and authorize distribution. Mr. Rubottom made the motion. Ms. Kelly seconded the motion. The motion was adopted.

Mr. Voge, Mr. Renth and Ms. Spaulding explained to the Commissioners the process flow comparison between the gaming tax via mail verses via electronic collection. Ms. Spaulding noted that if taxes were collected electronically the data input process would take less than half the time it currently takes.

Mr. Grueskin stated that most of the casinos are opposed to the EFT system.

The Chair called for a motion to go into executive session at 12:16 p.m. for the purpose of reviewing and considering temporary and permanent licensure and the backgrounds of various applicants for gaming licenses. Mr. Harvey made the motion. Mr. Rubottom seconded the motion. The motion was adopted.

The meeting was recessed at 12:17 p.m. by Chairman Brower.

The meeting reconvened into executive session at 2:00 p.m. for the purpose of reviewing and considering temporary and permanent licensure and the backgrounds of various applicants for gaming licenses.

The meeting was returned to public session on 3:50 p.m. by Chairman Brower.

The Chair called for a motion to renew permanent operator and retailer licenses for: SORENSON HOSPITALITY, INC., doing business as BABY DOE'S SILVER DOLLAR CASINO; JOHNNY NOLON SALOON & GAMBLING EMPORIUM, doing business as JOHNNY NOLON SALOON & GAMBLING EMPORIUM; OUR SERENDIPITY, INC. doing business as BRASS ASS OF CRIPPLE CREEK; BLACK FOREST INN, doing business as OTTO'S CASINO; WILD WILD WEST GAMBLING HALL, doing business as WILD WILD WEST GAMBLING HALL; and THE GOLD MINE CASINO, INC., doing business as THE GOLD MINE CASINO. These licenses to be issued on the date of expiration of the current licenses and to expire one year from the dates of issuance. Mr. Harvey made the motion. Ms. Kelly seconded the motion. The motion was adopted.

The Chair called for a motion to approve the change of ownership as detailed in the investigative report and to renew the permanent retailer and operator licenses for PIONEER ASSOCIATES LIMITED LIABILITY COMPANY, doing business as BRONCO BILLY'S II, LIMITED LIABILITY COMPANY. These licenses to be issued on the date of expiration of the current licenses and to expire one year from the dates of issuance. Further, the condition that Calvin Kinney shall not participate in management or be employed by PIONEER ASSOCIATES

LIMITED LIABILITY COMPANY shall continue to be in effect. Mr. Rubottom made the motion. Mr. Harvey seconded the motion. The motion was adopted.

The Chair called for a motion to renew permanent operator and retailer licenses for BRONCO BILLY'S LIMITED, doing business as BRONCO BILLY'S SPORTS BAR AND GRILL. These licenses to be issued on the date of expiration of the current licenses and to expire one year from the dates of issuance. Further, the condition that Calvin Kinney shall not participate in management or be employed by BRONCO BILLY'S LIMITED shall continue to be in effect. Ms. Kelly made the motion. Mr. Harvey seconded the motion. The motion was adopted.

The Chair called for a motion to issue temporary retailer and operator licenses for WILD BILL'S PUB & GAMING PARLOR. These licenses will be issued on the dates of expiration of the current licenses and expire four months from the dates of issuance. Further, these licenses are conditioned upon the following:

1. The licensee shall keep current with all payment agreements or pay off all government obligations during the term of the temporary conditional license;
2. The licensee shall submit monthly verification in written form that the licensee is maintaining available cash or cash equivalents for a minimum bankroll pursuant to Regulations 47.1-1612 of Rule 16 of the Colorado Gaming Regulations. The first minimum bank roll worksheet shall be delivered to the Cripple Creek office of the Division of Gaming no later than 9-1-94, thereafter, be due on the 1st day of each succeeding month.

Mr. Rubottom made the motion. Mr. Harvey seconded the motion. Ms. Kelly opposed. The motion was adopted.

The Chair called for a motion to approve the change of ownership as detailed in the investigative report and to renew the permanent retailer and operator licenses for NORTH STAR CASINO, LIMITED LIABILITY COMPANY, doing business as GOLDEN GATES CASINO. These licenses to be issued on the date of expiration of the current licenses and to expire one year from the dates of issuance. Ms. Kelly made the motion. Mr. Rubottom and Mr. Harvey seconded the motion. The motion was adopted.

The Chair called for a motion to issue a report of suitability for GREAT WESTERN CASINO, INC., the management company of the SKY UTE LODGE AND CASINO. This report shall represent that the applicant would be qualified to receive a license for the same or similar activity within the jurisdiction of the State, and that the application should be considered for renewed tribal licensing. Ms. Kelly made the motion. Mr. Harvey seconded the motion. The motion

was adopted.

The Chair called for a motion to certify FULL HOUSE GAMING, LTD, doing business as UTE MOUNTAIN CASINO. This certification shall be forwarded to the Ute Mountain Ute Indian Tribe. This certification will be effective upon expiration of the current certification and expire one year from the date of issuance. Mr. Rubottom made the motion. Ms. Kelly and Mr. Harvey seconded the motion. The motion was adopted.

The Chair called for a motion to renew permanent manufacturer/distributor license for NEVADA VIDEO INC., doing business as P & M COIN. The license shall be issued upon the date of expiration of the current licenses and to expire one year from the dates of issuance. Ms. Kelly made the motion. Mr. Rubottom seconded the motion. The motion was adopted.

The Chair called for a motion to issue permanent operator and retailer licenses for CASINOS AUSTRIA MARITIME CORPORATION. This license shall be effective at 5:00 p.m. on August 18, 1994, and expire one year from the date of issuance. Mr. Rubottom made the motion. Mr. Harvey seconded the motion. The motion was adopted.

The Chair called for a motion to renew the operator license of ROCKY MOUNTAIN GAMING EQUIPMENT. This license will be issued from the date of issuance. Mr. Rubottom made the motion. Mr. Harvey seconded the motion. The motion was adopted.

Ms. Beck-Ferkiss reviewed with the Commissioners Mr. Alexander Brinkerhoff's Affidavit of Voluntary Surrender, and asked the Commissioners to accept the Voluntary Surrender. Mr. Harvey moved to accept the Voluntary Surrender of Colorado License #L30-00955, and authorize the Chair to sign the Order. Mr. Rubottom seconded the motion. The motion was adopted.

Ms. Beck-Ferkiss reviewed the Order to Show Cause on Lady Luck Casino, and asked the Commission to sign the Order. Ms. Kelly moved to accept the Order to Show Cause on Lady Luck and authorize the Chair to sign the Order. Mr. Harvey seconded the motion. The motion was adopted.

A Stipulation and Agreement was presented to the Commission by Ms. Beck-Ferkiss between the Division of Gaming and Lady Luck Casino. The Chair called for a motion to approve and adopt the Stipulation and Agreement between the Division of Gaming and Lady Luck Casino and authorize the Chair to sign the Order. Ms. Kelly made the motion. Mr. Harvey seconded the motion. The motion was adopted.

Chairman Brower called for a motion to approve the Minutes of August 4, 1994 as written. Ms. Kelly made the motion. Mr. Harvey seconded the motion. The motion was adopted.

Chairman Brower called for a motion to approve the Minutes of July 22, 1994 as written. Mr. Harvey made the motion. Mr. Rubottom seconded the motion. The motion was adopted.

Chairman Brower called for a motion to approve the Minutes of July 21, 1994 as written. Mr. Harvey made the motion. Mr. Rubottom seconded the motion. The motion was adopted.

Chairman Brower asked Mr. Turner if there were any other organizational matters to discuss with the Commission. Mr. Turner thanked the Commissioners for the equipment and vehicles for the three (3) Investigator FTE position previously approved. He said the vacant Denver Investigator position has been filled and the other two new positions will be filled in September.

There being no further business to come before the Commission, the meeting was adjourned at 4:10 p.m.

Sandie Seegmiller
Sandie Seegmiller, Secretary

Colorado Limited Gaming Control Commission

Minutes of Meeting August 4, 1994

The meeting was called to order by the Chairperson of the Colorado Limited Gaming Control Commission, Daniel Hyatt, at 9:23 a.m. on August 4, 1994, at 221 Gregory Street, Black Hawk, Colorado (Black Forest Inn). Present were Commissioners Ben Brower, Aurel Kelly, Richard Harvey and Harlan Rubottom. Also attending were: the Department of Revenue Deputy Director, Amelie Buchanan; the Division of Gaming Director, George Turner; Director of Administration Director, Tom Kitts; Division of Gaming's Central City/Black Hawk Supervisor, Jim Huskey; Controller, Brent Voge; Budget Officer, Linda Petkash; Public Information Officer, Don Burmania; Licensing Manager, Phyllis Accetturo; Assistant Attorney General, Sue Beck-Ferkiss; and from the Department of Revenue Office of Program Analysis, Jim Huyghebaert and Susan Conwell. Persons making presentations included: Kay Cullar, Central City Alderman; Dave Thomas, District Attorney of Jefferson and Gilpin County; Kay Lorenz, casino owner; Medill Barnes, Black Hawk Casino Owners Association; Mark Grueskin, Counsel for the Colorado Casino Owners Association; Don Mattivi, Mayor of Central City; Linda Martin, Black Hawk Administrator; and Kathy Hems, Cripple Creek Administrator.

Chairman Hyatt asked if there was anybody from the public who wished to address the Commission. Ms. Cullar announced a reception at the Elks Lodge on August 18th after their Commission meeting. She invited the Commissioners to attend, and said an invitation will be sent to them.

Mr. Thomas spoke to the Commission about the good working relationship between the local and state government. He said there is a monthly law enforcement meeting which the Division of Gaming attends this regularly. He said that he would like to take 15 to 20 minutes at the next meeting to present some figures with the Commissioners.

Ms. Lorenz welcomed the Commissioners to Black Hawk and said it was an honor to host them.

Mr. Barnes handed out a survey that was conducted on the impacts of gaming on Central City and Black Hawk. He said the survey was self explanatory but would answer any questions the Commissioners may have.

Ms. Accetturo gave a brief overview on how the "One-Stop-Licensing" process will work. She said the Division is aiming to have this process in place and working in the Denver office by September 1, 1994.

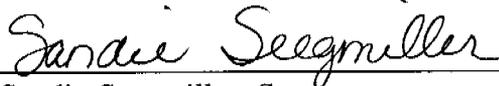
Ms. Petkash and Ms. Conwell briefly presented the estimated budgetary impacts for Black Hawk, stating the reason for estimates was because the city is currently in their budget process and won't have exact numbers until this process is complete. Ms. Petkash also discussed the impact fee that Black Hawk imposes on the casinos. Ms. Martin made some clarifications regarding the impact fees (parking, police and fire, transportation and occupational).

Page 2 of 2
August 4, 1994

Ms. Petkash gave an overview of Central City's and Cripple Creek's impacts. Mr. Mattivi, mayor of Central City answered a few questions on how the device fee is currently being used. Ms. Hems, Cripple Creek Clerk, also answered some questions regarding the city's device fee of \$1,200.

Ms. Beck-Ferkiss announced that the Division of Gaming received the formal opinion from the Attorney General's Office concerning whether a 15% management fee on investment income may be constitutionally applied to the Limited Gaming Fund. She stated the opinion favored the Division and ruled the management fee unconstitutional.

There being no further business to come before the Commission at this time, the meeting was adjourned at 12:06 p.m.



Sandie Seegmiller, Secretary

Colorado Limited Gaming Control Commission

Minutes of Meeting
July 22, 1994

The meeting was called to order by the Chairperson of the Colorado Limited Gaming Control Commission, Daniel Hyatt, at 9:08 a.m. on July 22, 1994, at 301 Bennett Avenue, Cripple Creek, Colorado (Johnny Nolon's Grand Ballroom). Present were Commissioners Ben Brower, Aurel Kelly, and Richard Harvey. Also attending were: the Deputy Director of the Department of Revenue, Amelie Buchanan; the Division Director, George Turner; Chief of Investigations, Mel Grantham; Administrative Director, Tom Kitts; Division of Gaming's Cripple Creek Supervisor, Craig Bridgmon; Controller, Brent Voge; Budget Officer, Linda Petkash; Public Information Officer, Don Burmania; Investigator Phil Wargo; Assistant Attorney General, Sue Beck-Ferkiss; and from the Department of Revenue Office of Program Analysis, Jim Huyghebaert and Susan Conwell. Persons making presentations included: Bill Large, Casino owner; Mark Grueskin, Counsel for the Colorado Casino's Association; Greg Winkler, Teller County Administrator; and Lori Lindman, from Teller County Administrator's office.

