

## Colorado Limited Gaming Control Commission

### Minutes of Meeting

January 15, 2004

The meeting was called to order by the Chair of the Colorado Limited Gaming Control Commission, Natalie Meyer at 9:03 a.m. on January 15, 2004 at the Division of Gaming, 1881 Pierce Street, Suite 110, Lakewood, Colorado. Present were Commissioners Natalie Meyer, Phil Walter, Shirley Harris, Rob Millman and Barbara Jenkins. Also in attendance were: Director of the Division of Gaming, Mark Wilson; Director of Administration, Maren Rubino; Chief of Investigations, Dave Dechant; Agent in Charge of the Central City Office, Phil Dinan; Agent in Charge of the Cripple Creek Office, Gary Watada; Agent in Charge of the Lakewood Office, Laura Manning; Supervisory Investigators, Ron Kammerzell and Will Lukela; Investigators, Flavio Quintana, Kendal Dittmer, Karl Trump, Evan Kwiatkowski, and Mark Rule; Controller, Janet Ford; Chief Auditor, Georgine Zalesky; Manager of Emerging Technologies Administrator, Brenda Davis; Training Coordinator, Deb Gorham; Licensing Supervisor, LaToiya Ancar; Accounting Technician, Teri Sidebottom, and Assistant Attorney General, Ceri Williams. Persons making a presentation in executive session were: Pete Mang, Colorado Bureau of Investigation and Dave Dechant, Laura Manning, Flavio Quintana, Georgine Zalesky, and Janet Ford, Division of Gaming. Persons making a presentation in public session were: Brenda Davis, Deb Gorham and Janet Ford, Division of Gaming, Mark Wolfe, Colorado Historical Society.

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), 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 10:37 a.m.

The Chair called for a motion to renew the permanent retail licenses of Blackhawk Brewery and Casino, LLC, d/b/a Mardi Gras Casino. 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. Mr. Millman 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 respective investigative reports for, Southwest Casino and Hotel Corp., d/b/a Uncle Sam's Casino; Gold Rush I, LLC, d/b/a Gold Rush Hotel and Casino; Gold Rush I, LLC, d/b/a Gold Digger's Casino; and Minter Holdings, LLC, d/b/a Johnny Nolon'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 license of, and approve the change of ownership as outlined in the investigative report for, Millennium Gaming,

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

The Chair called for a motion to approve a new permanent retail license for Wild Horse Investment Partners, LLC, d/b/a Wild Horse Casino, 353 Myers Avenue, Cripple Creek. This license shall be effective upon completion of the standard conditions for a retail license, and expire one year from the date of approval. Mr. Millman made the motion. Mr. Walter seconded the motion. The motion was adopted.

The Chair opened the meeting to anyone from the public that wanted to address the Commission. Mr. Quintana introduced Ed Walsh, Mike Walsh, Joe Rivera, Gary Lev, and Gerald Bongiorno from Wild Horse Casino.

Mr. Ed Walsh addressed the Commission thanking them for the approval of the Wild Horse Casino license. Mr. Walsh gave a brief background of Wild Horse Casino. Mr. Walsh also complimented the Division staff stating the staff were very responsive, professional and easy to work with.

The Chair swore in Ms. Davis.

The Chair called for a motion to open hearings on proposed amendments to Colorado Gaming Rule 12, and Rule 13. Mr. Millman made the motion. Mr. Walter seconded the motion. The motion was adopted.

Ms. Davis presented proposed amendments to Colorado Gaming Rule 12 and Rule 13.

The Chair opened the meeting to anyone from the public that wanted to comment on the proposed amendments to Rule 12 and Rule 13. No one responded.

The Chair called for a motion to close the hearing on proposed amendments to Colorado Gaming Rule 12 and Rule 13. Ms. Harris made the motion. Mr. Walter seconded the motion. The motion was adopted.

The Chair called for a motion to amend Colorado Gaming Rule 12 as presented. Mr. Millman made the motion. Ms. Jenkins seconded the motion. The motion was adopted.

The Chair called for a motion to amend Colorado Gaming Rule 13 as presented. Mr. Walter made the motion. Ms. Harris seconded the motion. The motion was adopted.

Mr. Wolfe gave a video presentation to the Commission showing several projects the Colorado Historical Society has funded.

Ms. Davis presented the Division Quarterly Emerging Technologies Report.

Ms. Gorham presented the Division Quarterly Training Report.

The Chair called for a motion to adopt the minutes of the Gaming Commission meeting of December 18, 2003. Ms. Jenkins made the motion. Mr. Millman seconded the motion. The motion was adopted.

Ms. Ford presented the Division financial statements for the five months ended November 30, 2003.

The Chair called for a motion to approve the Statement of Gaming Revenues, Gaming Taxes and Expenditures for the five months ended November 30, 2003 and authorize its distribution. Ms. Jenkins made the motion. Mr. Walter seconded the motion. The motion was adopted.

Ms. Williams presented proposed Order of Summary Suspension Case No. SS 04-01 in the matter of Scottie Joseph Ewing, license number 27104.

