

Colorado Limited Gaming Control Commission

Minutes of Meeting

January 17, 2002

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 17, 2002 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; 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, Kendal Dittmer, Jan Dempsey and Karl Trump; Audit Supervisors, Flavio Quintana, Jennifer Aragon and Brenda Davis; Administrative Assistant, Annette Rogers and Attorney General, Ceri Williams. Persons making a presentation in executive session were: Mark Wilson and Pete Mang, Colorado Bureau of Investigation, Huck Henderson, Phil Wargo, Kendal Dittmer, Tom Kitts and Linda Petkash, Division of Gaming. Persons making a presentation in public session were: Todd Seymour and Phyllis Wolfson, Millenium Gaming and Ross Grimes, G.F. 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 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 meeting was reconvened into public session at 10:55 a.m.

The Chair called for a motion to renew the permanent retail licenses of Minter Holdings, LLC, dba Johnny Nolon's Casino; and Blackhawk Brewery and Casino, LLC dba Mardi Gras Casino. These licenses shall be effective 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 licenses of Novomatic Colorado, Inc., and Universal Gaming Resources, LLC. These licenses shall be effective upon expiration of the current licenses 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 renew the permanent operator license of International American Gaming Association, LLC. This license shall be effective 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 approve the changes of ownership as outlined in the investigative report for Black Hawk/Jacobs Entertainment, LLC, dba The Lodge Casino at Black Hawk, and Gilpin Hotel Venture, dba The Gilpin Hotel Venture. 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 manufacturer/distributor license to Millenium Gaming, Inc. This license shall be effective at 5:00 p.m. on January 17, 2002, 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.

Mr. Dittmer introduced Mr. Seymour and Ms. Wolfson, Millenium Gaming. Mr. Seymour thanked the Commission for approving their license. Ms. Wolfson echoed Mr. Seymour's comments.

Mr. Grimes addressed the Commission stating the Commission is allowing expansion of the gaming towns to go beyond transportation capabilities. He stated this is creating a critical and dangerous situation.

Mr. Burmania addressed the Commission stating there would be no changes to Rule 8.

The Chair called for a motion to commence rulemaking hearings on proposed changes to Colorado Limited Gaming Rule 9, Rule 10, Rule 11, Rule 12, Rule 13, Rule 16 and Rule 18. Mr. Walter made the motion. Mr. Millman seconded the motion. The motion was adopted.

The Chair swore in Don Burmania and Paul Hogan.

Mr. Burmania and Mr. Hogan presented proposed changes to Rule 9, Rule 10, Rule 11, Rule 12, Rule 13, Rule 16, and Rule 18.

The Chair opened the rulemaking hearing to the public 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 Rule 9, Rule 10, Rule 11, Rule 12, Rule 13, Rule 16 and Rule 18. Mr. Walter made the motion. Mr. Millman seconded the motion. The motion was adopted.

The Chair called for a motion to adopt the changes to Colorado Limited Gaming Rule 9, Rule 10, Rule 11, Rule 12, Rule 13, Rule 16 and Rule 18 as proposed. Mr. Millman made the motion. Mr. Walter seconded the motion. The motion was adopted.

Ms. Ford presented the Division Financial Statements for the five months ended November 30, 2001.

The Chair called for a motion to approve the Statement of Gaming Revenues, Gaming Taxes and Expenditures for the five months ended November 30, 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 December 20, 2001. Mr. Millman made the motion. Ms. Harris seconded the motion. The motion was adopted.

Ms. Williams presented proposed Order of Summary Suspension Case No. SS 02-001 in the matter of April Leigh Horton, license number 19784.

Mr. Kitts requested the Commission to set a hearing date on the Order to Show Cause of Linda Allison. Commissioners will check their calendars and a date will be set.

Mr. Kitts informed the Commission of the copies of Leonard Ainsworth briefs in their packets. He instructed them to contact Ms. Williams with any questions.

Mr. Kitts informed the Commission there are two bills affecting Gaming to go before the Legislature. The first is SB88 which is a chronic gambling fund bill and the second is SB24 concerning the prohibition of certain public agents from having an interest in a limited gaming license.

Discussion was held by the Commission on both SB88 and SB24.

Mr. Grimes addressed the Commission in support of SB 24.

Mr. Millman moved to issue a statement that the Commission and the Division are not in support of SB24. Ms. Harris seconded the motion. The motion was adopted.

The Commission instructed the Division to follow this bill and indicate to the sponsor the Commission's stand.

The Chair informed the public that a letter had gone out to radio stations in the state concerning the commercials for Internet and sports gaming they are broadcasting. Some of the stations have responded and are taking action to remove the commercials from their stations.

The meeting was adjourned at 12:36 p.m.

Cindy Raiolo, Secretary to the
Colorado Limited Gaming Control Commission

Colorado Limited Gaming Control Commission

Minutes of Meeting

February 21, 2002

The meeting was called to order by the Chair of the Colorado Limited Gaming Control Commission, Natalie Meyer at 9:03 a.m. on February 21, 2002 at the Colorado Division of Gaming, 1881 Pierce Street, Suite 110, Lakewood, Colorado. Present were Commissioners Natalie Meyer, Shirley Harris, Marilyn Wheeler and Rob Millman. Absent and excused was Commissioner Phil Walter. 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; 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; Investigator, Karl Trump; Chief Auditor, Georgine Zalesky; Audit Supervisors, Flavio Quintana, Jennifer Aragon and Brenda Davis; Auditors, Laurie Scott, Rachel Gregory and Dan Hoppes; Systems Machine Specialist, Paul Hogan; Administrative Assistant, Jan Cowan and Attorney General, Ceri Williams. Persons making a presentation in executive session were: Mark Wilson and Pete Mang, Colorado Bureau of Investigation, Phil Wargo, Jennifer Aragon, Dan Hoppes, Laura Manning, Tom Kitts and Linda Petkash, Division of Gaming. Persons making a presentation in public session were: Tony Gagliardi, Cripple Creek Casino Owners Association, Rich Bove; and Mark Wolfe, Colorado Historical Society.

The Chair noted for the record that Commissioner Walter was absent and excused from the meeting.

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 audit reports, background, licensing and investigative reports from the Division of Gaming and the Colorado Bureau of Investigation. Mr. Millman made the motion. Ms. Harris seconded the motion. The motion was adopted.

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

The Chair commended the Division staff on a job well done on the Division of Gaming Annual Report.

The Chair called for a motion to renew the permanent manufacturer/distributor licenses of AGI Distribution, Inc.; Atronic Americas, LLC; and WMS Gaming, Inc. 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. Ms. Harris seconded the motion. The motion was adopted.

The Chair called for a motion to renew the permanent operator license of WMS Gaming, Inc. This license shall be effective 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.

Mr. Gagliardi addressed the Commission regarding SB 24 requesting the Commission to enter into an open dialogue between now and the next legislative session.

The Chair stated the Commission is always open to any conversations.

Mr. Bove addressed the Commission regarding a complaint against the Black Hawk PD and the Mardi Gras Casino. He requested that the tapes recorded on February 16, 2002 by the Mardi Gras Casino surveillance be kept for evidence.

Mr. Millman moved to issue an order to request the Division to have the casino preserve the videotapes. Ms. Wheeler seconded the motion. The motion was adopted.

Mr. Wolfe gave a presentation showing the Commission the new signs, which will be posted to inform the public of projects that gaming tax money has funded.

The Chair swore in Mr. Burmania.

The Chair called for a motion to commence rulemaking hearings on proposed changes to Colorado Limited Gaming Rule 3. Mr. Millman made the motion. Ms. Harris seconded the motion. The motion was adopted.

Mr. Burmania presented proposed changes to Rule 3.

The Chair opened the rulemaking hearing to the public 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 Rule 3. Mr. Millman 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 Rule 3 as proposed. Ms. Harris made the motion. Mr. Millman seconded the motion. The motion was adopted.

Ms. Ford presented the Division Financial Statements for the six months ended December 31, 2001.

The Chair called for a motion to approve the Statement of Gaming Revenues, Gaming Taxes and Expenditures for the six months ended December 31, 2001. Ms. Wheeler 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 January 17, 2002. Mr. Millman made the motion. Ms. Wheeler seconded the motion. The motion was adopted.

Ms. Williams presented proposed Order of Show Cause Case No. SC 02-01 in the matter of Michael J. Cummings, license number 21150.

The Chair called for a motion to approve and authorize the Chair to sign the Order of Show Cause Case No. SC 02-01 in the matter of Michael J. Cummings license number 21150. Mr. Millman made the motion. Ms. Harris seconded the motion. The motion was adopted.

Ms. Petkash informed the Commission that the Division is working on the lease for the building in Cripple Creek. The lease will be brought before the Commission at a later date for approval.

The meeting was adjourned at 12:03 p.m.

Cindy Raiolo, Secretary to the
Colorado Limited Gaming Control Commission

Colorado Limited Gaming Control Commission

Minutes of Meeting

March 21, 2002

The meeting was called to order by the Chair of the Colorado Limited Gaming Control Commission, Natalie Meyer at 9:03 a.m. on March 21, 2002 at the Colorado Division of Gaming, 1881 Pierce Street, Suite 110, Lakewood, Colorado. Present were Commissioners Natalie Meyer, Shirley Harris, Marilyn Wheeler and Rob Millman. Absent and excused was Commissioner Phil Walter. 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; 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 Investigator, Gary Watada; Investigators, Will Lukela, Tom Fears and Karl Trump; Chief Auditor, Georgine Zalesky; Audit Supervisors, Flavio Quintana and Brenda Davis; and Attorney General, Ceri Williams. Persons making a presentation in executive session were: Mark Wilson and Pete Mang, Colorado Bureau of Investigation, Huck Henderson and Phil Wargo, Division of Gaming. Persons making a presentation in public session were: Ed Warren, Riviera Black Hawk Casino; Shaun Howe, Isle of Capri Casino and Joan Pattersen, Gilpin/Lodge Casino.

The Chair noted for the record that Commissioner Walter was absent and excused from the meeting.

