

Colorado Limited Gaming Control Commission

Minutes of Meeting

January 18, 2001

The meeting was called to order by the Chair of the Colorado Limited Gaming Control Commission, Natalie Meyer at 9:05 a.m. on January 18, 2001 at the Division of Gaming, 1881 Pierce Street, Suite 110, Lakewood, Colorado. Present were Commissioners Natalie Meyer, Shirley Harris, Marilyn Wheeler, Phil Walter and Rob Millman. Also in attendance were: Director of the Division of Gaming, Tom Kitts; Senior Director of Enforcement, George Turner; Director of Administration, Linda Petkash; Communications and Licensing Director, Don Burmania; Public Affairs Specialists, Maren Rubino; Controller, Janet Ford; Chief of Investigations, Huck Henderson; Chief Auditor, Georgine Zalesky; Audit Managers, Flavio Quintana, Jennifer Aragon; Auditor, Lisa Watkins; Field Operations Supervisor, Phil Wargo; Agent In Charge of the Cripple Creek Office, Steve Barber; Agent In Charge of the Central City Office, Jim Huskey; Senior Supervisor, Laura Manning; Investigative Supervisor, Vic Freburg, Gary Watada; Investigators, Will Lukela, Kendal Dittmer, Tom Fears and Ron Kammerzell; Senior Budget Analyst for Enforcement, Pam Keller and Assistant Attorney General, Ceri Williams. Persons making a presentation in executive session were: Pete Mang and Mark Wilson, Colorado Bureau of Investigation. Persons making a presentation in public session were: Guerrin Green; Brian Pinkowski, City of Central Attorney; Bruce Schmalz.

The Chair called for a motion to go into executive session at 9:05 a.m. to review reports from the Division of Gaming and the Colorado Bureau of Investigation. Mr. Walter made the motion. Ms. Harris seconded the motion. The motion was adopted.

The meeting was reconvened into public session at 10:15 a.m.

The Chair called for a motion to renew the permanent operator licenses of Anchor Coin, Inc., dba Colorado Central Station Casino, Inc. and Aristocrat Technologies, Inc. These licenses shall be issued upon expiration of the current license and expire one year from the date of issuance. Mr. Millman made the motion. Mr. Walter seconded the motion. The motion was adopted.

The Chair called for a motion to renew the permanent retail license and approve the change of ownership of Minter Holdings, LLC as presented in the investigative report. Mr. Walter made the motion. Ms. Harris seconded the motion. The motion was adopted.

The Chair called for a motion to renew the permanent manufacturer/distributor license of Silicon Gaming – Colorado, Inc. This license shall be issued upon expiration of the current license and expire one year from the date of issuance. Mr. Walter made the motion. Ms. Harris seconded the motion. The motion was adopted.

The Chair called for a motion to issue a new permanent manufacturer/distributor license to; Universal Gaming Resources, LLC. This license shall be effective at 5:00 p.m. on January 18, 2001 and expire one year from the date of issuance. Mr. Walter made the motion. Mr. Millman seconded the motion. The motion was adopted.

The Chair opened the meeting to anyone who wanted to address the Commission. No one from the public responded.

Mr. Green addressed the Commission regarding his Request for Declaratory Order. Mr. Green withdrew his Request for Declaratory Order.

Mr. Pinkowski and Mr. Schmalz addressed the Commission regarding the Request for Declaratory Order by Bruce Schmalz & The City of Central City and its citizens that voted in the November 7, 2000 election for Alderman of the City of Central. Mr. Pinkowski testified statutory construction and Department of Revenue precedence should be used in considering the definition of “indirect” interest. Mr. Schmalz stated he was willing to surrender his gaming license and transfer his casino interests in order to comply with the statutory restrictions on elected municipal officials having interest in a gaming license.

Mr. Kitts and Ms. Williams presented the Division of Gaming’s response to the declaratory order. Ms. Williams stated that spouses and family members are separate persons under the Limited Gaming Act and that Mr. Schmalz had not given enough detail about his plans to transfer his casino interests for the Commission to be able to answer the petition. Mr. Kitts stated that the Division had requested a concrete proposal in the past, but Mr. Schmalz had not produced one.

Ms. Clara Aucoin from the Nederland Mountain-Ear Newspaper clarified that newspaper staff had reviewed audio of the January 2 Central City council meeting and regularly viewed council meetings on television.

Ms. Betty Mahaffey as a citizen of Central addressed the Commission regarding her concerns about city funds being used to support the declaratory order and gave the Commission her views on the political environment in the city.

Mr. William Wiman, Central City alderman, supported the need to separate the gaming industry from city government.

Mr. Marvin Skagerberg requested the Commission to move addressing the declaratory order to the top of their agenda.

Mr. Patrick Hughes, Central City alderman, told the Commission that the voters in Central City were aware of Mr. Schmalz’s ties to the gaming industry when they elected him.

Ms. Ann Dodson urged the Commission to find a way to allow Mr. Schmalz to take office, since the voters wanted him in office.

The Chair called for a motion for a recess to confer with conflict counsel Mr. Baird regarding the issue of the Declaratory Order. Mr. Walter made the motion. Mr. Millman seconded the motion. The motion was adopted.

The meeting was reconvened into public session at 2:34 p.m.

The Chair read the following statement:

The Commission considers that the Petition For Declaratory Order presents a unique case and any statements of the Commission pertains solely to this case and should not be of any precedential value in any other matter that may come before the Commission.

With the information presently before the Commission in this case, it is the Commission's sense at this time that a transfer of Mr. Shamalz's interests to his spouse could constitute an interest in a license, should he take office; but the Commission's preliminary sense of this matter is subject to further consideration upon the presentation of additional information bearing on the issue of interest.

Therefore, the Commission requests that the petitioners provide additional information as to this issue in support of their position to the Division no later than January 31, 2001.

The Division is requested to evaluate any such additional information and make its recommendations to the Commission and to the petitioners by February 9, 2001. The Commission will consider the petition at the February meeting.

The Chair called for a motion to commence rulemaking hearings on proposed changes to Colorado Limited Gaming Rules 5, 8, 9, 10, 12 and 13. Ms. Harris made the motion. Mr. Walter seconded the motion. The motion was adopted.

The Chair swore in Mr. Wargo, Mr. Burmania and Ms. Zalesky.

Mr. Wargo, Mr. Burmania and Ms. Zalesky presented proposed amendments to Rule 5, Grounds and Procedures for Disciplinary Actions; Rule 8, Rules of Blackjack; Rule 9, Minimum Procedures for Drop, Count and Distribution for Blackjack; Rule 10, Rules of Poker; Rule 12, Gaming Devices and Equipment; and Rule 13, Purchase and Redemption of Coins, Chips, and Tokens.

The Chair called for a motion to close rulemaking hearings on proposed changes to Colorado Limited Gaming Rule 5, 8, 9, 10, 12 and 13. Mr. Walter made the motion. Mr. Millman seconded the motion. The motion was adopted.

The Chair called for a motion to approve the proposed amendments as presented by the Division to Rule 5, 8, 9, 10, 12 and 13. Mr. Millman made the motion. Ms. Harris seconded the motion. The motion was adopted.

Ms. Ford presented the Division Financial Statements for the five months ended November 30, 2000.

The Chair called for a motion to approve the Statement of Gaming Revenues, Gaming Taxes and Expenditures for the five months ended November 30, 2000 and authorize its distribution. Mr. Millman made the motion. Ms. Wheeler seconded the motion. The motion was adopted.

Ms. Petkash presented a proposed amendment to the Memorandum of Understanding with the Colorado Bureau of Investigation.

The Chair called for a motion to approve and authorize the Chair to sign the Interagency Agreement Amendment number two between the Colorado Limited Gaming Control Commission and Colorado Bureau of Investigation. Mr. Walter made the motion. Ms. Harris seconded the motion. The motion was adopted.

The Chair called for a motion to adopt the minutes of the Gaming Commission meeting of December 14, 2000. Ms. Harris made the motion. Mr. Millman seconded the motion. The motion was adopted.

Ms. Williams presented Order of Stipulation and Agreement Case No. SA 01-001 in the matter of Riviera Black Hawk, Inc., dba Riviera Black Hawk Casino, license number 14-32678-0001.

The Chair called for a motion to approve and authorize the Chair to sign the Order of Stipulation and Agreement Case No. SA 01-001 in the matter of Riviera Black Hawk, Inc., dba Riviera Black Hawk Casino, license number 14-32678-0001. Mr. Walter made the motion. Mr. Millman seconded the motion. Then motion was adopted.

Ms. Williams presented Order of Stipulation and Agreement Case No. SA 01-003 in the matter of Jazz Alley Casino, Inc., dba Jazz Alley Casino, license number 15-06039-0001.

The Chair called for a motion to approve and authorize the Chair to sign the Order of Stipulation and Agreement Case No. SA 01-003 in the matter of Jazz Alley Casino, Inc., dba Jazz Alley Casino, license number 15-06039-0001. Mr. Millman made the motion. Mr. Walter seconded the motion. The motion was adopted.

Ms. Williams presented Order of Stipulation and Agreement Case No. SA 01-002 in the matter of Concorde Cripple Creek Inc., dba Golden Gates Casino, license number 23-95945-0001.

Mr. Kitts presented a letter from Gene Christianson, General Manager of Golden Gates Casino, asking the Commission to reconsider any proposed fine.

The Chair called for a motion to approve and authorize the Chair to sign the Order of Stipulation and Agreement Case No. SA 01-002 in the matter of Concorde Cripple Creek Inc., dba Golden Gates Casino, license number 23-95945-0001.

Mr. Kitts thanked the Commission for their patience for a longer meeting today.

Ms. Zalesky introduced new auditor Lisa Watkins who started with the Division on December 1, 2000.

The Notice of Denial hearing for Earl Neudecker will be continued to a date in the future as Mr. Neudecker is unable to travel. The Chair will sign a new order.
The meeting was adjourned at 3:35 p.m.

Cindy Raiolo

Colorado Limited Gaming Control Commission

Minutes of Meeting

February 15, 2001

The meeting was called to order by the Chair of the Colorado Limited Gaming Control Commission, Natalie Meyer at 9:02 a.m. on February 15, 2001 at the Division of Gaming, 1881 Pierce Street, Suite 110, Lakewood, Colorado. Present were Commissioners Natalie Meyer, Shirley Harris, Marilyn Wheeler, Phil Walter and Rob Millman. Also in attendance were: Director of the Division of Gaming, Tom Kitts; Director of Administration, Linda Petkash; Communications and Licensing Director, Don Burmania; Public Affairs Specialists, Maren Rubino; Controller, Janet Ford; Chief of Investigations, Huck Henderson; Chief Auditor, Georgine Zalesky; Audit Managers, Flavio Quintana, Jennifer Aragon; Auditor, Dan Hoppes, Mike Maestas, and Michael Duran; Field Operations Supervisor, Phil Wargo; Agent In Charge of the Cripple Creek Office, Steve Barber; Agent In Charge of the Central City Office, Jim Huskey; Senior Supervisor, Laura Manning; Investigative Supervisor, Vic Freburg, Investigators, Will Lukela, Kendal Dittmer, Tom Fears, Karl Trump, Bill Garrett and Ron Kammerzell, Jan Dempsey; System Machine Specialist, Paul Hogan; Program Assistant, LaToiya Banks, and Assistant Attorney General, Ceri Williams. Persons making a presentation in executive session were: Pete Mang and Mark Wilson, Colorado Bureau of Investigation. Persons making a presentation in public session were: Brian Pinkowski, City of Central Attorney; Bruce Schmalz.

The Chair called for a motion to go into executive session at 9:03 a.m. to review reports from the Division of Gaming and the Colorado Bureau of Investigation. Mr. Millman made the motion. Mr. Walter seconded the motion. The motion was adopted.

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

The Chair called for a motion to renew the permanent manufacturer/distributor licenses of AGI Distribution, Inc., Atronic Americas, LLC and Novomatic Colorado, Inc. These licenses shall be issued upon expiration of the current license and expire one year from the date of issuance. Mr. Millman made the motion. Mr. Walter seconded the motion. The motion was adopted.

The Chair called for a motion to renew the permanent operator license of International American Gaming Association, Inc. This license shall be issued upon expiration of the current license and expire one year from the date of issuance. Mr. Millman made the motion. Mr. Walter seconded the motion. The motion was adopted.

The Chair called for a motion to issue a new permanent retail license to; Snowshoe Thompson's, Inc. This license shall be effective at 5:00 p.m. on February 15, 2001 and expire one year from the date of issuance. Standard conditions for a retail license shall apply. Ms. Harris made the motion. Mr. Millman seconded the motion. The motion was adopted.

The Chair opened the meeting to anyone who wanted to address the Commission.

Ms. Rice, Executive Director for the Casino Owners Association addressed the Commission regarding the Colorado Council on Compulsive Gambling New Millennium Conference. Ms. Rice extended an invitation to the Commission to attend the conference that is scheduled for March 23rd & 24th, 2001 at the Doubletree Southeast in Aurora.

Ms. Ford presented the Division Financial Statements for the six months ended December 31, 2000.

The Chair swore in new investigator Jan Dempsey who will be working in the Lakewood Office.

The Chair called for a motion to approve the Statement of Gaming Revenues, Gaming Taxes and Expenditures for the six months ended December 31, 2000 and authorize its distribution. Ms. Harris made the motion. Mr. Millman seconded the motion. The motion was adopted.

The Chair called for a motion to adopt the minutes of the Gaming Commission meeting of January 18, 2001. Mr. Walter made the motion. Mr. Millman seconded the motion. The motion was adopted.

Ms. Williams presented Order of Summary Suspension Case No. SS 01-001 in the matter of Nathan Kyle Williams, license number 23703.

The Chair called for a motion to approve and authorize the Chair to sign the Order of Summary Suspension Case No. SS 01-001 in the matter of Nathan Kyle Williams, license number 23703. Mr. Walter made the motion. Mr. Millman seconded the motion. Then motion was adopted.