Commissioner Brower opened the meeting by making the motion to excuse Commissioner Harlan Rubottom from the meeting. Ms. Kelly seconded the motion. The motion was adopted.

Chairman Hyatt asked if there was anybody from the public who wished to address the Commission. Mr. Large addressed his concerns about the internal controls and how they effect the smaller casinos. He suggested they be modified for the smaller casinos. Chairman Hyatt said they would look into this and thanked Mr. Large for bringing his concerns to the Commission.

Mr. Voge reviewed with the Commissioners the technology of the proposed new rule regarding Electronic Funds Transferring (EFT) and Electronic Data Interchange (EDI). Mr. Voge walked through some of the pros and cons for both the State and the industry. Mr. Grueskin discussed the negative aspects this proposed rule on EFT and EDI would have on the industry. He stated that some of the casino owner's are concerned about the privacy of their accounts. Chairman Hyatt noted that there will be more testimony on this issue at a later Commission meeting.

The meeting was recessed at 10:38 a.m. by Chairman Hyatt.

The meeting was reconvened at 10:45 a.m. by Chairman Hyatt.

Mr. Huyghebaert and Ms. Buchanan reviewed the methodology of setting the tax rate and briefly gave a description of the selected financial measures to be used.

Ms. Petkash summarized the financial impacts Teller County are having due to gaming in Cripple Creek: she noted they will be getting a county jail due to the increase of arrests.

Mr. Winkler and Ms. Lindman answered questions the Commission had on how the funds received from the gaming fund and the device fee are being used.

Mr. Wargo brought to the Commission a request from Standing Rock Tribe in South Dakota. Their request was to allow their Tribe to review the Colorado Division of Gaming's investigative files on various Colorado licensees. After some discussion, Ms. Kelly made the motion to authorize Standing Rock Tribe to view the Division of Gaming's investigative file, with a written release from the licensee whose file would be reviewed. Mr. Harvey seconded the motion. The motion was adopted.

There being no further business to come before the Commission at this time, the meeting was adjourned at 12:45 p.m.



Sandie Seegmiller, Secretary

Colorado Limited Gaming Control Commission

Minutes of Meeting
July 21, 1994

The meeting was called to order by the Chairperson of the Colorado Limited Gaming Control Commission, Daniel Hyatt, at 9:08 a.m. on July 21, 1994, at 301 Bennett Avenue, Cripple Creek, Colorado (Johnny Nolon's Grand Ballroom). Present were Commissioners Ben Brower, Aurel Kelly, Richard Harvey and Harlan Rubottom. Also attending were: the Division Director, George Turner; Chief of Investigations, Mel Grantham; Administrative Director, Tom Kitts; Division of Gaming's Cripple Creek Supervisor, Craig Bridgmon; Controller, Brent Voge; Budget Officer, Linda Petkash; Public Information Officer, Don Burmania; Investigators: Huck Henderson, Phil Wargo, Eric Hartsough, Vic Freburg, Laura Manning, and Phil Dinan; Chief Auditor, Georgine Zalesky; Auditors, Ron Kammerzell, and Kathy Marten; and Assistant Attorney General, Sue Beck-Ferkiss. Persons making presentations included: James Krajeck, manager of Black Diamond Casino; and from the Colorado Bureau of Investigation, Dick McNamee.

Chairman Hyatt asked if there was anybody from the public who wished to address the Commission. Mr. Krajeck stressed the need to have instant licenses issued to support personnel. He said casinos offer great summer jobs for college students but because of the length of time it takes to receive a license, it was hard to find summer employees. Mr. Turner said the Division of Gaming along with the Department of Revenue is working on the "One-Stop-Shop" an instant licensing process and said it should be in place soon.

Ms. Beck-Ferkiss reviewed with the Commission the Order of Summary Suspension in the matter of Alexander Brinkerhoff. The Chair called for a motion to approve the Order of Summary Suspension of Alexander Brinkerhoff's Limited Gaming Support License, and to authorize the Chair to sign the Order. Ms. Kelly made the motion. Mr. Brower seconded the motion. The motion was adopted.

Ms. Beck-Ferkiss reviewed with the Commission the Order to Show Cause on International Gaming Technology (IGT), and asked the Commission to sign the Order. After some discussion regarding the charges against IGT, Ms. Kelly made the motion to approve the Order to Show Cause and authorize the Chair to sign. Mr. Brower seconded the motion. The motion was adopted.

Ms. Beck-Ferkiss presented to the Commission the Stipulation and Agreement between the Division of Gaming and IGT. Ms. Kelly made the motion to adopt and approve the Stipulation and Agreement between the Division of Gaming and IGT and to authorize the Chair to sign the Order. Mr. Brower seconded the motion. The motion was adopted.

Chairman Hyatt asked Mr. Turner if there was any organizational matters to discuss with the Commission: Mr. Turner stated that the Division of Gaming's Cripple Creek office was scheduled to move on August 1st into its new location. He also noted that the Audit Section would be conducting training in conjunction with the IRS in late July. He stated there will be several

people from other gaming jurisdictions attending this training class.

Ms. Kelly made the motion to approve the Minutes of June 16, 1994 as written. Mr. Brower seconded the motion. The motion was adopted. Chairman Hyatt noted he made a few changes to the June 17 Minutes of Meeting and directed Ms. Seegmiller to make these changes. Mr. Brower made the motion to adopt the Minutes of June 17, 1994 as amended. Ms. Kelly seconded the motion. The motion was adopted.

Mr. Voge gave an overview of the Financial Reports and Balance Sheet for the month of May 1994. The Chair called for a motion to approve and adopt the Financial Reports and Balance Sheet for May 1994 and authorize distribution. Mr. Brower made the motion. Mr. Rubottom and Ms. Kelly seconded the motion. The motion was adopted.

After the Commission reviewed the revised Agreement between the CLGCC and CBI and the and the Agreement between CLGCC and State Patrol, Ms. Kelly called for a motion to approve the revised agreements between CLGCC and CBI and State Patrol. Mr. Harvey seconded the motion. The motion was adopted.

The Chair called for a motion to go into executive session at 9:44 a.m. for the purpose of reviewing and considering temporary and permanent licensure and the backgrounds of various applicants for gaming licenses. Ms. Kelly made the motion. Mr. Brower seconded the motion. The motion was adopted.

The meeting was recessed for lunch at 12:30 a.m. by Chairman Hyatt.

The meeting reconvened into executive session at 1:55 p.m. for the purpose of reviewing and considering temporary and permanent licensure and the backgrounds of various applicants for gaming licenses.

The meeting was returned to public session on 4:47 p.m. by Chairman Hyatt.

The Chair called for motion to renew permanent operator and retailer licenses for: DOC HOLLIDAY, INC., doing business as DOC HOLLIDAY LTD. These licenses to be issued on the date of expiration of the current licenses and to expire one year from the dates of issuance. Mr. Brower made the motion. Mr. Harvey seconded the motion. The motion was adopted.

The Chair called for a motion to renew temporary operator and retailer licenses for: MIDNIGHT ROSE HOTEL & CASINO, INC., doing business as MIDNIGHT ROSE HOTEL & CASINO. These licenses to be issued upon expiration of the current licenses and expire at 5:00 p.m. October 21, 1994. Ms. Kelly made the motion. Mr. Rubottom seconded the motion. The motion was adopted.

The Chair called for a motion to renew permanent manufacturer/distributor licenses for: COLORADO GAME EXCHANGE, INC.; UNIVERSAL DISTRIBUTING OF NEVADA, INC.; IGT -NORTH AMERICA; and IGT - COLORADO. These licenses to be issued on the date of expiration of the current licenses and to expire one year from the dates of issuance. Ms. Kelly made the motion. Mr. Brower seconded the motion. The motion was adopted.

The Chair called for a motion to approve the change of ownership as detailed in the investigative report and to renew the permanent manufacturer/distributor license for BALLY GAMING, INC. This license to be issued on the date of expiration of the current license and expire one year from the date of issuance. The license will be conditioned upon the amendment of the corporate documents of the licensee at, or before, its next regularly scheduled annual shareholders meeting in December of this year to include all language required by Rule 4.5 of the Colorado Gaming Regulations. Mr. Brower made the motion. Ms. Kelly and Mr. Harvey seconded the motion. The motion was adopted.

The Chair called for a motion to issue a permanent operator license to: IMPERIAL PALACE OF MISSISSIPPI, INC., doing business as IMPERIAL PALACE; and CALENDAR CAPITAL, INC. These licenses will be effective at 5:00 p.m. on July 21, 1994 and expire one year from the date of issuance. Mr. Brower made the motion. Ms. Kelly seconded the motion. The motion was adopted.

The Chair called for a motion to issue permanent operator and retailer licenses to: HARVEY'S WAGON WHEEL CASINO LIMITED LIABILITY COMPANY, doing business as HARVEY'S WAGON WHEEL AND CASINO LIMITED LIABILITY COMPANY, at 321 Gregory Street, Central City; 101 MAIN STREET LIMITED LIABILITY COMPANY, doing business as FITZGERALD AT 101 MAIN STREET, Black Hawk; and ASPEN GAMING MANAGEMENT CORPORATION, doing business as STAR CASINO, at 143 E. Bennett, Cripple Creek. These licenses to be issued at 5:00 p.m. on July 21, 1994, and expire one year from the date of issuance. Further these licenses will be subject to the standard conditions for retailer licenses.

STANDARD CONDITIONS

(amended 5/19/94)

- 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.

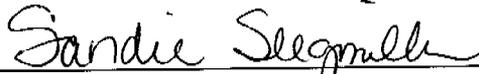
- c. Certification by the state Division of Fire Safety and the appropriate local officials that the building in which limited gaming is to be conducted meets the standards for fire safety set forth in the Limited Gaming Act of 1991.
- d. Certification by the appropriate local official that access to 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.

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

Nominations for a new Chairperson and Vice Chairperson were taken. Ms. Kelly nominated that Daniel Hyatt remain the Chairman and Ben Brower remain as the Vice Chairman. Mr. Harvey moved the nomination.

There being no other nominations, the Chair called for election of the nominees by proclamation. The vote was unanimous.

There being no further business to come before the Commission, the meeting was adjourned at 5:00 p.m.



Sandie Seegmiller, Secretary

Colorado Limited Gaming Control Commission

Minutes of Meeting

June 17, 1994

amended

The meeting was called to order by the Chairperson of the Colorado Limited Gaming Control Commission, Daniel Hyatt, at 9:15 a.m. on June 17, 1994, at 600 S. Colorado Blvd., (Cherry Creek Inn) Denver, Colorado. Present were Commissioners Ben Brower, Aurel Kelly, Richard Harvey and Harlan Rubottom. Also attending were: Acting Division Director, Tom Kitts; Deputy Chief of Investigations, Jim Cain; Controller, Brent Voge; Budget Officer, Linda Petkash; and Assistant Attorney General, Sue Beck-Ferkiss. Persons making presentations included: Department of Accounts and Controls, Art Barnhart; Executive Director from the Department of Public Safety, Pat Ahlstrom; Chief Financial Officer from the Department of Public Safety, Ron Simsick; Budget Officer from the Department of Public Safety, Linda Wittamore; from Colorado Bureau of Investigation, Dick McNamee; Director from the Division of Fire Safety, Paul Cooke.

Chairman Hyatt asked if there was anybody from the public who wished to address the Commission. No members of the public wished to speak to the Commission. The Chair called for a motion to go into executive session at 9:20 to review pending litigation. Ms. Kelly made the motion. Mr. Harvey seconded the motion. The motion was adopted.

The meeting was reconvened into public session at 9:55 a.m. by Chairman Hyatt.

Mr. Barnhart gave a brief overview of the statewide indirect cost recovery process. The Commission requested Mr. Barnhart to prepare an analysis of Public Safety's indirect costs submitted for the Commission's consideration. He agreed to do this. The Commission also asked Ms. Beck-ferkiss to examine the State Historical Society and see how it is paying indirect costs associated with the management of the Historical Preservation Fund.

The meeting was recessed at 10:20 a.m. by Chairman Hyatt.

The meeting was reconvened into public session at 10:37 a.m. by Chairman Hyatt.

Mr. Ahlstrom, Mr. Simsick and Mr. McNamee presented a detailed budget request for the Colorado Bureau of Investigations.