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 audit reports, background, licensing and investigative reports from the Division of Gaming and the Colorado Bureau of Investigation. Ms. Harris made the motion. Mr. Millman seconded the motion. The motion was adopted.

The meeting was reconvened into public session at 10:03 a.m.

The Chair called for a motion to approve the changes of ownership as outlined in the respective investigative reports for Colorado Casino Resorts, Inc.; Creeker's Inc., dba Creeker's Casino; and Double Eagle Resorts, Inc., dba Double Eagle Hotel & Casino. Mr. Millman 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. No one responded.

Ms. Ford and Ms. Petkash presented the FY 2003 budget request for the Division of Gaming.

The Chair called for a motion to approve the FY 2003 budget request for the Division of Gaming in the amount of \$7,409,634. Ms. Wheeler made the motion. Mr. Millman seconded the motion. The motion was adopted.

The Chair called for a motion to approve the new lease for the Cripple Creek Office and authorize the Chair to sign on behalf of the Commission. Ms. Wheeler 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, 2002.

The Chair called for a motion to approve the Statement of Gaming Revenues, Gaming Taxes and Expenditures for the seven months ended January 31, 2002. Ms. Harris 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 February 21, 2002. Mr. Millman made the motion. Ms. Harris seconded the motion. The motion was adopted.

Ms. Gorham gave a presentation on the new Division of Gaming training program.

The Chair opened the meeting to anyone from the public who wished to address the Commission regarding the Division's new training program.

Mr. Warren addressed the Commission in favor of the training program stating it is a very good program.

Ms. Howe also addressed the Commission in support of the training program and the shadow training of Division employees.

Ms. Pattersen stated they are in favor of the Division's new training program.

Ms. Williams presented proposed Order of Stipulation and Agreement Case No. SA 02-01 in the matter of Gregory C. Wimmer, license number 18275.

The Chair called for a motion to approve and authorize the Chair to sign the Order of Stipulation and Agreement Case No. SA 02-01 in the matter of Gregory C. Wimmer license number 18275. Ms. Harris made the motion. Ms. Wheeler seconded the motion. The motion was adopted.

Ms. Williams presented proposed Order of Summary Suspension Case No. SS 02-02 in the matter of Jason J. Rodriguez, license number 23199.

The Chair called for a motion to approve and authorize the Chair to sign the Order of Summary Suspension Case No. SS 02-02 in the matter of Jason J. Rodriguez license number 23199. Ms. Wheeler made the motion. Ms. Harris seconded the motion. The motion was adopted.

Mr. Kitts asked the Commission to consider conducting the July Commission meeting in Cripple Creek and the August meeting in Central City.

Mr. Kitts informed the Commission that a Declaratory Order had been received by the Division today from the Casino Owners Association of Colorado regarding a denial by the Division of a slot machine known as "The Frog Prince". After some discussion it was decided to place this item for consideration on the agenda for the April Commission meeting.

The meeting was adjourned at 11:35 p.m.

Cindy Raiolo, Secretary to the
Colorado Limited Gaming Control Commission

Colorado Limited Gaming Control Commission

Minutes of Meeting
April 18, 2002

The meeting was called to order by the Chair of the Colorado Limited Gaming Control Commission, Natalie Meyer at 9:04 a.m. on April 18, 2002 at the Colorado Division of Gaming, 1881 Pierce Street, Suite 110, Lakewood, Colorado. Present were Commissioners Natalie Meyer, Shirley Harris, Marilyn Wheeler and Rob Millman. Absent and excused was Commissioner Phil Walter. Also in attendance were: Director of the Division of Gaming, Tom Kitts; 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; 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 Investigator, Gary Watada; Investigators, Tom Fears, Kendal Dittmer, Jan Dempsey and Karl Trump; Audit Supervisor, Flavio Quintana; and Attorney General, Robert Pastore. Persons making a presentation in executive session were: Mark Wilson and Pete Mang, Colorado Bureau of Investigation, Phil Wargo, Laura Manning, Tom Fears, Karl Trump; Division of Gaming. Persons making a presentation in public session were: Peter Carlino and Kevin DeSanctis, Penn Inc.; Don Pagano, Red Dolly; Dennis Gallagher and Carlos Tolosa, Harrahs, and Jeff Swain JGS Construction, Mark Grueskin, Casino Owners Association, and Medell Barnes, Silver Dollar Metropolitan District

The Chair noted for the record that Commissioner Walter was absent and excused from the meeting.

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 audit reports, background, licensing and investigative reports from the Division of Gaming and the Colorado Bureau of Investigation. Mr. Millman made the motion. Ms. Harris seconded the motion. The motion was adopted.

The meeting was reconvened into public session at 10:47 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; Dedicated International, Inc., dba Black Hawk Station Casino, Inc.; Gilpin Hotel Venture, dba The Gilpin Hotel Casino, Ltd.; Harveys CC Management Company, Inc., dba Harveys Wagon Wheel Hotel Casino; Pioneer Group, Inc., dba Bronco Billy's Sports Bar & Casino; Pioneer Group, Inc., Buffalo Billy's Casino; Red Dolly, Inc.; dba Red Dolly Casino, Inc.; and Virgin Mule, Inc.; dba Virgin Mule. 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. Ms. Harris seconded the motion. The motion was adopted.

The Chair again noted for the public Mr. Walter is absent and excused.

The Chair called for a motion to renew the permanent manufacturer/distributor license of Atlantic City Coin & Slot Company, Inc. This license shall be effective 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 renew the permanent operator licenses of Atlantic City Coin & Slot Company, Inc.; and Harveys CC Management Company, Inc. dba Harveys Wagon Wheel Hotel Casino. These licenses shall be effective upon expiration of the current licenses 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 respective investigative reports for Dedicated International, Inc., dba Black Hawk Station Casino, Inc.; and Harveys CC Management Company, Inc., dba Harveys Wagon Wheel Hotel Casino. Mr. Millman made the motion. Ms. Harris seconded the motion. The motion was adopted.

The Chair called for a motion to issue new permanent retail licenses to Penn Bullpen, Inc., dba Bullpen Casino, 125 Gregory Street, Black Hawk; Penn Bullwhackers, Inc., dba Bullwhackers Casino, 101 Gregory Street, Black Hawk; and Penn Silver Hawk, Inc., dba Silver Hawk Casino, 100 Chase Street, Black Hawk. These licenses shall be effective at 5:00 p.m. on April 18, 2002, and expire one year from the date of issuance. Mr. Millman 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. Trump introduced Mr. Carlino and Mr. DeSantcis. Mr. Carlino thanked the Commission for the privilege of holding a gaming license, stating they are delighted to be in Colorado.

Mr. Trump introduced Mr. Pagano. Mr. Pagano thanked the Commission and the Division for all of their assistance throughout the years. He also thanked the Commission for the elimination of the device fees and low gaming taxes. Mr. Pagano commended Mr. Kitts and the excellent job he does as the Director of the Division and in working with him since the beginning of gaming. Mr. Pagano also thanked the Division for all of their support and guidance.

Mr. Dittmer introduced Mr. Tolosa and Mr. Gallagher. Mr. Gallagher thanked the Commission for the approval of their license. He also thanked the Division for all of their support.

Mr. Swain addressed the Commission on an outstanding debt owed to his company, JGS Construction, by Windsor Woodmont for work completed on the Hyatt. He requested the Commission to ask Windsor Woodmont about the outstanding debt.

Mr. Millman read into the record Commission Policy 93-01:

“It is the policy of the Colorado Limited Gaming Control Commission not to interfere with the claim between a debtor or creditor who are also licensees under the Limited Gaming Act 1991, unless such claims have been reduced to judgment in the Court of Law in the State of Colorado.”

The Chair directed the Division to write a letter on behalf of the Commission requesting Windsor Woodmont to respond regarding the outstanding debt. Mr. Millman 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 Taxes. Mr. Millman made the motion. Ms. Wheeler 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. No one responded.

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 16, 2002, at 10:00 a.m. at 1881 Pierce Street, Suite 110, Lakewood. Mr. Millman made the motion. Ms. Harris seconded the motion. The motion was adopted.

Mr. Kitts went over the rules of the Petition for Declaratory Order on The Frog Prince, informing the Commission they must either dismiss the petition, hold a hearing or issue a declaratory order. Mr. Kitts stated the Division would encourage a hearing on this matter.

Mr. Grueskin addressed the Commission stating the Owners Association is agreeable to defer the hearing and extend the time period to hold the hearing until after the gaming tax hearings are complete. It was the consensus of the Commission to hold the hearing no later than August.

Mr. Mang and Mr. Hyland presented the Colorado Bureau of Investigation FY 2003 budget request.

The Chair called for a motion to approve the FY 2003 budget request of the Colorado Bureau of Investigation in the amount of \$735,312. Mr. Millman made the motion. Ms Harris seconded the motion. The motion was adopted.

The meeting was recessed at 11:57 a.m.

The meeting was reconvened at 1:03 p.m.

Ms. Wright and Ms. Crissman presented the Division of Fire Safety FY 2003 budget request.

The Chair called for a motion to approve the FY 2003 budget request of the Division of Fire Safety in the amount of \$143,328. Ms. Harris made the motion. Mr. Millman seconded the motion. The motion was adopted.

Mr. Westphal presented the Colorado State Patrol FY 2002 supplemental budget request.

Mr. Millman called for a motion to approve the FY 2002 supplemental budget request of the Colorado State Patrol in the amount of \$2,699. Ms. Wheeler seconded the motion. The motion was adopted.

Mr. Westphal presented the Colorado State Patrol FY 2003 budget request.

The Chair called for a motion to approve the FY 2003 budget request of the Colorado State Patrol in the amount of \$1,370,443. Mr. Millman made the motion. Ms. Harris seconded the motion. The motion was adopted.

Mr. Kirtland presented the Department of Local Affairs FY 2003 budget request.

Ms Meyer expressed concern over the Departments indirect cost recovery rate.

Ms. Wheeler called for a motion to approve the FY 2003 budget request of the Department of Local Affairs in the amount of \$89,766. Mr. Millman seconded the motion. Ms. Meyer voted no. The motion was adopted.