Ms. Williams presented Order of Stipulation and Agreement Case No. SA 01-004 in the matter of Teresa Brunnings, license number 19495.

The Chair called for a motion to approve and authorize the Chair to sign the Order of Stipulation and Agreement Case No. SA 01-004 in the matter of Teresa Brunnings, license number 19495. Mr. Millman made the motion. Mr. Walter seconded the motion. The motion was adopted.

Mr. Kitts informed the Commission that there could be a hearing in April on the matter of a tax dispute.

Mr. Kitts discussed briefly the perception of the public regarding Internet Gambling. Stating that the public is unaware that it is illegal. He requested the Commission's approval to speak informally with the Attorney General's office to see what could be done to inform the public on this issue. The Commission gave Mr. Kitts their approval to move forward informally at this point. Mr. Kitts will report back to the Commission.

Mr. Pinkowski presented Petitioner's Brief and Amended Request for Declaratory Order.

The Commission allowed Mr. Pinkowski to make oral argument on the matter.

Ms. Williams presented oral argument on the Colorado Division of Gaming's Response to Petitioner's Brief and Amended Request for Declaratory Order in the Matter of Bruce Schmalz for Consideration by the Colorado Limited Gaming Control Commission.

The Chair called for a motion for a recess to confer with conflict counsel Mr. Baird regarding the issue of the Declaratory Order. Mr. Walter made the motion. Mr. Millman seconded the motion. The motion was adopted.

The meeting was reconvened into public session at 12:23 p.m.

The Chair read the following statement:

The Commission has considered the Petitions for Declaratory Order under Rule 6.

I ask for a motion to rule on the petitions as follows:

Rule 47.1-601 allows the Commission to issue its ruling as to the applicability to that person of any statutory provision or rule relating to limited gaming.

The Commission must consider how the statutes or rules apply to the person at the time the matter is presented to the Commission.

The Commission should not issue any decision that would be merely advisory.

At this time, Mr. Schmalz is liable for loans secured by a mortgage or mortgages encumbering real property that include a casino. Mr. Schmalz therefore has a financial interest that constitutes an interest in a limited gaming license for the purpose of the limited gaming control act.

The Commission shall prepare and issue a corresponding written order. Mr. Millman made the motion. Mr. Walter seconded the motion. The motion was adopted.

The meeting was adjourned at 12:26 p.m.

Cindy Raiolo

Colorado Limited Gaming Control Commission

Minutes of Meeting

March 15, 2001

The meeting was called to order by the Chair of the Colorado Limited Gaming Control Commission, Natalie Meyer at 9:02 a.m. on March 15, 2001 at the Division of Gaming, 1881 Pierce Street, Suite 110, Lakewood, Colorado. Present were Commissioners Natalie Meyer, Shirley Harris, Marilyn Wheeler, Phil Walter and Rob Millman. Also in attendance were: Director of the Division of Gaming, Tom Kitts; Director of Administration, Linda Petkash; Communications and Licensing Director, Don Burmania; Public Affairs Specialist, Maren Rubino; Controller, Janet Ford; Chief of Investigations, Huck Henderson; Chief Auditor, Georgine Zalesky; Audit Managers, Flavio Quintana and Brenda Davis; Field Operations Supervisor, Phil Wargo; Agent In Charge of the Cripple Creek Office, Steve Barber; Agent In Charge of the Central City Office, Jim Huskey; Senior Supervisor, Laura Manning; Investigative Supervisors, Vic Freburg and Gary Watada; Investigators, Will Lukela, Tom Fears, Ron Kammerzell, Jan Dempsey; System Machine Specialist, Paul Hogan; and Assistant Attorney General, Ceri Williams. Persons making a presentation in executive session were: Pete Mang and Mark Wilson, Colorado Bureau of Investigation. Persons making a presentation in public session were: Jack Kirtland and Tom Jakaow, Department of Local Affairs; Lieutenant Colonel Bill Wolfe, Linda Wright and Ray Elder, Colorado State Patrol; Pete Mang and Linda Wright, Colorado Bureau of Investigation; and Paul Cooke and Linda Wright, Division of Fire Safety.

The Chair called for a motion to go into executive session at 9:03 a.m. to review reports from the Division of Gaming and the Colorado Bureau of Investigation. Mr. Walter made the motion. Mr. Millman seconded the motion. The motion was adopted.

The meeting was reconvened into public session at 10:27 a.m.

The Chair called for a motion to renew the permanent retail license of BWBP, Inc. dba Bullpen Sports Casino. This license shall be issued upon expiration of the current license and expire one year from the date of issuance. Mr. Millman made the motion. Mr. Walter seconded the motion. The motion was adopted.

The Chair called for a motion to renew the permanent manufacturer/distributor licenses of WMS Gaming Inc. and Spin For Cash Wide Area Progressive Joint Venture. These licenses shall be issued upon expiration of the current license and expire one year from the date of issuance. Ms. Harris made the motion. Mr. Millman seconded the motion. The motion was adopted.

The Chair called for a motion to renew the permanent operator license of Spin For Cash Wide Area Progressive Joint Venture. This license shall be issued upon expiration of the current license and expire one year from the date of issuance. Mr. Walter made the motion. Ms. Wheeler seconded the motion. The motion was adopted.

The Chair called for a motion to issue a new permanent operator license to WMS Gaming Inc. This license shall be effective at 5:00 p.m. on March 15, 2001 and expire one year from the date

of issuance. Ms. Harris made the motion. Mr. Millman seconded the motion. The motion was adopted.

The Chair called for a motion to issue a new retail license to Horseshoe Casino, LLC, dba Grand Plateau Casino, 139 Main Street, Black Hawk. This license shall be effective at 5:00 p.m. on March 15, 2001 and expire one year from the date of issuance. Standard conditions for a retail license shall apply. Mr. Walter made the motion. Mr. Millman 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 and renew the manufacturer/distributor license of Silicon Gaming-Colorado, Inc. This license shall be issued upon expiration of the current license and expire one year from the date of issuance. Ms. Harris made the motion. Ms. Wheeler 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 Southwest Casino and Hotel Corp., dba Uncle Sam's. Mr. Millman made the motion. Mr. Walter seconded the motion. The motion was adopted.

The Commission is taking note of the splitting of casinos. The Commission directed the Division to report back on any variances on combining casinos.

The Chair opened the meeting to anyone from the public that would like to address the Commission. No one from the public responded.

Mr. Kirtland and Mr. Jakaow addressed the Commission regarding the FY2002 budget request for the Department of Local Affairs. The Commission had several questions as to why the budget request reflects an increase of 174% in indirect costs. Ms. Harris asked the Department of Local Affairs to compare themselves to other agencies and their indirect costs and how they are handled.

The Chair directed the Department of Local Affairs to present additional information next month at the Limited Gaming Control Commission meeting. The Chair called for a motion to defer action on the Department of Local Affairs FY 2002 budget request. Mr. Walter made the motion. Ms. Wheeler seconded the motion. The motion was adopted.

The Chair stated that there was a technical error in the approval of the Horseshoe Casino, LLC dba Grand Plateau Casino license.

The Chair called for a motion to issue a new retail license to Horseshoe Casino, LLC, dba Grand Plateau Casino, 139 Main Street, Black Hawk. This license shall be effective on April 3, 2001. Standard conditions for a retail license shall apply. Mr. Millman made the motion. Mr. Walter seconded the motion. The motion was adopted.

Lieutenant Colonel Wolfe, Ms. Wright and Mr. Elder presented the Colorado State Patrol FY 2001 supplemental budget request and the FY 2001 budget request.

The Chair called for a motion to approve the FY2001 supplemental budget request for the Colorado State Patrol in the amount of \$38,508. Mr. Millman made the motion. Mr. Walter seconded the motion. The motion was adopted.

The Chair called for a motion to approve the FY 2002 budget request for the Colorado State Patrol in the amount of \$1,309,559. Mr. Millman made the motion. Mr. Walter seconded the motion. The motion was adopted.

Mr. Mang and Ms. Wright presented the Colorado Bureau of Investigation FY 2001 supplemental budget request and FY 2002 budget request.

The Chair called for a motion to approve the FY 2001 supplemental request by the Colorado Bureau of Investigation to transfer \$1,714 from vehicle lease payments to operating and to approve the FY 2001 supplemental request by the Colorado Bureau of Investigation in the amount of \$1,412. Ms. Wheeler made the motion. Mr. Walter seconded the motion. The motion was adopted.

The Chair called for a motion to approve the FY 2002 budget request for the Colorado Bureau of Investigation in the amount of \$696,540. Ms. Wheeler made the motion. Mr. Millman seconded the motion. The motion was adopted.

Mr. Cooke, Ms. Wright and Ms. Crisman presented the Division of Fire Safety FY 2002 budget request.

The Chair called for a motion to approve the FY 2002 budget request for the Division of Fire Safety in the amount of \$147,847. Ms. Wheeler made the motion. Mr. Walter seconded the motion. The motion was adopted.

The meeting was recessed at 12:13 p.m.

The meeting was reconvened at 12:25 p.m.

Ms. Petkash presented the Division of Gaming FY 2002 budget request.

The Chair called for a motion to approve the FY 2002 budget request for the Division of Gaming in the amount of \$7,562,081. Mr. Walter made the motion. Mr. Millman seconded the motion. The motion was adopted.

Ms. Ford presented the Division Financial Statements for the seven months ended January 31, 2000.

The Chair called for a motion to approve the Statement of Gaming Revenues, Gaming Taxes and Expenditures for the seven months ended January 31, 2001 and authorize its distribution. Ms. Wheeler made the motion. Mr. Millman seconded the motion. The motion was adopted.

The Chair called for a motion to adopt the minutes of the Gaming Commission meeting of February 15, 2001. Mr. Walter made the motion. Mr. Millman seconded the motion. The motion was adopted.

Mr. Kitts updated the Commission on the Internet Gambling informal discussions with the Attorney General's office, stating that the process is moving forward with agencies working in cooperation to inform the public. Mr. Kitts will report back to the Commission.

Mr. Kitts suggested that the meeting scheduled for July 19, 2001 could be in the Central City office of the Division of Gaming. Final scheduling will be completed at a later date.

The meeting was adjourned at 1:05 p.m.

Cindy Raiolo

Colorado Limited Gaming Control Commission

Minutes of Meeting
April 19, 2001

The meeting was called to order by the Chair of the Colorado Limited Gaming Control Commission, Natalie Meyer at 9:02 a.m. on April 19, 2001 at the Division of Gaming, 1881 Pierce Street, Suite 110, Lakewood, Colorado. Present were Commissioners Natalie Meyer, Shirley Harris, Marilyn Wheeler, Phil Walter and Rob Millman. Also in attendance were: Director of the Division of Gaming, Tom Kitts; Senior Director of Enforcement, George Turner; Director of Administration, Linda Petkash; Communications and Licensing Director, Don Burmania; Public Affairs Specialist, Maren Rubino; Controller, Janet Ford; Chief of Investigations, Huck Henderson; Chief Auditor, Georgine Zalesky; Audit Managers, Flavio Quintana and Jennifer Aragon; Auditors Mike Maestas, Matt Slaney and Michael Duren; Field Operations Supervisor, Phil Wargo; Agent In Charge of the Cripple Creek Office, Steve Barber; Agent In Charge of the Central City Office, Jim Huskey; Senior Supervisor, Laura Manning; Investigative Supervisors, Vic Freburg and Gary Watada; Investigators, Will Lukela, Tom Fears, Ron Kammerzell, Jan Dempsey; Slot Specialists, Gene Wenholz and Jeff Marone; Administrative Assistant Kathie Bowman and Assistant Attorney General, Ceri Williams. Persons making a presentation in executive session were: Pete Mang and Mark Wilson, Colorado Bureau of Investigation. Persons making a presentation in public session were: Jack Kirtland, Department of Local Affairs.

The Chair called for a motion to go into executive session at 9:03 a.m. to review reports from the Division of Gaming and the Colorado Bureau of Investigation. Mr. Walter made the motion. Mr. Millman seconded the motion. The motion was adopted.

The meeting was reconvened into public session at 10:43 a.m.

The Chair called for a motion to renew the permanent retail licenses of Black Hawk/Jacobs Entertainment, LLC, dba The Lodge Casino at Black Hawk; Ed & Shirley's, Inc. dba The Wild Card Saloon; Front Range Gaming, Inc., dba Wild West Casino & Brewery; Jazz Alley Casino, Inc.; Pioneer Group, Inc., dba Buffalo Billy's Sports Bar & Casino; Red Dolly, Inc., dba Red Dolly Casino, Inc. and Virgin Mule, Inc. These licenses shall be issued upon expiration of the current license and expire one year from the date of issuance. Mr. Millman made the motion. Mr. Walter seconded the motion. The motion was adopted.

The Chair called for a motion to renew the permanent retail license and approve the change of ownership as outlined in the investigative report for Dedicated International, Inc., dba Black Hawk Station, Inc. This license shall be issued upon expiration of the current license and expire one year from the date of issuance. Mr. Walter made the motion. Ms. Harris seconded the motion. The motion was adopted.

The Chair called for a motion to renew the permanent retail and operator licenses of Harveys C.C. Management Company, Inc., dba Harveys Wagon Wheel Hotel/Casino. These licenses shall be issued upon expiration of the current license and expire one year from the date of

issuance. Ms. Harris made the motion. Mr. Walter seconded the motion. The motion was adopted.

The Chair called for a motion to renew the permanent manufacturer/distributor license and approve the change of ownership as outlined in the investigative report for Atlantic City Coin & Slot Service Company Inc. This license shall be issued upon expiration of the current license and expire one year from the date of issuance. Mr. Millman made the motion. Mr. Walter seconded the motion. The motion was adopted.

The Chair called for a motion to renew the permanent manufacturer/distributor license of PDS Gaming Corporation – Colorado. This license shall be issued upon expiration of the current license and expire one year from the date of issuance.