The meeting was recessed for lunch at 12:00 p.m. by Chairman Hyatt.

The meeting was reconvened into public session at 1:33 p.m. by Chairman Hyatt.

The Chair called for a motion to go into executive session at 1:33 p.m. for the purpose of hearing specific confidential information on investigations that CBI is conducting. Mr. Harvey made the motion. Mr. Brower seconded the motion. The motion was adopted.

The meeting was reconvened into public session a 2:45 p.m. by Chairman Hyatt.

Having heard extensive testimony and having reviewed written material regarding the Colorado Bureau of Investigation's budget request, Ms. Kelly made the motion to approve CBI's budget request in the amount of \$553,881. Mr. Brower seconded the motion. The motion was adopted with Ms. Kelly, Mr. Hyatt and Mr. Brower voting aye; Mr. Harvey voting nay.

Mr. Ahlstrom thanked the Commission for their time in effort in deciding the budget request.

Mr. Cooke reviewed Fire Safety's budget request. Having reviewed the budget request, the Commission instructed Mr. Cooke to prepare quarterly performance measure reports for the Commission and submit them 15 days after the end of each quarter. The Chair called for a motion to approve Fire Safety's budget in the amount of \$129,842. Ms. Kelly made the motion. Mr. Harvey seconded the motion. The motion was adopted.

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
June 16, 1994

The meeting was called to order by the Chairperson of the Colorado Limited Gaming Control Commission, Daniel Hyatt, at 9:11 a.m. on June 16, 1994, at 600 S. Colorado Blvd., (Cherry Creek Inn) Denver, Colorado. Present were Commissioners Ben Brower, Aurel Kelly, Richard Harvey and Harlan Rubottom. Also attending were: the Department of Revenue Executive Director, Renny Fagan; Deputy Director, Amelie Buchanan; Acting Division Director, Tom Kitts; Deputy Chief of Investigations, Jim Cain; Central City Supervisor, Jim Huskey; Controller, Brent Voge; Budget Officer, Linda Petkash; Public Information Officer, Don Burmania; Investigator Huck Henderson; Investigator Eric Hartsough; and Assistant Attorney General, Sue Beck-Ferkiss. Persons making presentations included: Cliff Potter, a casino manager; and Bill Evers, a casino manager.

The Chairman opened the meeting by introducing and welcoming the newest Colorado Limited Gaming Control Commissioner, Harlan Rubottom. Chairman Hyatt also announced his own re-appointment to the Commission. Chairman Hyatt said that the appointment of Harlan Rubottom took place when the senate was out of session, therefore, he is allowed to vote.

Ms. Kelly made the motion to excuse Commissioner Ben Brower from the May 20, 1994 meeting. Mr. Harvey seconded the motion. The motion was adopted.

Chairman Hyatt asked if there was anybody from the public who would like to address the Commission. Mr. Potter asked if the Commission would consider having a temporary support license while the Division of Gaming is doing the background check. Ms. Buchanan said that the Division was currently looking at having an instant license.

Mr. Evers thanked the Commission for listening to his request to receive the statistical report sooner. He said he received the previous month's report within two weeks.

Ms. Buchanan said that she believed the Commission needed to add another Commission meeting regarding the testimony of the casinos profitability. She said the Department will not receive all the information from the casinos until the end of August, and asked that some time after the 14th of September a meeting be set to present the information to them. The Commission did not make a decision on the date to be added in September.

The Chair called for a motion to adopt and approve the May 19, 1994 Minutes of Meeting. Mr. Brower made the motion. Mr. Harvey seconded the motion. The motion was adopted.

The Chair called for a motion to adopt and approve the May 20, 1994 Minutes of Meeting. Ms. Kelly made the motion. Mr. Harvey seconded the motion. The motion was adopted.

Ms. Petkash said the Division had found some property to lease in Cripple Creek that would allow the Cripple Creek office to be located in one building rather than the current two buildings, and asked if the Commission would approve the lease agreement in the annual amount of \$27,600. The Chair called for a motion to approve the Cripple Creek lease agreement. Ms. Kelly made the motion. Mr. Brower seconded the motion. The motion was adopted.

Ms. Beck-Ferkiss reviewed with the Commission the Stipulation and Agreement between the Division of Gaming and Betstar, Ltd. that would impose a \$20,000 fine. The Chair called for a motion to approve the Stipulation and Agreement between and Betstar, Ltd., and to authorize the Chair to sign the order. Mr. Harvey made the motion. Mr. Brower seconded the motion. The motion was adopted.

Ms. Beck-Ferkiss reviewed with the Commission the Assurance of Voluntary Compliance agreement between the Division of Gaming and Pony Express, Inc. The Chair called for a motion to approve the Assurance of Voluntary Compliance agreement between the Division of Gaming and Pony Express, Inc. and to authorize the Chair to sign the order. Mr. Brower made the motion. Mr. Harvey seconded the motion. The motion was adopted.

Ms. Beck-Ferkiss reviewed the Division's Summary Suspension on Patrick Hart. She noted that the licensee had agreed to voluntarily surrender his license, and asked the Commission to accept the Voluntary Surrender and sign the Order. The Chair called for a motion to accept the Affidavit for Surrender of Colorado State Limited Gaming License of Patrick Hart and authorize the Chair to sign the Order. Ms. Kelly made the motion. Mr. Brower and Mr. Harvey seconded the motion. The motion was adopted.

The meeting was recessed at 10:17 a.m. by Chairman Hyatt.

The meeting was returned from recess at 10:42 a.m. by Chairman Hyatt.

Mr. Voge gave an overview of the Financial Reports and Balance Sheet for the month of April of 1994. The Chair called for a motion to approve and adopt the Financial Reports and Balance Sheets for April of 1994 and authorize distribution. Ms. Kelly made the motion. Mr. Harvey seconded the motion. The motion was adopted.

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

The meeting was recessed for lunch at 11:55 a.m. by Chairman Hyatt.

The meeting reconvened into executive session at 1:23 p.m. for the purpose of reviewing and considering temporary and permanent licensure and the backgrounds of various applicants for gaming licenses.

The meeting was returned to public session on 4:37 p.m. by Chairman Hyatt.

The Chair called for motion to renew permanent operator and retailer licenses for: 353 MYERS AVENUE LTD. PARTNERS, doing business as JUBILEE CASINO; CENTURY CASINO MANAGEMENT, INC., doing business as LEGENDS CENTRAL CITY; RICHMAN PROPERTIES LTD. LIABILITY COMPANY, doing business as RICHMAN CASINO; GOLD CREEK ASSOCIATES, LTD., doing business as WOMACK'S SALOON & GAMING PARLOR, to be issued on the date of expiration of the current licenses and to expire one year from the dates of issuance, and approve the change of ownership on 353 MYERS AVENUE LTD. PARTNERS, doing business as JUBILEE CASINO, as detailed in the investigative report. Ms. Kelly made the motion. Mr. Brower seconded the motion. The motion was adopted.

The Chair called for motion to renew permanent manufacturer/distributor license to: ROYAL BELL, LTD., for one year from the date of expiration of the current license and expire one year from the date of issuance. Ms. Kelly made the motion. Mr. Harvey seconded the motion. The motion was adopted.

The Chair called for motion to issue permanent operator and retailer licenses to: GLOBAL CASINOS, INC., doing business as BULL DURHAM SALOON & CASINO, 110 Main Street, Black Hawk; and GLOBAL CASINOS, INC., doing business as NITRO CLUB, 112-114 Lawrence Street, Central City. The BULL DURHAM licenses would be effective upon surrender of the current retailer license at 110 Main Street, Black Hawk, and expire on June 16, 1995. The NITRO CLUB licenses would be issued at 5:00 p.m. on June 16, 1994 and expire one year from the date of issuance. Further these licenses will be subject to the standard conditions for retailer licenses. Mr. Brower made the motion. Ms. Kelly and Mr. Harvey seconded the motion. The motion was adopted.

The Chair called for motion to issue permanent operator and retailer licenses to IMPERIAL GAMING CORPORATION, doing business as IMPERIAL HOTEL & CASINO at 123 N. Third Street, Cripple Creek. These licenses would be effective upon surrender of the current retailer license at 123 N. Third Street, Cripple Creek, and expire on June 16, 1995. Further these licenses will be subject to the standard conditions for retailer licenses. Ms. Kelly made the motion. Mr. Harvey seconded the motion. The motion was adopted.

STANDARD CONDITIONS

(amended 5/19/94)

- 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 state Division of Fire Safety and 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.

There being no further business to come before the Commission, the meeting was adjourned at 4:43 p.m.



Sandie Seegmiller, Secretary

Colorado Limited Gaming Control Commission

Minutes of Meeting
May 20, 1994

The meeting was called to order by the Chairperson of the Colorado Limited Gaming Control Commission, Daniel Hyatt, at 9:10 a.m. on May 20, 1994, at 1475 S. Colorado Blvd., (Ramada Inn) Denver, Colorado. Present were Commissioners Aurel Kelly and Richard Harvey. Absent and excused was Commissioner Ben Brower. Also attending were: Division Director, George Turner; Chief of Investigations, Mel Grantham; Deputy Chief of Investigations, Jim Cain; Accountant, Kevin Hyland; Budget Officer, Linda Petkash; Investigator Beverly Schaffer; Investigator Ken Franske; Investigator Bill Carter; and Assistant Attorney General, Sue Beck-Ferkiss. Persons making presentations included: Counsel Representing the Casino Owners Association, Mark Grueskin; Survey Consultant, Floyd Cirali; Casino Owner, Ross Grimes; and from the State Auditor's office, Roger Cusworth and Mike Acimovic.

The first organizational matter brought before the Commission was the swearing in of new investigators for the Division of Gaming. Investigators Bill Carter, Ken Franske, and Beverly Schaffer were sworn in by Chairman Hyatt.

Chairman Hyatt asked if there was anybody from the public that would like to address the Commission. Mr. Grimes requested that the Commission issue a statement to the legislature telling them that the Gaming Commission did not need the following clause in the Liquor Statute: "Nothing in this act shall permit more than one retailer gaming liquor license per building where licensed premises are located." The Commission agreed to look at his request and said they would get back to him.

Mr. Grueskin and Mr. Cirali presented a marketing survey they had conducted. They noted the majority of the survey was positive towards gaming. The Commission thanked Mr. Grueskin and Mr. Cirali for presenting the information.

Ms. Kelly made the motion to approve the Minutes of Meeting of April 14, 1994. Mr. Harvey seconded the motion. The motion was adopted.

The Chair called for a motion to go into executive session at 10:02 a.m. for the purpose of reviewing the State Auditor's financial audit report conducted on the Division of Gaming and to consider temporary and permanent licensure and the backgrounds of various applicants for gaming licenses. Ms. Kelly made the motion. Mr. Harvey seconded the motion. The motion was adopted.

The meeting was reconvened into public session at 11:28 a.m. by Chairman Hyatt.

The Chair called for a motion to issue: DEC, INC., doing business as THE EUREKA! LTD.; and PAPONE'S PALACE LTD, doing business as PAPONE'S PALACE, permanent operator and

retailer licenses for one year from the date of expiration of the current licenses. Mr. Harvey made the motion. Ms. Kelly seconded the motion. The motion was adopted.

The Chair called for a motion to issue to KDL, INC., doing business as EL DORADO CASINO, a permanent operator license for one year from the date of expiration of the current license. Mr. Harvey made the motion. Ms. Kelly seconded the motion. The motion was adopted.

The Chair called for a motion to issue to VIDEO LOTTERY CONSULTANTS, INC., doing business as VIDEO LOTTERY CONSULTANTS a permanent manufacturer/distributor license for one year from the date of expiration of the current license. Ms. Kelly made the motion. Mr. Harvey seconded the motion. The motion was adopted.

The Chair called for a motion to issue STAGE STOP GAMING HALL, INC., doing business as COYOTE CREEK CASINO, INC., permanent operator and retailer licenses effective at 5:00 p.m. on May 20, 1994 and expiring one year from the date of issuance.

STANDARD CONDITIONS

(amended 5/19/94)

- 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 state Division of Fire Safety and 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.

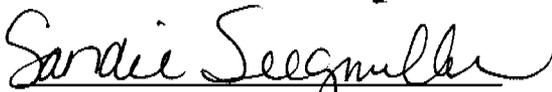
Ms. Kelly made the motion. Mr. Harvey seconded the motion. The motion was adopted.

