

Colorado Limited Gaming Control Commission

Minutes of Meeting
December 20, 1995

The meeting was called to order by the Chairperson of the Colorado Limited Gaming Control Commission, Daniel Hyatt, at 9:13 a.m. on December 20, 1995, at 600 South Colorado Blvd., (Cherry Creek Inn), Denver. Present were Commissioners Dan Hyatt, Ben Brower, Richard Harvey, Marilyn Wheeler and Tom Beltz. Also attending were: Director of the Division of Gaming, George Turner; Administrative Director, Tom Kitts; Chief of Investigations, Mel Grantham; Controller, Brent Voge; Chief Auditor, Georgine Zalesky; Public Communications Director, Don Burmania; Deputy Chief of Investigations, Jim Cain; Denver Investigator-in-Charge, Phil Wargo; Investigator Huck Henderson; Acting Investigator-in-Charge (Central City/Black Hawk), Cliff Volz; Investigator Chris Hartman; Investigator Bill Garret; Investigator Rob Neely; Audit Supervisor, Charissa Hammer; Auditor, Sharon New; and Assistant Attorney General, Tom Fears. Persons making presentations or testimony included: Jon Stonebraker, Guy Shirley, Bill Evers, Ken Phillips, Jarrett Peters, Linda Jolly, Bill Dardano and Larry Lawson. Person making a presentation in executive session included: Pete Ming, Colorado Bureau of Investigation, and Tom Jackson, 18th Judicial District Attorneys Office.

Chairman Hyatt opened by announcing testimony would be taken on the proposed poker rules.

Mr. Grantham and Mr. Wargo discussed the process leading to the proposed changes to the poker rules, noting that several participants from the industry and the Division of Gaming had worked on the changes since February 1995.

Mr. Wargo discussed Regulation 47.1-1048 - Restrictions on use of skills and proposition players. Mr. Wargo explained the proposed change is to require proposition players to be licensed.

The meeting was recessed at 10:42 a.m. by Chairman Hyatt.

The meeting was reconvened into public session at 10:52 a.m. by Chairman Hyatt.

Mr Shirley, Mr. Phillips, Mr. Peters, Ms. Jolly, Mr. Dardano, and Mr. Evers testified opposing the requirement of licensing prop players. They argued that prop players used their own money and never handle the casino's money. Mr. Lawson testified in approval.

Chairman Hyatt announced that testimony regarding the poker rules would continue at the January Commission meeting.

The meeting was recessed for lunch at 12:32 p.m. by Chairman Hyatt.

The meeting was reconvened at 1:50 p.m. by Chairman Hyatt.

Mr. Voge reviewed the Financial Reports and Balance Sheet for the month ending October 31, 1995. The Chair called for a motion to approve and adopt the Financial Reports and Balance Sheet for October 1995 and authorize distribution. Mr. Harvey made the motion. Mr. Brower seconded the motion. The motion was adopted.

The Chair called for a motion to approve the Minutes of the Meeting of November 17, 1995. Mr. Brower made the motion. Mr. Harvey seconded the motion. The motion was adopted.

The Chair called for a motion to approve the Minutes of the Meeting of November 30, 1995. Mr. Brower made the motion. Mr. Harvey seconded the motion. The motion was adopted. Ms. Wheeler and Mr. Beltz abstained from voting because they did not participate in the November 30th meeting.

Mr. Turner reviewed with the Commission the proposed legislation that would impact gaming:

1. Welfare recipients would not be able to access welfare benefits through casino ATMs;
2. Restrict persons under 21 from casino gaming areas; and
3. A resolution to increase bet limits, add games and exempt revenues from Amendment 1.

The Chair called for a motion to go into executive session at 2:07 p.m. for the purpose of reviewing and considering temporary and permanent licensure and the backgrounds of various applicants for gaming licenses and audit reports. Mr. Harvey made the motion. Mr. Brower seconded the motion. The motion was adopted.

The meeting was recessed at 3:27 p.m. by Chairman Hyatt.

The meeting reconvened into public session at 3:43 by Chairman Hyatt.

The Chair called for a motion to renew the permanent operator and retail licenses of GRIMES LTD. LIABILITY COMPANY, doing business as LUCKY STRIKE CASINO @ PETE'S PLACE; CRIPPLE CREEK PROPERTIES, doing business as STAR OF CRIPPLE CREEK, and HORSESHOE LTD. LIABILITY COMPANY, doing business as HARRAH'S BLACK HAWK. These licenses will be issued upon expiration of the current licenses and expire one year from the date of issuance. Mr. Brower made the motion. Mr. Beltz seconded the motion. The motion was adopted.

The Chair called for a motion to renew the permanent manufacturer/distributor license of MGC, INC., doing business as MIKOHN GAMING CORP. This license will be issued upon expiration of the current license and expire one year from the date of issuance. Mr. Brower made the motion. Ms. Wheeler 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 IMPERIAL GAMING CORP., doing business as IMPERIAL CASINO & HOTEL; and ASPEN MINE & CASINO LTD., doing business as ASPEN MINE & CASINO. Mr. Brower made the motion. Ms. Wheeler seconded the motion. The motion was adopted.

Mr. Fears briefly reviewed the Stipulation and Agreement between the Division of Gaming and Jean Claude Constant. The Chair called for a motion to approve and adopt the Stipulation and Agreement between the Division of Gaming and Jean Claude Constant and authorize the Chair to sign the Order. Mr. Harvey 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 Harrah's Casino Black Hawk and the Stipulation and Agreement between the Division of Gaming and Harrah's Casino Central City. Mr. Stonebraker, counsel for Harrah's, appeared and answered questions of the Commission. The Chair called for a motion to approve and adopt the Stipulation and Agreement between the Division of Gaming and Harrah's Casino Central City and authorize the Chair to sign. Mr. Harvey made the motion. Mr. Brower seconded the motion. The motion was adopted.

The Chair called for a motion to approve and adopt the Stipulation and Agreement between the Division of Gaming and Harrah's Casino Black Hawk and authorize the Chair to sign. Mr. Brower made the motion. Mr. Harvey seconded the motion. The motion was adopted.

Ms. Hammer and Mr. Fears briefed the Commission on the Stipulation and Agreement between the Gilpin Hotel Casino and the Division of Gaming. After reviewing this agreement the Chair called for motion to approve the Stipulation and Agreement between the Gilpin Hotel Casino and the Division of Gaming. Mr. Harvey made the motion. The motion died due to a lack for a second.

Mr. Beltz made a motion to approve the Stipulation and Agreement by adding new paragraph 5(c), to read as follows:

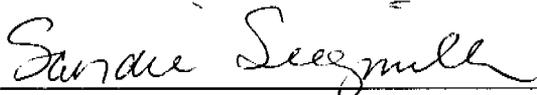
- c. Respondent agrees to the suspension of its Retailer and Operator Licenses for a period of five days, which five days of suspension shall be held in abeyance pending Respondent's compliance with

the performance standards delineated in paragraph 6, through October 1, 1996; and, pursuant to the audit in paragraph 5(b) above, if no material violations of the Performance Standards are established as having risen or occurred before October 1, 1996, the five day suspension held in abeyance hereto shall be dismissed.

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

Mr. Fears presented a proposed Summary Suspension in the matter of Janet J. Torres. The Chair called for a motion to approve the Summary Suspension in the matter of Janet Torres and to authorize the Chair to sign the order. 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 4:50 p.m.



Sandie Seegmiller, Secretary

Colorado Limited Gaming Control Commission

Minutes of Meeting
November 30, 1995

The meeting was held telephonically and commenced at 8:33 a.m., 720 S. Colorado Blvd., Suite 540-S, Denver, Colorado, on November 30, 1995. The meeting was Noticed by facsimile on Monday November 27, 1995, 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 in attendance were: George Turner, Director of the Division of Gaming, Tom Kitts, Director of Administration; Don Burmania, Public Communications Director and Sandie Seegmiller, Secretary.

Chairman Hyatt asked the other commissioners if they had a chance to read over the Findings of Fact, Conclusions of Law and Order on the Benny Honeycutt hearing. Mr. Harvey and Mr. Brower indicated they had read it. Mr. Harvey had a few minor changes, and then moved to approve the Findings of Fact, Conclusions of Law and Order and to authorize the Chair to sign the Order. Mr. Brower seconded the motion. The motion was adopted.

There being no further business to come before the Commission, the meeting was adjourned at 8:47 a.m.


Sandie Seegmiller, Secretary

Colorado Limited Gaming Control Commission

Minutes of Meeting
November 17, 1995

The meeting was called to order by the Chairperson of the Colorado Limited Gaming Control Commission, Daniel Hyatt, at 9:12 a.m. on November 17, 1995, at 720 South Colorado Blvd., (Galleria Bldg., 2nd Floor Conference), Denver. Present were Commissioners Dan Hyatt, Ben Brower, Richard Harvey, Marilyn Wheeler and Tom Beltz. Also attending were: Director of the Division of Gaming, George Turner; Administrative Director, Tom Kitts; Chief of Investigations, Mel Grantham; Controller, Brent Voge; Budget Officer, Linda Petkash; Public Communications Director, Don Burmania; Deputy Chief of Investigations, Jim Cain; Investigator-in-Charge (Central City/Black Hawk), Jim Huskey; Investigator, Vic Freburg; Investigator, Laura Manning; Investigator, Max Kettler; Chief Auditor, Georgine Zalesky; Audit Supervisor, Ron Kammerzell; and Assistant Attorney General, Tom Fears. Persons making presentation included: Mark Grueskin, Counsel for Gilpin Hotel and Casino; and Carol Vayhinger, Teller County Commissioner. Persons making presentations in executive session included: Phil Wilson, Colorado Bureau of Investigation; and Tom Jackson, 18th Judicial Court District.

Chairman Hyatt opened the meeting by asking if there was any one who wished to speak to the Commission on any gaming issues that were not on the agenda. No one responded.

Mr. Voge reviewed the Financial Reports and Balance Sheet for the month ending September 30, 1995. The Chair called for a motion to approve and adopt the Financial Reports and Balance Sheet for September 30, 1995 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 9:25 a.m. for the purpose of reviewing and considering temporary and permanent licensure and the backgrounds of various applicants for gaming licenses, and to hear an update on the progress of the Special Task Force Team. Mr. Brower made the motion. Mr. Harvey seconded the motion. The motion was adopted.

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

The meeting was reconvened into public session at 1:57 p.m. by Chairman Hyatt.

Ms. Vayhinger updated the Commission on Teller County's attempt to fully fund its gaming-related impacts. She noted the County asked some legislators for some support for funding, but was told legislative relief was probably not possible. She announced that a consultation has been employed to look at the County's impacts, and asked the Commissioners to relay any possible solutions to their problem.

The Chair called for a motion to approve the Minutes of September 22, 1995. Mr. Harvey made the motion. Mr. Brower seconded the motion. The motion was adopted.

The Chair called for a motion to approve the Minutes of October 23, 1995. Mr. Beltz made the motion. Mr. Brower seconded the motion. The motion was adopted.

Mr. Fears reviewed the Division's proposed amended regulation 47.1-1805, Pre-conditions for seeking funding from the Commission. The Chair called for a motion to direct the Division to take the necessary steps to have a public hearing on this matter. Mr. Harvey made the motion. Mr. Brower seconded the motion. The motion was adopted.

Mr. Fears and Mr. Grueskin presented to the Commission a Stipulation in the matter of case DC95005 regarding gaming floor space at the Gilpin Hotel and Casino, and asked that the Commission approve the Stipulation. The Chair called for a motion to approve the Stipulation between the Division and Gilpin Hotel & Casino and authorize the Chair to sign. Mr. Brower made the motion. Ms. Wheeler seconded the motion. The motion was adopted.

The Chair called for a motion to go into executive session at 2:40 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. Beltz seconded the motion. The motion was adopted.

The meeting reconvened into public session at 4:18 p.m. by Chairman Hyatt.

The Chair called for a motion to renew the permanent operator and retail licenses of: ANCHOR COIN, INC., doing business as COLORADO CENTRAL STATION; and CENTRAL CITY GAMING INVESTORS LTD. LIABILITY COMPANY, doing business as HARRAH'S CENTRAL CITY CASINO. These licenses will be issued upon expiration of the current licenses and expire one year from the date of issuance.

The Chair called for a motion to renew the permanent operator and retailer licenses of: BWCC, INC. doing business as BULLWHACKERS CENTRAL CITY CASINO; and BWBH, INC., doing business as BULLWHACKERS BLACK HAWK CASINO. These licenses will be issued upon the expiration of the current license and expire six months from the date of issuance. Further, these licenses shall be conditioned upon the following two conditions:

- 1) The licensee shall maintain suitability. Suitability is additionally conditioned upon the continuing investigation into the circumstances involving any litigation concerning the reputation of the licensee, whether current or future, or the ultimate resolution thereof, pursuant to sections 12-47.1-504, 505, 506, 510(1)(a), 515 and 519(4) C.R.S.; and

2) All new investors, or other changes in ownership in the licensee, must receive prior approval of the Commission, pursuant to timely formal application and Division of Gaming investigation, either by filing a complete new application for initial licensure or by filing a change of ownership application, unless such investors otherwise specifically comply with the requirements of rule 4.5 of the Colorado Gaming Regulations pertaining to publicly traded corporations, if applicable.

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

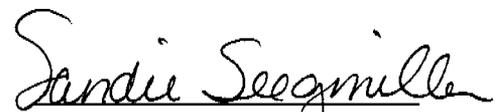
The Chair called for a motion to renew the permanent manufacturer/distributor license of VISTA GAMING CORP. This license will be issued upon the expiration of the current license and expire one year from the date of issuance. Mr. Brower made the motion. Mr. Harvey seconded the motion. The motion was adopted.

The Chair called for a motion to approve the change of ownership as outlined in the investigative report for 101 MAIN STREET LTD., LIABILITY CO, doing business as FITZGERALDS CASINO BLACK HAWK. Mr. Brower made the motion. Mr. Harvey seconded the motion. The motion was adopted.