The Chair called for a motion to renew the permanent retail license of Gilpin Hotel Venture, dba The Gilpin Hotel Casino, Ltd. and Pioneer Group, Inc., dba Bronco Billy's Casino. These licenses shall be effective May 14, 2001 and expire one year from the date of issuance. Mr. Walter made the motion. Mr. Millman seconded the motion. The motion was adopted.

The Chair opened the meeting to anyone from the public that would like to address the Commission.

Mr. Joe Ramus addressed the Commission stating the Casino Owners Association had received the June Dyer Award on compulsive gambling.

Mr. Mark Greuskin addressed the Commission regarding the Bridge Project. The Bridge Project tutors inner city youth for college. There are three different projects and about 180 kids. The following casinos are instrumental through fund-raisers and donations to supporting this project: Harvey's Colorado Central Station, Gilpin/Lodge, Isle of Capri, Bronco Billy's, Canyon Casino and Golden Gates.

The Chair called for a motion to commence rulemaking hearings on proposed changes to Colorado Limited Gaming Rules 10 and 12. Mr. Millman made the motion. Mr. Walter seconded the motion. The motion was adopted.

The Chair swore in Mr. Wargo.

Mr. Wargo presented proposed changes to Colorado Limited Gaming Rules 10 and 12.

The Chair opened the meeting to anyone from the public who wanted to address the Commission on proposed amendments to Colorado Limited Gaming Rule 10 and 12. No one responded.

The Chair called for a motion to close rulemaking hearings on proposed changes to Colorado Limited Gaming Rule 10 and 12. Mr. Walter made the motion. Mr. Millman seconded the motion. The motion was adopted.

The Chair called for a motion to approve the proposed amendments as presented by the Division to Rule 10 and 12. Mr. Millman made the motion. Mr. Walter seconded the motion. The motion was adopted.

The Chair called for a motion to open hearings on proposed amendments to Colorado Gaming Regulation 47.1-1401, Gaming and Device Taxes. Mr. Millman made the motion. Mr. Walter seconded the motion. The motion was adopted.

The Chair swore in Ms. Petkash.

Ms. Petkash gave the Commission a brief overview of the statutory requirements that must be considered during the tax hearings and the schedule of when the Division anticipates that information to be presented.

The Chair opened the meeting to anyone from the public who wanted to address the Commission on proposed amendments to Colorado Gaming Regulation 47.1-1401, Gaming and Device Taxes.

Mr. Don Rosen and Mr. Dan Reilly gave a presentation requesting that the Commission establish a separate tax for table games and would request to open a discussion. They would like to see a separate tiered tax structure for table games where 8% would be the highest rate for table games.

The Chair called for a motion to close hearings on proposed amendments to Colorado Gaming Regulation 47.1-1401 and continue these hearings on May 17, 2001, at 10:00 a.m. at 1881 Pierce Street, Suite 110, Lakewood. Mr. Millman made the motion. Mr. Walter seconded the motion. The motion was adopted.

Ms. Ford presented the Division Financial Statements for the eight months ended February 28, 2001.

The Chair called for a motion to approve the Statement of Gaming Revenue, Gaming Taxes and Expenditures for the eight months ended February 28, 2001 and authorize its distribution. Mr. Walter made the motion. Ms. Harris seconded the motion. The motion was adopted.

Mr. Kirtland addressed the Commission regarding the FY2002 budget request for the Department of Local Affairs. The Commission had several questions regarding the increase of indirect costs.

A second request was made by Ms. Harris to the Department of Local Affairs to compare themselves to other agencies and their indirect costs and how they are handled was made, as this information was not provided to the Commission.

The Chair called for a motion to approve the FY 2002 budget request of the Department of Local Affairs in the amount of \$71,904. Ms. Harris made the motion. Ms. Wheeler seconded the motion. The motion was adopted.

This approved budget amount reflects a 12.6% indirect costs rate, which is less than the 31.8% that was requested. The approved 12.6% rate reflects the continuation of the FY 2001 rate.

The Chair called for a motion to adopt the minutes of the Gaming Commission meeting of March 15, 2001. Mr. Walter made the motion. Mr. Millman seconded the motion. The motion was adopted.

Mr. Kitts updated the Commission on the Internet Gambling informal discussions with the Attorney General's office, stating that the process is moving forward with agencies working in cooperation to inform the public. Mr. Kitts will report back to the Commission.

Discussion was held regarding the Division WEB Page and language the Commission wishes to be removed from the WEB Page. These changes will be made and the Commission will be updated.

The meeting was adjourned at 12:23 p.m.

Cindy Raiolo

Colorado Limited Gaming Control Commission

Minutes of Meeting

May 17, 2001

The meeting was called to order by the Chair of the Colorado Limited Gaming Control Commission, Natalie Meyer at 8:34 a.m. on May 17, 2001 at the Division of Gaming, 1881 Pierce Street, Suite 110, Lakewood, Colorado. Present were Commissioners Natalie Meyer, Shirley Harris, Marilyn Wheeler, Phil Walter and Rob Millman. Also in attendance were: Director of the Division of Gaming, Tom Kitts; Director of Administration, Linda Petkash; Communications and Licensing Director, Don Burmania; Public Affairs Specialist, Maren Rubino; Controller, Janet Ford; Chief of Investigations, Huck Henderson; Chief Auditor, Georgine Zalesky; Agent In Charge of the Cripple Creek Office, Steve Barber; Senior Supervisor, Laura Manning; Investigative Supervisors, Vic Freburg, Cliff Volz and Gary Watada; Investigators, Will Lukela, Tom Fears, Ron Kammerzell, Jan Dempsey; and Assistant Attorney General, Ceri Williams. Persons making a presentation in executive session were: Pete Mang and Mark Wilson, Colorado Bureau of Investigation. Persons making a presentation in public session were: Cheryl McHugh, Department of Revenue; Donna Martin, Gilpin County; Greg Winkler, Teller County; Georgianna Contiguglia and Mark Wolf, State Historic Society; Bruce Nilemo, Laurie Freidle, Brian Pinkerton, Richard Reynolds, Bob Torres, Dave Polley, Ann Skinner, Robert Burch and Tony Chapito, Department of Transportation; David Blanchard, City of Black Hawk; Kip Peterson, City of Cripple Creek; Ivan Widom and Chuck Bonniwell, City of Central; Jack Kirtland, Department of Local Affairs and Ron Cattany, Department of Natural Resources.

The Chair called for a motion to go into executive session at 8:35 a.m. to review reports from the Division of Gaming and the Colorado Bureau of Investigation. Mr. Walter made the motion. Mr. Millman seconded the motion. The motion was adopted.

The meeting was reconvened into public session at 9:44 a.m.

The Chair called for a motion to renew the permanent retail licenses of Casino Holdings, Inc., dba Brass Ass Casino, DEC, Inc., dba The Eureka! Ltd., Holland Ventures, Inc., dba J.P. McGill's Hotel & Casino, Imperial Gaming Corporation, dba Imperial Hotel & Casino Corp. and The Lays' Palace, Ltd., dba The Palace Hotel, Ltd. These licenses shall be issued upon expiration of the current license and expire one year from the date of issuance. Mr. Walter made the motion. Mr. Millman seconded the motion. The motion was adopted.

The Chair called for a motion to renew the permanent manufacturer/distributor license of Western Money Systems, Inc. This license shall be issued upon expiration of the current license and expire one year from the date of issuance. Mr. Harris made the motion. Mr. Walter seconded the motion. The motion was adopted.

The Chair called for a motion to renew the permanent manufacturer/distributor license and approve the change of ownership as outlined in the investigative report for CDS Services Company. This license shall be issued upon expiration of the current license and expire one year

from the date of issuance. Mr. Walter made the motion. Mr. Millman seconded the motion. The motion was adopted.

The Chair called for a motion to renew the permanent operator license of John A. Schaffer. This license shall be issued upon expiration of the current license and expire one year from the date of issuance. Ms. Harris made the motion. Ms. Wheeler seconded the motion. The motion was adopted.

The Chair opened the meeting to anyone from the public that would like to address the Commission. No one from the public responded.

The Chair called for a motion to open rulemaking hearings on proposed changes to Colorado Gaming Regulation 47.1-1401, Gaming and Device Taxes. Mr. Walter made the motion. Mr. Millman seconded the motion. The motion was adopted.

Ms. Petkash gave an overview of the various State agencies that would be providing information to the Commission. She noted specifically that these agencies were not seeking funding directly from the Commission, but would in fact, be requesting funding from the Legislature for gaming related impacts.

Ms. Martin, Gilpin County Manager, gave an overview of gaming impacts in Gilpin County. She stated the general welfare of the County is very positive. In her testimony, Ms. Martin noted the current level of funding from their Limited Gaming Fund distribution provides adequate funds to serve and address gaming-related impacts in Gilpin County. However, there is a possibility in the upcoming years that Gilpin County may not have enough funding to cover all of the growing impacts from gaming.

Mr. Winkler, Teller County Administrator, gave an overview of the impacts gaming has had on Teller County. He noted that the passage of legislation several years ago making the host counties eligible for Local Government Limited Gaming Impact Funds benefited the County greatly by allowing them to compete for grant funds for gaming impacts. Mr. Winkler read the following statement:

“We clearly recognize that any monies generated from the gaming industry are just a portion of the financial viability of the county. That is why at this time we wish to call your attention to the continual assault from some entities in the State on this fund. The original constitutional legislation distributed the monies to the State general fund, the Colorado Historical Society, the host Cities and Counties. It is moot to discuss the original distribution percentages, however, it is clear the philosophy for the use of this money was to mitigate impacts that may be generated by limited gaming both statewide and in the individual jurisdictions. Recent significant efforts by organizations to divert monies to GOCO, and the actions of the Joint Budget Committee to remove needed monies to repair and upgrade the State highway system through the host counties have us concerned. We thank you for you past support of CDOT’s requests and ask

for your continued support of the requests of the Colorado Department of Transportation to mitigate the pressures on State highway system to the gaming communities.”

In his testimony, Mr. Winkler stated he believed the current tax rate is good for the industry and good for Teller County. He urged the Commission to leave taxes at the level they are currently.

A request was made by the Commission that the Department of Health attend the Commission meeting in June to address questions concerning inspections and the contracting of these inspections of businesses in the three gaming cities.

Ms. McHugh, Director of Cash & Document Processing, addressed the Commission regarding the FY 2002 budget request for funding in the amount of \$48,080 from the Limited Gaming Fund for needed replacement of the fire alarm system in the 1881 Pierce Street Facility. This amount is based on the Division of Gaming’s usage rate (square footage) of the Pierce facility.

The Chair called for a motion to approve the FY 2002 budget request for the Department of Revenue in the amount of \$48,080. Mr. Walter made the motion. Mr. Millman seconded the motion. The motion was adopted.

Ms. Contiguglia and Mr. Wolff of the State Historic Society provided the Commission information concerning programs administered by the State Historical Society. They noted Colorado’s program is a model in the United States. No comment was given on the current tax rate.

The meeting was recessed at 11:20 a.m.

The meeting was reconvened at 11:34 p.m.

Mr. Nilemo, Ms. Freidle, Mr. Pinkerton, Mr. Reynolds, Mr. Torres, Mr. Polley, Ms. Skinner, Mr. Burch and Mr. Chapito of the Department of Transportation gave a presentation to the Commission requesting Gaming Funds for FY 2002/2003 totaling \$6,500,000 which is \$870,000 less than the total figure of \$7,370,000 shown in the “Multi-Year Plan for Gaming Impacts” for FY 2003 because of a number of factors. In the Department’s Region 1 (Black Hawk/Central City Gaming Corridor), an Environmental Impact Statement is currently underway to identify various transportation alternatives. Until this Environmental Impact Statement is completed in the fall 2002, certain types of construction activity cannot proceed. Therefore, alternative projects were included in their request. In Region 5 (Southwestern Colorado) the Ute Mountain Ute Tribe has agreed to pay significantly more of the project costs which, thereby, reduces their request for Gaming Funds. In Region 2 (Cripple Creek), the Department is utilizing Department funds to complete the planned gaming projects for FY 2002/2003 on U.S. 24 during FY 2001/2002. Therefore, the Department has changed their request to move forward with safety improvement on S.H. 67 for FY 2003.

Mr. Blanchard, City Manager for Black Hawk presented an annual report on the impacts gaming has had on the City of Black Hawk. He gave an overview of various projects the City is

conducting. Mr. Blanchard stated that the combination of rapid casino growth, heavy visitor traffic and continued efforts to provide increased resident services has put considerable strain on City Government. Mr. Blanchard stated the City has implemented a Device Fee of \$750 per year per gaming device. The revenues from this source are utilized for general operations of the City and transferred to the Debt Service Fund. In the most recent reporting period, February 2001, the City had 8,604 devices. Mr. Blanchard requested the Commission to leave the taxes at the current rate.

The meeting was recessed at 12:52 p.m.

The meeting was reconvened at 1:48 p.m.

Mr. Peterson, City Administrator of Cripple Creek addressed the Commission going over their goals and objectives for 2001. Mr. Peterson stated that two City Council members were recalled and replaced. The City has instituted a first quarter device fee reduction, which lowered the city's revenues by \$213,750. The famous melodrama is once again playing at the new Butte Opera House and the City is building a skate park for the young people of the community. Mr. Peterson's recommendation to the Commission is to encourage further investment and allow existing operators to flourish, the City of Cripple Creek recommends that the tax structure remain the same for the coming fiscal year.

Mr. Widom, City Manager of the City of Central gave a brief presentation of the City of Central's activities over the past year regarding finances, projects/infrastructure, gaming industry, historic preservation and upcoming projects. Mr. Widom stated that additional revenues are definitely needed for Central City to continue providing basic services to its residents, businesses and visitors. He stated that all three gaming cities must thrive for gaming to have a positive impact and future in Colorado. Mr. Widom recommended that the tax structure remain the same. Mr. Widom and Mr. Bonniwell addressed questions from the Commission regarding the southern access road.