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May 20, 1994

Ms. Beck-Ferkiss reviewed the Order of Summary Suspension in the matter of Patrick Hart, and asked the Commission to sign the Order. Mr. Harvey made the motion to approve the Order of Summary Suspension of Patrick Hart's Limited Gaming License, and to authorize the Chair to sign the Order. Ms. Kelly seconded the motion. The motion was adopted.

Mr. Turner advised the Commission that he would be out of town for the next Commission meeting but would be back on June 22. He said someone would be acting director in his absence.

There being no further business to come before the Commission, the meeting was adjourned at 11:36 a.m.


Sandie Seegmiller, Secretary

Colorado Limited Gaming Control Commission

Minutes of Meeting
May 19, 1994

The meeting was called to order by the Chairperson of the Colorado Limited Gaming Control Commission, Daniel Hyatt, at 9:10 a.m. on May 19, 1994, at 1475 S. Colorado Blvd., (Ramada Inn) Denver, Colorado. Present were Commissioners Ben Brower, Aurel Kelly and Richard Harvey. Also attending were: the Department of Revenue Executive Director, Renny Fagan; Deputy Director, Amelie Buchanan; Division Director, George Turner; Chief of Investigations, Mel Grantham; Deputy Chief of Investigations, Jim Cain; Central City Supervisor, Jim Huskey; Accountant, Kevin Hyland; Budget Officer, Linda Petkash; Secretary, Sandie Seegmiller; and Assistant Attorney General, Sue Beck-Ferkiss. Persons making presentations included: from the Department of Local Affairs, Jack Kirtland; from the Department of Public Safety, Pat Ahlstrom and Linda Wittamore; from the Division of Fire Safety, Paul Cooke; from the Colorado Bureau of Investigation, Dick McNamee; from State Patrol, Lieutenant Colonel Ray Barreras; and a casino manager, Bill Evers.

Chairman Hyatt asked Mr. Turner if there were any organizational matters to discuss with the Commission; Mr. Turner stated that the Division is working on getting Ed Meier for the CPA consultant for the Commission.

Ms. Buchanan spoke with the Commissioners about the participation and communication the Department of Revenue was receiving from the casino owners and the public on the tax issues. She said they will continue to work with these people during the tax hearings that begin in July.

Chairman Hyatt and Mr. Harvey asked Ms. Seegmiller to make changes to the Minutes of Meetings for April 8, 14 and 21, 1994. Ms. Seegmiller agreed to make these changes. The Chair called for a motion to approve the Minutes of April 8, 1994, as amended. Mr. Harvey made the motion. Mr. Brower seconded the motion. The motion was adopted.

Due to the technical changes to the Minutes of April 14, 1994, Mr. Harvey made the motion to table these minutes until May 20, 1994 after Ms. Seegmiller has made the changes. Ms. Kelly seconded the motion. The motion was adopted.

The Chair called for a motion to approve the Minutes of April 21, 1994, as amended. Mr. Harvey made the motion. Ms. Kelly seconded the motion. The motion was adopted.

The Chair called for a motion to approve the Minutes of April 22, 1994. Mr. Harvey made the motion. Mr. Brower seconded the motion. The motion was adopted.

The Commissioners asked Ms. Beck-Ferkiss if she had the formal opinion regarding the State Treasurer collecting the 15% Management Fee from the Division of Gaming. Ms. Beck-Ferkiss said she was working on having an agreement with the State Treasurers Office and the Division. She said she should have something to report at the next Commission meeting.

Chairman Hyatt asked if there was anybody from the public that would like to address the Commission. Mr. Evers requested that the statistical reports the Division generates each month to be done more timely. He noted that the public wasn't receiving this information for 30 to 45 days after the casinos are required to submit it. Chairman Hyatt said he would look into this matter and advised Mr. Turner to discuss at the next Commission meeting.

Mr. Kirtland, from the Department of Local Affairs, presented to the Commission the Department's budget for fiscal year 94-95 for \$33,000. Chairman Hyatt called for a motion to approve the Department of Local Affairs budget request for \$33,000 for fiscal year 94-95. Ms. Kelly made the motion. Mr. Brower seconded the motion. The motion was adopted.

Mr. Ahlstrom introduced Linda Wittamore, Paul Cooke, Ray Barreras and Richard McNamee, who would be presenting the budget for each of their respective Divisions in the Department of Public Safety.

The meeting was recessed at 10:05 a.m. by Chairman Hyatt.

The meeting was reconvened at 10:20 a.m. by Chairman Hyatt.

Mr. Cooke, from the Division of Fire Safety, requested the Commission to change the language of "Standard Conditions" that are imposed on the retail licensees. He asked they they include "certification from state Division of Fire Safety" in letter "C" of the Standard Conditions. Mr. Harvey made the motion to amend the "Standard Conditions" to include Mr. Cooke's request effective immediately. Ms. Kelly seconded the motion. The motion was adopted.

STANDARD CONDITIONS

(amended 5/19/94)

- 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 state Division of Fire Safety and 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.

Mr. Cooke presented Fire Safety's budget request for fiscal year 94-95 to the Commission.

After reviewing the Division of Fire Safety's budget request for fiscal year 94-95 and having some questions, Mr. Harvey called for a motion to set Fire Safety budget matters aside until the June 17 Commission meeting. Ms. Kelly seconded the motion. The motion was adopted.

Mr. Barreras presented State Patrol's budget request for fiscal year 94-95. He reminded the Commission of State Patrol's presentation in February for an additional funding of \$316,204 which the Commission approved at that time. The total amount requested was \$878,222. Ms. Kelly made the motion to approve the fiscal year 94-95 budget request for State Patrol in the amount of \$878,222. Mr. Brower seconded the motion. The motion was adopted.

The meeting was recessed at 11:50 a.m. by Chairman Hyatt.

The meeting was reconvened into public session at 1:22 p.m. by Chairman Hyatt.

Mr. McNamee presented Colorado Bureau of Investigation's budget request for fiscal year 94-95.

Mr. Harvey made the motion to go into executive session at 1:40 p.m. to hear specific confidential information on investigations that CBI is conducting. Ms. Kelly seconded the motion. The motion was adopted.

The meeting was reconvened into public session at 2:18 p.m. by Chairman Hyatt.

After reviewing Colorado Bureau of Investigation's budget request, Mr. Harvey called for a motion to set CBI budget matters aside until the June 17 Commission meeting. Ms. Kelly made the motion. The motion was adopted.

The meeting was recessed at 2:31 p.m. by Chairman Hyatt.

The meeting was reconvened into public session at 2:40 p.m. by Chairman Hyatt.

Ms. Beck-Ferkiss reviewed the Stipulation and Agreement between the Division of Gaming and Whatlb, Inc., doing business as Black Hawk Prospector, and asked the Commission to approve it. The Chair called for a motion to approve the Stipulation and Agreement between the Division and Whatlb, Inc., doing business as Black Hawk Prospector, and authorize the Chair to sign the Order. Mr. Brower made the motion. Ms. Kelly seconded the motion. The motion was adopted.

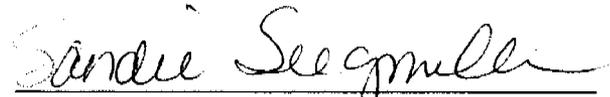
Mr. Hyland reviewed with the Commission the Financial Statements for nine months ending March 31, 1994 and asked that the Commission approve this report and authorize distribution. The Chair called for a motion to approve and adopt the Financial Statements for the nine months ending March 31, 1994 and authorize distribution. Mr. Harvey made the motion. Mr. Brower seconded the motion. The motion was adopted.

The Chair called for a motion to go into executive session at 3:08 p.m. for the purpose of reviewing and considering temporary and permanent licensure and the backgrounds of various applicants for gaming licenses. Ms. Kelly made the motion. Mr. Harvey seconded the motion. The motion was adopted.

The meeting was reconvened into public session at 4:23 p.m. by Chairman Hyatt.

The Chair called for a motion to issue to: IMPERIAL CASINO LIMITED, doing business as IMPERIAL HOTEL & CASINO; BLUE BUILDING DEVELOPMENT, INC., doing business as GOLD DIGGER'S CASINO; THE LAYS' PALACE, LTD., doing business as THE PALACE HOTEL AND CASINO; and TERRY'S CAFE LIMITED PARTNERSHIP, doing business as MAVERICK'S STEAKHOUSE AND CASINO, permanent operator and retailer licenses for one year from the date of expiration of the current licenses. Ms. Kelly 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 4:23 p.m.


Sandie Seegmiller, Secretary

Colorado Limited Gaming Control Commission

Minutes of Meeting
April 22, 1994

The meeting was called to order by the Chairperson of the Colorado Limited Gaming Control Commission, Daniel Hyatt, at 9:02 a.m. on April 22, 1994, at the Cherry Creek Inn, 600 S. Colorado Blvd., Denver, Colorado. Present were Commissioners Ben Brower, Aurel Kelly and Richard Harvey. Also attending were: the Division Director, George Turner; Chief of Investigations, Mel Grantham; Director of Administration, Tom Kitts; Deputy Chief of Investigations, Jim Cain; Public Information Officer, Don Burmania; and Assistant Attorney Generals, Sue Beck-Ferkiss and Tom Fears.

The Chair called for a motion to go into executive session at 9:03 p.m. for the purpose of discussing the Commission's decision on the request for refund from Tivolino Teller House. Mr. Brower made the motion. Ms. Kelly seconded the motion. The motion was adopted.

The meeting was reconvened into public session at 9:47 a.m. by Chairman Hyatt.

Chairman Hyatt stated that only the Commission members were present in executive session when discussing the Tivolino Teller House case, and Mr. Turner joined them after they had discussed this matter to discuss Division of Gaming matters.

Ms. Kelly made the motion that the Colorado Limited Gaming Control Commission adopt and approve the Findings of Fact and Conclusion of Law, previously drafted, and deny the petition for refund from the Tivolino Teller House. Mr. Harvey seconded the motion. The motion was adopted.

After some discussion on whether or not a Certified Public Accountant was needed during the gaming tax testimony, the Commissioners decided it was necessary to contract a CPA. The Commission requested Ed Meier, the CPA consultant they had last year to save on training time. The Division said they would contact Mr. Meier and look into the contract process.

Ms. Beck-Ferkiss reviewed with the Commission the response from the State Treasurer's office on the Treasurer's charging a 15% management fee for handling the Division's interest income. She stated they disagreed with the Division of Gaming's position of not needing to pay the 15% management fee. The Chair called for a motion to have the Division of Gaming to prepare a letter to the Attorney General's office asking them for a formal opinion regarding this issue. Mr. Harvey made the motion. Mr. Brower seconded the motion. The motion was adopted.

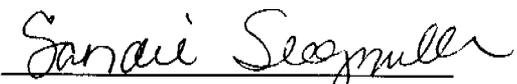
Ms. Beck-Ferkiss reviewed the Stipulation and Agreement between the Division of Gaming and Diamond Lil's Casino. The Chair called for a motion to approve and adopt the Stipulation and Agreement between the Division of Gaming and Diamond Lil's Casino and authorize the Chair

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April 22, 1994

to sign the Order. Ms. Kelly made the motion. Mr. Brower seconded the motion. The motion was adopted.

Mr. Grantham requested that one of the local Commissioners be authorized to sign the extended lease contracts for the Cripple Creek and Central City offices once they were completed to save time. Chairman Hyatt called for a motion to authorize Commissioner Kelly or Commissioner Harvey to sign on the lease contracts as long as they are under the budgeted amount. Mr. Brower made the motion. Ms. Kelly seconded the motion. The motion was adopted.

There being no further business to come before the Commission, the meeting was adjourned at 10:44 a.m.


Sandie Seegmiller
Sandie Seegmiller, Secretary

Colorado Limited Gaming Control Commission

Minutes of Meeting
April 21, 1994

The meeting was called to order by the Chairperson of the Colorado Limited Gaming Control Commission, Daniel Hyatt, at 9:09 a.m. on April 21, 1994, at the Cherry Creek Inn, 600 S. Colorado Blvd., Denver, Colorado. Present were Commissioners Ben Brower, Aurel Kelly and Richard Harvey. Also attending were: the Department of Revenue Deputy Director, Amelie Buchanan; Division Director, George Turner; Chief of Investigations, Mel Grantham; Director of Administration, Tom Kitts; Deputy Chief of Investigations, Jim Cain; Central City Supervisor, Jim Huskey; Public Information Officer, Don Burmania; Chief Auditor, Georgine Zalesky; Accountant, Kevin Hyland; Auditors, Kathy Marten and Liza Abalos; Investigators, Bob Abbott, Huck Henderson and Len Martin; Assistant Attorney Generals, Sue Beck-Ferkiss and Tom Fears. Persons making presentations included: from the Colorado Bureau of Investigation, Jim Borowski; Counsel for Colorado Game Exchange, Steve Farber; Owners of Black Forest Inn, Kay and Bill Lorenz, and Central City Council member, Kay Cullar.