Mr. Fears reviewed with the Commission the Stipulation and Agreement between the Division of Gaming and Golden Gates Casino. The Chair called for a motion to approve the Stipulation and Agreement between the Division of Gaming and Golden Gates Casino and authorize the Chair to sign the Order. Mr. Brower made the motion. Mr. Harvey seconded the motion. The motion was adopted.

Mr. Fears presented the proposed Order to Show Cause in the matter of Papone's Palace Limited Liability Company. The Chair called for a motion to approve the Order to Show Cause in the matter of Papone's Palace Limited Liability Company and authorize the Chair to sign the order. Mr. Brower 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 4:45 p.m.


Sandie Seegmiller, Secretary

Colorado Limited Gaming Control Commission

Minutes of Meeting
October 23, 1995

The meeting was called to order by the Chairperson of the Colorado Limited Gaming Control Commission, Daniel Hyatt, at 9:10 a.m. on October 23, 1995, at 600 South Colorado Blvd., (Cherry Creek Inn), Denver. Present were Commissioners Dan Hyatt, Ben Brower, Richard Harvey, Marilyn Wheeler and Tom Beltz. Also attending were: Administrative Director, Tom Kitts; Controller, Brent Voge; Budget Officer, Linda Petkash; Public Communications Director, Don Burmania; Deputy Chief of Investigations, Jim Cain; Denver Investigator-in-Charge, Phil Wargo; Investigator Huck Henderson; Investigator-in-Charge (Central City/Black Hawk), Jim Huskey; Audit Supervisor, Ron Kammerzell; and Assistant Attorney General, Tom Fears. Persons making presentations included: Counsel for the Casino Owner's Association, Mark Grueskin. Person making a presentation in executive session included: Phil Wilson, Pete Ming, Colorado Bureau of Investigation; Investigator Ralph Henning.

Chairman Hyatt opened the meeting by asking if there was any one who wished to speak to the Commission on any gaming issues that were not on the agenda. No one responded.

The Chair called a motion to excuse Mr. Brower from the Commission meeting, noting weather conditions kept him from arriving in Denver. Mr. Harvey made the motion. Ms. Wheeler seconded the motion. The motion was adopted.

The Chair called for a motion to go into executive session at 9:13 a.m. for the purpose of reviewing and considering temporary and permanent licensure and the backgrounds of various applicants for gaming licenses, audit reports and to hear an update of the progress of the Special Task Force Team. Mr. Harvey made the motion. Ms. Wheeler seconded the motion. The motion was adopted.

Mr. Beltz joined the meeting at 9:40 a.m. and Mr. Brower joined the meeting at 11:00 a.m.

The meeting was recessed at 12:07 for lunch by Chairman Hyatt.

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

The Chair called for a motion to renew the permanent operator and retail licenses of: REYNOLDS COURT PARTNERSHIP, LTD., doing business as CENTRAL PALACE CASINO; PONY EXPRESS, INC., doing business as PONY EXPRESS CASINO; G.F. GAMING CORP., doing business as THE FAMOUS BONANZA; OLD CHICAGO CRIPPLE CREEK LTD. PARTNERSHIP, doing business as OLD CHICAGO RESTAURANT & CASINO; and VISION GAMING, INC., doing business as CRAPPER JACK'S GAMBLING HALL & SALOON. These licenses will be issued upon expiration of the current licenses and expire one year from the date of issuance. Further, the Pony Express licenses shall be conditioned upon the following three

conditions prior to commencing any licensed limited gaming activity: (1) The licensee must submit for approval from the Division of Gaming a plan demonstrating adequate separation of duties among staff to comply with the applicable Internal Control Minimum Procedures; (2) The licensee must submit for approval from the Division of Gaming a surveillance plan demonstrating adequate camera coverage of the count room, cage and drop route to comply with the standards set forth in Group B Internal Minimum Control Procedures for surveillance of those areas; and (3) The licensee must submit for approval from the Division of Gaming a plan demonstrating its continuing fulfillment of the original conditions set forth in the Assurance of Voluntary Compliance dated April 1994. Further, the Crapper Jack's licenses shall be conditioned upon the licensee's compliance with Regulation 47.1-420 requiring the Commission's prior approval of transfers of interests in the license. Mr. Brower made the motion. Mr. Harvey seconded the motion. The motion was adopted.

The Chair called for a motion to renew the permanent operator license of CHARLES H. CALLAWAY. This license will be issued upon the expiration of the current license 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 renew the permanent manufacturer/distributor license of COLLINS GAMES OF COLORADO, INC. This license will be issued upon the expiration of the current license and expire one year from the date of issuance. Mr. Harvey made the motion. Mr. Brower seconded the motion. The motion was adopted.

Mr. Voge reviewed the Financial Reports and Balance Sheet for the month ending August 31, 1995. The Chair called for a motion to approve and adopt the Financial Reports and Balance Sheet for August 1995 and authorize distribution. Mr. Brower made the motion. Mr. Harvey seconded the motion. The motion was adopted.

The Chair called for a motion to approve the Minutes of September 13, 1995. Mr. Brower made the motion. Mr. Harvey seconded the motion. The motion was adopted, with Ms. Wheeler and Mr. Beltz abstaining.

The Chair called for a motion to approve the Minutes of September 15, 1995. Mr. Brower made the motion. Mr. Harvey seconded the motion. The motion was adopted.

The Chair called for a motion to approve the Minutes of September 20, 1995. Mr. Harvey made the motion. Mr. Brower seconded the motion. The motion was adopted.

Ms. Petkash briefed the Commission on the 18th and Pierce lease, noting that it had been signed by all parties. She said the Division of Gaming would move no sooner than July 1st, 1996.

Ms. Petkash and Mr. Huskey discussed the purchase option on the Central City lease. They said that it was appraised at \$325,000 but the owner would not accept anything less than \$350,000. The Chair called for a motion at 2:00 p.m. to go into executive session for the purpose of discussing the purchase option on the Central City building. Mr. Harvey made the motion. Mr. Brower seconded the motion. The motion was adopted.

Ms. Petkash reviewed the lease for the parking space for the Central City office. She noted that there is the option to renew new this annually for the next three years. Mr. Harvey moved to authorize the Division of Gaming to negotiate the parking space as outlined and authorize the Chair to sign. Mr. Beltz seconded the motion. The motion was adopted.

Mr. Fears reviewed the draft Executive Summary on the Commission's Authority to Fund Other State Agencies. The Chair called for a motion to direct the Division to draft a rule that would incorporate the executive summary. Mr. Harvey made the motion. Mr. Brower seconded the motion. The motion was adopted.

Mr. Fears presented a proposed Order to Show Cause in the matter of Gregory Deringer. The Chair called for a motion to approve the Order to Show Cause in the matter of Gregory Deringer and to authorize the Chair to sign the order. Mr. Brower made the motion. Mr. Harvey seconded the motion. The motion was adopted.

The Chair called for a motion at 3:12 p.m. to go into Executive Session to discuss the hearing material on James Michael Von Stetina. Mr. Harvey made the motion. Mr. Brower seconded the motion. The motion was adopted.

The Chair called for a motion to approve the Order in the matter of James Michael Von Stetina, revoking his licensing and imposing a \$250 fine, and authorize the Chair to sign. Mr. Brower made the motion. Mr. Harvey seconded the motion.

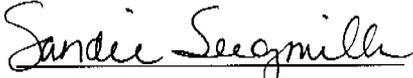
The Commission noted that they received the Declaratory Petition from the Gilpin Hotel Casino regarding gaming space. The Chair called for a motion requesting that each party prepare a Findings of Fact, Conclusion of Law and Order for the November 17th Commission meeting. Mr. Harvey made the motion. Mr. Brower seconded the motion. The motion was adopted.

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October 23, 1995

Mr. Kitts informed the Commission that the Division and the I.R.S. are working toward sharing information between agencies with the Division making a check of IRS files part of the license application process.

Mr. Fears updated the Commission on pending litigation on the Teller House, 21 Super Bucks and Jack Attack.

The being no further business to come to the before the Commission the meeting was adjourned at 3:55 p.m.


Sandie Seegmiller, Secretary

Colorado Limited Gaming Control Commission

Minutes of Meeting
September 22, 1995

The meeting was called to order by the Chairperson of the Colorado Limited Gaming Control Commission, Daniel Hyatt, at 1:45 p.m. on September 22, 1995, at 600 South Colorado Blvd., (Cherry Creek Inn), Denver. Present were Commissioners Dan Hyatt, Ben Brower, Richard Harvey, Marilyn Wheeler and Tom Beltz. Also attending were: Deputy Director of the Department of Revenue, Amelie Buchanan; Division of Gaming Director, George Turner; Administrative Director, Tom Kitts; Controller, Brent Voge; Budget Officer, Linda Petkash; Public Communications Director, Don Burmania; and Assistant Attorney General, Tom Fears. Persons making presentations included: Department of Revenue Program Analysts, Jim Huyghebaert and Susan Conwell; Commission's CPA Consultant, Ed Meier; Counsel for the Casino Owner's Association, Mark Grueskin; casino owners and representatives, Virginia Lewis, Stan Politano, Virginia Lewis and Alan Mayer.

Mr. Huyghebaert and Ms. Conwell presented the information that the Commission requested at the September 20th meeting regarding the profitability of casinos with the addition of a 20 percent tax bracket at various levels above \$5 million in AGP.

Mr. Grueskin asked the Commission to go into executive session to discuss with various casino owners the financial stability of their casinos. The Chair called for a motion to go into executive session at 2:04 p.m. to discuss with individual owners on their financial reports. Mr. Brower made the motion. Mr. Harvey seconded the motion. The motion was adopted.

The meeting was recessed at 3:33 p.m. by Chairman Haytt.

The meeting was reconvened into public session at 3:45 by Chairman Hyatt.

The Chair thanked all the owners who shared financial information in the executive session.

Mr. Grueskin spoke about the stability of the industry and how important it was, and suggested that the current tax structure be continued for both the benefit of the industry and the state.

The Chair asked if there was anyone who wished to testify regarding the gaming tax structure. Being no one who wished to testify, the tax hearing was closed.

The Commission began deliberations and statements regarding the gaming tax structure for gaming year 1995-96. Commissioners Beltz and Wheeler deferred comments until hearing from the other Commissioners. Mr. Harvey asked the public if there was anyone who would testify as to whether it would be good public policy for the Commission to add an additional tax bracket to send a message to potential investors that Colorado doesn't want the growth of large mega-casinos in the state.

Ms. Lewis, Mr. Oxentenko, Mr. Politano and Mr. Mayer each testified that the industry did not fear large casinos that have been proposed and feel that the market should determine growth and not tax policy.

Mr. Harvey commented that the Commission should possibly look at lowering the annual device fee to benefit the smaller casinos.

Mr. Brower commented that stability was the most important factor for the Commission to consider when establishing the gaming tax.

Mr. Beltz commented that he was concerned about excessive profitability of casinos generating higher AGP revenues. He said the Commission should possibly look at implementing an additional 20 percent bracket to address his concern.

Ms. Wheeler commented that she was leaning toward promoting stability, but was willing to look at profitability issues in the future.

Chairman Hyatt commented that stability was a major concern, but supported the other Commissioners concern about the fairness of profitability.

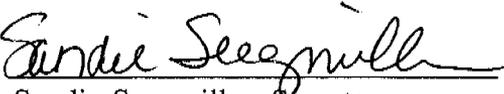
Mr. Harvey made a motion to maintain the current four-tier tax structure and reduce the annual device fee to \$50. The motion died due to the lack of a second.

Mr. Brower made a motion to maintain the current four-tier tax structure for gaming year 1995-96 starting October 1, 1995, with AGP from \$0 to \$2 million taxed at 2%, AGP from \$2 million to \$4 million at 8%, AGP from \$4 million to \$5 million at 15%, and AGP above \$5 million at 18%. Ms. Wheeler seconded the motion. Mr. Burmania took roll call. The motion passed by a 5-0 roll call vote.

Mr. Brower made a motion to maintain the annual device fee at \$75 for gaming year 1995-96 starting October 1, 1995. Ms. Wheeler seconded the motion. Mr. Burmania took roll call. The motion passed by a 5-0 roll call vote.

Mr. Hyatt told industry representatives that the Commission would look closely at the fairness of casino profitability closely during its tax setting hearings in 1996.

There being no further business to come before the Commission, the meeting was adjourned at 4:45 p.m.


Sandie Seegmiller, Secretary

Colorado Limited Gaming Control Commission

Minutes of Meeting
September 20, 1995

The meeting was called to order by the Chairperson of the Colorado Limited Gaming Control Commission, Daniel Hyatt, at 9:25 a.m. on September 20, 1995, at 600 South Colorado Blvd., (Cherry Creek Inn), Denver. Present were Commissioners Dan Hyatt, Ben Brower, Richard Harvey, Marilyn Wheeler and Tom Beltz. Also attending were: Deputy Director of the Department of Revenue, Amelie Buchanan; Division of Gaming Director, George Turner; Administrative Director, Tom Kitts; Controller, Brent Voge; Budget Officer, Linda Petkash; Public Communications Director, Don Burmania; Investigator-in-Charge, Phil Wargo; and Assistant Attorney General, Tom Fears. Persons making presentations included: Jim Huyghebaert and Susan Conwell, Department of Revenue Office of Program Analysis; Commission's CPA Consultant, Ed Meier; and Counsel for the Casino Owner's Association, Mark Grueskin.

Chairman Hyatt announced that the letter submitted to the Commission from Teller County has been entered into the tax hearing record.

Chairman Hyatt introduced Mr. Ed Meier, CPA consultant to the Commission for tax hearings.

Mr. Huyghebaert and Ms. Conwell discussed financial information with the Commission broken down by seven groupings according to AGP generated. Mr. Meier noted that the casinos have improved since last year.