Mr. Kirtland, Department of Local Affairs gave an overview of all of the grant requests and awards through the Local Government Limited Gaming Impact Program for FY 1999/2001. He stated that the two Cities of Woodland Park and Victor will be eligible to participate in the competitive distribution process after July 1, 2002 in the Local Government Limited Gaming Impact Program. Mr. Kirtland recommended the tax rate remain the same.

Mr. Cattany of the Department of Natural Resources presented information and a short slide presentation to the Commission on abandoned mines and how the mines have been safeguarded. The Department is working on the issues of flooding concerns in the three communities. With increasing visitations this threat increases daily, especially in Black Hawk and Central City. Improvements are being installed, as funding becomes available to deal with some of the flood problems; however, much more is needed. Mr. Cattany thanked the Commission for the funds his Department receives.

The Chair called for a motion to close hearings on proposed amendments to Colorado Gaming Regulation 47.1-1401 and continue these hearings on June 21, 2001, at 10:00 a.m. at 1881 Pierce

Street, Suite 110, Lakewood. Mr. Millman made the motion. Mr. Walter seconded the motion. The motion was adopted.

Ms. Petkash presented proposed FY 2002 agreements between the Commission and the Colorado Bureau of Investigation, Colorado State Patrol, Division of Fire Safety, and Department of Local Affairs.

The Chair called for a motion to approve the Fiscal Year 2002 Memorandum Of Understanding between the Commission and the Colorado Bureau of Investigation, Colorado State Patrol, Division of Fire Safety and Department of Local Affairs and authorize the Chair to sign on behalf of the Commission.

Ms. Ford presented the Division Financial Statements for the nine months ended March 31, 2001 and gave an update on the Divisions new Casino EZ File System.

The Chair called for a motion to approve the Statement of Gaming Revenue, Gaming Taxes and Expenditures for the nine months ended March 31, 2001 and authorize its distribution. Ms. Wheeler made the motion. Mr. Millman seconded the motion. The motion was adopted.

The Chair called for a motion to adopt the minutes of the Gaming Commission meeting of April 19, 2001. Mr. Walter made the motion. Ms. Harris seconded the motion. The motion was adopted.

Mr. Kitts reminded the Commission that the July 19, 2001 Commission meeting will be in Central City at the Division's office and the August 16, 2001 Commission meeting will be in Cripple Creek. More details will follow at the next meeting.

Mr. Kitts updated the Commission on SB-046, stating that the bill passed both houses and was on its way to the Governor. He will update the Commission as soon as we know the status.

Mr. Kitts also informed the Commission that the Division will be undergoing its annual financial audit. The Division will have an entrance conference on May 18, 2001 with the State Auditors Office.

Mr. Kitts informed the Commission that the Division will bring fee analysis information before them at the June meeting.

The meeting was adjourned at 3:22 p.m.

Cindy Raiolo

Colorado Limited Gaming Control Commission

Minutes of Meeting

June 21, 2001

The meeting was called to order by the Chair of the Colorado Limited Gaming Control Commission, Natalie Meyer at 9:03 a.m. on June 21, 2001 at the Division of Gaming, 1881 Pierce Street, Suite 110, Lakewood, Colorado. Present were Commissioners Natalie Meyer, Shirley Harris, Marilyn Wheeler, Phil Walter and Rob Millman. Also in attendance were: Director of the Division of Gaming, Tom Kitts; Senior Director of Enforcement, George Turner; Director of Administration, Linda Petkash; Communications and Licensing Director, Don Burmania; Controller, Janet Ford; Chief of Investigations, Huck Henderson; Chief Auditor, Georgine Zalesky; Audit Supervisors, Flavio Quintana and Jennifer Aragon; Field Operations Supervisor, Phil Wargo; Senior Supervisor, Laura Manning; Agent in Charge of the Central City office, Jim Huskey; Investigative Supervisors, Vic Freburg, Mark Hodges and Gary Watada; Investigators, Will Lukela, Tom Fears, Ron Kammerzell, Jan Dempsey and Lad Sullivan; and Assistant Attorney General, Ceri Williams. Persons making a presentation in executive session were: Pete Mang and Mark Wilson, Colorado Bureau of Investigation. Persons making a presentation in public session were: Susan Conwell and Heidi Albrethsen, Office of Tax and Analysis; Larry Barton, Duree & Company; Patricia Klocker, Department of Health and Environment; Mark Grueskin and Lois Rice, Colorado Casino Owners Association; Dan Reilly and Don Rosen, Fitzgerald's Casino and Midnight Rose Casino; Richard Jortberg, Black Hawk Casino Owners Association; Chuck Bonniwell, Ann Dodson, Famous Bonanza; Greg Winkler, Teller County; and Lisa DeJesus, WMS Gaming.

The Chair called for a motion to go into executive session at 9:04 a.m. to review reports from the Division of Gaming and the Colorado Bureau of Investigation. Mr. Millman made the motion. Mr. Walter seconded the motion. The motion was adopted.

The meeting was reconvened into public session at 10:19 a.m.

The Chair called for a motion to renew the permanent retail licenses of: Concorde Cripple Creek, Inc., dba Golden Gates Casino; Richman Properties, LLC, dba The Richman Casino and WMCK Acquisition Corp., dba Womacks Casino. These licenses shall be issued upon expiration of the current license and expire one year from the date of issuance. Mr. Walter made the motion. Ms. Harris seconded the motion. The motion was adopted.

The Chair called for a motion to renew the permanent retail license of Century Casinos Cripple Creek, Inc., dba Legends Casino. This license shall be issued upon expiration of the current license and expire on June 24, 2001. Mr. Millman made the motion. Ms. Wheeler seconded the motion. The motion was adopted.

The Chair called for a motion to renew the permanent retail license of Colorado Grande Enterprises, Inc., dba Colorado Grande Gaming Parlor. This license shall be issued upon expiration of the current license and expire on June 30, 2002. Mr. Walter made the motion. Ms. Harris seconded the motion. The motion was adopted.

The Chair called for a motion to renew the permanent operator license of Rocky Mountain Gaming Equipment LLC. This license shall be issued upon expiration of the current license and expire one year from the date of issuance. Ms. Harris made the motion. Mr. Millman seconded the motion. The motion was adopted.

The Chair called for a motion to renew the permanent manufacturer/distributor license of VLC, Inc. This license shall be issued upon expiration of the current license and expire one year from the date of issuance. Mr. Walter made the motion. Mr. Millman seconded the motion. The motion was adopted.

The Chair called for a motion to approve the change of ownership as outlined in the investigative reports for Pioneer Group, Inc., dba Bronco Billy's Sports Bar & Casino and Pioneer Group, Inc., dba Buffalo Billy's Casino. Mr. Walter made the motion. Ms. Harris seconded the motion the motion was adopted.

The Chair opened the meeting to anyone from the public that would like to address the Commission on anything not on the agenda.

Mr. Freburg introduced Ms. DeJesus, Compliance Director from WMS Gaming. Ms. DeJesus addressed the Commission stating that it is an honor to work with the Commission and the Division while doing business in Colorado.

Ms. Klocker and Mr. Winkler addressed the Commission's questions from last month's meeting regarding the Food Service Inspection Program in Teller County. Teller County is in disagreement with the Department of Health over the amount of funds it takes to conduct inspections. The Commission stated that they do not have an avenue to solve this problem. The Commission feels the funds the Health Department is receiving for Teller and Gilpin Counties are adequate and would like the two agencies to work together to solve this issue. The Commission would like a response back from the two agencies as to the resolution to the problem.

The Chair called for a motion to open rulemaking hearings on proposed changes to Colorado Gaming Regulation 47.1-1401, Gaming and Device Taxes. Mr. Millman made the motion. Mr. Walter seconded the motion. The motion was adopted.

Mr. Barton, Ms. Conwell and Ms. Albrethsen presented information on the analysis of standard financial statements data and exhibits for the calendar year ended December 31, 2000 on casinos in the industry. Gaming tax and AGP comparisons were presented for the fiscal years 1998, 1999 and 2000.

The meeting was recessed for lunch at 11:45 a.m.

The meeting was reconvened at 1:15 p.m.

Mr. Grueskin and Ms. Rice addressed the Commission giving a brief presentation of current salaries in the gaming towns and addressing the decrease in the taxes for the last two fiscal years. Mr. Grueskin extended a thank you to the Commission for lowering the tax rates two years ago. Mr. Grueskin would like the Commission to acknowledge the economic conditions in the three mountain towns. He stated that the industry is in support of leaving the tax rate the same for the next fiscal year.

Mr. Reilly and Mr. Rosen thanked the Commission for the opportunity to address the Commission. Mr. Reilly and Mr. Rosen gave a presentation advocating a separate tax structure for table games. They indicated their proposed structure would result in a decrease to the Limited Gaming Fund.

Mr. Jortberg and Mr. Barnes addressed the Commission regarding the decline in casino value. Mr. Barnes stated that the Black Hawk Casino Owners recommendation would be to leave the tax structure the same for the next fiscal year.

The Chair gave anyone from the public the opportunity to address the Commission on proposed amendments to Colorado Gaming Regulation 47.1-1401, Gaming and Device Taxes.

Mr. Bonniwell, Senior Advisor for Central City addressed the Commission requesting tax relief for the historic casinos.

Ms. Dodson addressed the Commission requesting a separate tax structure for those casinos residing in historic buildings in order to be able to compete with the new bigger casinos in Black Hawk.

The Chair stated to Ms. Dodson after the tax rates were changed two years ago, she is not sure how the Commission could assist any more with the economic competition.

Ms. Wheeler stated to Ms. Dodson that the Commission is constitutionally limited on its powers.

The Commission commenced deliberation on the gaming tax rates.

The Chair called for a motion to close hearings on proposed amendments to Colorado Gaming Regulation 47.1-1401. Mr. Millman made the motion. Mr. Walter seconded the motion. The motion was adopted.

The Chair called for a motion not to change the existing tax rate. Mr. Millman made the motion. Mr. Walter seconded the motion. The motion was adopted.

The meeting was recessed at 3:07 p.m.

The meeting was reconvened at 3:20 p.m.

The Chair called for a motion to open hearings on proposed amendments to Colorado Gaming Regulation 47.1-303 and 47.1-305, Applications, Investigations and Licensure. Mr. Millman made the motion. Mr. Walter seconded the motion. The motion was adopted.

Mr. Burmania recommended the license and application fees for key and support licenses remain the same, as there have been no developments to drastically raise the cost of issuing these licenses.

Ms. Petkash addressed the Commission regarding the background investigation hourly rate. Ms. Petkash stated the Division has reviewed the current \$51.00 hourly rate charged for background investigations. This rate must be increased to remain within the Commission's fee policy passed on May 15, 1999, which 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.

Ms. Petkash stated the Division respectfully requests the Commission to change the hourly rate in rule 47.1-305 on an emergency basis effective July 1, 2001, to \$57.00 per hour based upon the analysis performed.

The Chair called for a motion to adopt the findings contained in and authorize the Chair to sign the resolution concerning emergency amendments to Colorado Limited Gaming Regulation 47.1-305. Mr. Millman made the motion. Mr. Walter seconded the motion. The motion was adopted.

The Chair called for a motion to change the hourly investigation fee to the rate of \$57.00 and amend Colorado Limited Gaming Regulation 47.1-305 to reflect the \$57.00 per hour rate in place of the current \$51.00 per hour rate. Mr. Walter made the motion. Mr. Millman seconded the motion. The motion was adopted.

Ms. Ford presented the Division Financial Statements for the ten months ended April 30, 2001.

The Chair called for a motion to approve the Statement of Gaming Revenue, Gaming Taxes and Expenditures for the ten months ended April 30, 2001 and authorize its distribution. Ms. Wheeler made the motion. Ms. Harris seconded the motion. The motion was adopted.

Ms. Williams presented Order of Summary Suspension Case No. SS 01-004 in the matter of Kathy Baros, license number 21078.

The Chair called for a motion to approve and authorize the Chair to sign the Order of Summary Suspension Case No. SS 01-004 in the matter of Kathy Baros, license number 21078. Mr. Walter made the motion. Mr. Millman seconded the motion. The motion was adopted.

Ms. Williams presented Order of Stipulation and Agreement Case No. SA 01-005 in the matter of Isle of Capri Casino Black Hawk, LLC., dba Isle of Capri Casino, license number 14-32448-0001.

Mr. Gary Reiff, counsel for Isle of Capri addressed the Commission regarding the violations in the Stipulation and Agreement stating the casino is taking this action very seriously.

The Chair called for a motion to approve and authorize the Chair to sign the Order of Stipulation and Agreement Case No. SA 01-005 in the matter of Isle of Capri Casino Black Hawk, LLC., dba Isle of Capri Casino, license number 14-32448-0001. Ms. Harris made the motion. Mr. Millman seconded the motion. The motion was adopted.

The Chair called for a motion to adopt the minutes of the Gaming Commission meeting of May 17, 2001. Mr. Millman stated there is an error in the minutes on page five regarding the Memorandum of Understanding between the Commission and the Colorado Bureau of Investigation. The adoption of the motion is missing.

The Chair authorized the Secretary to the Commission to correct the error and called for a motion to adopt the minutes as corrected of the Gaming Commission meeting of May 17, 2001. Mr. Millman made the motion. Mr. Walter seconded the motion. The motion was adopted.

Mr. Kitts requested the Commission to certify the State Agency Programs Impacts.

The Chair called for a motion to certify that the following requests to the Joint Budget Committee for fiscal year 2003 were considered by the Commission when setting the gaming tax rate starting July 1, 2001, and were deemed to be gaming-related: Judicial Department, \$298,785; Natural Resources, \$141,665; Public Health & Environment, \$45,270; and Department of Transportation, \$6,500,000. Mr. Millman made the motion. Mr. Walter seconded the motion. The motion was adopted.

The Chair swore in new investigator Lad Sullivan who will be working in the Cripple Creek office.

Mr. Kitts updated the Commission on the Internet Gambling informal discussions with the Attorney General's office, stating that a News Release is ready to be released if the Commission approves it. The Commission approved the News Release and requested the Division to move forward. Mr. Kitts stated the Division would be in contact with the Attorney General's office to release the News Release.