Mr. Millman called for a motion to commence rulemaking hearings on proposed changes to Colorado Limited Gaming Rule 8. Ms. Harris seconded the motion. The motion was adopted.

The Chair swore in Mr. Wargo.

Mr. Wargo presented proposed changes to Rule 8.

The Chair called for a motion to close rulemaking hearings on proposed changes to Colorado Limited Gaming Rule 8. Mr. Millman made the motion. Ms. Harris 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 8. Ms. Harris made the motion. Ms. Wheeler seconded the motion. Mr. Millman voted no. The motion was adopted.

Ms. Ford presented the Division Financial Statements for the eight months ended February 28, 2002.

The Chair called for a motion to approve the Statement of Gaming Revenues, Gaming Taxes and Expenditures for the eight months ended February 28, 2002. 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 March 21, 2002. Mr. Millman made the motion. Ms. Wheeler seconded the motion. The motion was adopted.

Mr. Pastore presented proposed Order of Summary Suspension Case No. SS 02-04 in the matter of Travis L. Akers, license number 12008.

The Chair called for a motion to approve and authorize the Chair to sign the Order of Summary Suspension Case No. SS 02-04 in the matter of Travis L. Akers license number 12008. Mr. Millman made the motion. Ms. Wheeler seconded the motion. The motion was adopted.

Mr. Barnes addressed the Commission regarding highway 119 and the safety issues that sometimes exist on the road as well as some of the issues with the widening of highway 119.

Ms. Harris informed the Commission she had attended a reception for historical preservation at the Colorado History Museum. Ms. Harris encouraged all of the Commissioners as well as the public to attend the display. The display will run for approximately 18 months.

The meeting was adjourned at 2:55 p.m.

Cindy Raiolo, Secretary to the
Colorado Limited Gaming Control Commission

Colorado Limited Gaming Control Commission

Minutes of Meeting

May 16, 2002

The meeting was called to order by the Chair of the Colorado Limited Gaming Control Commission, Natalie Meyer at 9:03 a.m. on May 16, 2002 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; Director of Administration, Linda Petkash; Communications and Licensing Director, Don Burmania; Public Affairs Specialist, Maren Rubino; Controller, Janet Ford; 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 Investigator, Gary Watada; Investigators, Tom Fears, Kendal Dittmer, Jan Dempsey and Karl Trump; and Assistant Attorney General, Ceri Williams. Persons making a presentation in executive session were: Mark Wilson and Pete Mang, Colorado Bureau of Investigation and Phil Wargo, Huck Henderson, Division of Gaming. Persons making a presentation in public session were: Linda Petkash and Don Burmania, Division of Gaming; Georgianna Contiguglia and Mark Wolfe, State Historic Society; Ivan Widom and Don Mattivi, City of Central; Jack Kirtland, Department of Local Affairs; Web Sill, Gilpin County; David Blanchard, City of Black Hawk; Kip Peterson, City of Cripple Creek; Bruce Nilemo, Jeff Kullman, Bob Torres, Brian Pinkerton, Bob Torres, Robert Burch, Tony DeVito and Cheryl Lynn, Colorado Department of Transportation and Mark Grueskin, 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 audit reports, background, licensing and investigative reports from the Division of Gaming and the Colorado Bureau of Investigation. Ms. Harris made the motion. Mr. Millman seconded the motion. The motion was adopted.

The meeting was recessed at 9:43 a.m.

The meeting was reconvened into public session at 10:07 a.m.

The Chair called for a motion to renew the permanent retail licenses of Ed & Shirley's Inc., dba The Wild Card Saloon; DEC, Inc. dba The Eureka! Ltd.; Casino Holdings, Inc., dba Brass Ass Casino; Holland Ventures, Inc., dba J.P. McGill's Hotel & Casino; Colorado Grande Enterprises, Inc. dba Colorado Grand Gaming Parlor; and Concorde Cripple Creek, Inc., Golden Gates 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 manufacturer/distributor licenses of PDS Gaming Corp.-Colorado and Western Money Systems, Inc. These licenses shall be effective

upon expiration of the current licenses 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 renew the permanent retail license of, and approve the changes of ownership as outlined in the investigative report for, Imperial Gaming Corp., dba Imperial Hotel & Casino Corp. This license shall be effective 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 opened the meeting to anyone from the public that wanted to address the Commission. No one responded.

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

The Chair swore in Ms. Petkash.

Ms. Petkash informed the Commission that the Department of Natural Resources would not be before them this year for funding as the General Assembly funded their needs out of the Severance Tax Fund.

Ms. Petkash presented a report to the Commission for Teller County, as they were unable to attend the meeting due to scheduling conflicts. Ms. Petkash informed the Commission that Teller County would be willing to attend the June meeting if the Commission desired.

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. No one responded.

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.

Mr. Mattivi, Mayor of Central City and 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 read the following statement into the record:

“As the City's Historic Preservation funds have been reduced over the years because of dwindling gaming revenues, the City has had to reduce its historic preservation efforts. Last year, the City required a match by the homeowner for any funds provided by the City. This year, the City Council eliminated all Historic Preservation Grants. A unilateral decision by the State Historical Fund not to allow the three Gaming towns the ability to apply for grants is a serious impediment to Central City's historic preservation efforts. We still have major needs for historic

preservation funds with fewer dollars each year to deal with those needs. As we all know, historic preservation was one of the major factors bringing gaming in Colorado. Also, I'm certain that you are aware that; Colorado has the largest state preservation grant program in the country. It's a shame to exclude Central City from access to those additional funds when our needs are so great and our revenues are so small. It also is very difficult to watch other communities and projects throughout the State benefit from this Fund while our needs are being ignored. This unilateral decision by the Colorado Historical Society is not supported by a State Statute or other regulation that I'm aware of."

Mr. Widom stated to the Commission that it would be a detriment to the five casinos in Central City to increase the gaming taxes. Mr. Widom stated the City would request the Commission to retain the current tax rate.

The Chair complimented the City of Central on the information contained in their report.

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 2001/2002. 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. Kirtland informed the Commission he would be leaving the Department of Local Affairs to pursue a position in Grand Junction with the State Health Department. Mr. Kirtland introduced his replacement, Eric Bergman.

Mr. Kitts complimented Mr. Kirtland on the excellent job he has done with the Department of Local Affairs since the inception of gaming.

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. No one responded.

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

The meeting was reconvened at 1:03 p.m.

Mr. Sill, Gilpin, County Commissioner, gave an overview of gaming impacts in Gilpin County. He stated the general welfare of the County is very positive. In his testimony, Mr. Sill 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. Mr. Sill stated to the Commission that the county appreciates the stewardship and management by the Commission.

Ms. Wheeler commended Gilpin County on the use of their resources.

Mr. Blanchard, City Manager for the City of Black Hawk, briefly addressed the Commission thanking them for the opportunity to be before them. Mr. Blanchard stated the city is satisfied

with the current tax rate. Mr. Blanchard stated the City of Black Hawk appreciates the relationship between the Commission and the Division staff.

Mr. Peterson, City Administrator for the City of Cripple Creek, briefly addressed the Commission stating that they are satisfied with the current tax rate.

Mr. Burmania addressed the Commission regarding Regulation 47.1-1401(3) which establishes a flat tax rate of 3% on Charitable Gaming. Mr. Burmania informed the Commission that they have not looked at this regulation as part of its tax setting hearings for several years. Mr. Burmania informed the Commission that it has had been nine years or so since any casino has conducted charitable gaming. The main reason for this is that casinos would have to account for those funds separately from their regular gaming activities, meaning they would need to conduct separate counts and drops for a charitable gaming event. Mr. Burmania stated the Commission could either leave the regulation or address it when setting the gaming tax rate.

Mr. Burmania addressed the Commission regarding Regulation 47.1-1401(4)(b) device stamps stating the Division is proposing to eliminate the regulation. Mr. Burmania stated the device stamps were used as a means of demonstrating the payment of the state device fee. The Division has continued to issue device stamps in part in case the device fee was reinstated and in part for device tracking purposes. There has been no move by the Commission, the Division or any other parties to reinstate the state device fee.

Mr. Millman called for a motion to eliminate regulation 47.1-1401(4)(b) which eliminates the requirement for device stamps. Mr. Walter seconded the motion. The motion was adopted.

Mr. Nilemo, Mr. Kullman, Mr. Torres, Mr. Pinkerton, Mr. Burch, Mr. DeVito and Ms. Lynn addressed the Commission regarding various projects the Colorado Department of Transportation is involved with. The department stated that due to the State budget crisis in the current fiscal year, the General Assembly reduced the appropriation of Gaming Funds to the Department by \$3,915,000 from the original appropriation of \$8,893,000. As a result of the cuts, a loss in several projects will occur. The General Assembly appropriated only \$1,010,000 of the requested appropriation of \$6,500,000 in the draft Long Bill for FY 2002-2003. The Department of Transportation's request for Gaming Funds for FY 2003-2004 totals \$10,755,500.

The Chair opened the floor to anyone from the public who wanted to address the Commission on proposed amendments to Colorado Gaming Regulation 47,1-1401, Gaming Tax.

Mr. Grueskin addressed the Commission stating that the focus of their meeting today to address the direct impacts of gaming is correct. Mr. Grueskin stated the Colorado Casino Owners Association would have a presentation for the Commission next month. Mr. Grueskin also thanked the Department of Revenue staff for the very helpful tax statistics.

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 20, 2002, 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 a negative supplemental budget request for the Risk Management's appropriation and a request to transfer spending authority from the Leased Vehicles to the Department of Revenue for indirect costs.

The Chair called for a motion to approve the Divisions FY 2002 supplemental request in the amount of (\$6,292) including the transfer as requested. Mr. Millman made the motion. Ms. Harris seconded the motion. The motion was adopted.

The Chair noted for the record that Mr. Walter was excused to leave the meeting to catch a plane.

Ms. Ford presented the Division Financial Statements for the nine months ended March 31, 2002.

The Chair called for a motion to approve the Statement of Gaming Revenues, Gaming Taxes and Expenditures for the nine months ended March 31, 2002. Ms. Wheeler made the motion. Ms. Harris seconded the motion. The motion was adopted.