The Chair called for a motion to approve and authorize the Chair to sign the Order of Summary Suspension Case No. SS 04-01 in the matter of Scottie Joseph Ewing, license number 27104. Mr. Millman made the motion. Mr. Walter seconded the motion. The motion was adopted.

Mr. Wilson informed the Commission the meeting scheduled for April 15, 2004 falls on a very busy day for Ms. Jenkins. Mr. Wilson requested the Commission to consider re-scheduling the meeting to the following week of April 22, 2004.

The Chair called for a motion to re-schedule the April meeting to April 22, 2004. Mr. Walter made the motion. Mr. Millman seconded the motion. The motion was adopted.

Mr. Wilson informed the Commission that Mr. Millman had been reconfirmed for a second term by the Senate Business Affairs Committee. Ms. Jenkins was also confirmed for her first term by the Senate Business Affairs Committee. The recommendation from the Senate Business Affairs Committee was sent to the Committee of the whole for confirmation.

The meeting was adjourned at 12:21 p.m.

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Cindy Raiolo, Secretary to the  
Colorado Limited Gaming Control Commission

## Colorado Limited Gaming Control Commission

Minutes of Meeting  
February 19, 2004

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 19, 2004 at the Division of Gaming, 1881 Pierce Street, Suite 110, Lakewood, Colorado. Present were Commissioners Natalie Meyer, Shirley Harris, Rob Millman and Barbara Jenkins. Absent and excused was Commissioner Phil Walter. Also in attendance were: Executive Director of the Department of Revenue, M. Michael Cooke; Senior Director of Enforcement, David Dechant; Director of the Division of Gaming, Mark Wilson; Director of Administration, Maren Rubino; Chief of Investigations, Laura Manning; Agent in Charge of the Central City Office, Phil Dinan; Agent in Charge of the Cripple Creek Office, Gary Watada; Agent in Charge of the Lakewood Office, Ron Kammerzell; Supervisory Investigator, Will Lukela; Investigators, Kendal Dittmer, Karl Trump, and Mark Rule; Controller, Janet Ford; Chief Auditor, Georgine Zalesky; Manager of Emerging Technologies, Brenda Davis; Licensing Supervisor, LaToiya Ancar; Audit Manager, Laurie Scott and Assistant Attorney General, Ceri Williams. Persons making a presentation in executive session were: Pete Mang, Colorado Bureau of Investigation and Laura Manning, Ron Kammerzell, and Georgine Zalesky, Division of Gaming. Persons making a presentation in public session were: Brenda Davis, and Janet Ford, Maren Rubino, Division of Gaming, and Assistant Attorney General, Ceri Williams.

The Chair noted for the record that Mr. Walter is absent and excused.

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), 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. Ms. Jenkins seconded the motion. The motion was adopted.

The meeting was reconvened into public session at 10:28 a.m.

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

The Chair informed the public that the April Commission meeting had been re-scheduled to April 22, 2004.

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

The Chair called for a motion to renew the permanent retail licenses of DEC, Inc., dba The Eureka! Ltd., and Winner's Haven LLC, dba Winner's Haven Casino. These licenses shall be effective upon expiration of the current licenses and expire on February 20, 2005. 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.

Mr. Grueskin, representing the Colorado Gaming Association addressed the Commission informing the Commission there could be some possible issues regarding bulletin 48 and its consistency with regulations. Mr. Grueskin stated the industry appreciates the Divisions openness to meet on this issue expeditiously. Mr. Grueskin expressed to the Commission there may be a need for some possible rule changes in order to address the bonus round slot machines and the 2:00 a.m. constitutional closing requirement.

The Chair called for a motion to open hearings on proposed amendments to Colorado Gaming Rule 3. Mr. Millman made the motion. Ms. Jenkins seconded the motion. The motion was adopted.

The Chair swore in Ms. Davis.

Ms. Davis presented proposed changes to Colorado Gaming Rule 3.

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

The Chair called for a motion to close the hearing on proposed amendments to Colorado Gaming Rule 3. Mr. Millman made the motion. Ms. Jenkins seconded the motion. The motion was adopted.

The Chair called for a motion to amend Colorado Gaming Rule 3 as presented. 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, 2003.

The Chair called for a motion to approve the Statement of Gaming Revenues, Gaming Taxes and Expenditures for the six months ended December 31, 2003 and authorize its distribution. Ms. Jenkins 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 15, 2004. Mr. Millman made the motion. Ms. Jenkins seconded the motion. The motion was adopted.

Ms. Williams presented proposed Order of Stipulation and Agreement Case No. SA 04-01 in the matter of Mountain High Casino, license number 14425730001.

The Chair called for a motion to approve and authorize the Chair to sign the Order of Stipulation and Agreement Case No. SA 04-01 in the matter of Mountain High Casino, license number 14425730001. Mr. Millman made the motion. Ms. Harris seconded the motion. The motion was adopted.

Ms. Williams presented proposed Order of Show Cause Case No. SC 04-01 in the matter of Roy Ellis Bybee, license number 23220.