Chairman Hyatt asked Mr. Turner if there were any organizational matters to discuss with the Commission. Mr. Turner stated that he did not have any informational or organizational matters to report at this time.

The Chair called for a motion to adopt and approve the March 16, 1994, Minutes of Meeting with a change on a typographical error. Ms. Kelly made the motion. Mr. Brower seconded the motion. The motion was adopted.

The Chair called for a motion to adopt and approve the March 17 and March 18, 1994, Minutes of Meeting with some changes on typographical errors. Mr. Harvey made the motion. Ms. Kelly seconded the motion. The motion was adopted.

Ms. Beck-Ferkiss reviewed the Stipulation and Agreement between the Division of Gaming and Jubilee Casino. The Chair called for a motion to approve and adopt the Stipulation and Agreement between the Division of Gaming and Jubilee Casino and authorize the Chair to sign the Order. Ms. Kelly made the motion. Mr. Brower seconded the motion. The motion was adopted.

Mr. Fears reviewed the Stipulation and Agreement between the Division of Gaming and Midnight Rose Casino, and asked the Commission to approve this Agreement. The Chair called for a motion to approve the Stipulation and Agreement between the Division of Gaming and Midnight Rose Casino and authorize the Chair to sign the Order. Ms. Kelly made the motion. Mr. Brower

seconded the motion. The motion was adopted.

Mr. Farber, counsel for the Colorado Game Exchange, reviewed with the Commission the request from Colorado Game Exchange for a Motion to Dismiss Without Prejudice the Order to Show Cause issued against the licensee. The Chair called for a motion to approve the Motion to Dismiss Without Prejudice and to authorize the Chair to sign the Order. Mr. Harvey made the motion. Mr. Brower seconded the motion. The motion was adopted.

Mr. Hyland presented the Division's Financial Statements for eight months ending February 28, 1994 and asked that the Commission approve this report and authorize distribution. The Chair called for a motion to approve the Financial Statement and authorize the Division to distribute. Ms. Kelly made the motion. Mr. Harvey seconded the motion. The motion was adopted.

Mr. Turner reviewed the Supplemental Budget that reduce the Division's FY 93/94 budget by \$413,756.

The meeting was recessed at 1:24 p.m. by Chairman Hyatt.

The meeting was reconvened into public session by Chairman Hyatt.

Mr. and Mrs. Lorenz spoke to the Commission regarding the tax rate set as of October 1, 1993, stating that since the tax rate change, it had increase the efforts of marketing the casino industry. They thanked the Commission for all their hard work.

Mr. Turner finalized the review of the Supplemental Budget and asked the Commission to approve it. Ms. Kelly made the motion to approve the Supplemental Budget request that would reduce the FY 93/94 budget by \$413,756. Mr. Harvey seconded the motion. The motion was approved.

Mr. Turner reviewed with the Commissioners the Division's FY 94/95 budget request in the amount of \$5,455,722.00. This amount would include the additional 4.5 FTE (1.5 clericals, 2 investigators, funding of 1 FTE for Information Support Systems Division). The Commission amended the budget to move \$51,443.00 from Personal Services back to Technical Personal Services for the requested 1 FTE for Informational Support System, reducing the number of additional FTE's approved by the Commission to 3.5. The Chair called for a motion to approve the budget as amended. Ms. Kelly made the motion. Mr. Harvey seconded the motion. The motion was adopted.

Ms. Cullar stated that the Central City Council had spent \$578,000 on advertising for the industry and \$140,000 for additional staff. She noted that the relationship between Central City and

Black Hawk was better than it had been in the past. She also thanked the Commission for their hard work and time.

The meeting was recessed at 11:45 a.m. by Chairman Hyatt.

The meeting was reconvened at 1:12 p.m. into public session. The Chair called for a motion to go into executive session at 1:12 p.m. for the purpose of reviewing and considering temporary and permanent licensure and the backgrounds of various applicants for gaming licenses. Ms. Kelly made the motion. Mr. Brower seconded the motion. The motion was adopted.

The meeting was reconvened into public session at 4:30 p.m. by Chairman Hyatt.

The Chair called for a motion to issue: CRIPPLE CREEK DEVELOPMENT COMPANY, doing business as GOLD RUSH HOTEL AND CASINO; JAZZ ALLEY CASINO, INC., doing business as JAZZ ALLEY CASINO; DEDICATED INTERNATIONAL, INC, doing business as BLACK HAWK STATION; RED DOLLY, INC., doing business as RED DOLLY CASINO; VIRGIN MULE, doing business as THE VIRGIN MULE APOTHECARY, INC.; 139 MAIN STREET LLC, doing business as BLAZING SADDLES CASINO; and INDEPENDENCE HOTEL L.P., doing business as INDEPENDENCE HOTEL AND CASINO, permanent operator and retailer licenses for one year from the date of expiration of the current licenses. Further, the original condition placed on INDEPENDENCE HOTEL AND CASINO on April 21, 1992 will continue. Mr. Brower made the motion. Mr. Harvey seconded the motion. The motion was adopted.

The Chair called for a motion to issue FIRST CHOICE COIN DISTRIBUTING COMPANY a permanent manufacturer/distributor license for one year from the date of expiration of the current licenses. Further, the original condition placed on FIRST CHOICE COIN DISTRIBUTING COMPANY on May 13, 1993, that Mr. Lazier Singer have no contact with Mr. Barry MacNamara. Mr. Harvey made the motion. Mr. Brower seconded the motion. The motion was adopted.

The Chair called for motion to approve the changes of ownership for: V.T. LLC doing business as LONG BRANCH SALOON AND CASINO; HORSESHOE, LLC, doing business as HARRAH'S BLACK HAWK; CENTRAL CITY GAMING INVESTORS LLC, doing business as HARRAH'S CENTRAL CITY CASINO AND THE GLORY HOLE SALOON as detailed in the respective investigative reports. Mr. Harvey made the motion. Mr. Brower seconded the motion. The motion was adopted.

The Chair called for a motion to approve the change of ownership in the operators license for CREEKER'S INC., as detailed in the investigative report. Mr. Harvey made the motion. Mr.

Brower seconded the motion. The motion was adopted.

The Chair called for a motion to issue to CREEKER'S Inc., doing business as CREEKER'S at 247 E. Bennet Avenue, Cripple Creek, a permanent retailer license to be effective at 5:00 p.m. on April 21, 1994 and expire at 5 p.m. on October 29, 1994. Further, the standard conditions for retailer licenses will apply. Mr. Brower made the motion. Mr. Harvey seconded the motion. The motion was adopted.

The Chair called for a motion to issue BLACK FOREST INN, INC., doing business as ROHLING INN CASINO at 160 Gregory Street, Black Hawk, a permanent retailer license to be effective at 5:00 p.m. on April 21, 1994 and expire one year from the date of issuance. Further, the standard conditions for retailer licenses will apply. Mr. Harvey made the motion. Mr. Brower seconded the motion. The motion was adopted.

The Chair called for a motion to issue to MARITIME GROUP, LTD., a permanent operator license. This license will be effective at 5:00 p.m. on April 21, 1994 and expire one year from the date of issuance. Mr. Harvey made the motion. Mr. Brower seconded the motion. The motion was adopted.

The Chair called for a motion to issue RWH, INC., doing business as MIDNIGHT ROSE HOTEL AND CASINO, permanent operator and retailer licenses to be effective April 22, 1994 and expire on July 30, 1994. Further the licenses will be conditioned upon the conditions outlined in the Stipulation and Agreement. Mr. Brower made the motion. Ms. Kelly seconded the motion. The motion was adopted.

There being no further business to come before the Commission, the meeting was adjourned at 4:38 p.m.


Sandie Seegmiller, Secretary

Colorado Limited Gaming Control Commission

Minutes of Meeting
April 14, 1994

The meeting was held telephonically and commenced at 2:30 p.m. 720 S. Colorado Blvd., Lottery Conference Room, Denver, Colorado, on April 14, 1994. The meeting was Noticed by facsimile on Monday, April 11, 1994, to interested parties who had access to a fax machine, and others were notified by telephone and/or by U.S. mail by the Commission's Secretary, Sandie Seegmiller. Present via telephone were Chairman Daniel Hyatt, Commissioner Ben Brower, Commissioner Richard Harvey and Commissioner Aurel Kelly. Also attending via telephone was Vicky Mandell, Counsel to the Commission. Those in personal attendance were: Susan Beck-Ferkiss, Counsel for the Division of Gaming; George Turner, Director of the Division of Gaming; Arun Pande; Stephen Duitch, Counsel to Arun Pande; Tom Martin and Garth Nicholls, Counsel for Lilly Belle's; Tom Kitts, Director of Administration; Brent Voge, Controller; and Sandie Seegmiller, Secretary.

Ms. Seegmiller announced all the parties present on the conference call, and took roll call of the Commissioners, noting all Commissioners were present.

The first matter to be brought before the Commission was the Motion to Reinstate License with Legal Argument. Chairman Hyatt asked any of the Commissioners if they wanted to hear legal argument on this motion. Ms. Kelly made the motion to deny this motion. Mr. Harvey seconded the motion. Mr. Nicholls objected stating that the Commission had lack of jurisdiction noting that in the Order of Summary Suspension Notice there was no end date given, therefore, this suspension on the licensee could only be for thirty days. Ms. Beck-Ferkiss asked that the Commission allow for the Order of Summary Suspension, Notice of Charges, Order to Show Cause, and Notice of Hearing be amended to reflect an ending date.

Ms. Kelly amended her motion to amend the Order of Summary Suspension, Notice of Charges, Order to Show Cause, and Notice of Hearing to add a termination clause providing that the Summary Suspension ends upon Commission action resolving all issues involved and deny Lilly Belle's Motion to Reinstate License with Legal Argument. Mr. Harvey seconded the motion. The motion was adopted.

Ms. Kelly made a motion to amend the Order of Summary Suspension, Notice of Charges, Order to Show Cause, and Notice of Hearing to add a termination clause providing that the Summary Suspension ends upon Commission action resolving all issues involved and deny Arun Pande's Motion to Reinstate License with Legal Argument. Mr. Harvey seconded the motion. The motion was adopted.

The Chair called for a motion to go into executive session at 3:00 p.m. to consider information in the matter of the Lilly Belle's Casino licenses and Arun Pande's Key license. Ms. Kelly made the motion. Mr. Brower seconded the motion. The motion was adopted.

The meeting was reconvened into public session at 3:30 p.m. by Chairman Hyatt.

Ms. Kelly made the motion based on the foregoing Findings of Fact and Conclusion of Law, previously drafted and approved as to content by the Commission. The Commission determined that the Lilly Belle's operator and retailer licenses and Arun Pande's key license must be revoked immediately, and authorize the Chair to sign the Order. Mr. Brower seconded the motion. The motion was adopted.

The Division of Gaming and Lilly Belle's agreed to 15 days to move the slot machines from Lilly Belle's Casino. Ms. Kelly made the motion to approve 15 days to remove the slot machines from Lilly Belle's Casino. Mr. Harvey seconded the motion. The motion was adopted.

There being no further business to come before the Commission, the meeting was adjourned at 3:40 p.m.


Sandie Seegmiller, Secretary

Colorado Limited Gaming Control Commission

Minutes of Meeting
April 8, 1994

The meeting was held telephonically and commenced at 9:30 a.m. 720 S. Colorado Blvd., Lottery Conference Room, Denver, Colorado, on April 8, 1994. The meeting was Noticed by facsimile on Monday, April 4, 1994, to interested parties who had access to a fax machine, and others were notified by telephone and/or by U.S. mail by the Commission's Secretary, Sandie Seegmiller. Present via telephone were Chairman Daniel Hyatt, Commissioner Ben Brower and Commissioner Richard Harvey. Also attending via telephone was: Vicky Mandell, Counsel to the Commission. Those in personal attendance were: Susan Beck-Ferkiss, Counsel for the Division of Gaming; George Turner, Director of the Division of Gaming; Arun Pande; Stephen Duitch, Counsel to Arun Pande; Tom Kitts, Director of Administration; Don Burmania, Public Information Officer; Brent Voge, Controller; and Sandie Seegmiller, Secretary; and from the public: spectator, Tom Feeney.