The Chair called for a motion to go into executive session at 10:35 a.m. to review individual casinos financial reports. Mr. Brower made the motion. Mr. Harvey seconded the motion. The motion was adopted.

The meeting reconvened into public session at 11:40 a.m. by Chairman Hyatt.

Mr. Burmania gave a report on the tax rate in other gaming jurisdictions.

Mr. Grueskin noted that the other jurisdictions are structured differently than Colorado in terms of higher bet limits and restricted markets. He discussed the history of the gaming taxes in Colorado, and said that the industry in Colorado needs stability and recommended that the Commission retain the current tax structure.

The meeting was recessed at 12:30 p.m. by Chairman Hyatt.

The meeting was reconvened into public session at 1:35 p.m. by Chairman Hyatt.

Mr. Voge reviewed the Financial Reports and Balance Sheet for the month ending July 31, 1995. The Chair called for a motion to approve and adopt the Financial Reports and Balance Sheet for July 1995 and authorize distribution. Mr. Harvey made the motion. Mr. Brower seconded the motion. The motion was adopted.

The Chair called for a motion to approve the Minutes of the Meeting of August 15, 1995. Mr. Brower made the motion. Mr. Harvey seconded the motion. The motion was adopted, with Ms. Wheeler and Mr. Beltz abstaining.

The Chair called for a motion to approve the Minutes of the Meeting of August 30, 1995. Mr. Brower made the motion. Mr. Harvey seconded the motion. The motion was adopted, with Ms. Wheeler and Mr. Beltz abstaining.

Mr. Huyghebaert and Ms. Conwell resumed discussing the financial situation of the casino industry. Commissioners Belts Brower and Harvey requested additional numbers to be generated showing the affect of a 20% bracket at higher AGP levels. Chairman Hyatt closed tax testimony at 2:30 p.m. and announced that tax testimony would reconvene at 1:00 p.m. on September 22, 1995 at 600 S. Colorado Blvd.

Mr. Fears briefed the Commission on the process of disciplinary actions and the responsibilities of the Commission.

Mr. Fears reviewed the proposed Summary Suspension on James Von Stetina. Chairman Hyatt called for a motion to issue a Summary Suspension on James Von Stetina and authorize the Chair to sign the order and authorize Commissioner Harvey or Commissioner Hyatt to conduct a hearing. 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 2:58 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.

Mr. Beltz left the meeting at 3:30 p.m. to attend prior arranged commitments.

Mr. Harvey left the meeting at 4:30 p.m. to attend prior arranged commitments.

The meeting was reconvened into public session at 5:03 p.m. by Chairman Hyatt.

The Chair called for a motion to renew the permanent operator and retail licenses of CENTURY CASINOS CRIPPLE CREEK, INC., doing business as LEGENDS CASINO AT LONG BRANCH; PHENIX HOUSE LLC, doing business as THE PHENIX HOUSE; MIDNIGHT ROSE HOTEL & CASINO; GOLD VEIN LTD. LIABILITY CO., doing business as BLACK DIAMOND CASINO; JOHNNY NOLON SALOON & GAMBLING EMPORIUM; and BLACK FOREST INN, doing business as OTTO'S CASINO. These licenses will be issued upon expiration of the current licenses and expire one year from the date of issuance. Further, the Phenix House licenses shall be conditioned upon the licensee meeting minimum bankroll requirements as outlined in Regulation 47.1-1612, using a cash basis of accounting to calculate the cash premises and the cash on hand, rather than an accrual basis, within 30 days of this date. Mr. Brower made the motion. Ms. Wheeler seconded the motion. The motion was adopted.

The Chair called for motion to find and report to the Southern Ute Indian Tribe that SODAK GAMING COLORADO, INC. would be qualified to receive a gaming license from the State had the application been for a gaming license for the same or similar activity within the jurisdiction of the State, but for a conflict of interest or other operation of law which, in the State's judgment, may not effect Tribal gaming operations. Further, the Commission certifies that SODAK GAMING COLORADO, INC., is suitable for licensure by the Ute Mountain Ute Tribe. Mr. Brower made the motion. Ms. Wheeler seconded the motion. The motion was adopted.

Mr. Fears reviewed the proposed Summary Suspension on Roberto Lopez. Chairman Hyatt called for a motion to issue a Summary Suspension on Roberto Lopez and authorize the Chair to sign the order. Ms. Wheeler made the motion. Mr. Brower seconded the motion. The motion was adopted.

There being nor further business to come before the commission, the meeting was adjourned at 5:10 p.m.


Sandie Seegmiller, Secretary

Colorado Limited Gaming Control Commission

Minutes of Meeting
September 15, 1995

Beltz
&
Wheeler
1st
Comm.
meetings

The meeting was called to order by the Chairperson of the Colorado Limited Gaming Control Commission, Daniel Hyatt, at 9:25 a.m. on September 15, 1995, at 600 South Colorado Blvd., (Cherry Creek Inn), Denver. Present were Commissioners Dan Hyatt, Ben Brower, Richard Harvey, Marilyn Wheeler and Tom Beltz. Also attending were: Department of Revenue Executive Director, Renny Fagan; Department of Revenue Deputy Director, Amelie Buchanan; Division of Gaming Director, George Turner; Administrative Director, Tom Kitts; Controller, Brent Voge; Budget Officer, Linda Petkash; Public Communications Director, Don Burmania; and Assistant Attorney General, Tom Fears. Persons making presentations included: Department of Natural Resources, Ron Cattany and David Bucknam; Gilpin County; Ralph Knull, Leslie Williams and Donna Martin; Teller County, Carol Vayhinger, Laurie Litwin and Cal Elder; Black Hawk, Lynette Parker; Central City, David Stahl and Tom Mattivi; Cripple Creek, Phil Scott, Kip Peterson and Norma Swanson; Department of Transportation, Bruce Nilemo, John Unbewust and Ken Conyers; Liquor Enforcement Division, Dave Reitz; and Counsel for the Casino Owners Association, Mark Grueskin.

Chairman Hyatt asked if anyone from the public wished to address to Commission. No one responded.

Mr. Turner introduced Ms. Marilyn Wheeler, who had been appointed as the new CPA member of the Commission by the Governor.

Ms. Petkash briefly reviewed with the Commissioners the information provided to them from the various city, counties and state agencies, noting that representatives were present to answer questions.

Mr. Cattany noted the serious floods in the gaming areas had increased the number of soil surveys needed. He also noted the increase in the visitation to the parks. Mr. Bucknam discussed the need to safeguard several mines in the gaming areas.

Mr. Knull, Ms. Williams and Ms. Martin spoke about the increase in prisoners and the need for more medical services for Gilpin County.

Mr. Fagan introduced Mr. Tom Beltz, who arrived at 10:00 a.m., as the newly appointed attorney member of the Commission.

The meeting was recessed at 10:47 a.m. by Chairman Hyatt.

The meeting was reconvened at 11:01 a.m. by Chairman Hyatt.

Ms. Vayhinger, Mr. Elder and Ms. Litwin noted that Teller County estimates it is experiencing an estimated \$840,000 annual shortfall due to gaming. The largest issue to the County has been the housing of prisoners, prompting the construction of a new jail in Divide. Ms. Vayhinger asked the Commission to look at the tax rate on smaller casinos because she believed the smaller casinos in Cripple Creek are affecting the amount Teller County receives from the Limited Gaming Fund.

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

The meeting was reconvened at 1:23 p.m. by Chairman Hyatt.

Ms. Parker said she believed everything was going well in Black Hawk. She noted the communication is good between the City and the industry.

Mr. Stahl and Mr. Mattivi noted the City was making improvements to city, including upgrading the streets and improvements to the City Hall.

Mr. Peterson and Ms. Swanson discussed the impacts gaming was having on Cripple Creek, noting the need for parking, housing and street improvements.

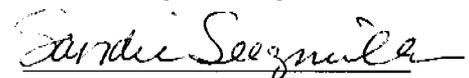
Mr. Reitz discussed the impacts gaming was having on the Liquor Enforcement Division (LED). More time has been invested to patrol towns and LED has a representative on the Grey Machine Task Force. He noted that if the Commissioners agreed, he would be going to the JBC to request to additional FTEs from the gaming general fund.

Chairman Hyatt suggested that the Commission should look at directly funding LED's request. He directed Mr. Fears to draft a policy on what items the Commission will directly fund.

Mr. Grueskin noted that an increase of business in Black Hawk and Central City benefits Teller County by increasing the tax base.

Ms. Vayhinger said that if the Commission were to develop a policy by which the Commission directly funds law enforcement impacts, Teller County may seek reimbursement for such costs as the housing of Division of Gaming prisoners.

There being no further business to come before the Commission, the meeting was adjourned at 4:34 p.m.


Sandie Seegmiller,
Secretary

Colorado Limited Gaming Control Commission

Minutes of Meeting
September 13, 1995

The meeting was called to order by the Chairperson of the Colorado Limited Gaming Control Commission, Daniel Hyatt, at 8:09 a.m. on September 13, 1995, at 720 South Colorado Blvd., (Galleria Building), Denver. Present were Commissioners Dan Hyatt, Ben Brower, and Richard Harvey. Also attending were: Division of Gaming Director, George Turner; Chief of Investigations, Mel Grantham; Administrative Director, Tom Kitts; Controller, Brent Voge; Communications Director, Don Burmania; Central City Investigator In-Charge, Jim Huskey; Investigator Intern, Ken Strecker; Assistant Attorney Generals, Tom Fears and Ashley Albright (Conflicts Counsel to the Commission); Benny Honeycutt; Counsel to Mr. Honeycutt, Joel Urbaniak; and Counsel to Lilly Belle's Casino, Thomas Martin. Witnesses called by the parties included: Investigator, Bill Garrett; and Williams P. Gibbons.

Mr. Grantham introduced Ken Strecker, an Investigator Intern working for the Division. The commission welcomed Mr. Strecker to the Division.

The Chair called for a motion to go into executive session at 8:10 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 reconvened into public session at 9:20 a.m. by Chairman Hyatt.

The Chair called for a motion to renew the permanent operator and retail licenses of NORTH STAR CASINO LTD. LIABILITY COMPANY, doing as GOLDEN GATES CASINO; OUTLAWS MANAGEMENT CO. LTD. LIABILITY CO., doing business as CROOKS PALACE; DOSTAL ALLEY, INC., doing business as DOSTAL ALLEY SALOON & GAMBLING EMPORIUM; BOWL OF GOLD RESORTS, INC., doing business as LUCKY LOLA'S PLEASURE PALACE; BOWL OF GOLD RESORTS, INC., doing business as LOOSE CABOOSE; COLORADO GRANDE ENTERPRISES LTD., doing business as COLORADO GRANDE GAMING PARLOR; and GILPIN HOTEL VENTURE, doing business as GILPIN HOTEL AND CASINO. These licenses will be issued upon expiration of the current licenses and expire one year from the date of issuance. Further, the current condition on the Gilpin Hotel Casino shall be continued. Mr. Brower made the motion. Mr. Harvey seconded the motion. The motion was adopted.

The Chair called for a motion to renew the permanent operator and retail licenses of, PIONEER ASSOCIATES LTD. LIABILITY CO., doing business as BRONCO BILLY'S II LTD. LIABILITY CO., and PIONEER GROUP, INC., doing business as BRONCO BILLY'S SPORTS BAR & CASINO. These licenses will be issued upon expiration of the current licenses and

expire one year from the date of issuance. Further, the current conditions on these licenses shall be continued. Mr. Brower made the motion. Mr. Harvey seconded the motion. The motion was adopted.

The Chair called for a motion to renew the finding that GWC GAMING, as management company of the Sky Ute Lodge and Casino, would be qualified to receive a gaming license from the State, had the application been for the same or similar activity within the jurisdiction of the state, and report the finding to the Southern Ute Indian Tribe.

The Chair called for a motion to renew the permanent operator retailer licenses for CASINO MARITIME CORP.; and ROCKY MOUNTAIN GAMING EQUIPMENT, INC. These licenses will be issued upon expiration of the current licenses 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 outlined in the respective investigative reports for ATRONIC CASINO TECHNOLOGY, LTD., IMPERIAL GAMING CORP., doing business as IMPERIAL CASINO & HOTEL; 353 MEYERS AVE. LTD. PARTNERSHIP, doing business as JUBILEE CASINO; and VISION GAMING INC., doing business as CRAPPER JACK'S GAMBLING HALL & SALOON. Mr. Brower made the motion. Mr. Harvey seconded the motion. The motion was adopted.

The Commission commenced its hearing in public session at 9:20 a.m. on September 13, 1995, for the purpose of continuing the hearing and testimony on the Summary Suspension on Benny Honeycutt, case number SS95006, that began on August 30.

Representing Benny Honeycutt was Joel Urbaniak. Representing the Division of Gaming was Tom Fears. Representing the Gaming Commission as Conflicts Counsel was Ashley Albright. The hearing was recessed at 11:05 a.m. by Chairman Hyatt.

Mr. Fears called Mr. Honeycutt to testify. Throughout the questioning Mr. Honeycutt invoked his Fifth Amendment privileges.

Mr. Fears called Mr. Gibbons to testify. Mr. Gibbons was examined by Mr. Fears and cross examined by Mr. Urbaniak.

The hearing was reconvened into public session at 11:17 a.m. by Chairman Hyatt.

Mr. Fears called Mr. Garrett to testify. Mr. Garrett was examined by Mr. Fears and cross examined by Mr. Urbaniak.

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

The hearing reconvened into public session at 1:30 p.m. by Chairman Hyatt.

After the examination and cross examination of Investigator Garrett was completed, Mr. Fears rested his case.

Mr. Urbaniak announced that Mr. Honeycutt did not have any witnesses to call to testify in his defense.

Mr. Urbaniak called for a motion to dismiss the charges based upon an argument that the Division of Gaming had not provided sufficient evidence in the hearing to substantiate the charges.

The hearing was recessed at 5:40 p.m. by Chairman Hyatt.