The Chair called for a motion to approve and authorize the Chair to sign the Order of Show Cause Case No. SC 04-01 in the matter of Roy Ellis Bybee, license number 23220. Mr. Millman made the motion. Ms. Jenkins seconded the motion. The motion was adopted.

Mr. Wilson informed the Commission of recent staffing changes and promotions within the Division.

Ms. Rubino briefed the Commission on the tax setting process scheduled to begin in April.

The meeting was adjourned at 11:25 p.m.

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Cindy Raiolo, Secretary to the  
Colorado Limited Gaming Control Commission

## Colorado Limited Gaming Control Commission

### Minutes of Meeting

March 18, 2004

The meeting was called to order by the Chair of the Colorado Limited Gaming Control Commission, Natalie Meyer at 9:04 a.m. on March 18, 2004 at the Division of Gaming, 1881 Pierce Street, Suite 110, Lakewood, Colorado. Present were Commissioners Natalie Meyer, Shirley Harris, Rob Millman and Barbara Jenkins. Absent and excused was Commissioner Phil Walter. Also in attendance were: Director of the Division of Gaming, Mark Wilson; Director of Administration, Maren Rubino; Chief of Investigations, Laura Manning; Agent in Charge of the Central City Office, Phil Dinan; Agent in Charge of the Cripple Creek Office, Gary Watada; Agent in Charge of the Lakewood Office, Ron Kammerzell; Supervisory Investigator, Will Lukela; Investigators, Kendal Dittmer, Karl Trump, Evan Kwiatkowski, Hank Hasler and Mark Rule; Accountant, Teri Sidebottom; Communications Director, Don Burmania; Audit Managers, Laurie Scott and Matt Slaney; and Assistant Attorney General, Ceri Williams. Persons making a presentation in executive session were: Pete Mang and Bob Brown, Colorado Bureau of Investigation and Laura Manning, Ron Kammerzell, Hank Hasler and Laurie Scott, Division of Gaming. Persons making a presentation in public session were: Laurie Scott and Teri Sidebottom, Division of Gaming, and Assistant Attorney General, Ceri Williams.

The Chair noted for the record that Mr. Walter is absent and excused. The Chair called for a motion to excuse Mr. Walter. Mr. Millman made the motion. Ms. Harris seconded the motion. The motion was adopted.

The Chair called for a motion to go into executive session pursuant to sections 12-47.1-522(1)(A) and (B), 24-6-402(3)(A)(II), 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. Ms. Harris seconded the motion. The motion was adopted.

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: Penn Bullwhackers, Inc., d/b/a Bullwhackers Casino; Penn Silver Hawk, Inc., d/b/a Silver Hawk Casino; Penn Bullpen, Inc., d/b/a Bullpen Sports Casino; Dedicated International, Inc., d/b/a Black Hawk Station, Inc.; and Ed & Shirley's Inc., d/b/a The Wild Card Saloon. 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. Jenkins seconded the motion. The motion was adopted.

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

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

Ms. Scott presented the I.G.T. I Love Lucy State Wide Multi-Link Area Progressive System.

Ms. Scott introduced Betsy Brown, Phil Ochoa, and Yvonne Lithli from I.G.T.

The Chair called for a motion to approve I.G.T.'s I Love Lucy Statewide Multi-link Progressive System as submitted by I.G.T. Ms. Harris made the motion. Ms. Jenkins seconded the motion. The motion was adopted.

Ms. Sidebottom presented the Division financial statements for the seven months ended January 31, 2004.

The Chair called for a motion to approve the Statement of Gaming Revenues, Gaming Taxes and Expenditures for the seven months ended January 31, 2004 and authorize its distribution. Ms. Jenkins made the motion. Mr. Millman seconded the motion. The motion was adopted.

The Chair called for a motion to adopt the minutes of the Gaming Commission meeting of February 19, 2004. Mr. Millman made the motion. Ms. Jenkins seconded the motion. The motion was adopted.

Ms. Williams presented proposed Order of Summary Suspension Case No. SS 04-02 in the matter of Matthew Fitzgerald Cummiskey, license number 24706.

The Chair called for a motion to approve and authorize the Chair to sign the Order of Summary Suspension Case No. SS 04-02 in the matter of Matthew Fitzgerald Cummiskey, license number 24706. 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 04-03 in the matter of Debra Jean Brown, license number 25710.

The Chair called for a motion to approve and authorize the Chair to sign the Order of Summary Suspension Case No. SS 04-03 in the matter of Debra Jean Brown, license number 25710. Mr. Millman made the motion. Ms. Jenkins seconded the motion. The motion was adopted.