The meeting was adjourned at 3:52 p.m.

Cindy Raiolo, Secretary to the
Colorado Limited Gaming Control Commission

Colorado Limited Gaming Control Commission

Minutes of Meeting
July 19, 2001

The meeting was called to order by the Chair of the Colorado Limited Gaming Control Commission, Natalie Meyer at 8:28 a.m. on July 19, 2001 at the Division of Gaming, 142 Lawrence Street, Central City, Colorado. Present were Commissioners Natalie Meyer, Shirley Harris, Marilyn Wheeler, Phil Walter and Rob Millman. Also in attendance were: Director of the Division of Gaming, Tom Kitts; Director of Administration, Linda Petkash; Communications and Licensing Director, Don Burmania; Public Affairs Specialist, Maren Rubino; Controller, Janet Ford; Chief Auditor, Georgine Zalesky; Audit Supervisors, Flavio Quintana, Brenda Davis and Jennifer Aragon; Auditor, Rachel Gregory; Field Operations Supervisor, Phil Wargo; Agent In Charge of the Central City Office, Jim Huskey; Agent In Charge of the Cripple Creek Office, Steve Barber; Senior Supervisor, Laura Manning; Agent in Charge of the Central City office, Jim Huskey; Investigative Supervisors, Vic Freburg, and Gary Watada; Investigators, Will Lukela, Ron Kammerzell, and Assistant Attorney General, Ceri Williams. Persons making a presentation in executive session were: Pete Mang and Bob Brown, Colorado Bureau of Investigation. Person making a presentation in public session were: Webb Sill, Gilpin County Commissioner; Rob Woodson, Alliance Gaming and Ivan Widom, Central City Manager.

The Chair called for a motion to go into executive session at 8:28 a.m. to review reports from the Division of Gaming and the Colorado Bureau of Investigation. Mr. Walter made the motion. Ms. Harris seconded the motion. The motion was adopted.

The meeting was reconvened into public session at 10:09 a.m.

The Chair relinquished its position to Ms. Williams to open the voting on the Chair and the Vice Chair for the Colorado Limited Gaming Control Commission for Fiscal year 2002.

Ms. Williams opened nominations for the Chair for fiscal year 2002. Mr. Millman nominated Ms. Meyer. Hearing no other nominations, Ms. Williams called for a motion to close the nominations. Mr. Walter made the motion. Ms. Harris seconded the motion. The motion was adopted. After hearing no debate on the nomination, Ms. Williams called for a vote on the nomination. Ms. Meyer was unanimously elected Chair.

Ms. Meyer stated it is a pleasure and a privilege to work with all of the members currently on the Commission.

Ms. Williams opened nominations for the Vice Chair for fiscal year 2002. Ms. Meyer nominated Mr. Walter. Mr. Millman seconded the nomination. Hearing no other nominations, Ms. Williams called for a motion to close the nominations. Ms. Meyer made the motion. Mr. Millman seconded the motion. The motion was adopted. After hearing no debate on the nomination, Ms. Williams called for a vote on the nomination. Mr. Walter was unanimously elected Vice Chair.

Mr. Walter echoed Ms. Meyer's comments adding it is an honor to work with the employees of the Division.

The Chair called for a motion to renew the permanent retail licenses of 101 Main Street Limited Liability Co., dba Fitzgeralds Casino, and Doc Holliday, Inc., dba Doc Holliday Ltd. These licenses shall be issued upon expiration of the current license and expire one year from the date of issuance. Mr. Walter made the motion. Mr. Millman seconded the motion. The motion was adopted.

The Chair called for a motion to renew the permanent operator licenses of IGT; IGT-Colorado Corporation and Spin For Cash Wide Area Progressive Joint Venture. These licenses shall be issued upon expiration of the current license and expire on August 13, 2002. Ms. Harris made the motion. Ms. Wheeler seconded the motion. The motion was adopted.

The Chair called for a motion to renew the permanent operator license of Aristocrat Technologies, Inc. This license shall be issued upon expiration of the current license and expire on August 15, 2002. Mr. Millman made the motion. Mr. Walter seconded the motion. The motion was adopted.

The Chair called for a motion to renew the permanent manufacturer/distributor licenses of Bally Gaming, Inc., dba Bally Gaming and Systems; IGT; IGT-Colorado Corporation; Royal Bell, Ltd., dba Mills Bell-O-Matic Sales Company; Aristocrat Technologies, Inc. and Sigma Game Inc. These licenses shall be issued upon expiration of the current license and expire one year from the date of issuance. Mr. Millman made the motion. Ms. Harris seconded the motion. The motion was adopted.

The Chair called for a motion to renew the permanent manufacturer/distributor license of Spin For Cash Wide Area Progressive Joint Venture. This license shall be issued upon expiration of the current license and expire on August 13, 2002. Mr. Walter made the motion. Ms. Wheeler seconded the motion. The motion was adopted.

The Chair called for a motion to approve the change of ownership as outlined in the investigative reports for, and renew the retail licenses of, Creeker's Inc., dba Creeker's Casino; and Double Eagle Resorts, Inc., dba The Double Eagle Hotel & Casino. These licenses shall be issued upon expiration of the current license and expire one year from the date of issuance. Ms. Harris made the motion. Mr. Millman 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, and renew the operator license of Colorado Casino Resorts Inc. This license shall be issued upon expiration of the current license and expire one year from the date of issuance. Mr. Walter made the motion. Mr. Millman seconded the motion. The motion was adopted.

The Chair called for a motion to issue a new permanent operator license to Atlantic City Coin & Slot Service Company, Inc. This license shall be effective at 5:00 p.m. on July 19, 2001, and expire one year from the date of issuance. Mr. Walter made the motion. Ms. Wheeler seconded the motion. The motion was adopted.

The Chair called for a motion to issue a new permanent operator license to Bally Gaming, Inc., dba Bally Gaming and Systems. This license shall be effective on August 14, 2001, and expire one year from the date of issuance. Ms. Harris made the motion. Mr. Millman seconded the motion. The motion was adopted.

Ms. Meyer introduced Gilpin County Commissioner, Webb Sill. Mr. Sill stated it is a pleasure to have the Division of Gaming in the building at 142 Lawrence Street in Central City and the County is looking forward to a long relationship with the Commission and the Division.

The Chair opened the meeting to anyone from the public that would like to address the Commission on anything not on the agenda.

Mr. Freburg introduced Mr. Woodson, Vice President of Compliance from Alliance Gaming. Mr. Woodson addressed the Commission stating that it is an honor to work with the Commission and the Division while doing business in Colorado.

Central City Manager, Ivan Widom addressed the Commission stating the City of Central is looking forward to continuing the working relationship with the Division and the Commission.

Ms. Ford presented the Division Financial Statements for the eleven months ended May 31, 2001.

The Chair called for a motion to approve the Statement of Gaming Revenue, Gaming Taxes and Expenditures for the eleven months ended May 31, 2001 and authorize its distribution. Ms. Wheeler made the motion. Mr. Walter seconded the motion. The motion was adopted.

Ms. Williams presented Order of Stipulation and Agreement Case No. SA 01-006 in the matter of Black Hawk/Jacobs Entertainment LLC, dba The Lodge Casino at Black Hawk, license number 14-33682-0001.

Ms. Williams presented Order of Stipulation and Agreement Case No. SA 01-007 in the matter of Gilpin Hotel Venture dba The Gilpin Hotel Casino, Ltd., license number 15-06111-0001.

Mr. Grueskin, counsel for The Lodge Casino at Black Hawk and The Gilpin Hotel Casino, Ltd. addressed the Commission regarding the violations in the Stipulation and Agreements. He stated the casinos have taken action to resolve the issues in the Stipulation and Agreements stating the two casinos acknowledge the gaps and problems in the casinos. He stated no patrons were cheated and there was no allegation that the casinos had underpaid their taxes. He also stated he does not feel the fines reflect the events which occurred. He stated the message has been sent to the casinos and they have now implemented and will enforce a zero tolerance for noncompliance.

The Chair called for a motion to approve and authorize the Chair to sign the Order of Stipulation and Agreement Case No. SA 01-006 in the matter of Black Hawk/Jacobs Entertainment LLC, dba The Lodge Casino at Black Hawk, license number 14-32682-0001. Mr. Walter made the motion. Mr. Millman seconded the motion. The motion was adopted.

The Chair called for a motion to approve and authorize the Chair to sign the Order of Stipulation and Agreement Case No. SA 01-007 in the matter of Gilpin Hotel Venture dba The Gilpin Hotel Casino, Ltd., license number 15-06111-0001. Mr. Millman made the motion. Ms. Wheeler seconded the motion. The motion was adopted.

The Chair called for a motion to adopt the minutes of the Gaming Commission meeting of June 21, 2001. Mr. Walter made the motion. Ms. Harris seconded the motion. The motion was adopted.

Ms. Meyer acknowledged receiving a letter from the Department of Health and Teller County regarding the food service inspections in Teller County and the request for more funds. She stated the letter states the two agencies were able to work out an agreement.

Mr. Kitts thanked the City's of Central and Black Hawk and the casinos for hosting the Division and the Commission in Central City for the Commission Meeting.

Mr. Kitts reminded the Commission the next meeting would be in Cripple Creek at the Teller County Building on August 16, 2001.

Mr. Kitts updated the Commission on an investigation. In April, the Division undertook an investigation into property dealings and annexation issues involving the cities of Black Hawk and Central and certain Gaming licensees. The focus of the investigation, done under the auspices of continued scrutiny of gaming license holders, was to determine if any of the licensees involved had violated Limited Gaming laws or Commission rules and regulations.

Mr. Kitts stated that the Division has completed its investigation and has found no violators of these provisions. The Commission has been provided a confidential report of this investigation. Mr. Kitts asked the Commission to accept this report and issue a statement to that fact.

The Chair reiterated the Commission only has authority over gaming licensees and read the following statement:

“The Colorado Limited Gaming Control Commission has reviewed the results of the investigation into property dealings and annexation issues involving **gaming licensees** and their suitability.”

“The Investigation was conducted as part of the Division’s continued scrutiny of the licensees’ suitability.”

“It is our conclusion that no violations of Colorado Limited Gaming Act of 1991 as amended (C.R.S. 12-47.1-101 et seq.) or Commission regulations occurred related to the events investigated and the suitability of the licensees was not impacted.”

Mr. Millman made the motion to accept and adopt the report and the statement. Mr. Walter seconded the motion. The motion was adopted.

The Chair called for a motion to adjourn the public session and go into executive session to discuss legislation on HB 01-1359 regarding Executive Session Records. Mr. Walter made the motion. Mr. Millman seconded the motion. The motion was adopted.

The meeting was adjourned at 11:33 p.m.

Cindy Raiolo, Secretary to the
Colorado Limited Gaming Control Commission

Colorado Limited Gaming Control Commission

Minutes of Meeting
August 16, 2001

The meeting was called to order by the Chair of the Colorado Limited Gaming Control Commission, Natalie Meyer at 9:01 a.m. on August 16, 2001 at the Centennial Building, 112 North A Street, Cripple Creek, Colorado. Present were Commissioners Natalie Meyer, Shirley Harris and Phil Walter. Also in attendance were: Director of the Division of Gaming, Tom Kitts; Senior Director of Enforcement, George Turner; Executive Director of the Department of Revenue, Fred Fisher; Director of Administration, Linda Petkash; Communications and Licensing Director, Don Burmania; Public Affairs Specialist, Maren Rubino; Controller, Janet Ford; Chief Auditor, Georgine Zalesky; Audit Supervisors, Flavio Quintana and Jennifer Aragon; Auditors, Laurie Scott, Deb Gorham, Michelle Shelley, Mark Ditsel; Field Operations Supervisor, Phil Wargo; Agent In Charge of the Central City Office, Jim Huskey; Agent In Charge of the Cripple Creek Office, Steve Barber; Senior Supervisor, Laura Manning; Agent in Charge of the Central City office, Jim Huskey; and Assistant Attorney General, Ceri Williams. Persons making a presentation in executive session were: Pete Mang and Mark Wilson, Colorado Bureau of Investigation. Person making a presentation in public session were: Lois Rice, Colorado Casino Owners Association.

The Chair called for a motion to excuse Commissioners Wheeler and Millman. Mr. Walter made the motion. Ms. Harris seconded the motion. The motion was adopted.

The Chair called for a motion to go into executive session at 9:02 a.m. pursuant to sections 12-47.1-522(1)(A) and (B), 24—6-402(3)(A)(III), and 12-47.1-527(1) of the Colorado Revised Statutes to receive and discuss background, licensing and investigative reports from the Division of Gaming and the Colorado Bureau of Investigation. Ms. Harris made the motion. Mr. Walter seconded the motion. The motion was adopted.

The meeting was reconvened into public session at 10:00 a.m.

The Chair called for a motion to renew the permanent retail licenses of The Gold Vein Limited Liability Co, dba Black Diamond Casino, and Dostal Alley, Inc. These licenses shall be issued upon expiration of the current license and expire one year from the date of issuance. Ms. Harris made the motion. Mr. Walter seconded the motion. The motion was adopted.

The Chair opened the meeting to anyone from the public that would like to address the Commission on anything not on the agenda.

Ms. Lois Rice updated the Commission on activities of the Colorado Casino Owners Association. She stated the association has participated in the responsible gambling education week for the past four years. The association is also working in coordination with the Lottery and the Compulsive Gambling Committee on the problem gambling hotline.

She stated the group will launch a campaign to promote the benefits of gaming in Colorado and how the funds have been distributed to mark the 10th anniversary of gaming in the state. A 24-page report showing the benefits of gaming over the past ten years will be distributed to the Legislatures and other community leaders.

The Chair called for a motion to commence rulemaking hearings on proposed changes to Colorado Limited Gaming Rules 12 and 17. Mr. Walter made the motion. Ms. Harris seconded the motion. The motion was adopted.

Mr. Burmania presented proposed changes to Rules 12 and 17.