Ms. Ford presented the FY2002 agreements with Colorado Bureau of Investigation, Colorado State Patrol, Division of Fire Safety and Department of Local Affairs. Ms. Ford informed the Commission that the State Controller has allowed the Division to enter into multi-year agreements with these agencies. In addition, the Commission will execute an allocation letter each fiscal year based on the approved appropriation outlining the maximum financial obligation due to each agency. In the event that an appropriation amendment occurs the Commission will execute a subsequent allocation letter.

Mr. Millman moved for a motion to approve the Fiscal Year 2003 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. Wheeler seconded the motion. The motion was adopted.

Mr. Millman called for a motion to adopt the minutes of the Gaming Commission meeting of April 18, 2002 to include the correction of Mr. Millman's name on page one. Ms. Wheeler seconded the motion. The motion was adopted.

Mr. Kitts informed the Commission that the Division will undergo a Sunset Review this year. The review will be conducted by the Department of Regulatory Agencies. The report should be complete sometime in August.

Mr. Kitts requested the Commission to check their calendars so the Division can schedule a Commission meeting in Central City for either August or September.

Mr. Kitts proposed to the Commission that they schedule a hearing for the Petition for Declaratory Order on The Frog Prince for the July meeting in Cripple Creek.

The meeting was adjourned at 3:25 p.m.

Cindy Raiolo, Secretary to the
Colorado Limited Gaming Control Commission

Colorado Limited Gaming Control Commission

Minutes of Meeting

June 20, 2002

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 20, 2002 at the Colorado Division of Gaming, 1881 Pierce Street, Suite 110, Lakewood, Colorado. Present were Commissioners Natalie Meyer, Shirley Harris, Marilyn Wheeler, Rob Millman and Phil Walter by telephone conference call. Also in attendance were: Director of the Division of Gaming, Tom Kitts; Executive Director of the Department of Revenue, Fred Fisher; 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; Field Operations Supervisor, Phil Wargo; Supervisor, Laura Manning; Supervisor Investigators, Phil Dinan and Gary Watada; Investigators, Tom Fears, Will Lukela and Jeremy Wolff; Chief Auditor, Georgine Zalesky; Audit Manager, Brenda Davis; Auditors Melissa Holmes and Mark Distel and Assistant Attorney General, Ceri Williams. Persons making a presentation in executive session were: Pete Mang, Colorado Bureau of Investigation and Phil Wargo, Huck Henderson, Melissa Holmes Division of Gaming; Larry Barton, Duree and Company; Susan Conwell, Department of Revenue; John East, Harvey's Wagon Wheel; Michael Smith, Double Eagle and Creekers Casinos and Steve Rourke, Gilpin and Lodge Casinos. Persons making a presentation in public session were: Pete Mang, Colorado Bureau of Investigation; Paul Cockrel, Central City Business Improvement District; Linda Petkash, Janet Ford and Don Burmania, Division of Gaming; Larry Barton, Duree and Company; Susan Conwell, Department of Revenue; Mark Grueskin and Lois Rice, Casino Owners Association of Colorado.

The Chair informed the public that Division Investigators are assisting with the Hayman fire in the Teller County.

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 audit reports, background, licensing and investigative reports from the Division of Gaming and the Colorado Bureau of Investigation. Ms. Harris made the motion. Mr. Millman seconded the motion. The motion was adopted.

The meeting was recessed at 10:12 a.m.

The meeting was reconvened into public session at 10:23 a.m.

The Chair informed the public Mr. Walter is present at the meeting by telephone conference.

The chair called for a motion to renew the permanent manufacturer/distributor and operator licenses of Bally Gaming, Inc., dba Bally Gaming and Systems. These licenses shall be effective upon expiration of the current licenses 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 licenses of Richman Properties, LLC, dba Richman Casino; WMCK Acquisition Corp., db Womack's Casino; and Century Casinos Cripple Creek, Inc. dba Legends Casino. These licenses shall be effective upon expiration of the current licenses 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 Isle of Capri Black Hawk, LLC dba Isle of Capri Casino. Ms. Harris made the motion. Mr. Millman seconded the motion. The motion was adopted.

Mr. Mang presented the Colorado Bureau of Investigation FY 2002 supplemental budget transfer request.

The Chair called for a motion to approve Colorado Bureau of Investigation supplemental budget transfer request from Travel and Operating to Personal Services in the amount of \$2,618. 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 wanted to address the Commission.

Mr. Turner informed the Commission Ms. Meyer has been re-appointed for another four-year term on the Commission to expire in 2006.

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

Mr. Cockrel gave a presentation requesting assistance from the Commission regarding the funding of the Southern Access Road project. Mr. Cockrel stated the Central City Business Improvement District cannot support the funding of the Southern Access Road. He requested the Commission to support their recommendation and indicate to the General Assembly the need for them to receive \$3 million for the project.

The Chair called for a motion requesting the Central City Business Improvement District to attend the Commission meeting in July and present a more complete package after consulting with, and in conjunction with the Colorado Department of Transportation. Mr. Millman made the motion. Ms. Wheeler seconded the motion. The motion was adopted.

Mr. Millman called for a motion to adopt the minutes of the Gaming Commission meeting of May 16, 2002. Ms. Harris made the motion. Mr. Millman seconded the motion. The motion was adopted.

Mr. Barton and Ms. Conwell presented information on the analysis of standard financial statements data and exhibits for the calendar year ended December 31, 2001 on casinos in the industry. Gaming tax and AGP comparisons were presented for the fiscal years 1998, 1999 and 2000.

The meeting was recessed at 11:55 a.m.

The meeting was reconvened at 1:00 p.m. into executive session for the purpose of receiving confidential tax information on individual casinos. Mr. Millman made the motion. Ms. Harris seconded the motion. The motion was adopted.

The meeting was reconvened into public session at 1:44 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 few years. They requested the Commission not to consider other revenues such as hotels, gift shops and parking lot revenues when setting the tax structure. The Casino Owners Association of Colorado requested the Commission to adopt the following tax structure:

\$0-2 Million - .25%
\$2-4 Million – 2%
\$4-6 Million – 4%
\$6-8 Million – 7%
\$8-10 Million – 11%
\$10-12 Million – 13%
\$12-15 Million – 16%
\$15-10 Million – 18%
\$20 Million + - 20%

The Chair called for a motion to go into executive session to receive confidential tax information from individual casinos. Mr. Millman made the motion. Ms. Harris seconded the motion. The motion was adopted.

The meeting was reconvened into public session at 3:43 p.m.

The Chair opened the meeting to anyone from the public who wanted to address the Commission on Colorado Gaming Regulation 47.1-1401 – Gaming Tax. No one responded.

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

The Chair advised the Commission that no motion would be necessary if it was the desire of the Commission to retain the current tax structure. A motion to change the tax structure was not offered.

The Colorado Limited Gaming Control Commission chose to retain the current tax structure.

The Chair called for a motion to open hearings on proposed amendments to Colorado Gaming Regulation Rule 3, Applications, Investigations and Licensure. Mr. Millman made the motion. Ms. Wheeler seconded the motion. The motion was adopted.

The Chair swore in Ms. Petkash and Mr. Burmania.

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 \$57.00 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 \$62.00 per hour based upon the analysis performed.

The chair opened the meeting to anyone from the public who wished to address the Commission on proposed amendments to Colorado Gaming Regulation Rule 3. No one responded.

The Chair called for a motion to change the hourly investigation fee to the rate of \$62.00 and amend Colorado Limited Gaming Regulation 47.1-305 to reflect the \$62.00 per hour rate in place of the current \$57.00 per hour rate. Mr. Millman made the motion. Ms. Harris seconded the motion. The motion was adopted.

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 (hourly investigation fee). Mr. Walter made the motion. Ms. Harris seconded the motion. The motion was adopted.

Ms. Ford presented the Division Financial Statements for the ten months ended April 30, 2002.

The Chair called for a motion to approve the Statement of Gaming Revenues, Gaming Taxes and Expenditures for the ten months ended April 30, 2002. Ms. Wheeler made the motion. Ms. Harris seconded the motion. The motion was adopted.

The Chair called for a motion to certify that the following agency requests to the Joint Budget Committee for fiscal year 2004 were considered by the Commission when setting the gaming tax rate starting July 1, 2002, and were deemed to be gaming-related; Judicial Department, \$371,455; Public Health & Environment, \$45,270; and Department of Transportation, \$10,755,500. Ms. Harris made the motion. Mr. Millman seconded the motion. The motion was adopted.

Ms. Williams presented Order to Show Cause Case No. SC 02-04 in the matter of Michael J. Cummings, license number 21150.

The Chair called for a motion to approve and authorize the Chair to sign the Order to Show Cause Case No. SC 02-04 in the matter of Michael J. Cummings, license number 21150. Mr. Millman made the motion. Ms. Wheeler seconded the motion. The motion was adopted.

Mr. Kitts informed the Commission the petition for declaratory order filed regarding the Frog Prince Slot Machine would be heard at the next Commission meeting on July 18th in Cripple Creek. The Division recommended the Commission request the Division and the Colorado Casino Owners Association to file pre-hearing statements and require them to be due into the Division by July 10, 2002 by noon. Mr. Millman made the motion. Ms. Harris seconded the motion. The motion was adopted.

Mr. Kitts informed the Commission that Arthur Andersen is not actively involved in the auditing of any of Colorado's casinos. He was corrected by Larry Hill, General Manager for Canyon/Grande Plateau. They are still in the process of hiring a new CPA firm.

Ms. Wheeler recommended that the Commission issue a letter to all casinos suggesting that they should consider not doing business with Arthur Andersen.

Mr. Kitts informed the Commission there is a Petition for Declaratory Order, which has been filed by Mr. William Sheridan regarding a "Bad Beat Jackpot Award". Mr. Kitts informed the Commission since the order has been filed they must dismiss the petition, hold a hearing, or issue its declaratory order within 60 days. Mr. Kitts suggested to the Commission that they may want to request more information from the Division and Mr. Sheridan to be due by July 10, 2002 to be heard at the meeting on July 18, 2002 in Cripple Creek.