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

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Cindy Raiolo, Secretary to the  
Colorado Limited Gaming Control Commission



## Colorado Limited Gaming Control Commission

Minutes of Meeting  
April 22, 2004

The meeting was called to order by the Chair of the Colorado Limited Gaming Control Commission, Natalie Meyer at 9:07 a.m. on April 22, 2004 at the Division of Gaming, 1881 Pierce Street, Suite 110, Lakewood, Colorado. Present were Commissioners Natalie Meyer, Phil Walter, Shirley Harris, Rob Millman and Barbara Jenkins. Also in attendance were: Director of the Division of Gaming, Mark Wilson; Director of Administration, Maren Rubino; Chief of Investigations, Laura Manning; Agent in Charge of the Central City Office, Phil Dinan; Agent in Charge of the Cripple Creek Office, Gary Watada; Agent in Charge of the Lakewood Office, Ron Kammerzell; Supervisory Investigator, Will Lukela; Investigators, Kendal Dittmer, Karl Trump, Evan Kwiatkowski, Mark Rule, and Phil Spencer; Licensing Supervisor, LaToiya Ancar; Audit Managers, Laurie Scott; Program Assistant Marilyn Davis and Assistant Attorney General, Ceri Williams. Persons making a presentation in executive session were: Pete Mang and Bob Brown, Colorado Bureau of Investigation and Laura Manning, Ron Kammerzell, Georgine Zalesky, Division of Gaming. Persons making a presentation in public session were: Maren Rubino, Janet Ford and Brenda Davis, Division of Gaming, Pam Sillars and Erik Scheminske, Colorado Department of Public Safety; Mark Trostel, Colorado State Patrol; Jane Crisman, Division of Fire Safety; Eric Bergman, Department of Local Affairs and Assistant Attorney General, Ceri Williams.

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), 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. Ms. Harris seconded the motion. The motion was adopted.

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

The Chair called for a motion to renew the permanent manufacturer/distributor license of Atlantic City Coin & Slot Service Company, Inc. This license shall be effective upon expiration of the current licenses and expire one year from the date of issuance. Mr. Walter made the motion. Mr. Millman seconded the motion. The motion was adopted.

The Chair called for a motion to renew the permanent operator licenses of Atlantic City Coin & Slot Service Company, Inc., and Centaur Colorado, LLC, d/b/a Fortune Valley Hotel & Casino. These licenses shall be effective upon expiration of the current license and expire one year from the date of issuance. Ms. Harris made the motion. Mr. Walter seconded the motion. The motion was adopted.

The Chair called for a motion to renew the permanent retail licenses of Centaur Colorado, LLC, d/b/a Fortune Valley Hotel & Casino; Black Hawk/Jacobs Entertainment, LLC, d/b/a The Lodge Casino at Black Hawk; Gilpin Hotel Venture, d/b/a The Gilpin Hotel Casino Ltd.; Red Dolly, Inc., d/b/a Red Dolly Casino, Inc.; Pioneer Group, Inc., d/b/a Bronco Billy's Sports Bar &

Casino; Pioneer Group, Inc., d/b/a Buffalo Billy's Casino and Virgin Mule, 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 manufacturer/distributor license of Black Hawk/Jacobs Entertainment, LLC, d/b/a The Lodge Casino at Black Hawk. This license shall be effective upon expiration of the current licenses and expire on May 14, 2005. Mr. Walter 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 Centaur Colorado, LLC, d/b/a Fortune Valley Hotel & Casino. Ms. Harris made the motion. Ms. Jenkins 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. Ms. Jenkins seconded the motion. The motion was adopted.

The Chair swore in Ms. Rubino.

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

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

Mr. Grueskin representing the Casino Owners Association addressed the Commission stating the recent methodology sessions that had been conducted with Ms. Jenkins and the Division staff regarding the economic impacts has been very productive.

Mr. Gruesking stated that the economic indicators will be a focal point for thoughtful conversations and should enable the Commission to have a more targeted assessment to set the gaming tax.

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 15, 2003, at 10:00 a.m. at 1881 Pierce Street, Suite 110, Lakewood. Mr. Walter made the motion. Mr. Millman seconded the motion. The motion was adopted.

Ms. Sillar and Mr. Scheminske gave a brief overview of the Colorado Department of Public Safety.

Mr. Mang and Mr. Ferguson presented the Colorado Bureau of Investigation FY 2005 budget request.

The Chair called for a motion to approve the FY 2005 budget request of the Colorado Bureau of Investigation in the amount of \$732,790. Ms. Jenkins made the motion. Mr. Walter seconded the motion. The motion was adopted.

Mr. Trostel presented the Colorado State Patrol FY 2005 budget request.

The Chair called for a motion to approve the FY 2005 budget request of the Colorado State Patrol in the amount of \$1,440,997. Mr. Millman made the motion. Mr. Walter seconded the motion. The motion was adopted.

Ms. Crisman presented the Division of Fire Safety FY 2005 budget request.

The Chair called for a motion to approve the FY 2005 budget request of the Division of Fire Safety in the amount of \$146,127. Mr. Millman made the motion. Ms. Harris seconded the motion. The motion was adopted.

Mr. Bergman presented the Department of Local Affairs FY 2005 budget request.

The Chair called for a motion to approve the FY 2005 budget request of the Department of Local Affairs in the amount of \$102,437. Mr. Millman made the motion. Ms. Jenkins seconded the motion. The motion was adopted.