Ms. Seegmiller announced all the parties present on the conference call, and took roll call of the Commissioners, noting that Commissioner Kelly was unavailable for this call.

Chairman Hyatt opened the meeting by calling for a motion to go into executive session at 9:38 a.m. to consider information in the matter of the Lilly Belle's Casino licenses and Arun Pande's Key license. Mr. Duitch objected to the Commission going into executive session on several grounds: the summary suspension order did not recite a termination date as required, the suspension has existed longer than thirty days contrary to the requirements to the statute and Ms. Kelly's lack of participation in this consideration. Mr. Duitch asked that disciplinary action against the key licensee, Arun Pande, be dismissed.

Chairman Hyatt said the objection will be noted. Mr. Harvey made the motion to go into executive session. Mr. Brower seconded the motion. The motion was adopted.

The meeting was reconvened into public session at 10:25 a.m. by Chairman Hyatt.

Chairman Hyatt announced that the Commission had heard the objection from Mr. Duitch on the absence of Commissioner Kelly, and decided to adjourn the meeting and consider this at a later time. Chairman Hyatt called for a motion to adjourn. Mr. Harvey made the motion. Mr. Brower seconded the motion. The motion was adopted.

The meeting was recessed at 10:30 a.m. by Chairman Hyatt.

The meeting was reconvened into public session at 11:10 a.m. by Chairman Hyatt.

Ms. Petkash reviewed with the Commissioners the details involved in the month to month lease agreement for the Central City and the sub-lease space in the Denver office and asked the Commissioners to approve the agreements as discussed.

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April 8, 1994

Chairman Hyatt called for a motion to approve the Sub-Lease Agreement between the Division of Gaming and Governor's Job Training and authorize the Chair to sign the Agreement. Mr. Harvey made the motion. Mr. Brower seconded the motion. The motion was adopted.

Chairman Hyatt called for a motion to approve the month to month lease between the Division of Gaming and Central City Gilpin County and authorize the Chair to sign the Agreement. Mr. Harvey 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 11:25 a.m.



Sandie Seegmiller, Secretary

Colorado Limited Gaming Control Commission

Minutes of Meeting
March 18, 1994

The meeting was called to order by the Chairperson of the Colorado Limited Gaming Control Commission, Daniel Hyatt, at 9:10 a.m. on March 18, 1994, at the Cherry Creek Inn, 600 S. Colorado Blvd., Denver, Colorado. Present were Commissioners Aurel Kelly, Richard Harvey and Ben Brower. Also attending were: George Turner, the Division of Gaming Director; Tom Kitts, Director of Administration; Brent Voge, Controller; Jim Huskey, Central City Supervisor; Don Burmania, Public Information Officer; Sandie Seegmiller, Secretary; Vicky Mandell, Counsel to the Commission; Susan Beck-Ferkiss, Counsel for the Division of Gaming; Arun Pande; Stephen Duitch, Counsel to Arun Pande; Thomas Martin, Counsel to Lilly Belle's Casino. Witnesses called by the parties included Mark Walters.

Chairman Hyatt opened the meeting with scheduling dates for future Commission meetings and asked Ms. Seegmiller to announce those dates. Ms. Seegmiller announced proposed dates. Those dates included: April 21 and 22; May 19 and 20; June 16 and 17; July 21 and 22 in Cripple Creek; August 18 and 19 in Central City and Black Hawk; and September 8, 9, 29 and 30. Ms. Seegmiller said if there weren't any problems with the Commissioners on these dates she would go ahead and schedule them. The Commissioners said they did not have any problem with those dates.

Chairman Hyatt congratulated Mr. Brower on the preliminary approval of confirmation by a Senate Committee earlier in the day.

The Chair called for a motion to adopt and approve the February 17, 1994 Minutes of Meeting without reading. Ms. Kelly made the motion. Mr. Harvey seconded the motion. The motion was adopted.

The Chair called for a motion to go into executive session at 9:22 a.m. for the purpose of reviewing and considering temporary and permanent licensure and the backgrounds of various applicants for gaming licenses. Ms. Kelly made the motion. Mr. Harvey seconded the motion. The motion was adopted.

The meeting was reconvened into public session at 10:00 a.m. by Chairman Hyatt. At that time the hearing concerning the Summary Suspension on Lilly Belle's Casino, Inc., case number SS94002, and on the Summary Suspension on Arun Pande, case number SS94003, was continued from the previous day.

Having heard extensive testimony and argument from the various parties and witnesses in this matter and having reviewed all relevant exhibits, the Chair called for a motion to go into

executive session at 12:23 p.m. for the purpose of considering testimony and exhibits from the Lilly Belle's Casino, Inc. and the Arun Pande hearing. Ms. Kelly made the motion. Mr. Brower seconded the motion. The motion was adopted.

The meeting was reconvened into public session at 12:40 p.m. by Chairman Hyatt.

Chairman Hyatt announced that the Commission would be taking the Lilly Belle's/Arun Pande matter under advisement and would be making a decision within a few days. He said the Commission and all interested parties will be meeting by conference call. He advised the witnesses not to talk about their testimony or the hearing until after the Commission had made a decision on Lilly Belle's operator and retailer licenses and Arun Pande's key license.

The meeting was recessed at 12:45 p.m. by Chairman Hyatt.

The meeting reconvened into public session at 2:03 p.m. by Chairman Hyatt.

Chairman Hyatt called for a motion to excuse Commissioner Kelly from that afternoon's meeting. Mr. Harvey made the motion. Mr. Brower seconded the motion. The motion was adopted.

Chairman Hyatt announced that the Tivolino Teller House decision would be postponed until the April 21st Commission meeting.

Mr. Turner introduced the Division of Gaming's new Controller, Brent Voge, who presented the Division's Statement of Gaming Revenues, Gaming Taxes, and Expenditures Report for the month ending January 31, 1994 and asked that the Commission approve this report. The Chair called for a motion to approve the Statement of Gaming Revenues, Gaming Taxes, and Expenditures Report for the month of January, 1994. Mr. Brower made the motion. Mr. Harvey seconded the motion. The motion was adopted.

The Chair called for a motion to authorize the Division to distribute the Statement of Gaming Revenues, Gaming Taxes, and Expenditures Report. Mr. Harvey made the motion. Mr. Brower seconded the motion. The motion was adopted.

The Chair called for a motion to go into executive session at 2:17 p.m. for the purpose of reviewing and considering temporary and permanent licensure and the backgrounds of various applicants for gaming licenses. Mr. Harvey made the motion. Mr. Brower seconded the motion. The motion was adopted.

The meeting was reconvened into public session at 3:30 p.m. by Chairman Hyatt.

Ms. Beck-Ferkiss reviewed with the Commission the Division's Summary Suspension on Gilbert Paul McGinn. She noted that the licensee had voluntarily surrendered his license pending resolution of his criminal case, and asked that Commission to accept the Voluntary Surrender and sign the Order. The Chair called for a motion to accept the Affidavit for Surrender of the key license of Gilbert Paul McGinn. Mr. Brower made the motion. Mr. Harvey seconded the motion. The motion was adopted. The Chair called for a motion to authorize the Chair to sign the order. Mr. Harvey made the motion. Mr. Brower seconded the motion. The motion was adopted.

Ms. Beck-Ferkiss presented the Order to Show Cause on Betstar, Ltd. The Chair called for a motion to issue the Order to Show Cause on Betstar, Ltd., and to authorize the Chair to sign the order. Mr. Harvey made the motion. Mr. Brower seconded the motion. The motion was adopted.

The Chair called for a motion to issue to GOLD COIN, Inc., doing business as LADY LUCK CENTRAL CITY CASINO, permanent operator and retailer licenses for one year from the date of expiration of the current licenses. Mr. Harvey made the motion. Mr. Bower seconded the motion. The motion was adopted.

The Chair called for a motion to issue to DOLLY'S, INC., doing business as PICK-A-DILLY, permanent operator and retailer licenses for one year from the date of expiration of the current licenses. Mr. Brower made the motion. Mr. Harvey seconded the motion. The motion was adopted.

The Chair called for a motion to approve the change of ownership as detailed in the investigative report and the permanent operator and retailer licenses for GOLDEN ROSE PARTNERSHIP, LTD., doing business as GOLDEN ROSE CASINO. These licenses would be issued on the date of expiration of the current licenses and expire one year from the date of issuance. Further, the condition placed on these licenses on April 17, 1992, continues to apply. Mr. Harvey made the motion. Mr. Brower seconded the motion. The motion was adopted.

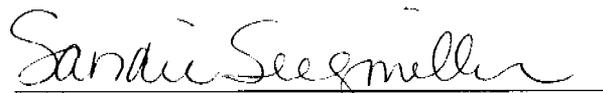
The Chair called for a motion to issue to BETSTAR, LTD., a manufacturer/distributor license. This license will be issued on the date of expiration of the current license and expire one year from the date of issuance. This license shall be conditioned upon the following: that no additional machines be brought into the State of Colorado until a resident distributorship is established or contracted for, which shall be no later than 60 days from the issuance of this license; no machines shall be sold in this state, except by the Colorado Distributorship; and

proof of a resident distributorship must be furnished to the Colorado Division of Gaming. Mr. Harvey made the motion. Mr. Brower seconded the motion. The motion was adopted.

The Chair called for motion to approve the changes of ownership for: GOLD VEIN LLC, doing business as BLACK DIAMOND CASINO; ALPINE GAMING, INC.; CENTURY CASINOS MANAGEMENT, INC.; 139 MAIN LLC, doing business as BLAZING SADDLES CASINO; CRIPPLE CREEK'S PHENIX HOUSE GAMING, doing business as THE PHENIX HOUSE; and GOLD CREEK ASSOCIATES, doing business as WOMACK'S SALOON AND GAMING PARLOR, as detailed in the respective investigative reports. Mr. Brower made the motion. Mr. Harvey seconded the motion. The motion was adopted.

The Chair called for a motion to issue to AMERICAN INTERNATIONAL GAMING ASSOCIATION, INC., and GULF WHOLESALE DISTRIBUTING, INC., permanent operator licenses, effective March 18, 1994, at 5:00 p.m. and expire one year from the date of issuance. Mr. Harvey 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 3:38 p.m.



Sandie Seegmiller, Secretary

Colorado Limited Gaming Control Commission

Minutes of Hearing
March 17, 1994

The hearing was called to order by the Chairperson of the Colorado Limited Gaming Control Commission, Daniel Hyatt, at 9:35 a.m. on March 17, 1994, at the Cherry Creek Inn, 600 S. Colorado Blvd., (Birch Room) Denver, Colorado. Present were Commissioners Ben Brower, Aurel Kelly and Richard Harvey. Also attending were: George Turner, the Division of Gaming Director; Tom Kitts, Director of Administration; Jim Huskey, Central City Supervisor; Don Burmania, Public Information Officer; Vicky Mandell, Counsel to the Commission; Susan Beck-Ferkiss, Counsel for the Division of Gaming; Arun Pande; Stephen Duitch, Counsel to Arun Pande; Thomas Martin, Counsel to Lilly Belle's Casino. Witnesses called by the parties included: Leif Nelson, Kathleen Snead, Mike Chapla, James Daggs, Bernard Krabacher, and Steve Mulliken.

The Commission commenced its hearing in public session at 9:35 a.m. on March 17, 1994, for the purpose of hearing testimony on the Summary Suspension on Lilly Belle's Casino, Inc., case number SS94002 and on the Summary Suspension on Arun Pande, case number SS94003. Representing Lilly Belle's Casino, Inc. was Ton Martin. Representing Arun Pande was Stephen Duitch. Representing the Division of Gaming was Susan Beck-Ferkiss. Representing the Gaming Commission as Conflicts Counsel was Vicky Mandell.

Having heard testimony and argument from Susan Beck-Ferkiss, Stephen Duitch, Thomas Martin, Leif Nelson, Kathleen Snead, Mike Chapla, James Daggs, Bernard Krabacher, Steve Mulliken, and having received exhibits 1-19 and A-L on March 17 the Commission recessed the hearing at 4:45 p.m. until 10:00 a.m. on March 18, 1994.