Mr. Millman moved per regulation 47.1-601 to request additional information from the Division and Mr. Sheridan to be due into the Division by July 10, 2002. Mr. Walter seconded the motion. The motion was adopted.

Mr. Kitts requested the Commission to look at their calendars for September as the Commission meeting is set for September 19, 2002. The Division is proposing to move the Commission meeting to September 26, 2002 so there would not be a conflict with the Gaming Conference in Las Vegas. The Division would like to set this meeting at the July Commission meeting.

The meeting was adjourned at 4:20 p.m.

Cindy Raiolo, Secretary to the
Colorado Limited Gaming Control Commission

Colorado Limited Gaming Control Commission

Minutes of Meeting

July 18, 2002

The meeting was called to order by the Chair of the Colorado Limited Gaming Control Commission, Natalie Meyer at 8:30 a.m. on July 18, 2002 at the Teller County Centennial Building, 112 North A Street, Cripple Creek, Colorado. Present were Commissioners Natalie Meyer, Shirley Harris, Marilyn Wheeler, Rob Millman and Phil Walter by telephone conference call. 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; Supervisor, Laura Manning; Investigators, Tom Fears, Ron Kammerzell and Chris Hartman; Chief Auditor, Georgine Zalesky; Audit Managers, Brenda Davis and Flavio Quintana; Auditors Laurie Scott and Susan Gross; Training Coordinator, Deb Gorham; Program Assistant, Ronnie Hunter; Legislative Liaison of the Department of Revenue, Steve Tool and Assistant Attorney General, Ceri Williams. Persons making a presentation in executive session were: Pete Mang and Mark Wilson, Colorado Bureau of Investigation and Huck Henderson, Laura Manning and Ron Kammerzell, Division of Gaming. Persons making a presentation in public session were: Don Burmania, Chris Hartman and Janet Ford, Division of Gaming; Mark Grueskin, Casino Owners Association of Colorado and Ceri Williams, Assistant Attorney General.

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 audit reports, background, licensing 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 meeting was recessed at 9:21 a.m.

The meeting was reconvened into public session at 10:03 a.m.

The Chair relinquished her 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 2003.

Ms. Williams opened nominations for the Chair for fiscal year 2003. Ms. Wheeler nominated Ms. Meyer. Hearing no other nominations, Ms. Williams called for a motion to close the nominations. Mr. Millman made the motion. Ms. Wheeler 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 that it is a pleasure and a privilege to continue working with all of the members currently on the Commission. Ms. Meyer thanked the Commission for her re-election as Chairman.

Ms. Williams opened nominations for the Vice Chair for fiscal year 2003. Ms. Harris nominated Mr. Walter. Hearing no other nominations, Ms. Williams called for a motion to close the nominations. Mr. Millman 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. Mr. Walter was unanimously elected Vice Chair.

Mr. Walter echoed Ms. Meyer's comments.

The Chair called for a motion to renew the permanent retail licenses of Doc Holliday, Inc., dba Doc Holliday, Ltd.; Double Eagle Resorts, Inc., dba Double Eagle Hotel & Casino; and Creeker's Inc., dba Creeker'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. Ms. Wheeler seconded the motion. The motion was adopted.

The Chair called for a motion to renew the permanent manufacturer/distributor licenses of Royal Bell, Ltd., dba Mills Bell-O-Matic Sales Co.; Sigma Game, Inc.; Spin for Cash Wide Area Progressive Joint Venture; IGT and IGT-Colorado Corp. These licenses shall be effective upon expiration of the current licenses 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 licenses of John A. Schaffer; Colorado Casino Resorts, Inc.; Spin for Cash Wide Area Progressive Joint Venture; IGT; and IGT-Colorado Corp. These licenses shall be effective upon expiration of the current licenses and expire one year from the date of issuance. Ms. Wheeler 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 Spin For Cash Wide Area Progressive Joint Venture. Mr. Millman made the motion. Ms. Harris seconded the motion. The motion was adopted.

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

The Chair called for a motion to open hearings on proposed amendments to Colorado Gaming Regulation Rule 3, Applications, Investigations and Licensure; Rule 8, the Rules of Blackjack; and Rule 12, Gaming Devices and Equipment. Ms. Harris made the motion. Mr. Millman seconded the motion. The motion was adopted.

Ms. Meyer swore in Mr. Burmania and Ms. Hartman.

Mr. Burmania presented information on Rule 3 stating the Commission approved this rule last month as a temporary rule change. The Division requested the Commission adopt Rule 3 on a permanent basis.

The Chair called for a motion to adopt Gaming Regulation Rule 3 as presented on a permanent basis. Ms. Harris made the motion. Mr. Millman seconded the motion. The motion was adopted.

Ms. Hartman presented proposed amendments to Gaming Regulation Rule 8.

The Chair opened the meeting to anyone from the public who wanted to address the Commission on Colorado Gaming Regulation Rule 8. No one responded.

The Chair called for a motion to close hearings on proposed amendments to Colorado Gaming Regulation Rule 8. Mr. Millman made the motion. Mr. Walter seconded the motion. The motion was adopted.

The Chair called for a motion to approve the proposed amendments to Gaming Regulation 8 as presented. Mr. Millman made the motion. Mr. Walter seconded the motion. The motion was adopted.

Ms. Hartman presented proposed amendments to Gaming Regulation Rule 12.

The Chair opened the meeting to anyone from the public who wanted to address the Commission on Colorado Gaming Regulation Rule 12.

Mr. Ken Holanvek from Colorado Springs stated the new chip was great idea.

Mr. William Sheridan commented the new \$10 chip would be the same concept as the \$25 chip and would be preferable.

The Chair called for a motion to approve the proposed amendments to Gaming Regulation Rule 12 as presented. Ms. Harris made the motion. Mr. Walter seconded the motion. The motion was adopted.

Ms. Ford presented the Division Financial Statements for the eleven months ended May 31, 2002.

The Chair called for a motion to approve the Statement of Gaming Revenues, Gaming Taxes and Expenditures for the eleven months ended May 31, 2002. Mr. Millman made the motion. Ms. Wheeler seconded the motion. The motion was adopted.

The Chair called for a motion to adopt the amended minutes of the Gaming Commission meeting of June 20, 2002 with the addition of a paragraph to page 3. Mr. Millman made the motion. Mr. Walter seconded the motion. The motion was adopted.

Ms. Williams presented Order of Show Cause Case No. SC 02-02 in the matter of Russell O. Lyday, III, license number 21025 and Order of Show Cause Case No. SC 02-03 in the matter of Vicki W. Lyday, license number 24562.

The Chair called for a motion to approve and authorize the Chair to sign the Order of Show Cause Case No. SC 02-02 in the matter of Russell O. Lyday, III, license number 21025 and Order of Show Cause Case No. SC 02-03 in the matter of Vicki W. Lyday, license number 24562. Mr. Walter made the motion. Mr. Millman seconded the motion. The motion was adopted.

Mr. Kitts thanked the casinos in Cripple Creek and the Owners Association for their hospitality.

Mr. Kitts informed the Commission next month's meeting would be in the Lakewood office.

Mr. Kitts requested the permission of the Commission to change the date of the September meeting to September 26, 2002 in Central City, the Commission agreed to the proposal.

Mr. Kitts informed the Commission they received a tax position paper in their packets. Mr. Kitts requested the Commission to review the information and let the Division know of any changes so the paper could be adopted at their meeting in August.

Ms. Meyer informed the Commissioners that if they so desire they may inform the industry of their rationale for retaining the current tax structure at the August meeting.

Mr. Kitts stated the Commission received a Declaratory Order from Mr. William Sheridan. The Commission's options were to dismiss the order without considering it, ask for more information or schedule a hearing.

The Chair asked the Commissioners to decide on one of those options today. The Chair asked Mr. Sheridan if he would like to add anything to his request. Mr. Sheridan stated he did not wish to add anything unless there was going to be a hearing.

The Chair asked the Division if they wished to add anything. Ms. Williams stated the Division had nothing to add.

Ms. Wheeler stated she wished to rule on the Declaratory Order. All Commissioners were in agreement.

The Chair called for a motion to rule on the matter of the Petition for Declaratory Order of William H. Sheridan. Mr. Walter made the motion. Mr. Millman seconded the motion. The motion was adopted.

Mr. Millman moved to issue a declaratory order today further denying the Petition for Declaratory Order of William H. Sheridan. Mr. Walter seconded the motion. The motion was adopted.

Mr. Millman rephrased the motion to issue a declaratory order denying the claims of the Petition for Declaratory Order of William H. Sheridan. Mr. Walter seconded the motion. The motion was adopted.

Mr. Baird suggested the Commission dismiss the Petition for Declaratory Order of William H. Sheridan and discuss why the petition was denied.

Mr. Millman amended his motion to deny the Petition for Declaratory Order of William H. Sheridan based upon the persuasion of a letter sent to Mr. Sheridan by Director Kitts. The Chair moved to accept the motion. Ms. Wheeler seconded. The motion was adopted.

Mr. Kitts informed the Commission this would be Linda Petkash's last commission meeting as she has accepted the position of the Director/Executive Secretary of the Dealer Board. Mr. Kitts stated Linda leaving the Division is a loss leaving a hole in the Division. Mr. Kitts commended Ms. Petkash on her contribution to the Division and her counsel to himself and all of her co-workers.

Mr. Millman thanked Ms. Petkash for all of her assistance and intricate knowledge of gaming and the legislative process over the three years he has been on the Commission. Mr. Millman stated he is sorry to see Ms. Petkash leave the Division.

Mr. Walter echoed Mr. Millman's comments.

Ms. Harris also echoed the comments of Mr. Millman. Ms. Harris stated Ms. Petkash is a star and will be very successful in her new position.

Ms. Wheeler echoed all of the comments from the other commissioners and stated Ms. Petkash will be missed.

Ms. Meyer stated Ms. Petkash would be leaving the Division to become the Director of the Revenue Dealers Board stating that the Divisions loss will be their gain. Ms. Petkash has been with the Division approximately nine years. Ms. Meyer presented Ms. Petkash with a plaque from the Commission.