Ms. Ford presented the Division of Gaming Supplemental FY 2004 budget request.

The Chair called for a motion to approve the FY 2004 negative supplemental budget request of the Division of Gaming in the amount of \$9,292. Mr. Walter made the motion. Mr. Millman seconded the motion. The motion was adopted.

Ms. Ford presented the Division of Gaming FY 2005 budget request.

The Chair called for a motion to approve the FY 2005 budget request of the Division of Gaming in the amount of \$7,194,523. 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 March 18, 2004. Mr. Millman made the motion. Ms. Jenkins seconded the motion. The motion was adopted.

Ms. Ford presented the Division financial statements for the eight months ended February 29, 2004.

The Chair called for a motion to approve the Statement of Gaming Revenues, Gaming Taxes and Expenditures for the eight months ended February 29, 2004 and authorize its distribution. Mr. Millman made the motion. Ms. Jenkins seconded the motion. The motion was adopted.

The Chair called for a motion to open hearings on proposed amendments to Colorado Gaming Rule 4 and Rule 10. Mr. Walter made the motion. Mr. Millman seconded the motion. The motion was adopted.

The Chair swore in Ms. Davis

Ms. Davis presented proposed changes to Rule 4 and Rule 10.

The Chair called for a motion to close the hearings on proposed amendments to Colorado Gaming Rule 4 and Rule 10. Mr. Millman made the motion. Ms. Harris seconded the motion. The motion was adopted.

The Chair called for a motion to amend Colorado Gaming Rule 4 as presented. Ms. Harris made the motion. Mr. Millman seconded the motion. The motion was adopted.

The Chair called for a motion to amend Colorado Gaming Rule 10 as presented. Mr. Millman made the motion. Mr. Walter seconded the motion. The motion was adopted.

The Chair opened the meeting to anyone from the public who wanted to address the Commission on proposed amendments to Rule 4 and Rule 10. No one responded.

Ms. Williams presented proposed Order of Stipulation and Agreement Case No. SA 04-02 in the matter of Matthew Starr, license number 21468.

The Chair called for a motion to approve and authorize the Chair to sign the Order of Stipulation and Agreement Case No. SA 04-02 in the matter of Matthew Starr, license number 21468. Mr. Millman made the motion. Ms. Walter seconded the motion. The motion was adopted.

Ms. Williams presented proposed Order of Show Cause Case No. SC 04-04 in the matter of Jason Shira, license number 24550.

The Chair called for a motion to approve and authorize the Chair to sign the Order of Show Cause Case No. SC 04-04 in the matter of Jason Shira, license number 24550. Mr. Walter made the motion. Ms. Jenkins seconded the motion. The motion was adopted.

Ms. Williams presented proposed Findings Conclusions and Order in Case No. SC 04-01 in the matter of Roy Ellis Bybee, license number 23220.

The Chair called for a motion to approve and authorize the Chair to sign the Findings Conclusions and Order in Case No. SC 04-01 in the matter of Roy Ellis Bybee, license number 23220. Mr. Millman made the motion. Ms. Jenkins seconded the motion. The motion was adopted.

Mr. Wilson briefed the Commission on recent communication with KOAA regarding illegal gambling advertisement.

The meeting was adjourned at 11:56 a.m.

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Cindy Raiolo, Secretary to the  
Colorado Limited Gaming Control Commission

## Colorado Limited Gaming Control Commission

### Minutes of Meeting May 20, 2004

#### **Call to Order**

The May 20, 2004, meeting of the Colorado Limited Gaming Control Commission was called to order by Commission Chair Natalie Meyer at 9:00 a.m. at 1881 Pierce Street, Lakewood.

#### **Officials & Administrators in Attendance**

Natalie Meyer, Commission Chair  
Shirley Harris, Commissioner  
Barbara A. Jenkins, Commissioner  
Rob Millman, Commissioner  
Phil Walter, Commissioner  
Mark L. Wilson, Director of the Division of Gaming  
Dave Dechant, Senior Director of Enforcement  
M. Michael Cooke, Executive Director of the Department of Revenue  
Maren Rubino, Director of Administration  
Don Burmania, Communications Director  
Georgine Zalesky, Chief Auditor  
LaToiya Ancar, Licensing Supervisor  
Brenda Davis, Manager of Emerging Technologies  
Janet Ford, Controller  
Laura Manning, Chief of Investigations  
Ron Kammerzell, Agent in Charge, Lakewood  
Phil Dinan, Agent in Charge, Central City  
Gary Watada, Agent in Charge, Cripple Creek  
Peter Mang, Deputy Director, Colorado Bureau of Investigation  
Robert Brown, Agent in Charge, Colorado Bureau of Investigation, Gaming Unit  
Ceri Williams, Assistant Attorney General

#### **Executive Session**

The Commission went into Executive Session at 9:07 to review reports from the Division of Gaming and the Colorado Bureau of Investigation and to discuss confidential attorney-client work product.