The hearing was reconvened into public session at 5:55 p.m. by Chairman Hyatt.

The Chair announced the motion to dismiss was denied.

Mr. Fears called for a motion to amend the charges in the Order to Show Cause to reflect that Mr. Honeycutt waived his Fifth Amendment privileges, which under Regulation 47.1-307 may constitute sufficient grounds for denial.

The Chair announced the motion to amend was denied.

Mr. Fears presented his closing arguments.

Mr. Urbaniak presented his closing arguments.

Mr. Fears presented his rebuttal closing arguments.

The Chair announced the Commission would take the testimony and arguments under advisement. The Chair ordered both Mr. Fears and Mr. Urbaniak to prepare briefs on their legal opinion on the first four charges in the Order to Show Cause, and to present those briefs to the Commission Secretary by September 27.

The Chair announced the Commission would meet on October 16 to review the briefs in executive session.

The hearing and the Commission meeting were adjourned at 6:42 p.m.


Sandie Seegmiller, Secretary

Colorado Limited Gaming Control Commission

Minutes of Meeting
August 30, 1995

The meeting was called to order by the Chairperson of the Colorado Limited Gaming Control Commission, Daniel Hyatt, at 9:07 a.m. on August 30, 1995, at 600 South Colorado Blvd., (Cherry Creek Inn), Denver. Present were Commissioners Dan Hyatt, Ben Brower, and Richard Harvey. Also attending were: Deputy Director of the Department of Revenue, Amelie Buchanan; Division of Gaming Director, George Turner; Chief of Investigations, Mel Grantham; Administrative Director, Tom Kitts; Controller, Brent Voge; Budget Officer, Linda Petkash; Chief Auditor, Georgine Zalesky; Central City Investigator In-Charge, Jim Huskey; and Assistant Attorney General, Tom Fears. Persons making presentations included: Bill Evers, Casino owner; Andrea Smith, Office of Policy Analysis, Holly Proctor, American Liberty Company, Carl Whiteside, CBI; and Roger Allott and Tom Jackson, 18th Judicial District Attorney's Office.

Mr. Evers address his concern of having a full contingent of Commission members. He inquired as to the status of finding candidates to fill the 2 vacancies.

Mr. Fears briefly reviewed the Settlement Stipulation between the Division of Gaming and Sean Clark. The Chair called for a motion to approve and adopt the Settlement Stipulation and Agreement between the Division of Gaming and Sean Clark and authorize the Chair to sign the Order. Mr. Brower made the motion. Mr. Harvey seconded the motion. The motion was adopted.

Mr. Voge reviewed the Financial Reports and Balance Sheet for the month ending June 30, 1995. The Chair called for a motion to approve and adopt the Financial Reports and Balance Sheet for June 1995 and authorize distribution. Mr. Brower made the motion. Mr. Harvey seconded the motion. The motion was adopted.

Mr. Allott discussed the budget request for funding a Deputy District Attorney and a paralegal for the 18th Judicial District Attorney's Office and a half time paralegal for the 13th Judicial District Attorney's Office. He noted that they will bill the Division of Gaming every month for their actual time. The Chair called for a motion to approve the requested amount of \$151,259 and to authorize the chair to sign the final Agreement between the Division of Gaming and the 18th Judicial District Attorney's Office. Mr. Harvey made the motion. Mr. Brower seconded the motion. The motion was adopted.

Ms. Buchanan, Mr. Turner, Ms. Proctor and Ms. Smith reviewed with the Commission the proposed move to 18th and Pierce. After some discussion the Chair called for a motion to authorize the Department of Revenue to enter into a lease with U.S. West that would include the Division of Gaming and authorize the Department of Revenue to sign the lease on behalf of the Division of Gaming and the Colorado Limited Gaming Control Commission. The Commission was provided with the understanding of the basic parameters of the lease, which includes a

lease/purchase option, and includes the phone system, the cost of which would not exceed the current amount the Division of Gaming is paying at the Galleria offices. Further, the Commission was informed the Division of Gaming is anticipating incurring approximately \$40,000 in additional one-time build out and move expenses not included in the lease.

In addition, the Commission indicated any final approval of the lease must be accompanied by the execution of a Memorandum of Understanding between the Division of Gaming and the Department of Revenue concerning the Division maintaining control over the conference room located within the Division's lease space. Mr. Brower made the motion. Mr. Harvey seconded the motion. The motion was adopted.

Mr. Jackson was introduced by Carl Whiteside as the Deputy D.A. that will be handling the grey Machines cases. Mr. Jackson discussed his background and announced he was happy to be doing these cases.

The meeting was recessed at 10:57 a.m. by Chairman Hyatt.

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

Mr. Voge presented the Computer Support Services operational overview and explained the cost methodology change from how it was previously set up.

The Commission commenced the rulemaking hearing previously published in the Colorado Code of Regulations. Mr. Fears and Ms. Petkash reviewed the amendments to Regulation 47.1-303, License Fees, and Regulation 47.1-305, Investigation Fees that the Commission had previously adopted as amendments June 21, 1995 on an emergency basis and asked the Commission to adopt these amendments on a permanent basis.

The Chair call for a motion to adopt the amendments to Regulation 47.1-303, License Fees and Regulation 47.1-305, Investigation Fees on a permanent basis. Mr. Brower made the motion. Mr. Harvey seconded the motion. The motion was adopted. The rulemaking hearing was closed.

Having heard testimony and argument from both the Division of Gaming and Mr. Urbaniak, attorney for Respondent, Mr. Honeycutt, the Chair called for a motion to continue this hearing at a time when both the parties were available. Mr. Brower made the motion. Mr. Harvey seconded the motion. The motion was adopted.

The Chair called for a motion to go into executive session at 4:52 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 at 5:07 p.m. by Chairman Hyatt.

The Chair called for a motion to approve to issue a permanent manufacturer/distributor license to WOLF GAMING LLC., doing business as WOLF GAMING LLC. This license shall be issued at 5:00 p.m. on August 30, 1995 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 'Order' in case number DC95004 regarding the game 21 superbucks and authorize the Chair to sign the order. Mr. Harvey made the motion. Mr. Brower seconded the motion. The motion was adopted.

Mr. Harvey moved to approve Findings of Fact, Conclusions of Law and Order in the matter of Felipe Corral and authorize the Chair to sign. Mr. Brower seconded the motion. The motion was approved.

There being no further business to come before the Commission, the meeting was adjourned at 5:12 p.m.


Sandie Seegmiller, Secretary

Colorado Limited Gaming Control Commission

Minutes of Meeting
August 15, 1995

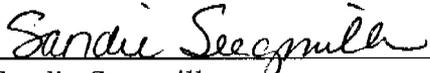
The meeting was held telephonically and commenced at 7:50 a.m. at 720 S. Colorado Blvd., Suite 540-S, Denver, Colorado, on August 15, 1995. The meeting was Noticed by facsimile on Wednesday, August 9, 1995, to interested parties who had access to a fax machine, and others were notified by telephone by the Commission's Secretary, Sandie Seegmiller. Present via telephone were Chairman Daniel Hyatt, Commissioner Ben Brower and Commissioner Richard Harvey. Those in personal attendance were: George Turner, Director of the Division of Gaming; Tom Kitts, Director of Administration; Brent Voge, Controller; Linda Petkash, Budget Officer; Sandie Seegmiller, Secretary; Carl Whiteside, Colorado Bureau of Investigation; and Roger Allott, the 18th Judicial District Attorney's office.

The Commission discussed funding a District Attorney and a paralegal to handle the prosecution of cases for gray machines.

After discussion, the Commission agreed to provide funding, but did not appropriate an exact dollar amount. Mr. Harvey moved that the Division of Gaming take the criteria outlined in a letter submitted by Mr. Allott and draft and present a Memorandum of Understanding for the Commission's final approval at the August 30th Commission meeting. Mr. Brower seconded the motion. The motion was adopted.

Ms. Seegmiller took roll call, noting all Commissioners were present on the conference call.

There being no further business to come before the Commission, the meeting was adjourned at 8:11 a.m.



Sandie Seegmiller

Colorado Limited Gaming Control Commission

Minutes of Meeting
July 26, 1995

The meeting was called to order by the Chairperson of the Colorado Limited Gaming Control Commission, Daniel Hyatt, at 9:06 a.m. on July 26, 1995, at 120 Eureka Street, (Teller House Casino), Central City. Present were Commissioners Dan Hyatt, Ben Brower, and Richard Harvey. Also attending were: Division of Gaming Director, George Turner; Chief of Investigations, Mel Grantham; Administrative Director, Tom Kitts; Controller, Brent Voge; Public Information Officer, Don Burmania; Budget Officer, Linda Petkash; Chief Auditor, Georgine Zalesky; Cripple Creek Investigator In-Charge, Craig Bridgmon; Central City Investigator In-Charge, Jim Huskey; Investigator, Eric Hartsough; Investigator, Ken Fransk; Investigator Max Kettler; and Assistant Attorney General, Tom Fears. Persons making presentations included: Kay Lorenz, a casino owner; Lynette Parker, Central City Manager; Becky Davidson, Central City Public Works Director; Mark Grueskin, Counsel for the Casino Owners Association; and William Benton, support licensee. Person making a presentation in executive session included: Phil Wilson, Pete Ming, and Bob Sexton, Colorado Bureau of Investigation.

Chairman Hyatt opened the meeting by asking if there was any one who wished to speak to the Commission on any gaming issues. Ms. Lorenz welcomed the Commission to Central City.

Mr. Voge reviewed the Financial Reports and Balance Sheet for the month ending May 31, 1995. The Chair called for a motion to approve and adopt the Financial Reports and Balance Sheet for May 1995 and authorize distribution. Mr. Brower made the motion. Mr. Harvey seconded the motion. The motion was adopted.

Ms. Parker and Ms. Davidson introduced themselves and briefed the Commission on issues and projects affecting Central City government.

The Chair called for a motion to approve the Minutes of the Meeting of June 21, 1995. Mr. Brower made the motion. Mr. Harvey seconded the motion. The motion was adopted.

Mr. Kitts discussed the methodology and possible schedule of the upcoming tax hearings. Mr. Grueskin and Mr. Huyghbaert provided their input on methodology. The meetings everybody agreed to were: August 30th, September 15th, September 20th, September 22nd, October 23rd, and November 15th. Noting that the September 22nd meeting would only be held if the necessary information did not get reviewed by the Commission on either September 15th or the 20th.

The meeting was recessed at 10:07 a.m. by Chairman Hyatt.

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

The Chair called for a motion to go into executive session at 10:20 a.m. for the purpose of reviewing and considering temporary and permanent licensure and the backgrounds of various applicants for gaming licenses, audit reports and to hear an update of the progress of the Special Task Force Team. Mr. Brower made the motion. Mr. Harvey seconded the motion. The motion was adopted.

The meeting recessed from executive session at 12:00 p.m. for lunch by Chairman Hyatt.

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

The meeting reconvened into public session at 3:20 p.m. by Chairman Hyatt.

Chairman Hyatt called the Show Cause hearing on William Benton to order. Mr. Benton asked if the hearing could be continued until he had a chance to have legal representation and to have an opportunity to discuss the matter with the Division. The Division expressed no objection. The Chair called for a motion to grant the continuance. Mr. Brower made the motion. Mr. Harvey seconded the motion. The motion was adopted.

After some discussion, the Commission decided that the Show Cause hearing concerning William Benton would be held in front of a Hearing Officer. Neither the Division nor Mr. Benton objected.

Having heard testimony and argument from the Division of Gaming concerning the Division's Show Cause on Rebecca Vidmar, and noting that Ms. Vidmar did not appear for the noticed hearing, the Chair called for a motion to revoke Rebecca Vidmar's key license effective at 5:00 p.m. on July 26, 1995. 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 retail licenses of 101 MAIN STREET LTD. LIABILITY CO., doing business as FITZGERALD'S CASINO; TIVOLINO TELLER HOUSE, INC., doing business as THE TELLER HOUSE; and GOLD MINE CASINO, INC., doing business as GOLD MINE CASINO. These licenses will be issued upon expiration of the current licenses 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 renew the permanent manufacturer/distributor licenses of IGT; IGT COLORADO CORP.; SIGMA GAME, INC.; UNIVERSAL DISTRIBUTING OF NEVADA, INC.; and BALLY GAMING, INC. These licenses will be issued upon expiration of the current licenses 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 outlined in the respective investigative reports for GOLDEN ROSE PARTNERSHIP LTD., doing business as GOLDEN ROSE CASINO; CENTRAL CITY GAMING INVESTORS LTD. LIABILITY CO., doing business as HARRAH'S CENTRAL CITY; and HORSESHOE CASINO LTD. LIABILITY CO., doing business as HARRAH'S BLACK HAWK. Further, the change of ownership in Harrah's Black Hawk shall be conditioned upon the surrender of the retail license at 139 Main St., Black Hawk. Mr. Harvey made the motion. Mr. Brower seconded the motion. The motion was adopted.

The Chair called for a motion to renew the permanent manufacturer/distributor license of and approve the change of ownership as outlined in the investigative report for THE COLORADO GAME EXCHANGE, INC. This license will be issued upon expiration of the current license and expire one year from the date of issuance. 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 Benny Honeycutt. The Chair called for a motion to issue the Order of Summary Suspension on Benny Honeycutt effective at 5:00 p.m. July 27, 1995 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 briefly reviewed the Settlement Stipulation between the Division of Gaming and Doug Strickland. The Chair called for a motion to approve and adopt the Settlement Stipulation and Agreement between the Division of Gaming and Doug Strickland 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 approve the Findings of Fact, Conclusion of Law and Order in the matter of the request for declaratory order on the game "Jack Attack." Mr. Brower made the motion. Mr. Harvey seconded the motion. The motion was adopted.