The Chair gave anyone from the public the opportunity to testify regarding these proposed changes. No one responded.

The Chair called for a motion to close rulemaking hearings on proposed changes to Colorado Limited Gaming Rules 12 and 17. Mr. Walter made the motion. Ms. Harris seconded the motion. The motion was adopted.

The Chair called for a motion to adopt the changes to Colorado Limited Gaming Rules 12 and 17 as proposed. Ms. Harris made the motion. Mr. Walter seconded the motion. The motion was adopted.

Ms. Ford presented the Division Financial Statements for the 12 months ended June 30, 2001 and Certification of FY 2001 Distribution. She also provided an analysis of distribution trends.

The Chair called for a motion to approve the Statement of Gaming Revenue, Gaming Taxes and Expenditures for the twelve months ended June 30, 2001 and authorize its distribution. Mr. Walter made the motion. Ms. Harris seconded the motion. The motion was adopted.

The Chair called for a motion to certify the FY 2001 distribution of the Gaming funds as presented by the Division. Ms. Harris made the motion. Mr. Walter seconded the motion. The motion was adopted.

Ms. Meyer distributed a check to Victor City Councilman Mr. Stevens.

Mr. Stevens thanked the Commission. He invited the Commission to tour Victor and see the improvements that gaming has brought to the city.

Ms. Meyer distributed a check to Teller County Commissioner Lucille Fehn.

Ms. Fehn thanked the Commission, stating that the county appreciates the revenues they receive.

Ms. Harris thanked Teller County for the use of their building.

Ms. Meyer distributed a check to City of Cripple Creek Administrator, Kip Peterson.

Mr. Peterson thanked the Commission, the Division staff and the industry for the distribution. Mr. Peterson stated the gaming industry is an economic benefit to Cripple Creek.

Mr. Kitts thanked the City of Cripple Creek, Teller County and the casinos for hosting the Division and the Commission in Cripple Creek for the Commission Meeting.

Mr. Kitts asked the Commission to adopt the Colorado Limited Gaming Control Commission Statement of position on setting the gaming tax for tax year July 1, 2001 – June 30, 2002.

The Chair called for a motion to adopt the minutes of the Gaming Commission meeting of July 19, 2001. Mr. Walter made the motion. Ms. Harris seconded the motion. The motion was adopted.

The Chair called for a motion to adopt the Colorado Limited Gaming Control Commission Statement of position on setting the gaming tax for tax year July 1, 2001 – June 30, 2002. Mr. Walter made the motion. Ms. Harris seconded the motion. The motion was adopted.

Mr. Kitts updated the Commission on the Clark Annex purchase, stating the purchase is complete and the State now owns the building.

Mr. Fisher complimented the Commission and the Division on behalf of the Governor regarding the manner in which they conduct business.

Mr. Turner complimented the Division and the industry, stating that the integrity of the industry is due to the Division and the industry and the excellent job they both due to maintain the integrity in Colorado.

Mr. Turner also stated Mr. Walter should be reconfirmed for his second term during the next legislative session.

The meeting was adjourned at 10:38 p.m.

Cindy Raiolo, Secretary to the
Colorado Limited Gaming Control Commission

Colorado Limited Gaming Control Commission

Minutes of Meeting
September 20, 2001

The meeting was called to order by the Chair of the Colorado Limited Gaming Control Commission, Natalie Meyer at 9:05 a.m. on September 20, 2001 at the Colorado Division of Gaming, 1881 Pierce Street, Suite 110, Lakewood, Colorado. Present were Commissioners Natalie Meyer, Phil Walter, Shirley Harris, Marilyn Wheeler and Rob Millman. Also in attendance were: Director of the Division of Gaming, Tom Kitts; Director of Administration, Linda Petkash; Communications and Licensing Director, Don Burmania; Public Affairs Specialist, Maren Rubino; Controller, Janet Ford; Chief of Investigations, Huck Henderson; Agent in Charge of the Central City Office, Jim Huskey; Agent in Charge of the Cripple Creek Office, Steve Barber; Supervisor Investigator, Vic Freburg; Investigators, Tom Fears, Ron Kammerzell, Jan Dempsey, and Will Lukela; Audit Supervisors, Flavio Quintana and Jennifer Aragon; Auditors, Matt Slaney and Melissa Holmes; and Assistant Attorney General, Ceri Williams. Persons making a presentation in executive session were: Pete Mang, Mark Wilson, Patrick Maroney and Mike Chapla, Colorado Bureau of Investigation. Persons making a presentation in public session were: Charles Bonniwell, Senior Advisor for the City of Central; Ross Grimes, G.F. Gaming; Richard Schulze, Larry Lewin, Ernest East, Chris Gibase and Mel Thomas, Hyatt Gaming Management, Inc.; Robert Fiore and Michael Schubic, Isle of Capri Casino; Tim Rose, Michael Armstrong, Bob Dill and Patrick Tooley, Windsor Woodmont Black Hawk Resort Corporation; and David Aker, Sam Cocharo, Karen Kurtz and Beth Gonzalez, Bullwhackers Black Hawk, Bullpen Sports Casino and Silver Hawk Casino.

The Chair called for a motion to go into executive session pursuant to sections 12-47.1-522(1)(A) and (B), 24-6-402(3)(A)(III), and 12-47.1-527(1) of the Colorado Revised Statutes to receive and discuss background, licensing, investigative reports and audit reports from the Division of Gaming and the Colorado Bureau of Investigation. Mr. Millman made the motion. Mr. Walter seconded the motion. The motion was adopted.

The meeting was reconvened into public session at 10:55 a.m.

The Chair acknowledged Bronco Billy's Casino for donating \$10,000 to the Red Cross for the victims and families of the New York World Trade Center tragedy.

The Chair also acknowledged the City of Black Hawk for donating a check for \$50,000 to New York City for the families and victims of the World Trade Center tragedy.

The Chair opened the meeting to anyone from the public that would like to address the Commission.

Mr. Bonniwell addressed the Commission regarding the gaming casinos in Black Hawk, stating these new structures are not pre World War II structures. He stated these new structures are not what the voters voted for when gaming was approved, and stated the City of Central may seek

relief from either the Commission or courts if licensees are approved for the Black Hawk Casino by Hyatt.

Mr. Grimes addressed the Commission stating the intent of gaming was to save, preserve and restore the pre World War II buildings. He feels the whole intent of gaming has been destroyed.

The Chair called for a motion to approve the change of ownership as outlined in the investigative report for Minter Holdings, LLC, dba Johnny Nolon's Casino. Mr. Millman made the motion. Mr. Walter seconded the motion. The motion was adopted.

The Chair called for a motion to renew the permanent retail license of Isle of Capri Black Hawk, LLC. This license shall be issued upon expiration of the current license and expire one year from the date of issuance. Ms. Harris made the motion. Ms. Wheeler seconded the motion. The motion was adopted.

The Chair called for a motion to issue new permanent operator licenses to Hyatt Gaming Management, Inc., and Windsor Woodmont Black Hawk Resort Corp., dba Black Hawk Casino by Hyatt. These licenses shall be effective at 5:00 p.m. on September 20, 2001, and expire one year from the date of issuance. Mr. Millman made the motion. Mr. Walter seconded the motion. The motion was adopted.

The Chair called for a motion to issue a new permanent retail license to Windsor Woodmont Black Hawk Resort Corporation, dba Black Hawk Casino by Hyatt, 110 Richman Street, Black Hawk. This license shall be effective at 5:00 p.m. on September 20, 2001, and expire one year from the date of issuance. Further, the standard conditions for a retail license shall apply. Mr. Walter made the motion. Mr. Millman seconded the motion. The motion was adopted.

Mr. Fiore and Mr. Schubic from the Isle of Capri thanked the Commission for the approval of their renewal license.

Mr. Kammerzell introduced Mr. Schulze, Mr. Lewin, Mr. East, Mr. Gibase and Mr. Thomas of Hyatt Gaming Management, Inc. Mr. Schulze thanked the Commission for approving their license and for the opportunity to conduct business in Colorado. He also commended the Division staff on their professionalism.

Mr. Freburg introduced Mr. Rose and Mr. Armstrong of Windsor Woodmont Black Hawk Resort Corporation and Mr. Dill and Mr. Tooley, counsel to Windsor Woodmont. Mr. Rose thanked the Commission and echoed the statements of Mr. Schulze.

Ms. Ford presented the Division Financial Statements for the one month ended July 31, 2001.

The Chair called for a motion to approve the Statement of Gaming Revenues, Gaming Taxes and Expenditures for the one month ended July 31, 2001. Ms. Wheeler made the motion. Mr. Millman seconded the motion. The motion was adopted.

Ms. Ford presented a request to transfer \$27,000 from personal services spending to operating spending authority for FY 2001-2002. Ms. Ford also requested the Commission to authorize this transfer for future years.

The Chair called for a motion to approve and authorize the Division of Gaming to transfer from personal services spending to operating spending authority for FY 2001-2002 in the amount of \$27,000. Mr. Walter made the motion. Ms. Harris seconded the motion. The motion was adopted.

The Commission also authorized the Division of Gaming to have the authority to transfer these funds for future years. The Division will inform the Commission of these future transfers and receive authorization from the Commission on the amounts each year.

Mr. Grimes presented the Commission with a signed document outlining charges made against the Commission earlier in the meeting.

The Chair called for a motion to adopt the minutes of the Gaming Commission meeting of August 16, 2001. Mr. Walter made the motion. Ms. Harris seconded the motion. The motion was adopted.

Ms. Williams presented proposed Order of Stipulation and Agreement Case No. SA 01-011 in the matter of Ronald D. Fabrizio, license number 01283.

The Chair called for a motion to approve and authorize the Chair to sign the Order of Stipulation and Agreement Case No. SA 01-011 in the matter of Ronald D. Fabrizio, license number 01283. Mr. Millman made the motion. Ms. Wheeler seconded the motion. The motion was adopted.

Ms. Williams presented proposed Order of Stipulation and Agreement Case No. SA 01-012 in the matter of Joseph Alex Garrison, license number 03475.

The Chair called for a motion to approve and authorize the Chair to sign the Order of Stipulation and Agreement Case No. SA 01-012 in the matter of Joseph Alex Garrison, license number 03475. Mr. Walter made the motion. Ms. Wheeler seconded the motion. The motion was adopted.

The Chair called for a motion to go into executive session pursuant to sections 12-47.1-522(1)(A) and (B), 24-6-402(3)(A)(III), and 12-47.1-527(1) of the Colorado Revised Statutes to receive and discuss background, licensing, investigative reports and audit reports from the Division of Gaming and the Colorado Bureau of Investigation. Mr. Millman made the motion. Mr. Walter seconded the motion. The motion was adopted.

The meeting was reconvened into executive session at 12:10 p.m.

The meeting was reconvened into public session at 12:29 p.m.

Ms. Williams presented proposed Order of Stipulation and Agreement Case No. 01-008 in the matter of BWBH, Inc. dba Bullwhackers Black Hawk, Inc., license number 09-69027-0001.

The Chair called for a motion to approve and authorize the Chair to sign the Order of Stipulation and Agreement Case No. SA 01-008 in the matter of BWBH, Inc. dba Bullwhackers Black Hawk, Inc., license number 09-69027-0001. Mr. Millman made the motion. Mr. Walter seconded the motion. The motion was adopted.

Ms. Williams presented proposed Order of Stipulation and Agreement Case No. 01-009 in the matter of BWBP, Inc. dba Bullpen Sports Casino, license number 14-37925-0001.

The Chair called for a motion to approve and authorize the Chair to sign the Order of Stipulation and Agreement Case No. SA 01-009 in the matter of BWBP, Inc. dba Bullpen Sports Casino, license number 14-37925-001. Mr. Millman made the motion. Ms. Harris seconded the motion. The motion was adopted.

Ms. Williams presented proposed Order of Stipulation and Agreement Case No. SA 01-010 in the matter of Silver Hawk Casino, Inc., license number 26-12599-0001.

The Chair called for a motion to approve and authorize the Chair to sign the Order of Stipulation and Agreement Case No. SA 01-010 in the matter of Silver Hawk Casino, Inc., license number 26-12599-0001. Mr. Walter made the motion. Ms. Harris seconded the motion. The motion was adopted.

David Aker, Sam Cocharo, Karen Kurtz and Beth Gonzalez from Bullwhackers Black Hawk, Bullpen Sports Casino and Silver Hawk Casino gave a brief statement to the Commission stating the problems with their recent audits are in the process of being corrected.

Mr. Kitts updating the Commission on the recent financial audit stating the Division had a clean audit. He also congratulated Ms. Ford and her staff on a job well done.

Mr. Kitts reminded the Commission the Commission Retreat will be on November 5 & 6.

Mr. Kitts briefed the Commission on a recent letter received from Mr. Tony Gagliardi. Mr. Kitts requested the Commission give the Division permission to contact Mr. Gagliardi and also to forward his letter on to the Historical Society. The Commission approved this request.

Mr. Kitts introduced Ms. Stephanie Myers as a new employee with the Division working in the Administrative Section.

The meeting was adjourned at 12:48 p.m.

Cindy Raiolo, Secretary to the
Colorado Limited Gaming Control Commission

Colorado Limited Gaming Control Commission

Minutes of Meeting

October 18, 2001

The meeting was called to order by the Chair of the Colorado Limited Gaming Control Commission, Natalie Meyer at 9:05 a.m. on October 18, 2001 at the Colorado Division of Gaming, 1881 Pierce Street, Suite 110, Lakewood, Colorado. Present were Commissioners Natalie Meyer, Phil Walter, Shirley Harris, Marilyn Wheeler and Rob Millman. Also in attendance were: Director of the Division of Gaming, Tom Kitts; Director of Administration, Linda Petkash; Communications and Licensing Director, Don Burmania; Public Affairs Specialist, Maren Rubino; Controller, Janet Ford; Accountant, Vickie Floyd; Accounting Technician, Bill Arthur; Chief of Investigations, Huck Henderson; Field Operations Supervisor, Phil Wargo; Senior Supervisor, Laura Manning; Supervisor Investigators, Vic Freburg, Phil Dinan, Gary Watada and Cliff Volz; Investigators, Tom Fears, Ron Kammerzell, Jan Dempsey, Karl Trump and Will Lukela; Chief Auditor, Georgine Zalesky; Audit Supervisor, Jennifer Aragon; and Assistant Attorneys General, Ceri Williams and John Baird. Persons making a presentation in executive session were: Pete Mang and Mark Wilson, Colorado Bureau of Investigation, Huck Henderson, Phil Wargo, Will Lukela, Tom Fears, Linda Petkash, Janet Ford, Division of Gaming and John Baird, Attorney General Office. Persons making a presentation in public session were: Jay Sarno and Roger Morris, Advanced Casino Systems Corporation; Michelle Sherman, Joe Collins and Rich Nathan, Barden Colorado Gaming L.L.C.; Mark Grueskin and Lois Rice, Colorado Casino Owners Association.