#### **Public Session**

The Public Session reconvened at 10:12 a.m.

#### **Approval of Licensing Actions**

The Commission voted unanimously to renew the retail license of and approve the change of ownership as outlined in the investigative report for Imperial Gaming Corporation d/b/a

Imperial Hotel & Casino Corporation. The license shall be effective upon expiration of the current license and shall expire one year from the date of issuance.

The Commission voted unanimously to renew the manufacturer/distributor license of PDS Gaming Corporation – Colorado. This license shall be effective upon expiration of the current license and shall expire one year from the date of issuance.

### **Opportunity for the Public to Address the Commission**

The Chair extended an opportunity for the public in attendance to address the Commission. No one came forward.

### **Opening hearings to amend Colorado Gaming Regulation 47.1-1401**

At the request of the Chair, Commissioner Millman moved to open hearings on proposed amendments to Colorado Gaming Regulation 47.1-1401, Gaming Tax. Commissioner Walter seconded the motion, and it passed unanimously.

### **Overview of May Tax Hearings**

Maren Rubino presented an overview of the tax setting hearing schedule, noting that a copy of the memo prepared for the April hearings was included in this month's packet at the request of the Commission. The hearing schedule overview focused on the citations from the Colorado Revised Statutes that address the Commission's responsibilities in setting the gaming taxes. The tax hearing summary schedule was also attached.

### **Impacts of Gaming on State Agencies**

Maren Rubino reported that the state agencies which are funded "off the top" made their presentations to the Commission in April. The Department of Transportation and the Colorado State Historical Society will make presentations to the Commission today. The Judicial Department and the Department of Public Health & Environment submitted written statements concerning gaming impacts.

Judicial Department The Office of the State Court Administrator identified ongoing impacts that will continue to be funded within the Department's base budget fiscal year 2006 continuation request to the Joint Budget Committee. Workload increases due to increased gaming related case filings have driven requests for additional funding in past years. Projected costs for the Judicial Department for both FY 2005 and FY 2006 are \$294,677 per year.

Colorado Department of Public Health & Environment Two areas in CDPHE have ongoing impacts from gaming: the Consumer Protection Division and the Air Quality Control Division.

The Consumer Protection Division provides food safety in retail food establishments in Teller and Gilpin Counties. Division staff conducts food safety inspections in Gilpin County, with costs for FY 2005 projected to be \$37,170. Teller County has its own food safety inspection program, resulting in comparatively lower costs. It projects costs to be \$13,407 for FY 2005.

The Air Quality Control Division's gaming impacts include a range of activities and cost estimates for the gaming towns. Air quality problems in Cripple Creek were noted in 1994 due to an influx of non-residents for gaming and the subsequent growth. The Division began a community interaction and intervention program that has been successful in reducing particulate problems. Total costs to continue and maintain the program were \$21,336 for FY 2004. Community outreach activities in Black Hawk and Central City included problems associated with idling buses, dust, and concerns over particulate matter from unpaved parking lots and streets. Local controls, partially as a result of Division intervention, seem to have addressed those immediate concerns. Current impacts are similar to the Cripple Creek example.

### **Presentation by the Colorado State Historical Society**

Mark Wolfe, Director of the State Historical Funds, presented DVD documentaries highlighting the activities of the Society to the Commission. He said there have been public showings of the documentary around the state. The Society hopes next to publish a book by well-known historian Mark Noel that will focus on places in Colorado that have benefited from Society funds. Specific projects include participating in renovations at the State Capitol, which will total \$6.8 for the next fiscal year. The Society has formed a new partnership with the Colorado Tourism Office, hoping to help implement statewide heritage tours. However, the downside of targeting funds for the tours will mean less funding for competitive grants.

### **Presentation by the City of Central**

Lynnette Hailey, City Manager, presented Central City's annual report to the Commission, along with pictures showing progress that has been made in the southern access road, which is 66 percent completed at this point. Ms. Hailey discussed the City's ongoing efforts to diversify its income, including building parking structures and other developments. Central City's position toward structuring tax rates was stated in simple terms: Whenever taxes have been reduced, the City has seen benefits.

### **Presentation by Gilpin County**

Jeanne Nicholson, Chair of the Board of Gilpin County Commissioners, spoke on behalf of Gilpin County. She presented charts showing the County's revenue sources and expenditures, stating that it relies heavily on gaming revenues. Specific expenditures made possible by gaming revenues include funding for a childcare center for which use is not limited to residents, a home health and hospice center and ambulance service. Gilpin County's recommendation for tax rates is that they remain the same, although the County would possibly entertain lowering the tax rate for middle tier casinos. Last year's projections for revenue included an 8.3 percent decline that did not occur. Had it happened, Commissioner Nicholson stated, the County would have adjusted its expenditures rather than seek higher tax rates.