The Chair called for nominations for Chairperson for fiscal year 1995-96, Mr. Brower nominated Mr. Harvey. After discussion, the nomination was amended to have Mr. Hyatt continue as Chair. Mr. Harvey seconded the nomination. The nomination was accepted by Mr. Hyatt, and the nomination was unanimously approved. The Chair relinquished the chairmanship to Mr. Fears in order to nominate Mr. Brower as Vice Chairperson for fiscal year 1995-96. Mr. Harvey seconded the nomination. The nomination was accepted by Mr. Brower, and the nomination was unanimously approved. Mr. Fears relinquished the chair back to Mr. Hyatt.

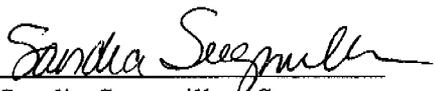
After some discussion on gray market slot machine activity, the Chair called for a motion to direct the Division of Gaming to ask for a formal opinion on: 1) What is the extent of the Commission's administrative jurisdiction to regulate the ownership, operation, or possession by non-licensees of slot machines in any part of Colorado; and 2) What is the extent of the Commission's enforcement jurisdiction to regulate the ownership, operation, or possession by non-licensees of slot machines in any part of Colorado. Mr. Harvey made the motion. Mr. Brower seconded the motion.

The Chair called for a motion to go into executive session to discuss the petition for declaratory order on the game "21 Superbucks" at 5:00 p.m. Mr. Brower made the motion. Mr. Harvey seconded the motion. The motion was adopted.

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

The Commission called for a motion to deny "21 Super Bucks" as a slot machine, and directed Tom Fears to draft the order nunc pro tunc. Mr. Harvey made the motion. Mr. Brower seconded the motion. The motion was adopted.

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


Sandie Seegmiller, Secretary

Colorado Limited Gaming Control Commission

Minutes of Meeting
June 21, 1995

The meeting was called to order by the Chairperson of the Colorado Limited Gaming Control Commission, Daniel Hyatt, at 10:35 a.m. on June 21, 1995, at 720 S. Colorado Blvd., Fifth Floor Conference Room, Denver, Colorado. Present were Commissioners Dan Hyatt, Ben Brower, and Richard Harvey. Also attending were: Division of Gaming Director, George Turner; Chief of Investigations, Mel Grantham; Administrative Director, Tom Kitts; Controller, Brent Voge; Public Information Officer, Don Burmania; Budget Officer, Linda Petkash; Chief Auditor, Georgine Zalesky; Investigator, Huck Henderson; Investigator, Kristi Quintana; Investigator, Eric Hartsough; Assistant Attorney General, Tom Fears. Persons making presentations included: Lori Atencio, IGT, Jeff Conley, counsel for Jack Attack, and Phil Demarest, Jack Attack representative. Person making a presentation in executive session included: Phil Wilson, Colorado Bureau of Investigation.

After Mr. Demarest, Mr. Conley and Mr. Fears presented arguments regarding the Petition for Declaratory Order on "Jack Attack," the Commission announced that they would take the issue under advisement before making a decision on the matter.

Mr. Voge reviewed the Financial Reports and Balance Sheet for the month ending April 30, 1995. The Chair called for a motion to approve and adopt the Financial Reports and Balance Sheet for April 1995 and authorize distribution. Mr. Harvey made the motion. Mr. Brower seconded the motion. The motion was adopted.

Chairman Hyatt called for a motion to convene into executive session at 11:15 a.m. for the purpose of hearing an update of the progress of the Special Task Force Team. Mr. Brower made the motion. Mr. Harvey seconded the motion. The motion was adopted.

The meeting was reconvened into public session at 11:30 a.m. by Chairman Hyatt.

Mr. Fears reviewed the amendments to Regulation 47.1-303, License Fees, and Regulation 47.1-305, Investigation Fees, and asked the Commission to adopt these amendments on an emergency basis effective July 1st.

Mr. Harvey made a motion to adopt the amendments to Regulation 47.1-303, License Fees on an emergency basis for reasons stated on the record by Mr. Fears to be effective for all renewal applications received by the Division of Gaming on or after July 1st. Mr. Brower seconded the motion. The motion was adopted.

Mr. Brower made the motion to adopt the amendments to Regulation 47.1-305, Investigation Fees, effective for all background work conducted on or after July 1st on an emergency basis for

reasons stated on the record by Mr. Fears. 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 at 1:27 p.m. by Chairman Hyatt.

Mr. Fears briefly reviewed the Settlement Stipulation between the Division of Gaming and Wild Wild West Gambling Hall and Brewery, Inc. and Nick Aliberti. The Chair called for a motion to approve and adopt the Settlement Stipulation between the Division of Gaming and Wild Wild West Gambling Hall and Brewery, Inc. and Nick Aliberti and 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 Settlement Stipulation between the Division of Gaming and Charles Mench. The Chair called for a motion to approve and adopt the Settlement Stipulation between the Division of Gaming and Charles Mench and authorize the Chair to sign the order. Mr. Harvey made the motion. Mr. Brower seconded the motion. The motion was adopted.

Mr. Fears briefly reviewed the Settlement Stipulation between the Division of Gaming and BWBC, Inc. doing business as Bullwhackers Black Hawk Casino, and BWCC, Inc., doing business as Bullwhackers Central City Casino.

The Chair called for a motion to approve and adopt the Settlement Stipulation between the Division of Gaming and BWBC, Inc., doing business as Bullwhackers Black Hawk Casino, 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 approve and adopt the Settlement Stipulation between the Division of Gaming and BWCC, Inc. doing business as Bullwhackers Central City Casino and authorize the Chair to sign the order. Mr. Brower made the motion. Mr. Harvey seconded the motion. The motion was adopted.

Mr. Fears presented a proposed Order to Show Cause in the matter of Rebecca Vidmar. The Chair called for a motion to approve the Order to Show Cause on Rebecca Vidmar 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 presented a proposed Order to Show Cause in the matter of William Benton. The Chair called for a motion to approve the Order to Show Cause on William Benton and to authorize the Chair to sign the order. Mr. Harvey made the motion. Mr. Brower seconded the motion. The motion was adopted.

Mr. Turner discussed the Department of Revenue's Reinvestment Fund. He noted the Division would like to roll over \$33,000 that was originally appropriated for this year. The Commission determined it would be better to put those monies into the Gaming General Fund distribution and request these monies in a supplemental budget next year.

Mr. Turner and Ms. Petkash reviewed the proposed new lease for the Denver office to move to 18th and Pierce. After some discussion the Chair called for a motion to authorize the Division of Gaming to begin the negotiating process on the property located at 18th and Pierce. Mr. Brower made the motion. Mr. Harvey seconded the motion. The motion was adopted.

Mr. Fears presented a proposed Summary Suspension of the license of Kenneth Lamarre. The Chair called for a motion to approve the Summary Suspension on Kenneth Lamarre and to authorize the Chair to sign the order. Mr. Brower made the motion. Mr. Harvey seconded the motion. The motion was adopted.

The Chair called for a motion to approve the Findings of Fact, Conclusion of Law and Order for Timothy Smith and authorize the Chair to sign. Mr. Brower made the motion. Mr. Harvey seconded the motion. The motion was adopted.

The Chair called for a motion to approve the Minutes of May 17, 1995. Mr. Brower made the motion. Mr. Harvey seconded the motion. The motion was adopted.

The meeting was recessed at 2:45 p.m. by Chairman Hyatt.

The meeting was reconvened at 3:00 p.m. by Chairman Hyatt.

Ms. Atencio reviewed the new "Colorado Nickels" progressive game that IGT plans on introducing to the industry and asked the Commission for their approval. The Chair called for a motion to approve IGT's new "Colorado Nickels" game. Mr. Brower made the motion. Mr. Harvey seconded the motion. The motion was adopted.

The Chair called for a motion to direct the Division of Gaming to conduct a follow-up audit on the "Colorado Nickels" system. Mr. Brower made the motion. Mr. Harvey seconded the motion. The motion was adopted.

The Chair called for a motion to go into executive session at 3:10 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 reconvened into public session at 4:58 p.m. by Chairman Hyatt.

The Chair called a motion to renew the permanent operator and retailer licenses for: DOC HOLLIDAY, INC., doing business as DOC HOLLIDAY LTD.; 353 MYERS AVENUE LTD., doing business as JUBILEE CASINO; and RICHMAN PROPERTIES, LTD. LIABILITY COMPANY, doing business as THE RICHMAN CASINO. These licenses shall be issued upon expiration date of their current licenses 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 renew permanent operator and retailer licenses and approve the changes of ownership as outlined in the respective reports for: GOLD CREEK ASSOCIATES LTD. PARTNERSHIP-CHRYSCORE INC., doing business as BOBBY WOMACK'S SALOON & GAMBLING PARLOUR; HARVEY'S WAGON WHEEL CASINO LTD. LIABILITY COMPANY, doing business as HARVEY'S WAGON WHEEL HOTEL AND CASINO; and IMPERIAL GAMING CORP., doing business as IMPERIAL CASINO & HOTEL. These licenses shall be issued upon expiration of their current licenses 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 approve the change of ownership as outlined in the investigative report for JOHNNY NOLON SALOON & EMPORIUM. Mr. Brower made the motion. Mr. Harvey seconded the motion. The motion was adopted.

The Chair called for a motion to issue permanent operator and retailer licenses to: CASINO HOLDINGS, INC., doing business as THE BRASS ASS, 264 E. Bennett Avenue, Cripple Creek; and GOLD CREEK ASSOCIATES LTD. PARTNERSHIP, doing business as WOMACK'S GOLDEN HORSESHOE, 220 E. Bennett Avenue, Cripple Creek. These licenses shall be effective at 5:00 p.m. on June 21, 1995, and expire one year from the date of issuance. Further, the standard conditions for a retailer license shall apply. Mr. Harvey made the motion. Mr. Brower seconded the motion. The motion was adopted.

The Chair called for a motion to renew the permanent manufacturer/distributor license of VIDEO LOTTERY CONSULTANTS, INC., doing business as VLC; and ROYAL BELL LTD. This license will be issued upon expiration of the current license 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 convene into executive session at 5:00 p.m. for the purpose of taking the Petition for Declaratory Order on "Jack Attack" under advisement. Mr. Brower 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 5:15 p.m.



Sandie Seegmiller, Secretary

Colorado Limited Gaming Control Commission

Minutes of Meeting
May 17, 1995

The meeting was called to order by the Chairperson of the Colorado Limited Gaming Control Commission, Daniel Hyatt, at 9:12 a.m. on May 17, 1995, at 301 E. Bennett Avenue (Johnny Nolon's Casino), Cripple Creek, Colorado. Present were Commissioners Ben Brower, Richard Harvey and Harlan Rubottom. Also attending were: Division of Gaming Director, George Turner; Acting Chief of Investigations, Phil Wargo; Administrative Director, Tom Kitts; Controller, Brent Voge; Public Information Officer, Don Burmania; Budget Officer, Linda Petkash; Chief Auditor, Georgine Zalesky; Cripple Creek Supervisor, Craig Bridgmon; Central City Supervisor, Jim Huskey; Investigator, Huck Henderson; Investigator Bob Abbott; Assistant Attorney General, Tom Fears. Persons making presentations included: Nick Aliberti, Wild Wild West casino owner. Person making a presentation in executive session included: Dick McNamee, Colorado Bureau of Investigation.

Chairman Hyatt announced that due to the weather the Jack Attack Declaratory Petition hearing will be continued until the June meeting.

The Chair called for a motion to go into executive session at 9:13 a.m. to consider information of the denial hearings in the matter of support applicants Julie Reed, Joseph Vigil and Timothy Smith 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 10:00 a.m. by Chairman Hyatt.

Mr. Voge reviewed the Financial Reports and Balance Sheet for the month ending March 31, 1995. The Chair called for a motion to approve and adopt the Financial Reports and Balance Sheet for March 1995 and authorize distribution. Mr. Harvey made the motion. Mr. Rubottom seconded the motion. The motion was adopted.

Chairman Hyatt called for a motion to approve the Minutes of April 19, 1995. Mr. Brower made the motion. Mr. Rubottom seconded the motion. The motion was adopted.

The meeting was recessed at 10:07 by Chairman Hyatt.

The meeting was reconvened into public session at 10:23 p.m. by Chairman Hyatt.

Ms. Petkash discussed the results of an analysis of the review cost to issue a new and a renewal support and key license. Ms. Petkash also discussed the hourly rate for investigation.

The Chair called for a motion for a Commission policy for setting application fees. That policy states:

The cost incurred to deliver the service associated with processing an application shall not be less than the total amount of the direct cost and shall not exceed the total amount of the direct costs plus indirect costs.

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

Mr. Rubottom made the motion to commence rule-making in June to hear testimony on setting a new fee structure on support and key applications lowering the renewal fee for support licenses to \$75. and for key licenses to \$100 effective July 1st. Mr. Harvey seconded the motion. The motion was adopted.

Ms. Petkash reviewed the pros and cons of purchasing the Central City building currently being leased by the Division of Gaming. The Chair called for a motion to authorize the Division of Gaming to obtain an appraisal on the Central City property. Mr. Rubottom made the motion. Mr. Harvey and Mr. Brower seconded the motion. The motion was adopted.

Discussion of leasing parking space at the Central City Post Office was discussed. The Chair called for a motion to authorize the Division to obtain a lease agreement for the Commission's approval. Mr. Brower made the motion. Mr. Rubottom seconded the motion. The motion was adopted.

Mr. Fears reviewed the proposed Order to Show Cause on Carol Pierce. Mr. Harvey made the motion to issue an Order to Show Cause to Carol Pierce and authorize the Chair to sign the order. Mr. Brower seconded the motion. The motion was adopted.

Mr. Fears reviewed the proposed Order to Show Cause on Douglas Strickland. The Chair called for a motion to issue an Order to Show Cause to Douglas Strickland and authorize the Chair to sign the order. Mr. Brower made the motion. Mr. Rubottom seconded the motion. The motion was adopted.