The Chair called for a motion to go into executive session pursuant to sections 12-47.1-522(1)(A) and (B), 24-6-402(3)(A)(III), and 12-47.1-527(1) of the Colorado Revised Statutes to receive and discuss background, licensing and investigative reports from the Division of Gaming and the Colorado Bureau of Investigation. Mr. Walter made the motion. Ms. Harris seconded the motion. The motion was adopted.

The Chair called for a motion to go into executive session pursuant to section 24-6-402(3)(A)(II) of the Colorado Revised Statutes for the purpose of holding privileged attorney-client discussion with conflicts counsel John Baird concerning Leonard Ainsworth. Mr. Millman made the motion. Mr. Walter seconded the motion. The motion was adopted.

The meeting was reconvened into public session at 10:35 a.m.

Ms. Williams briefed the Commission on the Leonard Ainsworth court of appeals case stating the Division will be pursuing the appeal.

The Chair stated the Commission would go back into executive session at the end of the public meeting to confer with their conflicts counsel Mr. Baird on the subject of the Leonard Ainsworth decision.

The Chair called for a motion to renew the permanent retail license of Midnight Rose Hotel & Casino, Inc. dba Midnight Rose Hotel & Casino. This license shall be issued upon expiration of

the current license and expire one year from the date of issuance. Mr. Millman made the motion. Mr. Walter 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 Blackhawk Brewery and Casino, LLC, dba Mardi Gras Casino. Ms. Harris made the motion. Mr. Millman seconded the motion. The motion was adopted.

The Chair called for a motion to issue a new permanent manufacturer/distributor license to Advanced Casino Systems Corporation. This license shall be effective at 5:00 p.m. on October 18, 2001, and expire one year from the date of issuance. Mr. Millman made the motion. Mr. Walter seconded the motion. The motion was adopted.

The Chair called for a motion to issue a new permanent retail license to Barden Colorado Gaming, L.L.C. dba Fitzgeralds, 101 Main Street, Black Hawk. This license shall be effective at 5:00 p.m. on October 18, 2001, and expire one year from the date of issuance. Further, the standard conditions for a retail license shall apply. Additionally, the license shall be conditioned upon the surrender of the current license at that location. Mr. Walter made the motion. Ms. Wheeler seconded the motion. The motion was adopted.

The Chair opened the meeting to anyone from the public that would like to address the Commission.

Mr. Lukela introduced Mr. Jay Sarno from Advanced Casino Systems Corporation and Mr. Roger Morris their legal counsel.

Mr. Fears introduced Ms. Michelle Sherman, financial advisor for Barden Colorado Gaming L.L.C. and Mr. Joe Collins, General Manager of Fitzgerald's and Mr. Rich Nathan, legal counsel.

Mr. Nathan gave a brief statement thanking the Commission for the approval of the Barden Colorado Gaming L.L.C. license.

Ms. Sherman gave a statement on behalf of Mr. Barden stating they are looking forward to conducting business in Colorado.

Mr. Collins addressed the Commission stating the new ownership is a positive change and will help the casino to compete in the competitive market.

Mr. Grueskin and Ms. Rice addressed the Commission regarding the hotline for suspicious activity for reporting of terrorist activity. This hotline was set up by the U.S. Department of Treasury to allow financial institutions, including casinos, to immediately report suspicious financial transactions that may relate to terrorist activity. The Colorado Casino Owners Association is also encouraging the casinos to contact the Division as well as the hotline of any suspicious financial activities.

Ms. Rice addressed the Commission stating the following casinos have donated funds for the New York City relieve fund: Bronco Billy's - \$10, 658, IGT donated over \$46,000, Black Hawk Gaming through employee and customer donations donated over \$10,000, Harrah's donated \$1 million, Anchor donated \$500,000 through employee donations and corporate matching, and Riviera will donate a portion of October's revenues.

The Casino Owners Association received the Voice Award for the 10th Anniversary Report. The association has also been recognized by the American Gaming Association.

Ms. Harris commended the Casino Owners Association on the radio spots addressing problem gambling.

The Chair called for a motion to commence the rulemaking hearing on proposed changes to Colorado Limited Gaming Rule 10. Mr. Walter made the motion. Mr. Millman seconded the motion. The motion was adopted.

The Chair swore in Mr. Wargo. Mr. Wargo informed the Commission the Rulemaking Hearing Notice had listed proposed changes to Rules 8 & 10. However, the Division is not ready to bring any changes to Rule 8 forward at this time.

Mr. Wargo presented proposed changes to Rule 10.

The Chair opened the rulemaking hearing to anyone from the public who would like to testify regarding the proposed changes to Rule 10.

No one from the public responded.

The Chair called for a motion to close rulemaking hearing on proposed changes to Colorado Limited Gaming Rule 10. Mr. Millman made the motion. Mr. Walter seconded the motion. The motion was adopted.

The Chair called for a motion to adopt the changes to Colorado Limited Gaming Rule 10 as proposed. Mr. Walter made the motion. Ms. Harris seconded the motion. The motion was adopted.

Ms. Ford presented the Division Financial Statements for the two months ended August 31, 2001.

The Chair called for a motion to approve the Statement of Gaming Revenues, Gaming Taxes and Expenditures for the two months ended August 31, 2001. Mr. Millman made the motion. Ms. Wheeler seconded the motion. The motion was adopted.

The Chair called for a motion to adopt the minutes of the Gaming Commission meeting of September 20, 2001. Mr. Walter made the motion. Ms. Harris seconded the motion. The motion was adopted.

Ms. Williams presented proposed Order of Summary Suspension Case No. SS 01-005 in the matter of Adrianna Adelina Leroux, license number 23940.

The Chair called for a motion to approve and authorize the Chair to sign the Order of Summary Suspension Case No. SS 01-005 in the matter of Adrianna Adelina Leroux, license number 23940. Mr. Millman made the motion. Ms. Harris seconded the motion. The motion was adopted.

Mr. Burmania addressed the Commission regarding the Standard Conditions For Retail Licenses.

Mr. Kitts requested the Commission adopt the amended Standard Conditions For Retail Licenses as follows:

STANDARD CONDITIONS FOR RETAIL LICENSES

- a. Confirmation that a valid certificate of occupancy has been issued by the appropriate local authorities for the building in which limited gaming is to be conducted.
- b. Confirmation by the local historical preservation commission that the building in which limited gaming is to be conducted meets the architectural requirements of the Limited Gaming Act of 1991.
- c. Certification by the appropriate local officials that the building in which limited gaming is to be conducted meets the standards for fire safety set forth in the Limited Gaming Act of 1991.
- d. Certification by the appropriate local official that access to the building for the handicapped has been approved as required in the Limited Gaming Act of 1991.
- e. Surrender of any retail license previously issued for the premises to be occupied by the new retail license.

The Chair called for a motion to amend the Standard Conditions for Retail Licenses as proposed. Mr. Walter made the motion. Ms. Harris seconded the motion. The motion was adopted.

Mr. Burmania requested the Commission approve the operator license for Barden Colorado Gaming, L.L.C., as this was overlooked earlier.

The Chair called for a motion to issue a new permanent operator license to Barden Colorado Gaming, L.L.C. dba Fitzgeralds, 101 Main Street, Black Hawk. This license shall be effective at 5:00 p.m. On October 18, 2001, and expire one year from the date of issuance.

The Chair called for a motion to go into executive session pursuant to Section 24-6-402(3)(A)(II) of the Colorado Revised Statutes for the purpose of holding privileged attorney-client discussions with conflicts counsel concerning Leonard Ainsworth. Mr. Walter made the motion. Mr. Millman seconded the motion. The motion was adopted.

Mr. Baird requested Ms. Raiolo remain in the meeting to run the recording equipment. All other Division employees left the room.

The meeting was convened into executive session at 11:40 a.m.

The meeting was adjourned at 11:52 p.m.

Cindy Raiolo, Secretary to the
Colorado Limited Gaming Control Commission

Colorado Limited Gaming Control Commission

Minutes of Meeting
November 15, 2001

The meeting was called to order by the Chair of the Colorado Limited Gaming Control Commission, Natalie Meyer at 9:03 a.m. on November 15, 2001 at the Colorado Division of Gaming, 1881 Pierce Street, Suite 110, Lakewood, Colorado. Present were Commissioners Natalie Meyer, Phil Walter, Shirley Harris, Marilyn Wheeler and Rob Millman. Also in attendance were: Director of the Division of Gaming, Tom Kitts; Director of Administration, Linda Petkash; Communications and Licensing Director, Don Burmania; Public Affairs Specialist, Maren Rubino; Controller, Janet Ford; Chief of Investigations, Huck Henderson; Field Operations Supervisor, Phil Wargo; Senior Supervisor, Laura Manning; Supervisor Investigators, Vic Freburg, Gary Watada; Investigators, Tom Fears, Jan Dempsey; Karl Trump and Henry Hasler; Chief Auditor, Georgine Zalesky; Audit Supervisors, Jennifer Aragon, Flavio Quintana and Brenda Davis; Auditors Dan Hoppes, Mike Maestas, Matt Slaney and Melissa Holmes and Deb Gorham; Assistant Attorneys General, Ceri Williams and John Baird. Persons making a presentation in executive session were: Mark Wilson, Colorado Bureau of Investigation, Huck Henderson, Phil Wargo, Tom Fears, Division of Gaming and John Baird, Attorney General Office. Persons making a presentation in public session were: Chip Wiman, Councilman for Central City; Chuck Bonniwell, attorney for Central City; Bob Dill and Patrick Tooley, attorneys for Windsor Woodmont and Roger Morris, attorney for Hyatt Gaming.

The Chair called for a motion to go into executive session pursuant to sections 12-47.1-522(1)(A) and (B), 24-6-402(3)(A)(III), and 12-47.1-527(1) of the Colorado Revised Statutes to receive and discuss background, licensing, auditing and investigative reports from the Division of Gaming and the Colorado Bureau of Investigation. Mr. Millman made the motion. Mr. Walter seconded the motion. The motion was adopted.

The Chair also called for a motion to go into executive session pursuant to section 24-6-402(3)(A)(II) of the Colorado Revised Statutes for the purpose of holding privileged attorney-client discussion at the end of executive session with conflicts counsel John Baird concerning the Petition for Hearing filed by Charles Bonniwell. Mr. Millman made the motion. Mr. Walter seconded the motion. The motion was adopted.

The meeting was reconvened into public session at 10:50 a.m.

The Chair called for a motion to renew the permanent retail licenses of Anchor Coin, Inc., dba Colorado Central Station Casino, Inc.; Riviera Black Hawk, Inc., dba Riviera Black Hawk Casino; G.F. Gaming Corp., dba The Famous Bonanza Casino Corp.; G.F. Gaming Corp., dba Easy Street Casino; BWBH, Inc., dba Bullwhackers Black Hawk, Inc.; and Silver Hawk Casino, Inc. These licenses shall be issued upon expiration of the current license and expire one year from the date of issuance. Mr. Millman made the motion. Mr. Walter seconded the motion. The motion was adopted.

The Chair called for a motion to renew the permanent retail license of BWBP, Inc., dba Bullpen Sports Casino. This license shall be issued upon expiration of the current license and expire on December 24, 2002. Ms. Harris made the motion. Ms. Wheeler seconded the motion. The motion was adopted.

The Chair called for a motion to renew the permanent manufacturer/distributor license of Mountain Gaming Distributors, LLC. This license shall be issued upon expiration of the current license and expire one year from the date of issuance. Mr. Walter made the motion. Mr. Millman seconded the motion. The motion was adopted.

The Chair called for a motion to renew the permanent operator licenses of Anchor Coin, Inc., dba Colorado Central Station Casino, Inc.; and Vista Gaming Corp. These licenses shall be issued upon expiration of the current licenses and expire one year from the date of issuance. Mr. Millman made the motion. Ms. Harris 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 shall be issued upon expiration of the current license and expire on November 18, 2002. Mr. Walter made the motion. Mr. Millman seconded the motion. The motion was adopted.

The Chair opened the meeting to anyone from the public that would like to address the Commission.

Mr. Wiman addressed the Commission stating he is trying to build a positive relationship between the Commission and the City of Central. Mr. Wiman stated the Petition filed by Mr. Bonniwell was not presented or approved by the Central City Counsel and Mr. Bonniwell does not have the authority to file a petition on behalf of Central City without counsel approval.

Mr. Wiman also expressed concern over proposed expenditures of Historic Preservation Funds by the Central City Council. He submitted letters from the State Auditor and an independent auditor stating their views on the subject.

Mr. Bonniwell addressed the Commission rebutting Mr. Wyman's comments.

Ms. Petkash presented a FY 2002 Supplemental Transfer Request for the Division of Gaming.

The Chair called for a motion to authorize a one-time transfer of funds from Personal Services to Operating in the amount of \$80,000 to address the need to fund the radios for Division Investigators. Mr. Walter made the motion. Mr. Millman seconded the motion. The motion was adopted.

Ms. Ford presented the Division Financial Statements for the three months ended September 30, 2001.