### **Presentation by the Local Government Limited Gaming Impact Advisory Committee**

Eric Bergman from the Colorado Department of Local Affairs gave the presentation for the Local Government Limited Gaming Impact Program and its Advisory Committee. The



Program was created in 1997 to address gaming impacts on eligible local governments within 13 counties that contain or are contiguous to the gaming towns or the tribal gaming areas in southwestern Colorado. Eligible entities include counties, municipalities (excluding the three gaming towns) and special districts that provide emergency services. For calendar year 2003, the Program's request was \$8,627,579. It received \$6,363,355. Its request for calendar year 2004 was \$7,926,142. The estimate for funding it will receive is \$5.9 million. In the past, the Program has not made tax-setting recommendations to the Commission. Although the Program's requests have not been fully funded, the amounts received have been adequate to cover issues of true need. The Program does not advocate for an increase in taxes.

### **Presentation by the City of Cripple Creek**

Kip Peterson, City Administrator, read the city's new mission statement and announced that the new mayor and council have begun a progressive expansion of the utility system to encourage growth. Cripple Creek wants to be designated as a National Heritage Area, focusing especially on the discovery of gold in the 1800s that bolstered the U.S. Treasury. The City is pursuing help from Colorado's Congressional Delegation to attain the goal. Cripple Creek uses its impact fees to assist with demands for services and for capital needs such as fire fighting equipment. Its position toward the gaming tax structure is to leave the rates as they are. However, Mr. Peterson stated that the City is strongly in favor of studying the tax structure and would consider lowering the rates. The existing structure meets the needs of the City; any higher rates would have a negative effect.

### **Presentation by the Colorado Department of Transportation**

Bruce Nilemo from CDOT's Office of Financial Management & Budget stated that gaming has caused a huge increase in state highway traffic, as high as 500 percent in some places. The General Assembly recognized the impact the increased traffic had for CDOT and passed SB 94-060 to provide a method for gaming to pay for transportation needs attributed to gaming, as well as emergency repairs or modifications to the highways. For FY 2005, CDOT requested funding of \$10.8 million, which was reduced to \$1.2 million by the Office of State Planning & Budget. In the end, the Joint Budget Committee denied the funding request. For FY 2006, CDOT has requested \$6.9 million (\$1.2 million for maintenance and rock wall mitigation and \$5.7 million for contemplated construction). In the past, gaming funds have been significant in helping CDOT improve and maintain highways, and OSPB and the JBC have been very supportive when the economy has been better. CDOT hopes the funding levels will be restored as the economy improves.

### **Presentation by Teller County**

Greg Winkler, County Administrator, and County Commissioners James Ignatius and Robert Campbell gave Teller County's presentation. They estimate that the total impact of gaming-related projects and operations from 1998 through 2003 was just under \$5 million. About 30-40 percent of the total costs of law enforcement, the district attorney's office and court activity are gaming related. The increases in funding the County's Transportation Department are 75-80 percent gaming related. Teller County's comments concerning the gaming tax are to urge funding CDOT's needs. Any improvements made by CDOT benefit

the County. Its position concerning the tax rate is to stay the same. If there were a proposal to change the tax rate, County officials would like an opportunity to study it.

### **Presentation by City of Black Hawk**

Corey Hoffmann, Acting City Manager, presented Black Hawk's comments, beginning with a brief discussion of recent *Denver Post* articles that focused on the huge amounts of tax revenue received by Black Hawk. He stated that most of the articles presented only one side of the story and were basically retelling old stories. Black Hawk is very sensitive to conflict of interest issues, but with a city population so small, it is difficult to find residents to serve as city officials who have not been involved with gaming in one way or another. Black Hawk is working with Central City to promote heritage tourism and continues to fund restoration of houses that will be available for sale when completed. Another benefit of tax revenues has been Black Hawk's ability to forgive device fees. The City suggests leaving tax rates the same.

### **Opportunity for the Public to Comment**

The Chair extended an opportunity for the public in attendance to address the Commission on tax-setting issues. Doris Beaver of Gilpin County asked how the City of Black Hawk justifies installing pedestrian overpasses in a historic preservation area. Corey Hoffmann, Acting City Manager of Black Hawk, responded that bonds are financing the overpasses, not historical preservation funds. The overpasses are being constructed as a safeguard to encourage pedestrians not to walk on Highway 119.

### **Closing hearings to amend Colorado Gaming Regulation 47.1-1401**

At the request of the Chair, Commissioner Walter made a motion to close the hearings on proposed amendments to Colorado Gaming Regulation 47.1-1401 and continue the hearings on June 17, 2004, at 10:00 a.m. at 1881 Pierce Street, Suite 110, Lakewood. Commissioner Millman seconded the motion, and it was passed unanimously.

### **Opportunity for the Public to Comment**

The Chair extended an opportunity for the public in attendance to address the Commission on any gaming-related issues. Rick Bove and Cheryl Ann Abold, residents of Fort Collins, came forward to request the Commission's assistance in obtaining videotapes related to a situation that occurred in February 2002. They are involved in a discovery dispute for a case pending before the U.S. District Court. Ceri Williams, Assistant Attorney General for the Commission, stated that the U.S. District Court has jurisdiction over discovery disputes in the lawsuit, not the Commission.