Ms. Petkash stated there will not be a hole left in the Division, as all of the staff are hard working and dedicated. Ms. Petkash stated it has been a privilege working for the Division. She stated it is exciting to have a new challenge but stated she is sad to leave the Division.

The meeting was recessed at 10:55 a.m.

The meeting was reconvened at 11:15 a.m.

The Chair informed the public the Consideration of Declaratory Order Filed by the Casino Owners Association of Colorado regarding "The Frog Prince" hearing would commence with opening statements from both the Owners Association and the Division.

The Chair informed the public Mr. Walter would be absent and excused from the hearing.

The meeting was recessed at 11:35 a.m.

The meeting was reconvened at 12:20 p.m.

The Consideration of Declaratory Order filed by the Casino Owners Association of Colorado regarding "The Frog Prince" hearing was reconvened.

The meeting was recessed at 2:30 p.m.

The meeting was reconvened at 2:43 p.m.

The Chair called for a motion to go into executive session to confer with their conflicts counsel, Mr. Baird to rule on the declaratory order. Mr. Millman made the motion. Ms. Harris seconded the motion. The motion was adopted.

The meeting was reconvened into public session at 3:55 p.m.

Mr. Millman moved that the Commission issue a declaratory order allowing the Frog Prince to be used as a gaming device on the grounds it does not violate the limit on wagers as defined in the constitution, statutes, and regulations. Ms. Harris seconded the motion. The motion was adopted.

The Chair stated Mr. Walter was absent for the hearing but would be sent the tapes to review.

The Chair stated a written decision would be available the first week of August.

The meeting was adjourned at 4:00 p.m.

Cindy Raiolo, Secretary to the
Colorado Limited Gaming Control Commission

Colorado Limited Gaming Control Commission

Minutes of Meeting
August 15, 2002

The meeting was called to order by the Chair of the Colorado Limited Gaming Control Commission, Natalie Meyer at 9:11 a.m. on August 15, 2002 at the 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: Acting Director of the Division of Gaming, Huck Henderson; Communications and Licensing Director, Don Burmania; Public Affairs Specialist, Maren Rubino; Controller, Janet Ford; Field Operations Supervisor, Phil Wargo; Senior Supervisor, Laura Manning; Supervisors, Gary Watada and Vic Freburg; Investigators, Ron Kammerzell and Jan Dempsey; Agent in Charge of the Central City office, Jim Huskey; Agent in Charge of the Cripple Creek office, Steve Barber; Chief Auditor, Georgine Zalesky; Audit Managers, Brenda Davis, Matt Slaney, and Flavio Quintana; Auditors Marcus Laine, Bill Klamm, Melissa Holmes and Garry Brown; and Assistant Attorney General, Ceri Williams. Persons making a presentation in executive session were: Mark Wilson, Colorado Bureau of Investigation and Huck Henderson, Phil Wargo, Matt Slaney and Melissa Holmes Division of Gaming. Persons making a presentation in public session were: Don Burmania, Phil Wargo and Janet Ford, Division of Gaming.

The Chair informed the public that Mr. Kitts was absent from the meeting. Mr. Henderson was designated Acting Director for the Division.

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)(II)(III), and 12-47.1-527(1) of the Colorado Revised Statutes to receive and discuss audit reports, background, licensing and investigative reports from the Division of Gaming and the Colorado Bureau of Investigation and pending litigation. Mr. Millman made the motion. Mr. Walter seconded the motion. The motion was adopted.

The meeting was recessed at 10:48 a.m.

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

Discussion was held regarding an appeal of summary suspension hearing held by Ms. Meyer regarding former licensee Travis Akers and the revocation of his license. Mr. Akers was requesting that his gaming license be re-instated. Ms. Meyer recused herself from the discussion.

Mr. Walter moved and requested the Division and Mr. Akers to submit written briefs to the Commission by September 20, 2002. Mr. Walter requested Mr. Akers to confirm all information alleged in his letter to the Commission. Mr. Walter also requested Mr. Akers to address two specific questions, has he been arrested since the arrest stated in his letter and does he have a new job? Mr. Millman made the motion. Ms. Wheeler seconded the motion. The motion was adopted.

Mr. Walter requested the Division to send a letter to Mr. Akers with the above request.

The Chair called for a motion to renew the permanent retail license of The Gold Vein Limited Liability Co., dba Black Diamond Casino. This license shall be effective 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 Aristocrat Technologies, Inc. This license shall be effective 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 operator licenses of Aristocrat Technologies, Inc. and Rocky Mountain Gaming Equipment LLC. 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. Ms. Harris 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 Horseshoe Casino, LLC, dba Canyon Casino and dba Grand Plateau Casino. 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 wanted to address the Commission. No one responded.

Ms. Ford presented the Division Financial Statements for the twelve months ended June 30, 2002.

The Chair called for a motion to approve the Statement of Gaming Revenues, Gaming Taxes and Expenditures for the twelve months ended June 30, 2002. Ms. Wheeler made the motion. Ms. Harris seconded the motion. The motion was adopted.

Ms. Ford presented the FY 2002 distribution of the Gaming funds.

The Chair called for a motion to certify the FY 2002 distribution of the Gaming funds as presented by the Division. Ms. Wheeler made the motion. Mr. Millman seconded the motion. The motion was adopted.

The Chair called for a motion to open hearings on proposed amendments to Colorado Gaming Regulation 47.1-4.500, Updating the Contact Information for Federal Rules and Form and Rule 4.5 Publicly Traded Corporations and Public Offerings of Securities; Rule 6, Declaratory Orders; Rule 8, Rules of Blackjack; Rule 10, Rules of Poker and Rule 16, Accounting Regulations. Mr. Millman made the motion. Mr. Walter seconded the motion. The motion was adopted.

The Chair swore in Mr. Burmania and Mr. Wargo.

Mr. Burmania presented proposed amendments to Colorado Gaming Regulation 47.1-4.500, Updating the Contact Information for Federal Rules and Form and Rule 4.5 Publicly Traded Corporations and Public Offerings of Securities; Rule 6, Declaratory Orders and Rule 16, Accounting Regulations.

The Chair opened the meeting to anyone from the public who wanted to address the Commission on Colorado Gaming Regulation 47.1-4.500, Updating the Contact Information for Federal Rules and Form and Rule 4.5 Publicly Traded Corporations and Public Offerings of Securities; Rule 6, Declaratory Orders and Rule 16, Accounting Regulations. No one responded.

Mr. Wargo presented proposed amendments to Rule 8, Rules of Blackjack and Rule 10, Rules of Poker.

The Chair opened the meeting to anyone from the public who wanted to address the Commission on Colorado Gaming Regulation Rule 8, Rules of Blackjack and Rule 10, Rules of Poker. No one responded.

The Chair called for a motion to close hearings on proposed amendments to Colorado Gaming Regulation 47.1-4.500, Updating the Contact Information for Federal Rules and Form and Rule 4.5 Publicly Traded Corporations and Public Offerings of Securities; Rule 6, Declaratory Orders; Rule 8, Rules of Blackjack; Rule 10, Rules of Poker and Rule 16, Accounting Regulations. Mr. Millman made the motion. Mr. Walter seconded the motion. The motion was adopted.

The Chair called for a motion to approve the proposed amendments to Gaming Regulation 47.1-4.500, Updating the Contact Information for Federal Rules and Form, and Rule 4.5, Publicly Traded Corporations and Public Offerings of Securities. Mr. Millman made the motion. Mr. Walter seconded the motion. The motion was adopted.

The Chair called for a motion to approve the proposed amendments to Colorado Gaming Regulation Rule 6, Declaratory Orders. Mr. Millman made the motion. Ms. Harris seconded the motion. The motion was adopted.

The Chair called for a motion to approve the proposed amendments to Colorado Gaming Regulation Rule 8, Rules of Blackjack. Ms. Harris made the motion. Mr. Walter seconded the motion. The motion was adopted.

The Chair called for a motion to approve the proposed amendments to Gaming Regulations Rule 10, Rules of Poker. Mr. Millman made the motion. Mr. Walter seconded the motion. The motion was adopted.

The Chair called for a motion to approve the proposed amendments to Gaming Regulation Rule 16, Accounting Regulations. Mr. Walter made the motion. Ms. Wheeler seconded the motion. The motion was adopted.

The Chair called for a motion to adopt the amended minutes of the Gaming Commission meeting of July 18, 2002 with the addition of a paragraph to page 3. Mr. Walter made the motion. Mr. Millman seconded the motion. The motion was adopted.

Ms. Meyer informed the Commissioners that if they so desire they may inform the industry of their rationale for retaining the current tax structure for the tax year July 1, 2002 through June 30, 2003.

Ms. Meyer stated she voted to retain the current tax structure because of the testimony the Commission received from most of the entities that testified they were satisfied with the current tax rate.

Mr. Millman stated he voted to retain the current tax structure because all of the evidence presented showed that the revenue and AGP were all either up or increasing.

Ms. Harris stated she had nothing further to add to the other Commissioner's comments.

Ms. Wheeler stated the Commission is concerned with the health of smaller casinos, however a different tax structure would not save the smaller casinos. Ms. Wheeler stated she is also in support of Mr. Millman's comments.

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, 2002 – June 30, 2003. Mr. Walter made the motion. Ms. Harris seconded the motion. The motion was adopted.

Mr. Henderson requested the Commission to approve the proposed Colorado Limited Gaming Control Commission meeting schedule for 2003. The Commission approved the schedule.

Mr. Henderson reminded the Commission that the next meeting would be in Central City on September 26, 2002.

The meeting was adjourned at 12:17 p.m.