The Chair called for a motion to approve the Statement of Gaming Revenues, Gaming Taxes and Expenditures for the three months ended September 30, 2001. Ms. Wheeler made the motion. Mr. Millman seconded the motion. The motion was adopted.

Ms. Ford informed the Commission the Division had a clean financial audit and the audit has been released by the Legislative Audit Committee.

The Chair swore in new investigator Henry Hasler.

The Chair called for a motion to adopt the minutes of the Gaming Commission meeting of October 18, 2001. Mr. Walter made the motion. Mr. Millman seconded the motion. The motion was adopted.

The meeting was recessed at 11:30 a.m.

The meeting was reconvened at 11:36 a.m.

Mr. Bonniwell addressed the Commission stating he does have the authority to file the Petition for Hearing on behalf of the City of Central. He stated at the Councils' September 18, 2001 meeting Ann Dodson requested the City Council to file the petition. Mr. Bonniwell stated he was requested to do so by the Mayor.

Mr. Dill and Mr. Tooley addressed the Commission and presented them with a response to Mr. Bonniwell's petition on behalf of Windsor Woodmont. Mr. Dill stated the petition filed by Mr. Bonniwell lacks clarity and suggested the Commission request Mr. Bonniwell identify the issues he wants the Commission to rule on. Mr. Dill also requested the Commission defer any actions until Mr. Bonniwell clarifies the issues in the petition.

Mr. Tooley echoed Mr. Dill's comments.

Mr. Morris addressed the Commission stating the same issues as Mr. Dill and Mr. Tooley. Mr. Morris presented the Commission with responses to the petition on behalf of Hyatt Gaming. Mr. Morris requested the petition be dismissed or explained in more detail.

The Chair called for a motion to go into executive session pursuant to section 12-47.1-527(1)(D) and 24-66-402(3)(A)(III) of the Colorado Revised Statutes for the purpose of holding privileged attorney-client discussions with conflict counsel concerning the petition for hearing filed by Charles Bonniwell. Mr. Walter made the motion. Mr. Millman seconded the motion. The motion was adopted.

All public and staff left the room at 12:00 p.m.

The meeting was reconvened into public session at 12:15 p.m.

The Chair read the following statement:

In the matter of the Petition For Hearing pursuant to rule 47.1-208 of the rules of the Colorado Limited Gaming Control Commission submitted by Charles C. Bonniwell on behalf of City of Central, G. F. Gaming Corp. and Grimes Gaming Corp. The Commission has received, in addition to the petition, responses and objections on behalf of Windsor Woodmont and Hyatt Gaming. These responses request that petitioners submit a more definite statement of claims, issues, remedies, and relief asserted or requested, including "standing."

The Commission, on its own requests a more definite statement by November 26, 2001, close of business. The petitioners shall clarify what claims, issues, remedies, and relief is asserted or requested. Petition shall include responses to the following questions:

1. Who specifically is represented by Mr. Bonniwell.
2. Who is aggrieved in this matter and how each petitioner is aggrieved, and
3. What relief is requested.

A copy of petitioner's response must be served on counsel for Hyatt and Windsor Woodmont by close of business on November 26, 2001. Respondents have 10 days after November 26, which is December 5, 2001, to respond.

This matter will be placed on the next regular Commission meeting agenda on December 20, 2001.

The meeting was adjourned at 12:18 p.m.

Cindy Raiolo, Secretary to the
Colorado Limited Gaming Control Commission

Colorado Limited Gaming Control Commission

Minutes of Meeting
December 20, 2001

The meeting was called to order by the Chair of the Colorado Limited Gaming Control Commission, Natalie Meyer at 8:34 a.m. on December 20, 2001 at the Colorado Division of Gaming, 1881 Pierce Street, Suite 110, Lakewood, Colorado. Present were Commissioners Natalie Meyer, Phil Walter, Shirley Harris, Marilyn Wheeler and Rob Millman. Also in attendance were: Director of the Division of Gaming, Tom Kitts; Senior Director of Enforcement, George Turner; Executive Director of the Department of Revenue, Fred Fisher; Director of Administration, Linda Petkash; Communications and Licensing Director, Don Burmania; Public Affairs Specialist, Maren Rubino; Controller, Janet Ford; Chief of Investigations, Huck Henderson; Field Operations Supervisor, Phil Wargo; Agent in Charge of the Central City office, Jim Huskey; Agent in Charge of the Cripple Creek office, Steve Barber; Senior Supervisor, Laura Manning; Supervisor Investigators, Vic Freburg and Gary Watada; Investigators, Ron Kammerzell, Will Lukela, Tom Fears, Jan Dempsey and Karl Trump; Chief Auditor, Georgine Zalesky; Audit Supervisors, Flavio Quintana and Brenda Davis; Attorneys General, Ceri Williams and John Baird. Persons making a presentation in executive session were: Mark Wilson and Pete Mang, Colorado Bureau of Investigation, Huck Henderson, Phil Wargo, Tom Fears, Division of Gaming and John Baird, Attorney General's Office. Persons making a presentation in public session were: Chuck Bonniwell, attorney for GF Gaming; Bob Dill and Patrick Tooley, attorneys for Windsor Woodmont; Roger Morris, attorney for Hyatt Gaming; Rich Nathan, attorney for Fitzgerald's; Don Treese member of the Planning Commission for Central City and Medell Barnes, Black Hawk Casino Owner's Association.

The Chair called for a motion to go into executive session pursuant to sections 12-47.1-522(1)(A) and (B), 24-6-402(3)(A)(III), and 12-47.1-527(1) of the Colorado Revised Statutes to receive and discuss background, licensing and investigative reports from the Division of Gaming and the Colorado Bureau of Investigation. Mr. Walter made the motion. Mr. Millman seconded the motion. The motion was adopted.

The Chair also called for a motion to go into executive session pursuant to section 24-6-402(3)(A)(II) of the Colorado Revised Statutes for the purpose of holding privileged attorney-client discussion at the end of executive session with conflicts counsel John Baird concerning the Petition for Hearing filed by Charles Bonniwell. Mr. Millman made the motion. Ms. Harris seconded the motion. The motion was adopted.

The meeting was reconvened into public session at 10:12 a.m.

The Chair called for a motion to renew the permanent retail licenses of Global Casinos, Inc., dba Bull Durham Saloon & Casino; Horseshoe Casino, LLC, dba Canyon Casino; and Southwest Casino & Hotel Corp., dba Uncle Sam's Casino. These licenses shall be effective upon expiration of the current licenses and expire one year from the date of issuance. Mr. Millman made the motion. Mr. Walter seconded the motion. The motion was adopted.

The Chair called for a motion to renew the permanent retail licenses of, and approve the change of ownership as outlined in the investigative report for, Gold Rush I, LLC, dba Gold Rush Hotel and Casino; and Gold Rush I, LLC, dba Gold Digger's Casino. These licenses shall be issued upon expiration of the current licenses and expire on January 15, 2001. Ms. Harris made the motion. Ms. Wheeler seconded the motion. The motion was adopted.

The Chair called for a motion to renew the permanent retail licenses of Horseshoe Casino, LLC dba Grand Plateau Casino. This license shall be issued upon expiration of the current license and expire on December 20, 2002. Mr. Millman made the motion. Ms. Wheeler seconded the motion. The motion was adopted.

The Chair called for a motion to renew the permanent manufacturer/distributor license of MGC, Inc. This license shall be issued upon expiration of the current license and expire one year from the date of issuance. Mr. Walter made the motion. Ms. Harris seconded the motion. The motion was adopted.

The Chair called for a motion to issue a new permanent retail license to CCSC/Blackhawk, Inc., dba Colorado Central Station Casino, Inc., 340 Main Street, Black Hawk. This license shall be effective at 5:00 p.m. on December 20, 2001, and expire one year from the date of issuance. Further, the standard conditions for a retail license shall apply. Additionally, the license shall continue at the AGP level heretofore accrued during the current fiscal tax year by the current licensee at that location.

The Chair called for a motion to issue a new permanent operator license to CCSC/Blackhawk, Inc., dba Colorado Central Station Casino, Inc. This license shall be effective at 5:00 p.m. on December 20, 2001, and expire one year from the date of issuance. Ms. Harris made the motion. Ms. Wheeler seconded the motion. The motion was adopted.

The Chair called for a motion to issue a new permanent manufacturer/distributor license to Anchor coin, dba Anchor Games, Inc. This license shall be effective at 5:00 p.m. on December 20, 2001, and expire one year from the date of issuance. Mr. Millman made the motion. Mr. Walter 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 Colorado Grande Enterprises, Inc., dba Colorado Grande Gaming Parlor, and Southwest Casino & Hotel Corp., dba Uncle Sam's Casino. Mr. Walter made the motion. Ms. Harris seconded the motion. The motion was adopted.

The Chair opened the meeting to anyone from the public that would like to address the Commission.

Mr. Fears introduce Joe Ramos from Anchor Gaming. Mr. Ramos thanked the Commission for approving their license and wished the Commission and the Division happy holidays.

Mr. Morris also thanked the Commission for granting the license of Anchor Gaming.

Rich Nathan thanked the Division for their help with the change of ownership for Fitzgerald's and stated Mr. Barden will be in Colorado to meet the Commission in January.

Don Treese addressed the Commission asking them to look at the testimony Central City Councilman Chip Wiman had presented stating he did not have the authority to represent the people or business of Central City before the Commission.

The Chair swore in Mr. Wargo.

The Chair called for a motion to commence rulemaking hearings on proposed changes to Colorado Limited Gaming Rule 8, Rule 10 and Rule 21. Mr. Millman made the motion. Mr. Walter seconded the motion. The motion was adopted.

Mr. Wargo stated there are no changes to Rule 8 and presented proposed changes to Rule 10 and Rule 21.

The Chair opened the rulemaking hearing to the public to testify regarding the proposed changes. No one from the public responded.

The Chair called for a motion to close rulemaking hearings on proposed changes to Colorado Limited Gaming Rule 10 and Rule 21. Mr. Millman made the motion. Mr. Walter seconded the motion. The motion was adopted.

The Chair called for a motion to adopt the changes to Colorado Limited Gaming Rule 10 and Rule 21. Mr. Walter made the motion. Ms. Harris seconded the motion. The motion was adopted.

Ms. Ford presented the Division Financial Statements for the four months ended October 31, 2001.

The Chair called for a motion to approve the Statement of Gaming Revenues, Gaming Taxes and Expenditures for the four months ended October 31, 2001. Ms. Harris made the motion. Mr. Walter seconded the motion. The motion was adopted.

The Chair called for a motion to adopt the minutes of the Gaming Commission meeting of November 15, 2001. Mr. Millman made the motion. Ms. Harris seconded the motion. The motion was adopted.

Ms. Williams presented proposed Order of Stipulation and Agreement Case No. SA 01-013 in the matter of Blackhawk Brewery & Casino, LLC dba Mardi Gras Casino, license number 14-36352-0001.

Ms. Wheeler requested the Division to find out who the outside auditors are for the Mardi Gras Casino.

The Chair called for a motion to approve and authorize the Chair to sign the Order of Stipulation and Agreement Case No. SA 01-013 in the matter of Blackhawk Brewery & Casino, LLC dba Mardi Gras Casino license number 14-36352-0001. Mr. Walter made the motion. Mr. Millman seconded the motion. The motion was adopted.

Ms. Williams presented proposed Order of Show Cause Case No. SC 01-003 in the matter of Linda C. Allison license number 12528.

The Chair called for a motion to approve and authorize the Chair to sign the Order of Show Cause Case No. SC 01-003 in the matter of Linda C. Allison license number 12528. Mr. Millman made the motion. Mr. Walter seconded the motion. The motion was adopted.

Mr. Kitts updated the Commission on a recent initiative the Division has undertaken with the industry. He stated the Division has met with each casino in the state in an effort to obtain their input as to what kinds of training they feel the Division could provide in order to decrease the number of disciplinary actions. Mr. Kitts stated the Division is compiling the information and will report back to the Commission.

Mr. Kitts informed the Commission that a letter has gone out to radio stations in the state concerning the commercials for Internet and sports gaming they are broadcasting.

The Chair acknowledged and thanked the Isle of Capri for their donation of \$90,312 to the Mile High United Way.

Mr. Bonniwell addressed the Commission regarding the petition he filed on behalf of the City of Central and GF Gaming. Mr. Bonniwell filed a request to add Don Mattivi and W.L. Lorenz to the petition.

Mr. Grimes addressed the Commission and echoed Mr. Bonniwell's comments.

Mr. Dill, Mr. Tooley and Mr. Morris addressed the Commission regarding the petition Mr. Bonniwell filed, requesting the Commission dismiss the petition on the grounds that there is no evidence to prove that there is an aggrieved party, Mr. Bonniwell's response was not timely filed with the Commission as requested and there is no standing.

Mr. Barnes addressed the Commission regarding the HARC meetings in Black Hawk.

The Chair called for a motion to go into executive session pursuant to section 12-47.1-527(1)(D) and 24-66-402(3)(A)(III) of the Colorado Revised Statutes for the purpose of holding privileged attorney-client discussions with conflict counsel concerning the petition for hearing filed by Charles Bonniwell. Mr. Walter made the motion. Mr. Millman seconded the motion. The motion was adopted.

All public and staff left the room at 11:50 p.m.

The meeting was reconvened into executive session at 12:08 p.m.

The meeting was reconvened into public session at 12:29 p.m.

The Chair stated the Commission is disallowing the petition filed by Mr. Bonniwell on behalf of G.F. Gaming on the grounds that the petition was not timely filed with the Commission, and there is no evidence to show that there G.F. Gaming is an aggrieved party and it lacks standing. A written order will be sent out prior to January 17, 2002. Mr. Millman moved to adopt the order. Mr. Walter seconded. The motion was adopted.

The Chair stated the order will be effective on the date the order is signed by the Chair and mailed out. Mr. Walter made the motion. Mr. Millman seconded. The motion was adopted.

The meeting was adjourned at 12:38 p.m.

Cindy Raiolo, Secretary to the
Colorado Limited Gaming Control Commission