Chairman Hyatt requested that documentation pertaining to the previous Declaratory Petition on 21 Superbucks be provided to Mr. Harvey, noting that Mr. Harvey was not present for this hearing. The Division agreed to provide Mr. Harvey with the documentation requested. Chairman Hyatt requested Ms. Seegmiller to notify Mr. Purcell that this matter is under advisement.

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

The meeting reconvened into public session at 1:31 p.m. by Chairman Hyatt.

The Chair called for a motion to go into executive session at 1:31 p.m. for the purpose of reviewing and considering temporary and permanent licensure and the backgrounds of various applicants for gaming licenses. Mr. Rubottom made the motion. Mr. Brower seconded the motion. The motion was adopted.

The meeting reconvened into public session at 2:37 p.m. by Chairman Hyatt.

The Chair called for a motion to deny the appeal of Julie Reed 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 Joseph Vigil 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 renew the permanent retailer/operator licenses of: DEC, INC. doing business as THE EUREKA! LTD.; PAPONE'S PALACE LTD, doing business as PAPONE'S PALACE; GLOBAL CASINOS, INC., doing business as BULL DURHAM SALOON & CASINO; and SHANGRILAY'S PALACE INC., doing business as PALACE HOTEL & 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. Harvey seconded the motion. The motion was adopted.

The Chair called for a motion to renew the permanent retailer license of GLOBAL CASINOS, INC., doing business as NITRO CLUB. This license shall be issued upon 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 renew the permanent operator license of IMPERIAL PALACE OF MISSISSIPPI, INC., doing business as IMPERIAL PALACE. This license shall be issued upon 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 permanent operator and retailer licenses to ED & SHIRLEY'S INC., doing business as THE WILD CARD SALOON, 120 Main Street, Black Hawk. These licenses shall be effective at 5:00 p.m. May 17, 1995, and expire one year from the date of issuance. Further the standard conditions for a retailer license shall apply. Mr. Rubottom 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 outlined in the respective investigative report for: GOLD VEIN LTD. LIABILITY COMPANY, doing business as BLACK DIAMOND CASINO; and GOLD CREEK ASSOCIATES LTD., doing business as WOMACK'S SALOON & GAMING PARLOR. 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 outlined in the investigative report for the operator license of and issue a permanent retailer license to GRIMES LTD. LIABILITY COMPANY, doing business as THE LUCKY STRIKE CASINO AT PETE'S PLACE, 109 Main Street, Central City. The retailer license shall be effective at 5:00 p.m. on May 17, 1995 and expire on January 29, 1996. Further, the standard conditions for a retailer license shall apply. Mr. Brower made the motion. Mr. Harvey seconded the motion. The motion was adopted.

Mr. Fears briefly reviewed the Stipulation and Agreement between the Division of Gaming and Jolly Joker Limited Liability Company, doing business as Firehouse Casino. The Chair called for a motion to approve and adopt the Stipulation and Agreement between the Division of Gaming and Jolly Joker Limited Liability Company, doing business as Firehouse Casino and authorize the Chair to sign the Order. Mr. Harvey made the motion. Mr. Rubottom seconded the motion. The motion was adopted.

Mr. Fears explained that Carol Brehm had applied for an associated person in the West Pikes Peak Entertainment, Incorporated on September 18, 1992. He noted that the Commission denied licensure to West Pike Peak on September 21, 1992. Since there was no limited gaming license with which Ms. Carol Brehm could be associated with, Mr. Fears requested that the Commission deny as moot, without prejudice, the application for associated licensure filed by Carol Brehm. The Chair called for a motion to deny Carol Brehm's application for associated licensure, as moot, without prejudice, *nunc pro tunc* September 21, 1992. Mr. Harvey made the motion. Mr. Rubottom seconded the motion. The motion was adopted.

Mr. Fears reviewed the Order of Summary Suspension, Notice of Hearing and Order to Show Cause in the matter of Wild Wild West Gambling Hall and Brewery, Inc. Mr. Alberti, owner, addressed the Commission with a prepared statement and then responded to questions and statements from the Commission. He noted that the charges outlined in the Order to Show Cause warranted the Order to Show Cause to protect the public welfare and safety. The Chair called for a motion to approve the Order of Summary Suspension, Order to Show Cause and Notice of Hearing in the matter of Wild Wild West Gambling Hall and Brewery, Inc., with the Summary Suspension effective at 3:45 p.m. on Wednesday, May 17, 1995, and to authorize the Chair to sign the Order. Mr. Rubottom made the motion. Mr. Harvey seconded the motion. The motion was adopted.

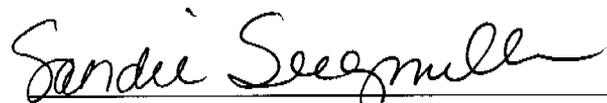
Mr. Rubottom made a motion for a Commission policy for setting the background investigative hourly rate. That policy states:

The cost incurred to deliver the service associated with conducting background investigations shall not be less than the total amount of the direct cost and shall not exceed the total amount of the direct costs plus indirect costs.

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

Discussion of setting a policy on the hourly rate for background investigative costs resumed. After some discussion with Ms. Petkash, Mr. Rubottom moved to change the hourly rate from \$37.00/hr to \$48.00/hr and to start rule making change to have this effective on July 1, 1995. Mr. Harvey seconded the motion. The motion was adopted.

There being no further business to come before the Commission, the meeting was adjourned at 3:55 p.m.


Sandie Seegmiller, Secretary

Colorado Limited Gaming Control Commission

Minutes of Meeting
April 19, 1995

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 19, 1995, at 600 S. Colorado Blvd. (Cherry Creek Inn), Denver, Colorado. Present were Commissioners Ben Brower (arrival time 9:20 a.m.), Richard Harvey and Harlan Rubottom. Also attending were: Department of Revenue Deputy Director, Amelie Buchanan; Division of Gaming Director, George Turner; Deputy Chief of Investigations, Jim Cain; Administrative Director, Tom Kitts; Controller, Brent Voge; Public Information Officer, Don Burmania; Budget Officer, Linda Petkash; Chief Auditor, Georgine Zalesky; Auditor, Maren Rubino; Auditor, Brenda Davis; Central City Supervisor, Jim Huskey; Investigator, Huck Henderson; Assistant Attorney General, Tom Fears. Persons making presentations included: Jerry Smith and Jack Kirkland, Department of Local Affairs; and Wayne Bedor, La Plata County. Persons making presentations in executive session included: Bob Sexton and Dick McNamee, Colorado Bureau of Investigation; Joe Willard and Lena Willard, casino owners.

Mr. Fears reviewed the Division's Show Cause and the Assurance of Voluntary Compliance in the matter of the license of Dale Van Der Schaaf. He noted that the licensee had agreed to pay reasonable administrative costs in the amount of \$1,800, and asked the Commission to accept the Assurance of Voluntary Compliance and sign the order. Chairman Hyatt called for a motion to approve the Assurance of Voluntary Compliance signed by licensee Dale Van Der Schaaf and the Division and authorize the Chair to sign the Order. Mr. Rubottom made the motion. Mr. Harvey seconded the motion. The motion was adopted.

Mr. Voge reviewed the Financial Reports and Balance Sheet for the month ending February 28, 1995. The Chair called for a motion to approve and adopt the Financial Reports and Balance Sheet for February 1995 and authorize distribution. Mr. Harvey made the motion. Mr. Rubottom seconded the motion. The motion was adopted.

Mr. Fears presented a proposed Order to Show Cause in the matter of Sean P. Clark. The Chair called for a motion to approve the Order to Show Cause on Sean P. Clark and to authorize the Chair to sign the order. Mr. Harvey made the motion. Mr. Rubottom seconded the motion. The motion was adopted.

Mr. Fears reviewed the amendments to Regulation 47.1-1040 that had previously adopted on a temporary basis until the paperwork could be properly filed through the Secretary of State's office to have it published. He asked that the Commission adopt this regulation on a permanent

basis. The Chair called for a motion to approve permanently the amendments to Regulation 47.11-1040. Mr. Brower made the motion. Mr. Harvey seconded the motion. The motion was adopted.

Ms. Petkash reviewed the draft agreements between the Commission and CBI, State Patrol, Fire Safety and the Department of Local Affairs. She noted that the drafts of these agreements were based on last year's agreements and each agency has approved the agreement.

The Chair made a motion to approve the FY 1996 agreement between the Commission and CBI as submitted and authorize the Chair to sign the agreement. Mr. Brower made the motion. Mr. Rubottom seconded the motion. The motion was adopted.

The Chair made a motion to approve the FY 1996 agreement between the Commission and State Patrol as submitted and authorize the Chair to sign the agreement. Mr. Rubottom made the motion. Mr. Brower seconded the motion. The motion was adopted.

The Chair made a motion to approve the FY 1996 agreement between the Commission and Fire Safety as submitted and authorize the Chair to sign the agreement. Mr. Brower made the motion. Mr. Harvey seconded the motion. The motion was adopted.

The Chair made a motion to approve the FY 1996 agreement between the Commission and The Department of Local Affairs as submitted and authorize the Chair to sign the agreement. Mr. Rubottom made the motion. Mr. Harvey seconded the motion. The motion was adopted.

Ms. Petkash discussed the lease with option to purchase of the Central City Gaming office. After some discussion Mr. Rubottom made the motion to authorize the Division to move forward and submit necessary documentation to the Capitol Construction Committee in January 1996 to purchase the Central City office. Mr. Harvey made the motion. Mr. Brower seconded the motion. The motion was adopted.

Mr. Harvey requested the Division of Gaming to prepare a report on the desirability to purchase rather than lease the Central City office for the May Commission meeting. Mr. Turner agreed to have this report for the Commission for the May meeting.

Ms. Petkash reviewed a handout regarding a fee policy and cost allocation methodology for setting fees.

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

The meeting was reconvened at 10:23 a.m. by Chairman Hyatt.

Mr. Smith, from the Department Local Affairs, presented the Contiguous County Gaming Impact Fund request. He asked that the Commission make a decision on the funding for La Plata and Montezuma Counties before the end of June, but noted that the Commission did not need to make a decision on the eight counties contiguous to Gilpin and Teller counties because the Contiguous County Impact Advisory Committee was asking for the 9% of the general fund share of the Limited Gaming Fund as directed by statute. After some discussion the Chair called for a motion to approve \$450,725 funding for La Plata and Montezuma County. Mr. Rubottom made the motion. Mr. Harvey seconded the motion. The motion was adopted.

The meeting was recessed for lunch at 12:03 p.m. by Chairman Hyatt.

The meeting was reconvened at 1:13 p.m. by Chairman Hyatt.

Mr. Fears announced that Firehouse Casino had requested a continuance. He stated that the Division did not object to continuing this until May 17th. The Chair called for a motion to grant a continuance for the Show Cause hearing in the matter of Jolly Joker Limited Liability Co. doing business as Firehouse Casino and authorize the Chair to sign. Mr. Brower made the motion. Mr. Rubottom seconded the motion. The motion was adopted.

Discussion continued regarding a fee policy and cost allocation methodology for setting fees. The Commission requested that the Division proceed with a study on what the cost would be for each type of license and report back. Mr. Turner agreed to do so.

The Chair called for a motion to go into executive session at 1:24 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 3:43 p.m. by Chairman Hyatt.

Chairman Hyatt called for a motion to renew the permanent retailer/operator licenses for STAGE STOP GAMING HALL, INC., doing business as COYOTE CREEK CASINO, INC.; RED DOLLY CASINO, INC. doing business as RED DOLLY CASINO; JAZZ ALLEY CASINO, INC., doing business as JAZZ ALLEY; WILLARD FAMILY ENTERPRISES, LTD. LIABILITY COMPANY doing business as ELK CREEK GAMING HALL; CRIPPLE CREEK DEVELOPMENT CO., INC., doing business as GOLD RUSH HOTEL & CASINO; VIRGIN MULE, INC., doing business as VIRGIN MULE CASINO; and DEDICATED INTERNATIONAL, INC., doing business as BLACK HAWK STATION. These licenses shall be issued upon the expiration of the current licenses 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 renew the permanent retailer/operator licenses for and approve the associated persons as outlined in the investigative report for 139 MAIN LTD. LIABILITY COMPANY doing business as BLAZING SADDLES CASINO. These licenses shall be issued upon the expiration of the current licenses and expire one year from the date of issuance. Mr. Harvey made the motion. Mr. Brower seconded the motion. The motion was adopted.

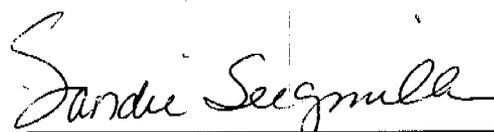
The Chair called for a motion to renew the permanent operator and retailer licenses for and approve the change of ownership as outlined in the investigative report for INDEPENDENCE HOTEL LTD. PARTNERSHIP, doing business as INDEPENDENCE HOTEL & CASINO. These licenses shall be issued upon the expiration of the current licenses and expire one year from the date of issuance. Mr. Rubottom 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 outlined in the investigative report for TERRY'S CAFE LTD. PARTNERSHIP, doing business as MAVERICK'S STEAKHOUSE & CASINO. Mr. Harvey made the motion. Mr. Brower seconded the motion. The motion was adopted.

The Chair called for a motion to issue a permanent manufacturer/distributor license to WMS GAMING, INC., doing business as WMS GAMING. This license will be effective at 5:00 p.m. on April 19, 1995, and expire one year from the date of issuance. Mr. Harvey made the motion. Mr. Rubottom seconded the motion. The motion was adopted.

The Chair called for a motion to adopt Commission Policy 95-01, which reads: The Director of the Division of Gaming may approve associated persons in operator, retailer and/or manufacturer/distributor licenses who do not have ownership interest in a respective license, without necessity for Commission approval, provided the qualified applicants have submitted to the Director the proper applications, costs and fees. Mr. Rubottom made the motion. Mr. Harvey and Mr. Brower seconded the motion. The motion was adopted.

There being no further business to come before the Commission, the meeting was adjourned at 3:48 p.m.