Sandie Seegmiller, Secretary

Colorado Limited Gaming Control Commission

Minutes of Meeting
March 16, 1994

The emergency meeting was held telephonically and commenced at 9:06 a.m. 720 S. Colorado Blvd., Suite 540-S Denver, Colorado, Division of Gaming Office, on March 16, 1994. The meeting was Noticed by facsimile on Monday, March 14, 1994, to interested parties who had access to a fax machine, and others were notified by telephone and/or by U.S. mail by the Commission's Secretary, Sandie Seegmiller. Present via telephone were Chairman Daniel Hyatt, Commissioners: Aurel Kelly; Ben Brower; and Richard Harvey. Also attending via telephone were: Vicky Mandell, Counsel to the Commission; Susan Beck-Ferkiss, Counsel for the Division of Gaming; Arun Pande; Stephen Duitch, Counsel to Arun Pande; Thomas Martin, Counsel to Lilly Belle's Casino; Eric Torgenson, Counsel for Charlotte Taylor; Tom Kitts, Designee for the Division Director; Sandie Seegmiller, Secretary; arriving at 10:00 a.m. was Division Director, George Turner, and Chief of Investigations Mel Grantham.

Mr. Kitts opened the meeting by announcing all the parties present on the conference call. Mr. Martin, who later joined the conference call at 10:25 a.m.

Chairman Hyatt asked for discussion on the Motion to Quash Subpoena directing Charlotte Taylor to appear and give testimony in the matter of Arun Pande, submitted by Eric Torgenson. After considerable amount of discussion, and an objection to the proceeding from Mr. Torgenson. Ms. Kelly made the motion to deny the Motion to Quash Subpoena without prejudice at this time. Ms. Kelly asked Ms. Beck-Ferkiss and Mr. Duitch to examine documentation and decide whether or not they could stipulate to the foundation of the articles written by Ms. Taylor and possibly Mr. Duitch could excuse her from testifying. Mr. Brower seconded the motion. The motion was adopted.

Mr. Torgenson had no further business to come before the Commission and was excused.

Chairman Hyatt asked for discussion on the Motion in Limine on the Grounds of Relevancy in the matter of Arun Pande. After discussion on this matter Ms. Kelly made the motion to grant the Motion in Limine on the Grounds of Relevancy in the matter of Arun Pande, reserving the right of the Commission to rule on the relevancy of the testimony. Mr. Brower made the motion. The motion was adopted.

Chairman Hyatt asked for discussion on the Motion in Limine on the Grounds of Relevancy in the matter of Lilly Belle's, Inc. After discussion on this matter Ms. Kelly made the motion to grant the Motion in Limine on the Grounds of Relevancy in the matter of Lilly Belle's, Inc., reserving the right of the Commission to rule on the relevancy of the testimony. Mr. Brower made the motion. The motion was adopted.

Chairman Hyatt asked for discussion on the Motion to Quash Subpoena Duces Tecum directing Kathleen M. Snead to appear and give testimony in the matter of Arun Pande, submitted by Kathleen M. Snead. After hearing argument, Mr. Harvey made the motion to deny Ms. Snead's Motion to Quash Subpoena Duces Tecum. Ms. Kelly seconded the motion. The motion was adopted.

After discussing the Motion to Consolidate hearings relating to Lilly Belle's Inc. and Arun Pande that was submitted by Ms. Beck-Ferkiss, Ms. Kelly called for motion to grant the Motion to Consolidate hearings relating to Lilly Belle's Inc., and Arun Pande. Mr. Harvey seconded the motion. The motion was adopted.

Mr. Martin asked the Commission if there would be separate findings even though the hearing would be combined. The Commission indicating that there would be separate findings.

There being no further business to come before the Commission, the conference call was adjourned at 10:45 a.m.


Sandie Seegmiller, Secretary

Colorado Limited Gaming Control Commission

Minutes of Meeting
February 17, 1994

The meeting was called to order by the Chairperson of the Colorado Limited Gaming Control Commission, Daniel Hyatt, at 9:05 a.m. on February 17, 1994, at 720 S. Colorado Blvd., in the 5th floor Conference Room, Denver, Colorado. Present were Commissioners Ben Brower, Aurel Kelly and Richard Harvey. Also attending were: the Department of Revenue Executive Director, Renny Fagan; Deputy Director, Amelie Buchanan; Acting Division Director, George Turner; Chief of Investigations, Mel Grantham; Director of Administration, Tom Kitts; Denver Investigator Supervisor, Phil Wargo; Central City Supervisor, Jim Huskey; Cripple Creek Supervisor, Craig Bridgmon; Public Information Officer, Don Burmania; Chief Auditor, Georgine Zalesky; Acting Controller, Kevin Hyland; Director of the Office of Tax Analysis, Jim Huyghebaert; Budget Officer, Linda Petkash; Auditor, George Clifford; Audit Supervisor, Ron Kammerzel; Assistant Attorney General, Sue Beck-Ferkiss; Conflicts Counsel, Tom Callison and Ashley Albright. Persons making presentations included: from the Colorado Bureau of Investigation, Jim Borowski; from the Department of Local Affairs, Jack Kirtland; from State Patrol, Lieutenant Colonel Lonnie Westphal and Ron Simsick; I.G.T., Ward Chilton; Counsel for Tivolino, Bob Wherry; Counsel for Lilly Belle's, Garth Nicholls, Tom Martin, Steve Duitch; and Counsel for Colorado Game Exchange, Gary Reiff.

Chairman Hyatt asked Mr. Turner if there were any organizational matters to discuss with the Commission: Mr. Turner stated that the State Auditors office wanted to interview each one of the Commissioners, either by phone or in person, regarding the performance audit. The Commission agreed to do this.

Mr. Turner asked Chairman Hyatt to sign the agreement with State Patrol, and to re-sign the agreement with C.B.I., noting that the C.B.I. agreement had been modified to include the incumbrance numbers.

The Chair called for a motion to authorize the Chair to re-sign the agreement with C.B.I. and to sign the agreement with State Patrol. Ms. Kelly made the motion. Mr. Brower and Mr. Harvey seconded the motion. The motion was adopted.

Mr. Turner reviewed with the Commissioners some proposed rule changes involving game modifications the Division wanted to make and asked the Commission to approve the Division's request to proceed in publishing a notice of rule-making hearing. The Chair called for motion to approve the publication on the notice of rule-making hearing. Ms. Kelly made the motion. Mr. Brower seconded the motion. The motion was adopted.

The Chair called for a motion to adopt and approve the January 20, 1994 Minutes of Meeting without reading. Mr. Brower made the motion. Ms. Kelly seconded the motion. The motion was adopted.

Ms. Beck-Ferkiss reviewed the Division's Summary Suspension on Mel Thomas Smallwood.

She noted that the licensee had agreed to voluntarily surrender his license, and asked the Commission to accept the Voluntary Surrender and sign the Order. The Chair called for a motion to accept the Affidavit for Surrender of Colorado State Limited Gaming License of Mel Thomas Smallwood and authorize the Chair to sign the Order. Ms. Kelly made the motion. Mr. Brower seconded the motion. The motion was adopted.

Mr. Hyland gave an overview of the Financial Reports and Balance Sheet for the months of August, September, October, November and December of 1993. The Chair called for a motion to approve and adopt the Financial Reports and Balance Sheets for August, September, October, November and December of 1993. Mr. Brower made the motion. Mr. Harvey seconded the motion. The motion was adopted.

Mr. Kirtland reviewed with the Commissioners the Department of Local Affairs request for additional funding in FY 95 of \$8,000 to pay for two-thirds of a FTE and some operating expenses.

Ms. Kelly made the motion to authorize the Chair to direct the Division of Gaming to draft a letter to the Joint Budget Committee, stating that the Gaming Commission will approve such a budget request in May for fiscal year 94/95. Mr. Brower seconded the motion. The motion was adopted.

The meeting was recessed at 10:15 a.m. by Chairman Hyatt.

The meeting was returned from recess at 10:30 a.m. by Chairman Hyatt.

Ms. Buchanan and Mr. Huyghebaert reviewed with the Commission the Statement of Position on setting the gaming tax for tax year October 1, 1993 to September 30, 1994. (See Exhibit A). The Chair called for a motion to adopt the Statement of Position on setting the gaming tax for tax year October 1, 1993 to September 30, 1994 as presented. Ms. Kelly made the motion. Mr. Harvey seconded the motion. The motion was adopted.

Lieutenant Colonel Westphal and Mr. Simsick reviewed State Patrol's request for additional funding of \$316,204. The Chair called for a motion to direct the Division of Gaming to draft a letter to the Joint Budget Committee, stating that the Gaming Commission will approve such a budget request in May for fiscal year 94/95. Mr. Brower made the motion. Ms. Kelly seconded the motion. The motion was adopted.

Mr. Chilton reviewed the new "Mega Bucks" game that I.G.T. plans on introducing and asked the Commission for their approval. The Commission requested that I.G.T. work with the Division on the starting date for this game to begin. Mr. Chilton agreed to work with the Division on a mutually agreeable starting date. The Chair called for a motion to approve I.G.T.'s new "Mega Bucks" game. Ms.

Kelly made the motion. Mr. Harvey seconded the motion. The motion was adopted.

After the Commission heard testimony and argument from Bob Wherry, private attorney representing the Tivolino Teller House, Inc. and Tom Fears, Attorney General representing the Division of Gaming regarding the Tivolino Teller House, Inc. Claim for Refund. The Commission stated that they would like to review all relevant information provided to them and put off making a decision on this matter until February 18, or until the March 17, 1994 Commission meeting.

The Chair called for a motion to go into executive session at 12:00 p.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. Harvey seconded the motion. The motion was adopted.

The meeting was reconvened into public session at 12:20 p.m. by Chairman Hyatt.

The meeting was recessed at 12:20 p.m. for lunch by Chairman Hyatt.

The meeting was reconvened into public session at 1:45 p.m. by Chairman Hyatt.

The Chair announced that representation from the Division were not seated with the Commission during lunch.

The Chair called for a motion to return to executive session at 1:46 p.m. for the purpose of reviewing and considering temporary and permanent licensure and the backgrounds of various applicants for gaming licenses. Ms. Kelly made the motion. Mr. Harvey seconded the motion. The motion was adopted.

The meeting^{was} returned into public session at 4:37 p.m. by Chairman Hyatt. Mr. Fears reviewed the Order to Show Cause in the matter of Midnight Rose Casino. The Chair called for a motion to approve the Order to Show Cause on Midnight Rose Casino, and authorize the Chair to sign the Order. Mr. Brower made the motion. Ms. Kelly and Mr. Harvey seconded the motion. The motion was adopted.

Ms. Beck-Ferkiss reviewed the Order of Summary Suspension in the matter of Arun Pande. The Chair called for motion to approve the Order of Summary Suspension on Arun Pande, and to authorize the Chair to sign the Order. Ms. Kelly made the motion. Mr. Brower seconded the motion. The motion was adopted.

Ms. Beck-Ferkiss reviewed the Order of Summary Suspension in the matter of Gilbert P. McGinn. The Chair called for motion to approve the Order of Summary Suspension on Gilbert P. McGinn, and to authorize the Chair to sign the Order. Ms. Kelly made the motion. Mr. Brower seconded the motion. The motion was adopted.

Ms. Beck-Ferkiss reviewed the Order of Summary Suspension in the matter of Lilly Belle's, Inc. She asked that the Commission to consider suspending their license for failing to comply with the conditions imposed on their licenses. Mr. Nicholls, Mr. Martin and Mr. Dutich, private attorneys for Lilly Belle's, Inc., asked the Commission to hold off on suspending the licenses until April 16, 1994, to allow them to resolve the issues in question. The Commission did not agree to do holding off the suspension of their licenses.

The Chair called for motion to approve the Order of Summary Suspension, Notice of Charges, Order to Show Cause and Notice of Hearing in the matter of Lilly Belle's Inc., effective at 2:01 a.m. on Friday, February 18, 1994, and to authorize the Chair to sign the Order. Ms. Kelly made the motion. Mr. Harvey seconded the motion. The motion was adopted.

Ms. Beck-Ferkiss reviewed the Order of Summary Suspension in the matter of Colorado Game Exchange, Inc. Mr. Reiff asked the Commission to consider only issuing an Order to Show Cause because they are the distributor for Bally's, and casinos would be negatively impacted. The Chair called for a motion to approve the Order to Show Cause on Colorado Game Exchange, Inc., and authorize the Chair to sign the Order. Mr. Harvey made the motion. Ms. Kelly seconded the motion. The motion was adopted.