Cindy Raiolo, Secretary to the
Colorado Limited Gaming Control Commission

Colorado Limited Gaming Control Commission

Minutes of Meeting
September 26, 2002

The meeting was called to order by the Chair of the Colorado Limited Gaming Control Commission, Natalie Meyer at 8:33 a.m. on September 26, 2002 at the Division of Gaming, 142 Lawrence Street, Central City, 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; Chief of Investigations, Huck Henderson; Communications and Licensing Director, Don Burmania; Public Affairs Specialist, Maren Rubino; Controller, Janet Ford; Field Operations Supervisor, Phil Wargo; Senior Supervisor, Laura Manning; Supervisors, Phil Dinan, Gary Watada and Vic Freburg; Investigators, Chris Hartman, Will Lukela and Tom Fears; Agent in Charge of the Central City office, Jim Huskey; Agent in Charge of the Cripple Creek office, Steve Barber; Audit Managers, Brenda Davis, Matt Slaney, and Flavio Quintana; Auditor, Marcus Laine; Accountant, Vickie Floyd; Accounting Technicians; Kevin Langhorn and Bill Arthur and Assistant Attorney Generals, Ceri Williams and John Baird. Persons making a presentation in executive session were: Pete Mang and Mark Wilson, Colorado Bureau of Investigation and Huck Henderson, Phil Wargo, Division of Gaming; T. Alan Roberts, Steve Rourke and Stan Palitano, Gilpin Hotel; Ernie East and Roger Morris, Hyatt Gaming and Tim Rose and Mike Armstrong, Windsor Woodmont. Persons making a presentation in public session were: Janet Ford, Division of Gaming and Ceri Williams, Attorney General's office.

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)(II)(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 and pending litigation. Mr. Millman made the motion. Ms. Harris seconded the motion. The motion was adopted.

The meeting was recessed at 10:40 a.m.

The meeting was reconvened into public session at 10:48 a.m.

The Chair called for a motion to renew the permanent retail licenses of Dostal Alley, Inc., dba Dostal Alley; Barden Colorado Gaming, LLC, dba Fitzgeralds; Isle of Capri Black Hawk, LLC dba Isle of Capri Casino; and Windsor Woodmont Black Hawk Resort Corp., dba Black Hawk Casino by Hyatt. 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. Ms. Wheeler seconded the motion. The motion was adopted.

The Chair called for a motion to renew the permanent operator licenses of Barden Colorado Gaming, LLC, dba Fitzgeralds; Hyatt Gaming Management, Inc.; and Windsor Woodmont Black Hawk Resort Corp., dba Black Hawk Casino by Hyatt. These licenses shall be effective upon expiration of the current licenses 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 approve the changes of ownership as outlined in the respective investigative reports for Anchor Coin, dba Anchor Games; CCSC/Blackhawk, Inc., dba Colorado Central Station, Inc.; Colorado Grand Enterprises, Inc., dba Colorado Grand Gaming Parlor; and Spin For Cash Wide Area Progressive Joint Venture. Mr. Millman made the motion. Ms. Harris seconded the motion. The motion was adopted.

The Chair called for a motion to issue a new manufacturer/distributor license to IOC-Black Hawk Distribution Company, LLC. This license shall be effective on October 16, 2002, 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 retail license to Casino USA, Inc., dba Bull Durham Saloon & Casino, 110 Main Street, Black Hawk. This license shall be effective at 5:00 p.m. on September 26, 2002, and expire one year from the date of approval. The standard conditions for a new retail license shall apply. Further, the license shall be conditioned upon the following: (1) the current conditions imposed on the Global Casinos, Inc. retail license shall be transferred to this license, (2) the licensee shall continue at the AGP level heretofore accrued during the current fiscal tax year by the current licensee at that location, and (3) the licensee shall appoint a new set of officers and directors to operate the licensee before the license will be issued by the Division of Gaming. Mr. Millman made the motion. Ms. Harris seconded the motion. The motion was adopted.

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

Mr. Bob Fiore, from the Isle of Capri Casino thanked the Commission for the renewal of their license and introduced Mr. Bob Griffin as their new general manager.

Ms. Ford presented the Division Financial Statements for the month ended July 31, 2002.

The Chair called for a motion to approve the Statement of Gaming Revenues, Gaming Taxes and Expenditures for the month ended July 31, 2002. Mr. Millman made the motion. Ms. Wheeler seconded the motion. The motion was adopted.

Ms. Ford presented the Division of Gaming spending transfer request for FY 2002/2003.

The Chair called for a motion to approve and authorize the Division of Gaming to decrease spending authority for FY 2003 in the amount of \$17,382. 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 August 15, 2002 as amended. Mr. Walter made the motion. Ms. Wheeler seconded the motion. The motion was adopted.

Ms. Williams presented the proposed Finding Conclusion and Order in Case No. SC 02-02 in the matter of Russell O. Lyday, III, license number 21025.

The Chair called for a motion to approve and authorize the Chair to sign the Finding Conclusion and Order revoking the support license in Case No. SC 02-02 in the matter of Russell O. Lyday, III, license number 21025. Mr. Millman made the motion. Ms. Harris seconded the motion. The motion was adopted.

Ms. Williams presented the proposed Finding Conclusion and Order in Case No. SC 02-03 in the matter of Vicki W. Lyday, license number 24562.

The Chair called for a motion to approve and authorize the Chair to sign the Finding Conclusion and Order revoking the support license in Case No. SC 02-03 in the matter of Vicki W. Lyday, license number 24562. Mr. Walter made the motion. Mr. Millman seconded the motion. The motion was adopted.

The Vice Chair called for a motion to go into executive session pursuant to sections 12-47.1-522(1)(D) of the Colorado Revised Statutes to deliberate pending licensing matters with conflicts counsel present. The Vice Chair noted for the record that the Chair had recused herself from the matters to be deliberated in executive session. Mr. Millman made the motion. Ms. Wheeler seconded the motion. The motion was adopted.

The meeting was convened into executive session at 11:10 a.m.

The meeting was reconvened into public session at 11:40 a.m.

Mr. Millman moved that the Commission adopt an order affirming the revocation of Mr. Travis Akers support license number 12008 which was revoked on May 6, 2002 on the grounds that the evidence presented at that hearing on May 6, 2002 was uncontradicted and the decision by the hearing officer was therefore correct. Mr. Millman also moved that the Commission include in the order an advisement to Mr. Akers that he may apply to the Division of Gaming for a new license at any time if he so wishes. Ms. Wheeler seconded the motion. The motion was adopted.

Mr. Walter relinquished the Chair back to the Chairman.

Mr. Kitts reminded the Commission the next meeting would be in the Lakewood office on October 17, 2002.

Mr. Kitts informed the public that the Commission would be conducting a retreat meeting on November 13 & 14, 2002 in Golden, Colorado. Mr. Kitts stated the meeting is strictly for informational purposes and no formal decisions would be made at this meeting.

The meeting was adjourned at 11:44 a.m.

Cindy Raiolo, Secretary to the
Colorado Limited Gaming Control Commission

Colorado Limited Gaming Control Commission

Minutes of Meeting
October 17, 2002

The meeting was called to order by the Chair of the Colorado Limited Gaming Control Commission, Natalie Meyer at 9:06 a.m. on October 17, 2002 at the 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; Executive Director of the Department of Revenue, Fred Fisher; Chief of Investigations, Huck Henderson; Communications and Licensing Director, Don Burmania; Controller, Janet Ford; Field Operations Supervisor, Phil Wargo; Senior Supervisor, Laura Manning; Supervisors, Cliff Volz, Gary Watada and Vic Freburg; Investigators, Will Lukela, Tom Fears, Kendal Dittmer, and Ron Kammerzell; Agent in Charge of the Cripple Creek office, Steve Barber; Chief Auditor, Georgine Zalesky; Audit Managers, Brenda Davis and Matt Slaney; Auditors, Melissa Holmes and Garry Brown and Assistant Attorney General, Ceri Williams. Persons making a presentation in executive session were: Pete Mang and Mark Wilson, Colorado Bureau of Investigation and Huck Henderson, Phil Wargo, Melissa Holmes and Matt Slaney, Division of Gaming. Persons making a presentation in public session were: Janet Ford, Division of 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)(II), 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 and pending litigation. Mr. Millman made the motion. Mr. Walter seconded the motion. The motion was adopted.

The meeting was recessed at 10:05 a.m.

The meeting was reconvened into public session at 10:22 a.m.

The Chair called for a motion to renew the permanent retail licenses of Midnight Rose Hotel & Casino, Inc., dba Midnight Rose Hotel & Casino; G.F. Gaming Corp., dba The Famous Bonanza Casino Corp.; G.F. Gaming Corp., dba Easy Street Casino; and Riviera Black Hawk, Inc., dba Riviera Black Hawk 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. Ms. Harris seconded the motion. The motion was adopted.

The Chair called for a motion to renew the permanent manufacturer/distributor and operator licenses of Vista Gaming Corp. These licenses shall be effective upon expiration of the current licenses 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 approve the changes of ownership as outlined in the investigative report for Millennium Gaming, Inc. Ms. Harris made the motion. Mr. Millman seconded the motion. The motion was adopted.

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

Mr. Fears introduced Don Barden and Joe Collins from Fitzgerald's Casino.

Mr. Barden thanked the Commission and Mr. Fears for their cooperation. Mr. Barden stated he is very appreciative to be conducting business in Colorado.

Ms. Ford presented the Division Financial Statements for the two months ended August 31, 2002.

The Chair called for a motion to approve the Statement of Gaming Revenues, Gaming Taxes and Expenditures for the two months ended August 31, 2002. Ms. Wheeler 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 September 26, 2002. Mr. Walter made the motion. Mr. Millman seconded the motion. The motion was adopted.

Mr. Kitts reminded the Commission and the public that the Commission would be conducting a retreat meeting on November 13 & 14, 2002 in Golden, Colorado. Mr. Kitts stated the meeting is strictly for informational purposes and no formal decisions would be made at this meeting.

Mr. Kitts informed the Commission that the Department of Regulatory Agencies had completed the Sunset Review on the Division of Gaming and it has been released. The report recommends continuation of the Division for another ten years. Mr. Kitts stated there were only four recommendations in the review.

The meeting was adjourned at 10:44 a.m.