Sandie Seegmiller, Secretary

Colorado Limited Gaming Control Commission

Minutes of Meeting
March 30, 1995

The meeting was held telephonically and commenced at 8:15 a.m., 720 S. Colorado Blvd., Lottery Conference Room, Denver, Colorado, on March 30, 1995. The meeting was Noticed by facsimile on Monday, March 27, 1995, 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. Also attending via telephone was: Tom Fears, Counsel for the Division of Gaming. Those in personal attendance were: George Turner, Director; Tom Kitts, Director of Administration; Vic Freberg, Investigator; and Sandie Seegmiller, Secretary. Absent and excused was Commissioner Richard Harvey.

Mr. Fears gave an update on Dale Van Der Schaaf and noted that he did appear and cooperate with investigators with regards to the Bullwhackers investigation. He asked the Commission to rescind the Summary Suspension of Mr. Van Der Schaaf's key license but asked that the Show Cause hearing still remain pending.

Chairman Hyatt called for a motion to rescind the Summary Suspension of the key license of Dale Van Der Schaaf. Mr. Rubottom made the motion. Mr. Brower seconded the motion. The motion was adopted.

Mr. Turner said he planned to meet with the task force on gray machines and would give a report at the next Commission meeting.

There being no further business to come before the Commission, the meeting was adjourned at 8:40 a.m.


Sandie Seegmiller, Secretary

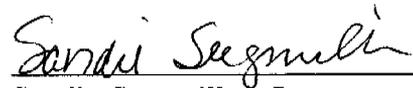
Colorado Limited Gaming Control Commission

Minutes of Meeting
March 22, 1995

The meeting was held telephonically and commenced at 8:33 a.m., 720 S. Colorado Blvd., Lottery Conference Room, Denver, Colorado, on March 22, 1995. The meeting was Noticed by facsimile on Friday, March 17, 1995, 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 Harlan Rubottom. Also attending via telephone was: Tom Fears, Counsel for the Division of Gaming. Those in personal attendance were: Tom Kitts, Director of Administration; Brent Voge, Controller; and Sandie Seegmiller, Secretary.

Mr. Fears reviewed the Order of Summary Suspension in the matter of Dale Van Der Schaaf. After some discussion on this matter, the Chair called for motion to approve the Order of Summary Suspension of the license of Dale Van Der Schaaf, and to authorize the Chair to sign the Order. Mr. Rubottom 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 9:04 a.m.



Sandie Seegmiller, Secretary

Colorado Limited Gaming Control Commission

Minutes of Meeting
March 15, 1995

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 15, 1995, at 600 S. Colorado Blvd. (Cherry Creek Inn) Denver, Colorado. Present were Commissioners Ben Brower, Richard Harvey and Harlan Rubottom. Also attending were: Department of Revenue Executive Director, Renny Fagan; Deputy Director, Amelie Buchanan; 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; Budget Officer, Linda Petkash; Cripple Creek Supervisor, Craig Bridgmon; Investigator, Huck Henderson; Investigator, Bob Abbott; Investigator, Eric Hartsough; Investigator, Vic Freburg; Assistant Attorney General, Tom Fears. Persons making presentations included: Rich Nathan; Robert Purcell, counsel representing 21 Superbucks; and Jeff Conley, counsel representing Jack Attack. Persons making presentations in executive session included: Bob Sexton, Dick McNamee and Steve Vaughn, Colorado Bureau of Investigations; Dave Reitz, Acting Director of Racing; and Joan Vecchi, Acting Director of Liquor.

Chairman Hyatt asked if anyone wished to address the Commission on any matters that weren't on the agenda. There was nobody who wished to speak to the Commission.

Ms. Petkash presented the Division of Gaming's FY 96 budget request in the amount of \$5,628,236. After consideration, Chairman Hyatt called for a motion to approve the Division's budget request as presented. Mr. Rubottom made the motion. Mr. Harvey seconded the motion. The motion was adopted.

Chairman Hyatt called for a motion to approve the Minutes of February 15, 1995. Mr. Brower made the motion. Mr. Rubottom seconded the motion. The motion was adopted.

Mr. Fears reviewed the proposed Order to Show Cause on Bullwhackers Central City and Bullwhackers Black Hawk. Chairman Hyatt called for a motion to issue an Order to Show Cause to BWCC, doing business as Bullwhackers Central City, and authorize the Chair to sign the order. Mr. Harvey made the motion. Mr. Rubottom seconded the motion. The motion was adopted.

Chairman Hyatt called for a motion to issue an Order to Show Cause to BWBH, doing business as Bullwhackers Black Hawk, and authorize the Chair to sign the order. Mr. Brower made the motion. Mr. Harvey seconded the motion. The motion was adopted.

Mr. Fears presented a proposed Summary Suspension of the license of Dale Van Der Schaaf. After discussion the Commission agreed to meet telephonically March 22 to reconsider the matter.

Mr. Fears reviewed the Division's Summary Suspension of the license of Richard Mansfield. He noted that the licensee had agreed to voluntarily surrender his license, and asked the Commission to accept the Voluntary Surrender and sign the order. Chairman Hyatt called for a motion to accept the Voluntary Surrender of Richard Whitmarsh and 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 Commissioners on the Division's denials of the licenses of Jean-Jacques Jordan and Vincent Spindler. He noted that each of the applicants appeared at the hearing with the proper paperwork that would entitle them to a support license and asked the Commission to rescind the denials and issue both of the applicants' permanent support licenses without conditions. Chairman Hyatt called for a motion to rescind the denial of the license of Jean-Jacques Jourdan and issue him a permanent support license without conditions. Mr. Brower made the motion. Mr. Harvey and Mr. Rubottom seconded the motion. The motion was adopted.

Chairman Hyatt called for a motion to rescind the denial of the license of Vincent Spindler and issue him a permanent support license without conditions. Mr. Rubottom made the motion. Mr. Harvey seconded the motion. The motion was adopted.

Mr. Harvey reviewed the Findings of Fact, Conclusions of Law and Order on the denial hearing of Christina Morrison. Chairman Hyatt called for a motion to approve Findings of Fact, Conclusions of Law and Order in the matter of Christina Morrison and authorize the Chair to sign. Mr. Brower made the motion. Mr. Rubottom seconded the motion. The motion was approved.

Mr. Grantham and Mr. Cain reviewed the amendments to Regulation 47.1-405, Information to be furnished by licensee. Mr. Nathan asked that the reporting time for a manufacturer be increased to 14 days instead of seven and to add "within the state of Colorado" after the first sentence. There were no objections to Mr. Nathan's request. The Commissioners asked the Division to re-write the regulation with the changes suggested by Mr. Nathan and reintroduce later that day to be considered.

The meeting was recessed at 11:07 a.m. by Chairman Hyatt.

The meeting was reconvened at 11:27 a.m. by Chairman Hyatt.

Mr. Voge reviewed the Financial Reports and Balance Sheet for the month ending January 31, 1995. The Chair called for a motion to approve and adopt the Financial Reports and Balance Sheet for January 1995 and authorize distribution. Mr. Harvey and Mr. Rubottom made the motion. Mr. Brower seconded the motion. The motion was adopted.

The Chair called for a motion to go into executive session at 11:32 a.m. for the purpose of hearing reports on gray machines. Mr. Rubottom made the motion. Mr. Harvey seconded the motion. The motion was adopted.

The meeting was recessed for lunch at 1:15 p.m. by Chairman Hyatt.

The meeting reconvened into public session at 2:01 p.m. by Chairman Hyatt.

Mr. Fears discussed that there was a miscommunication between Jeff Conley and the Division and asked that this matter get postponed until the May 15th Commission meeting. The Commission agreed to have this matter postponed.

After Mr. Purcell and Mr. Fears presented arguments regarding the Petition for Declaratory Order on 21 Superbucks Jackpot, the Commission announced that they would take the issue under advisement before making a decision on the matter.

The Chair called for a motion to go into executive session at 3:02 p.m. for the purpose of hearing reports on gray machine 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 4:55 p.m. by Chairman Hyatt.

Chairman Hyatt announced that the presentation of the Audit on Bullwhackers by the Division of Gaming Audit Section had been tabled.

Chairman Hyatt called for a motion to approve the amendments to Regulation 47.1-405, Information to be furnished by licensee. Mr. Brower made the motion. Mr. Rubottom seconded the motion. The motion was adopted.

Chairman Hyatt called for a motion to renew the permanent retailer/operator licenses for GOLDEN ROSE PARTNERSHIP, LTD., doing business as GOLDEN ROSE CASINO. These licenses shall be issued upon the expiration of the current licenses and expire one year from the date of issuance. Further, the condition placed on the original licenses shall be continued. Mr. Brower made the motion. Mr. Rubottom seconded the motion. The motion was adopted.

Chairman Hyatt called for a motion to renew the permanent retailer license for BLACK FOREST INN, INC., doing business as ROHLING INN CASINO. This license 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.

Chairman Hyatt called for a motion to renew the permanent operator license of GOLDEN GULF CASINO, and for AMERICAN GAMING ASSOCIATION, INC. These licenses shall be issued upon the expiration of the current licenses and expire one year from the date of issuance. Mr. Rubottom seconded the motion. The motion was adopted.

Chairman Hyatt called for a motion to renew the manufacturer/distributor license for FIRST CHOICE COIN DISTRIBUTING COMPANY. This license shall be issued upon the expiration of the current licenses and expire one year from the date of issuance. Further, the conditions placed on the original license shall be continued. Mr. Brower made the motion. Mr. Rubottom seconded the motion. The motion was adopted.

Chairman Hyatt called for a motion to renew the permanent retailer/operator licenses to COLORADO CASINO RESORTS, INC. doing business as CREEKER'S, INC., at 274 E. Bennett Ave., Cripple Creek. These licenses will be effective upon the surrender of the retailer license at that location and shall apply and the licenses shall be further conditioned upon the licensee continuing at the AGP level heretofore accrued during the current fiscal gaming year by the current licensee at that location. Mr. Brower made the motion. Mr. Rubottom seconded the motion. The motion was adopted.

Chairman Hyatt called for a motion to issue a manufacturer/distributor license for ATRONIC CASINO TECHNOLOGY LTD. This license shall be effective at 5:00 p.m. on March 15, 1995, and expire one year from the date of issuance.

Chairman Hyatt called for a motion to renew the permanent retailer/operator licenses for and approve the change of ownership as outlined in the investigative report for GOLD COIN, IN., doing business as LADY LUCK CENTRAL CITY CASINO. These license 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.

Chairman Hyatt called for a motion to approve the change of ownership as outlined in the investigative report for: COLORADO GRANDE ENTERPRISES, INC. doing business as COLORADO GRANDE GAMING PARLOR; ANCHOR COIN, INC., doing business as COLORADO CENTRAL STATION; and HARVEY'S WAGON WHEEL CASINO LTD. LIABILITY COMPANY doing business as HARVEY'S WAGON WHEEL HOTEL & CASINO. 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 5:00 p.m. for the purpose of considering testimony and material on the petition for declaratory order on 21 Superbucks Jackpot. Mr. Rubottom made the motion. Mr. Brower seconded the motion. The motion was adopted.

The meeting was reconvened into public session at 5:13 p.m. by Chairman Hyatt.

Chairman Hyatt announced that the Commission had found 21 Superbucks Jackpot not to be a constitutionally and statutorily accepted game in Colorado because (1) the betting limit could exceed the \$5 maximum bet limit, (2) the game is a combination of blackjack and a slot machine, not a blackjack game, and (3) the object of the game does not comport to the definition of blackjack. The Chair ordered the Attorney General to draft a final order of facts in the matter and to draft procedures for future game requests in which the petitioner must prove beyond a preponderance of proof that the game meets constitutional and statutory definitions.

The Chair called for a motion to deny the Petition for Declaratory Order on 21 Superbucks Jackpot Feature for the reasons stated by the Chair. Mr. Rubottom made the motion. Mr. Brower seconded the motion. The motion was adopted.

There being no further business to come before the Commission, the meeting was adjourned at 5:19 p.m.



Sandie Seegmiller, Secretary

Colorado Limited Gaming Control Commission

Minutes of Meeting
February 15, 1995

The meeting was called to order by the Chairperson of the Colorado Limited Gaming Control Commission, Daniel Hyatt, at 8:10 a.m. on February 15, 1995, at 600 S. Colorado Blvd. (Cherry Creek Inn) Denver, Colorado. Present were Commissioners Ben Brower, Richard Harvey and Harlan Rubottom. Also attending were: 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; Budget Officer, Linda Petkash; Investigator, Huck Henderson; Investigator, Phil Wargo; Investigator, Bob Abbott; Assistant Attorney General, Tom Fears. Persons making presentations included: Dick McNamee and Steve Vaughn from the Colorado Bureau of Investigations; Paul Cooke from the Division of Fire Safety; Lieutenant Colonel Lon Westfall from State Patrol; Jerry Smith and Jack Kirkland from the Department of Local Affairs; Mark Grueskin, counsel for the Colorado Casino Owners Association; Bill Evers, casino owner; and Tony Martinez, casino poker room manager.

Mr. McNamee presented a request from the Colorado Bureau of Investigation (CBI) to reduce their FY 1995 budget by \$92,802 and requested approval to use a portion of the savings to purchase surveillance equipment. Part of the budget reduction included a request to purchase a \$2,128 color graphics printer. The Commission did not approve the request for the printer. As a result, Mr. Harvey made the motion to approve a reduction in the CBI's FY 1995 budget in the amount of \$94,930. Mr. Brower seconded the motion. The motion was adopted.

Mr. McNamee and Mr. Vaughn presented CBI's budget request for FY 1996 in the amount of \$530,567. The Chair called for motion to approve CBI's budget request for FY 1996 in the amount of \$530,567. Mr. Rubottom made the motion. Mr. Harvey seconded the motion. The motion was adopted.