The Chair called for a motion to issue to: GREGORY STREET CASINO; ASPEN MINE AND CASINO LLC, doing business as ASPEN MINE & CASINO; WILLARD FAMILY ENTERPRISES LLC, doing business as ELK CREEK GAMING HALL, permanent operator and retailer licenses for one year from the date of expiration of the current licenses. Further, ELK CREEK'S licenses are conditioned upon payment of all taxes owed prior to re-opening the casino. Mr. Harvey made the motion. Ms. Kelly seconded the motion. The motion was adopted.

The Chair called for a motion to issue to U.S.A. GAMING, INC., permanent manufacturer/distributor license for one year from the date of expiration of the current license. Mr. Harvey made the motion. Ms. Kelly seconded the motion. The motion was adopted.

The Chair called for a motion to issue to J.K.M.T LIMITED LIABILITY CO., doing business as LONGBRANCH SALOON AND CASINO, CENTRAL CITY, permanent retailer and operator licenses. These licenses will be subject to the standard conditions for retailer licenses and will expire on February 17, 1995. These license will be issued upon surrender of the current retailer license for 123 Main Street in Central City. Further, for the current gaming year the Adjusted Gross Proceeds ("AGP") of J.K.M.T LIMITED LIABILITY CO. shall include the AGP of Vern Terpening/Remington Gaming, Inc. hereto accrued this gaming year. Mr. Harvey made the motion. Mr. Brower seconded the motion. The motion was adopted.

The Chair called for a motion to issue to RWH, Inc., doing business as MIDNIGHT ROSE HOTEL AND CASINO, temporary operator and retailer licenses. These licenses will be issued upon expiration of the current licenses and expire on April 22, 1994, or when the Commission concludes the hearing concerning licensee scheduled on that date, and issues its decision thereon, whichever is later. Mr. Brower made the motion. Mr. Harvey seconded the motion. The motion was adopted.

The Chair called for motion to approve the change of ownership for: PONY EXPRESS, INC., doing business as PONY EXPRESS CASINO; CRIPPLE CREEK DEVELOPMENT CO., doing business as GOLD RUSH HOTEL AND CASINO, as detailed in the respective investigative reports. Mr. Brower made the motion. Mr. Harvey seconded the motion. The motion was adopted.

Chairman Hyatt informed the other Commissions of the gaming convention in Las Vegas in April, and noted that he would like to attend this convention. Chairman Hyatt asked the other Commissioners for their approval on attending this convention. Mr. Brower made the motion to approve Dan Hyatt traveling to Las Vegas to attend the Convention. Mr. Harvey seconded the motion. The motion was adopted.

There being no further business to come before the Commission, the meeting was adjourned at 5:50 p.m.



Sandie Seegmiller, Secretary



Colorado Limited Gaming Control Commission

Minutes of Meeting
January 20, 1994

The meeting was called to order by the Chairperson of the Colorado Limited Gaming Control Commission, Daniel Hyatt, at 9:20 a.m. on January 20, 1994, at 720 S. Colorado Blvd., in the 1st floor Conference Room, Denver, Colorado. Present were Commissioners Ben Brower, and Aurel Kelly. Absent and excused was Richard Harvey. Also attending were: the Department of Revenue Executive Director, Renny Fagan; Deputy Director, Amelie Buchanan; Acting Division Director, George Turner; Chief of Investigations, Mel Grantham; Director of Administration, Tom Kitts; Investigator, Phil Wargo; Central City Supervisor, Jim Huskey; Public Information Officer, Don Burmania; Chief Auditor, Georgine Zalesky; Controller, Joe Papish; and Assistant Attorney General, Sue Beck-Ferkiss. Persons making presentations included the Division of Gaming Auditors, Sharon Wilson, Carol Kelly, Liza Abelos, Kathy Marten, Paul Hogan, and George Clifford, from the Colorado Bureau of Investigation Chief of Investigations, Jim Borowski, President of the Statewide Gaming Owners Association, Kay Lorenz, and State Auditor, Becky Richardson.

Chairman Hyatt asked Mr. Turner if there were any organizational matters to discuss with the Commission: Mr. Turner introduced Becky Richardson of the State Auditor's office. She announced that she will be leading the Performance Audit on D.O.G. Ms. Richardson stated the auditors will be looking at various items and areas, including operational activities and interagency cooperation.

Mr. Kitts discussed with the Commission the communication with the Joint Budget Committee (JBC) regarding the State Patrol and the request for additional funding. He noted that the JBC asked that the Commission make a decision, before March so they could include it in the Long Bill, and that they consider changing the Division budget's setting next year from May to March.

Mr. Kitts discussed the Department of Local Affairs request for additional funding. He said that Local Affairs would be present at the February 17, 1994 meeting to give a formal presentation.

Ms. Buchanan stated that the Tax Position paper for the current gaming year would be ready at the next meeting.

Ms. Zalesky stated that the Division had completed hiring the new auditors. Sharon Wilson, Carol Kelly, Liza Abelos, Kathy Marten, Paul Hogan, and George Clifford all introduced themselves. Chairman Hyatt welcomed them to the Division.

Ms. Beck-Ferkiss discussed the possible legislative changes.

The Chair called for a motion to adopt and approve the January 6, 1994 Minutes of Meeting without reading. Ms. Kelly made the motion. Mr. Brower seconded the motion. The motion was adopted.

Ms. Beck-Ferkiss reviewed the Order of Summary Suspension in the matter of Mel Thomas Smallwood. The Chair called for a motion to approve the Order of Summary Suspension of Mel Thomas Smallwood's Limited Gaming License #L30-06475-0000, and to authorize the Chair to sign the order. Ms. Kelly made the motion. Mr. Brower seconded the motion. The motion was adopted.

Mr. Papish reviewed with the Commission the Financial Reports and the Balance Sheets for the month of July 1993. The Chair called for a motion to approve and adopt the Financial Reports and the Balance Sheets for July 1993. Ms. Kelly made the motion. Mr. Brower seconded the motion. The motion was adopted.

Chairman Hyatt requested the Financial Reports for August, September, October and November be presented at the February 17, 1994 Commission meeting.

The meeting was recessed at 10:35 a.m. by Chairman Hyatt.

The meeting was reconvened at 10:55 a.m. by Chairman Hyatt.

Ms. Lorenz, spoke to the Commission about the new Statewide Casino Owners Association. She announced the officers of this association and noted that she was the president. The Commissioners asked if she would forward to them in writing all of the members and the officers of the Association. Ms. Lorenz agreed to do so.

The Chair called for a motion to go into executive session at 11:02 a.m. for the purpose of reviewing and considering temporary and permanent licensure and the backgrounds of various applicants for gaming licenses. Ms. Kelly made the motion. Mr. Brower seconded the motion. The motion was adopted.

The meeting was recessed at 11:50 a.m. for lunch by Chairman Hyatt.

The meeting was reconvened into public session at 1:23 p.m. by Chairman Hyatt. The Chair called for a motion to return to executive session for the purpose of reviewing and considering temporary and permanent licensure and the backgrounds of various applicants for gaming licenses. Ms. Kelly made the motion. Mr. Brower seconded the motion. The motion was adopted.

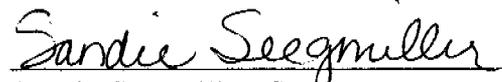
The meeting was reconvened into public session at 3:19 p.m. by Chairman Hyatt.

The Chair called for a motion to issue to CASINOS USA, INC., doing business as BULL DURHAM SALOON AND CASINO, permanent operator and retailer licenses for one year from the date of expiration of the current licenses. Ms. Kelly made the motion. Mr. Brower seconded the motion. The motion was adopted.

The Chair called for a motion to issue to COLORADO GAME EXCHANGE, a conditional manufacturer/distributor license to expire six months from the date of issuance. Such licenses were granted as conditional licenses subject to the following condition: that Rich Babich or any corporation officer not be indicted of a criminal offense.

The Chair issued this statement in reference to Lilly Belle's gaming license: The Commission has been apprised of the charges involving Lilly Belle's and the bankruptcy action involving Lilly Belle's and is instructing the Attorney General to look into the effects of any action the Commission may take upon the bankruptcy proceedings. The Commission is delaying any action on this license until a report has been received from the Attorney General's office.

There being no further business to come before the Commission, the meeting was adjourned at 3:22 p.m.


Sandie Seegmiller, Secretary

Colorado Limited Gaming Control Commission

Minutes of Meeting
January 6, 1994

The meeting was called to order by the Chairperson of the Colorado Limited Gaming Control Commission, Daniel Hyatt, at 9:05 a.m. on January 6, 1994, at 720 S. Colorado Blvd., in the 2nd Floor Conference Room, Denver, Colorado. Present were Commissioners Ben Brower, Aurel Kelly and Richard Harvey. Also attending were the Department of Revenue Executive Director, Renny Fagan, Acting Division of Gaming Director, George Turner, Chief of Investigations, Mel Grantham, Director of Administration, Tom Kitts, Deputy Chief of Investigations, Jim Cain, Supervisor, Jim Huskey, Investigator Mark Walters and Assistant Attorney General, Sue Beck-Ferkiss. Persons making presentations included the Department of Public Safety Executive Director, Pat Ahlstrom and from the State Patrol, Lonnie Westphal.

Chairman Hyatt asked Mr. Turner if there were any organizational matters to discuss with the Commission; Mr. Turner wanted to recognize Mr. Kitts' new position as the Director of Administration. Mr. Turner noted that the process of promoting Mr. Kitts started prior to him coming to Gaming, but he supported it.

Mr. Turner noted I.G.T. has expressed interest in introducing two additional inter-casino progressive slot systems. He told the Commission he would update them as to new developments.

Mr. Turner stated that the financial audit the State Auditors are conducting on the Division of Gaming should be completed in one week, and said the details of the audit would be discussed in executive session.

The Chair called for a motion to adopt and approve the December 16, 1993, Minutes of Meeting without reading. Ms. Kelly made the motion. Mr. Harvey seconded the motion. The motion was adopted.

The Chair called for 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. Harvey made the motion. Ms. Kelly seconded the motion. The motion was adopted.

The meeting was reconvened into public session at 10:14 a.m. by Chairman Hyatt.

The Chair called for a motion to issue to GRIMES LIMITED LIABILITY COMPANY, doing business as PETE'S PLACE, permanent operator and retailer licenses for one year from the date of expiration of the current licenses and to approve the change of ownership as detailed in the investigative report. Mr. Harvey made the motion. Ms. Kelly seconded the motion. The motion was adopted.

The Chair called for a motion to issue temporary retailer and operator licenses for LILLY BELLE'S INC., doing business as LILLY BELLE'S. These licenses will be issued on the date of expiration of the current licenses and expire 90 days from the date of issuance. Such licenses were granted as conditional licenses subject to the following condition: that no criminal charges are filed against any of the officers, directors, or stockholders of LILLY BELLE'S. Mr. Harvey made the motion. Ms. Kelly seconded the motion. The motion was adopted.

Ms. Beck-Ferkiss reviewed the Division's Summary Suspension on Gordon N. Cook and Glenda Kay Walker. She noted that both licensees had agreed to voluntarily surrender their licenses, and asked the Commission to accept the Voluntary Surrender. The Chair called for a motion to accept the Affidavits for Surrender of Colorado State Limited Gaming License of Gordon N. Cook and Glenda Kay Walker and authorize the Chair to sign the Orders. Ms. Kelly made the motion. Mr. Harvey seconded the motion. The motion was adopted.

Mr. Ahlstrom, Executive Director of the Department of Public Safety, discussed the communication between the Division in his Department and the Division of Gaming. He stated he believes the communication is improving.

Mr. Fagan discussed with the Commission the amendment to the Agreement between the Colorado Limited Gaming Control Commission and the Colorado Bureau of Investigation. The Commission reviewed the document and the Chair called for a motion to approve this agreement between the Colorado Limited Gaming Control Commission and the Colorado Bureau of Investigation and to authorize the Chair to sign the agreement. Mr. Harvey made the motion. Mr. Brower seconded the motion. Ms. Kelly abstained from voting. The motion was adopted.

Lieutenant Colonel Westphal, Director of State Patrol, requested additional funding from the Commission in FY 95 for the State Patrol. The Commission, having not seen this request until today, asked the State Patrol to submit more documentation and stated that they would make a decision on this matter no later than February 17, 1994.

There being no further business to come before the Commission, the meeting was adjourned at 11:32 a.m.


Sandie Seegmiller, Secretary