Cindy Raiolo, Secretary to the
Colorado Limited Gaming Control Commission

Colorado Limited Gaming Control Commission

Minutes of Meeting
November 21, 2002

The meeting was called to order by the Chair of the Colorado Limited Gaming Control Commission, Natalie Meyer at 9:04 a.m. on November 21, 2002 at the Division of Gaming, 1881 Pierce Street, Suite 110, Lakewood, Colorado. Present were Commissioners Natalie Meyer, Shirley Harris, Marilyn Wheeler and Rob Millman. Absent and excused was Commissioner Phil Walter. Also in attendance were: Director of the Division of Gaming, Tom Kitts; Director of Administration, Maren Rubino; Chief of Investigations, Huck Henderson; Communications and Licensing Director, Don Burmania; Accountant, Vickie Floyd; Field Operations Supervisor, Phil Wargo; Senior Supervisor, Laura Manning; Supervisors, Gary Watada and Vic Freburg; Investigators, Will Lukela, Tom Fears and Kendal Dittmer; Agent in Charge of the Cripple Creek office, Steve Barber; Chief Auditor, Georgine Zalesky; Audit Manager, Brenda Davis; Program Assistant, LaToiya Banks and Assistant Attorney General, Ceri Williams. Persons making a presentation in executive session were: Mark Wilson, Colorado Bureau of Investigation and Huck Henderson, Phil Wargo, and Georgine Zalesky, Division of 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)(II), 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 and pending litigation. Mr. Millman made the motion. Ms. Harris seconded the motion. The motion was adopted.

The meeting was recessed at 10:28 a.m.

The meeting was reconvened into public session at 10:38 a.m.

The Chair informed the public Mr. Walter was absent and excused.

The Chair called for a motion to renew the permanent retail license of CCSC/Blackhawk, Inc., dba Colorado Central Station Casino, Inc. This license shall be effective upon expiration of the current license and expire one year from the date of issuance. 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 licenses of Mountain Gaming Distributors, LLC, and Anchor Coin, Inc., dba Anchor Games. These licenses shall be effective upon expiration of the current licenses 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 renew the permanent operator licenses of CCSC/Blackhawk, Inc., dba Colorado Central Station Casino, Inc., and Anchor Coin Inc., dba Anchor Games. These licenses shall be effective upon expiration of the current licenses and expire one year from

the date of issuance. Ms. Wheeler 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 Sierra Design Group, Inc., dba Sierra Design Group. This license shall be effective at 5:00 p.m. on November 21, 2002, 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 opened the meeting to anyone from the public who wanted to address the Commission.

Mr. Lukela introduced Bob Luciano and Vic Freeman from Sierra Design Group, Inc.

Mr. Luciano thanked the Commission and stated he is looking forward to conducting business in Colorado.

Ms. Floyd presented the Division Financial Statements for the three months ended September 30, 2002.

The Chair called for a motion to approve the Statement of Gaming Revenues, Gaming Taxes and Expenditures for the three months ended September 30, 2002. Mr. Millman 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 October 17, 2002. Ms. Harris made the motion. Mr. Millman seconded the motion. The motion was adopted.

Ms. Williams presented the proposed Order of Show Cause in Case No. SC 02-06 in the matter of Marco Antonio Rodriguez, license number 24660.

The Chair called for a motion to approve and authorize the Chair to sign the Order of Show Cause Case No. SC 02-06 in the matter of Marco Antonio Rodriguez, license number 24660. Ms. Harris made the motion. Mr. Millman seconded the motion. The motion was adopted.

Ms. Williams presented the proposed Order of Summary Suspension in Case No. SS 02-07 in the matter of Carlos Edwardo Chavez, license number 26388.

The Chair called for a motion to approve and authorize the Chair to sign the Order of Summary Suspension Case No. SS 02-07 in the matter of Carlos Edwardo Chavez, license number 26388. Ms. Harris made the motion. Mr. Millman seconded the motion. The motion was adopted.

Mr. Kitts informed the Commission that Fred Fisher, Executive Director of the Department of Revenue would be retiring some time around the middle of January.

The meeting was adjourned at 10:57 a.m.

Cindy Raiolo, Secretary to the
Colorado Limited Gaming Control Commission

Colorado Limited Gaming Control Commission

Minutes of Meeting
December 19, 2002

The meeting was called to order by the Chair of the Colorado Limited Gaming Control Commission, Natalie Meyer at 9:02 a.m. on December 19, 2002 at the Division of Gaming, 1881 Pierce Street, Suite 110, Lakewood, Colorado. Present were Commissioners Natalie Meyer, Shirley Harris, Phil Walter and Rob Millman by telephone. Absent and excused was Commissioner Marilyn Wheeler. Also in attendance were: Director of the Division of Gaming, Tom Kitts; Executive Director of the Department of Revenue, Fred Fisher; Senior Director of Enforcement, George Turner; Director of Administration, Maren Rubino; Chief of Investigations, Huck Henderson; Field Operations Supervisor, Phil Wargo; Senior Supervisor, Laura Manning; Supervisors, Gary Watada and Vic Freburg; Investigators, Will Lukela, Ron Kammerzell, Tom Fears, Jan Dempsey and Kendal Dittmer; Controller, Janet Ford; Chief Auditor, Georgine Zalesky; Auditor Supervisor, Flavio Quintana; and Assistant Attorney General, Ceri Williams. Persons making a presentation in executive session were: Mark Wilson and Pete Mang, Colorado Bureau of Investigation and Huck Henderson, Phil Wargo, and Georgine Zalesky, Division of Gaming. Persons making a presentation in public session were: Janet Ford and Ceri Williams.

The Chair noted for the record that Ms. Wheeler is absent and excused and Mr. Millman was present by a telephone conference call.

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)(II), 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 meeting was recessed at 10:01 a.m.

The meeting was reconvened into public session at 10:18 a.m.

The Chair informed the public Ms. Wheeler was absent and excused and Mr. Millman is present by telephone.

The Chair called for a motion to renew the permanent retail licenses of Horseshoe Casino, LLC, dba Canyon Casino; and Horseshoe Casino, LLC, dba Grand Plateau 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. Ms. Harris seconded the motion. The motion was adopted.

The Chair called for a motion to renew the permanent retail licenses of, and approve the changes of ownership as outlined in the investigative report for, Southwest Casino and Hotel Corp., dba Uncle Sam's Casino; Gold Rush I, LLC dba Gold Rush Hotel & Casino; and Gold Rush I, LLC,

dba Gold Digger's Casino. These licenses shall be effective upon expiration of the current licenses 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 manufacturer/distributor licenses of MGC, Inc., and Millennium Gaming, Inc. 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. Ms. Harris seconded the motion. The motion was adopted.

The Chair called for a motion to approve a new permanent retail license for Concorde Blackhawk, dba Golden Gulch Casino, 321 Main Street, Black Hawk. This license shall be effective at 5:00 p.m. on December 19, 2002, and expire one year from the date of approval. Further, the standard conditions for a retail license shall apply. Mr. Walter made the motion. Ms. Harris seconded the motion. The motion was adopted.

The Chair called for a motion to release Aristocrat, Inc. from the conditions set forth in Articles 3 and 4 of the settlement agreement between Aristocrat, Inc. and the Division approved by the Commission on August 20, 1999, and authorize the Chair to sign an order to that effect. Mr. Walter made the motion. Ms. Harris seconded the motion. The motion was adopted.

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

Mr. Kammerzell introduced Mr. Roger Morris, counsel for Aristocrat and Mr. Walter Stowe, Vice President of Compliance for Aristocrat. Mr. Stowe thanked the Commission for the action approved today and stated they are looking forward to doing business in Colorado.

Mr. Kammerzell introduced Mr. Larry Hill, Vice President and General Manager for Horseshoe Casino. Mr. Hill thanked the Commission for the renewal of their license. Mr. Hill complimented Mr. Kammerzell and the Division on a very efficient renewal process stating Mr. Kammerzell and the Division were very easy to work with.

Mr. Grueskin, representing the Colorado Gaming Association, addressed the Commission on potential legislation that may be presented in this year's legislative process regarding possible VLT machines at racetracks. Mr. Grueskin stated to the Commission that the Colorado Gaming Association is very opposed to this legislation. Mr. Grueskin stated that at some point in the future the Colorado Gaming Association might need to have a dialogue with the Commission about this issue.

Mr. Watada introduced Mr. James Druck from Southwest Casinos. Mr. Druck thanked the Commission for the opportunity to be able to conduct business in Colorado.

Ms. Dempsey introduced Mr. Dan Kline from Golden Gulch Casino. Mr. Kline thanked the Commission for the approval of their renewal.

Ms. Ford presented the Division Financial Statements for the four months ended October 31, 2002.

The Chair called for a motion to approve the Statement of Gaming Revenues, Gaming Taxes and Expenditures for the four months ended October 31, 2002. Mr. Millman 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 21, 2002. Mr. Walter made the motion. Mr. Millman seconded the motion. The motion was adopted.

Ms. Williams presented the proposed Order of Show Cause in Case No. SC 02-07 in the matter of Stephanie Elaine Chiodo, license number 26761.

The Chair called for a motion to approve and authorize the Chair to sign the Order of Show Cause Case No. SC 02-07 in the matter of Stephanie Elaine Chiodo, license number 26761. Mr. Walter made the motion. Ms. Harris seconded the motion. The motion was adopted.

Ms. Williams presented the proposed Order of Summary Suspension in Case No. SS 02-08 in the matter of Lori Louise Wale, license number 12545.

The Chair called for a motion to approve and authorize the Chair to sign the Order of Summary Suspension Case No. SS 02-08 in the matter of Lori Louise Wale, license number 12545. Mr. Millman made the motion. Ms. Harris seconded the motion. The motion was adopted.

Mr. Kitts thanked Mr. Fisher for all of his leadership and support during his tenure with the Department of Revenue. Mr. Kitts wished Mr. Fisher good luck with all of his future endeavors.

Mr. Fisher thanked the Commission and the Division for all of their hard work. Mr. Fisher stated it was not a hard job to work with the Commission and the Division.

Mr. Turner echoed Mr. Kitts comments.

The meeting was adjourned at 10:50 a.m.

Cindy Raiolo, Secretary to the
Colorado Limited Gaming Control Commission