Mr. Cooke presented the Division of Public Safety's budget request for FY 1996 in the amount of \$131,470. He noted the only increase from the current year's budget was for salary survey and merit increases. Mr. Harvey moved to approve the Division of Fire Safety's budget request for FY 1996 in the amount of \$131,470. Mr. Brower seconded the motion. The motion was adopted.

Lt. Col. Westfall presented State Patrol's budget request for FY 1996 in the amount of \$897,262, a continuation of the current year's budget with no additional funding requested. The Chair called for a motion to approve State Patrol's budget request for FY 1996 in the amount of \$897,262. Mr. Brower made the motion. Mr. Harvey seconded the motion. The motion was adopted.

The Chair called for a motion to approve the Minutes of January 12, 1995. Mr. Fears requested that Tivolino Teller House be accurately spelled. The Chair called for a motion to approve the Minutes of January 12, 1995 as amended. Mr. Brower made the motion. Mr. Rubottom seconded the motion. The motion was adopted.

After the Commission reviewed the petition for declaratory order on the "21 Superbucks Jackpot," the Chair requested the Division of Gaming to prepare a brief to be submitted on March 6, 1995 for the Commission's consideration at its next meeting on March 15.

The Commission reviewed the petition for declaratory order on "Persons prohibited from limited gaming." The Chair called for a motion to deny this petition for declaratory order on the basis that it would be inappropriate to entertain this request because this issue is still pending in the Denver District Court. Mr. Brower made the motion. Mr. Rubottom seconded the motion. The motion was adopted.

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

Mr. Voge reviewed the Financial Reports and Balance Sheet for the month ending December 31, 1994. The Chair called for a motion to approve and adopt the Financial Reports and Balance Sheet for December 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 9:40 a.m. to consider information of the denial hearing in the matter of support applicant Christina Morrison and requested that the only parties to participate in this executive session be the Commissioners. Mr. Rubottom made the motion. Mr. Harvey seconded the motion. The motion was adopted.

The meeting was reconvened into public session at 10:24 a.m. by Chairman Hyatt.

Mr. Smith and Mr. Kirkland presented the Department of Local Affairs' budget request for FY 1996 in the amount of \$59,625, an increase over previous years due primarily to recommendations from the State Auditor's Office. The Chair called for a motion to approve the Department of Local Affairs' budget request for FY 1996 in the amount of \$59,625. Mr. Harvey made the motion. Mr. Rubottom seconded the motion. The motion was adopted.

Mr. Turner and Mr. Grantham presented proposed amendments to Regulation 47.1-405. The Commission and parties from the industry addressed some concern on how it was written. Mr. Turner agreed to work further on this regulation and bring it back to the Commission.

Mr. Wargo presented proposed amendments to Regulations 47.1-1016, 47.1-1017 and 47.1-1040. Mr. Martinez expressed the industry's approval of the regulation changes as well as the industry's desire to address other concerns regarding poker regulations. The Chair called for a motion to approve 47.1-1016, 47.1-1017 and 47.1-1040 on a permanent basis. Mr. Rubottom made the motion. Mr. Harvey seconded the motion. The motion was approved.

Mr. Fears advised the Commission that the regulations that were just approved could and should be considered on an emergency basis because they met the necessary criteria of ensuring the public safety. The Chair called for a motion to approve the amendments to Regulations 47.1-1016, 47.1-1017 and 47.1-1040 on an emergency basis. Mr. Harvey made the motion. Mr. Rubottom seconded the motion. The motion was approved.

Chairman Hyatt asked if anyone from the public wished to address the Commission. Mr. Evers thanked the Division of Gaming for all its help in the Gilpin Hotel's timely expansion into the site of the former Pic-a-Dilly's Casino.

The Chair called for a motion to go into executive session at 11:22 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 recess at 11:52 a.m. by Chairman Hyatt.

The meeting was reconvened into executive session at 1:02 p.m. by Chairman Hyatt.

The meeting was reconvened into public session at 1:43 p.m. by Chairman Hyatt.

The Chair called for a motion to renew the permanent retailer/operator licenses of ASPEN MINE AND CASINO LTD., doing business as ASPEN MINE CASINO; and GREGORY STREET CASINO, INC., doing business as GREGORY STREET 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. Harvey and 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: BWCC, INC., doing business as BULLWHACKERS CENTRAL CITY BWBH, INC., doing business as BULLWHACKERS BLACK HAWK CASINO; and GOLD CREEK ASSOCIATES, LTD, doing business as BOBBY WOMACK'S SALOON AND GAMING PARLOR. Mr. Brower made the motion. Mr. Harvey seconded the motion. The motion was adopted.

The Chair called for a motion to issue permanent manufacturer/distributor license to ARISTOCRAT, INC. This license shall be issued at 5:00 p.m. on February 15, 1995 and expire one year from the date of issuance. Mr. Brower 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 1:48 p.m.



Sandie Seegmiller, Secretary

Colorado Limited Gaming Control Commission

Minutes of Meeting
January 12, 1995

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 12, 1995, at 600 S. Colorado Blvd. (Cherry Creek Inn) Denver, Colorado. Present were Commissioners Ben Brower and Richard Harvey. Absent and excused was Commissioner Harlan Rubottom. 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; Budget Officer, Linda Petkash; Department of Revenue Office of Program Analysis, Linda Harvey; Audit Supervisor, Ron Kammerzell; Auditor, Paul Hogan; Criminal Investigator Auditor, Kendal Dittmer; Criminal Investigator Auditor, Max Kettler; Investigator, Huck Henderson; Investigator, Vic Freburg; Assistant Attorney General, Tom Fears. Persons making presentations included: Kelly McCurley, Attorney for Nick Pallotto; Richard Mansfield; Gary Reiff, Attorney at Law; Mark Grueskin, Counsel for the Colorado Casino Owners Association; from Colorado Bureau of Investigation, Dick McNamee and Steve Vaughn (presentation done in executive session). Witnesses called by the parties in the Nick Pallotto hearing included: Laurie Alderidge; Division of Gaming Investigator, Charles Lindsey; Division of Gaming Investigator, Mike Walker; Nick Pallotto III; and Cheryl Pallotto.

Mr. Fears announced that he had several disciplinary issues to bring before the Commission. He asked if David Knowles was present in the room. There was no response. Mr. Fears asked to hold this matter over until later in the day in the event that Mr. Knowles happened to appear. The Commission agreed.

The Commission commenced its hearing in public session at 9:15 a.m. for the purpose of Nick Pallotto's Summary Suspension, case number SS94009.

Representing Mr. Pallotto was Kelly McCurley. Representing the Division of Gaming was Tom Fears.

Having heard testimony and argument for the parties and witness in this matter, and having received all relevant exhibits, the Chair called for a motion at 11:19 a.m. to go into executive session to consider information received 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 meeting was reconvened into public session at 11:31 a.m. by Chairman Hyatt.

Mr. Brower called for a motion that the license of Nick Pallotto be suspended for the remainder of his current license period, and pay a \$100 fine to be paid within thirty (30) days from the date of this order. Mr. Harvey seconded the motion. The motion was adopted.

Mr. Fears reviewed with the Commission a Stipulation and Agreement that had been agreed upon between the Division and Mr. Mansfield. Mr. Mansfield testified that he did agree to the agreement discussed by Mr. Fears. Mr. Harvey made the motion to approve and adopt the Stipulation and Agreement between the Division of Gaming and Richard Mansfield and authorize the Chair to sign the order. Mr. Brower seconded the motion. The motion was adopted.

Ms. Harvey and Ms. Petkash presented a supplemental budget request for the Department of Revenue's Information Support Services (ISS) section for an additional 2.3 FTE. The 1996 budget request was also presented to the Commissioners by Ms. Petkash and Ms. Harvey. Mr. Harvey made the motion to approve the 1995 supplemental budget request for ISS for the amount of \$111,949 and 2.3 FTE. Mr. Brower seconded the motion. The motion was adopted.

Mr. Harvey made the motion to approve the 1996 ISS budget request for \$99,780 and 2.0 FTE. Mr. Brower made the motion. The motion was approved.

Ms. Petkash reviewed with the Commission the reduced supplemental budget request for the Division of Gaming. She explained that since the previously approved budget request would be going directly to ISS, then the Division's budget would need to be reduced appropriately by \$81,443. Mr. Harvey made the motion to approve the Division of Gaming's supplemental budget reduction by \$81,443. Mr. Brower seconded the motion. The motion was adopted.

Mr. Fears reviewed with the Commission the Stipulation and Agreement between the Division of Gaming and WILD WILD WEST GAMBLING HALL AND BREWERY, INC. Mr. Harvey made the motion to approve the Stipulation and Agreement between the Division of Gaming and WILD WILD WEST GAMBLING HALL AND BREWERY, INC. with an amendment specifying that the two-day suspension must be completed within six months of this order and authorize the Chair to sign the Order. Mr. Brower seconded the motion. The motion was adopted.

Chairman Hyatt asked if anyone from the public wished to address the Commission. There being no persons from the public who wished to address the Commission, the meeting was recessed for lunch at 12:17 p.m.

The meeting was reconvened into public session at 1:34 p.m. by Chairman Hyatt.

Mr. Dittmer and Mr. Reiff reviewed Regulations 47.1-4.514 and 47.1-4.515 that defines ownership interest with regard to publicly traded corporations and defines interest with regard to conflicts of interest. Mr. Grueskin testified on behalf of the Gaming Owners Association. He agreed to the amendments to Rule 4.5 but expressed some concern that those people with ownership interest in non-publically traded corporations would be prohibited from having interest in publically traded corporations. Chairman Hyatt asked the Division to look into Mr. Grueskin's concerns.

The Chair called for a motion to adopt the amendments to Regulation 47.1-514 and Regulation 47.1-515. Mr. Brower made the motion. Mr. Harvey seconded the motion. The motion was adopted.

Mr. Hogan and Mr. Kammerzell reviewed with the Commissioners proposed amendments to Regulation 47.1-1202 and Regulation 47.1-1610. The Chair called for a motion to approve the amendments to 47.1-1202. Mr. Brower made the motion. Mr. Harvey seconded the motion. The motion was adopted.

The Chair called for a motion to approve the amendments to 47.1-1610. Mr. Brower made the motion. Mr. Harvey seconded the motion. The motion was adopted.

Mr. Voge reviewed the Financial Reports and Balance Sheet for the month ending November 30, 1994. The Chair called for a motion to approve and adopt the Financial Reports and Balance Sheet for November 1994 and authorize distribution. Mr. Harvey made the motion. Mr. Brower seconded the motion. The motion was adopted.

The meeting was recessed at 2:20 p.m. by Chairman Hyatt.

The meeting was reconvened at 2:27 p.m. by Chairman Hyatt.

Mr. Harvey moved to approve the Findings of Fact, Conclusion of Law and Order for Austin Harvill approving a conditional support license and authorize the Chair to sign. Mr. Brower seconded the motion. The motion was adopted.

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

Mr. Fears announced that in executive session he would like to report on the progress on the Tivolini Teller House litigation.

The Chair called for a motion to go into executive session at 2:32 p.m. for the purpose of reviewing and considering temporary and permanent licensure and the backgrounds of various applicants for gaming licenses and to be briefed on the Tivolini Teller House litigation. Mr. Brower made the motion. Mr. Harvey seconded the motion. The motion was adopted.

The meeting was reconvened into public session 4:43 p.m. by Chairman Hyatt.

The Chair called for a motion to renew the permanent retailer/operator licenses of LUCKY STAR SALOON, INC., doing business as LUCKY STAR SALOON. 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. Harvey seconded the motion. The motion was adopted.

The Chair called for a motion to renew the permanent operator license for GRIMES LIMITED LIABILITY COMPANY. This license shall be issued upon the expiration of the current license 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 approve the changes of ownership as outlined in the respective investigative reports for: BWCC, INC., doing business as BULLWHACKERS CENTRAL CITY and BWBH, INC., doing business as BULLWHACKERS BLACK HAWK CASINO. Mr. Brower made the motion. Mr. Harvey seconded the motion. The motion was adopted.

The Chair called for a motion to issue permanent retailer and operator licenses for CRIPPLE CREEK PROPERTIES, doing business as STAR OF CRIPPLE CREEK at 143 E. Bennett Avenue in Cripple Creek. These licenses will be effective upon surrender to the Division of Gaming of the current retailer license for that location and expire on January 12, 1996. 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. Harvey seconded the motion. The motion was adopted.

The Chair called for a motion to issue permanent manufacturer/distributor license to MGC, INC., doing business as MIKOHN CORPORATION. This license shall be issued at 5:00 p.m. on January 12, 1995 and expire one year from the date of issuance. Mr. Harvey made the motion. Mr. Brower seconded the motion. The motion was adopted.

Mr. Fears reviewed with the Commission the Stipulation and Agreement between the Division of Gaming and MIDNIGHT ROSE HOTEL AND CASINO. Mr. Nathan testified on behalf on his clients stating that they did agree with this agreement. The Chair called for a motion to approve the Stipulation and Agreement between the Division of Gaming and MIDNIGHT ROSE CASINO AND HOTEL and authorize the Chair to sign the Order. Mr. Harvey made the motion. Mr. Brower seconded the motion. The motion was adopted.

Mr. Fears discussed the Stipulation and Agreement between the Division of Gaming and David Knowles. Mr. Harvey made the motion to approve the Stipulation and Agreement between the Division of Gaming and David Knowles and authorize the Chair to sign the Order. Mr. Brower made the motion. The motion was adopted.

Mr. Fears discussed the Hiromi Matsuyama Show Cause case, noting she had failed to appear for the scheduled hearing and asked the Commission for revocation of her license. The Chair called for a motion to approve the Order to be drafted revocating Hiromi Matsuyama's support license. Mr. Brower made the motion. Mr. Harvey seconded the motion. The motion was adopted.

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

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January 12, 1995

The Chair called for a motion to approve the Minutes of December 22, 1994. 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 5:06 p.m.



Sandie Seegmiller, Secretary