### **Swearing-in of new Gaming Investigators**

The Chair administered oaths of office to three new gaming investigators: Joanna Meyer, Ian Graham and W. Lewis Koski. The Chair presented them with certificates of appointment.

### **Presentation by Division of Gaming's Emerging Technologies Section**

Deb Gorham, System Specialist, and Mark Distel, Training Coordinator, presented the Division's Quarterly Training Report for January-March 2004. The report includes training

delivered to industry and non-industry personnel during that time period. Training is required for casino employees so they will be more accountable for chip and cash control. Ms. Gorham stated that response from the industry has been good. Ms. Gorham also presented the January-March 2004 Quarterly Report from the Systems & Machine Approval Committee.

### **Presentation of Financial Statement and Supplemental Budget Request**

Janet Ford, Division Controller, presented the Division's Statement of Gaming Revenues, Gaming Taxes and Expenditures (unaudited) for the Nine Months ended March 31, 2004. The Commission establishes tax rates based on adjusted gross proceeds, and the AGP comparison of the current year to the prior year shows an increase of 0.05 percent. Tax comparisons show a decrease of 0.43 percent. Ms. Ford presented a supplemental budget request for FY 2004. The Division is requesting a one-time transfer of \$2,748 from the Operating Expenditure appropriation into the Leased Vehicle appropriation to cover additional leased vehicle costs owed to the Division of Fleet Management. There is no net effect on the Division. The commission unanimously approved the request.

### **Organizational Matters**

Minutes Approved The minutes of the April 22, 2004, were unanimously approved by the Commission.

Introduction The Chair introduced Marilyn Davis, who has become the Commission's secretary. She has worked most recently in legislative affairs at the Department of Regulatory Agencies and, prior to that, served on the Governor's staff at the State Capitol for ten years.

Disciplinary Action Ceri Williams, Attorney General for the Commission, requested approval for an Order to Show Cause in the matter of Peter Miranda, Licensee No. 27674. Case No. SC 04-02 states that Peter Miranda was charged with misdemeanor theft on April 15, 2004. A licensee of the Division of Gaming "must be a person of good moral character, honesty, and integrity, and be a person whose activities, reputation, or habits do not pose a threat to the public interests of this state . . ." Mr. Miranda is ordered to appear before the Commission to show cause why a disciplinary action should not be taken. He must file a written response to the charges with the Lakewood office of the Division within 30 days of service of the Order to Show Cause. Commissioner Millman moved to approve the Order to Show Cause. Commissioner Harris seconded the motion, and the Commission passed it unanimously.

### **Adjournment**

The Chair adjourned the meeting at 12:50 p.m.

Minutes prepared by Marilyn Davis, Secretary to the Commission

## Colorado Limited Gaming Control Commission

### Minutes of Meeting June 17, 2004

#### **Call to Order**

The June 17, 2004, meeting of the Colorado Limited Gaming Control Commission was called to order by Commission Chair Natalie Meyer at 9:19 a.m. at 1881 Pierce Street, Lakewood.

#### **Officials & Administrators in Attendance**

Natalie Meyer, Commission Chair  
Shirley Harris, Commissioner  
Barbara A. Jenkins, Commissioner  
Rob Millman, Commissioner  
Phil Walter, Commissioner Vice Chair  
Mark L. Wilson, Director of the Division of Gaming  
Dave Dechant, Senior Director of Enforcement  
Don Burmania, Communications Director  
Georgine Zalesky, Chief Auditor  
LaToiya Ancar, Licensing Supervisor  
Janet Ford, Controller  
Laura Manning, Chief of Investigations  
Ron Kammerzell, Agent in Charge, Lakewood  
Cliff Volz, Acting Agent in Charge, Central City  
Gary Watada, Agent in Charge, Cripple Creek  
Peter Mang, Deputy Director, Colorado Bureau of Investigation  
Robert Brown, Agent in Charge, Colorado Bureau of Investigation, Gaming Unit  
Ceri Williams, Assistant Attorney General

#### **Executive Session**

Immediately following the Call to Order, the Commission voted unanimously to go into Executive Session to review reports from the Division of Gaming and the Colorado Bureau of Investigation.

#### **Public Session**

The Public Session reconvened at 10:18 a.m.

#### **Approval of Licensing Actions**

The Commission voted unanimously to renew the retail licenses of the following:

- Colorado Grande Enterprises, Inc., d/b/a Colorado Grande Gaming Parlor
- Casino Holdings, Inc., d/b/a Brass Ass Casino
- Holland Ventures, Inc., d/b/a J.P. McGill's Hotel & Casino
- Richman Properties, LLC, d/b/a Richman Casino

- WMCK Acquisition Corp. d/b/a Womack's Casino
- Century Casinos Cripple Creek, Inc. d/b/a Legends Casino

The licenses shall be effective upon expiration of the current licenses and shall expire one year from the dates of issuance.

The Commission voted unanimously to renew the manufacturer/distributor license of Western Money Systems, Inc. The license shall be effective upon expiration of the current license and shall expire one year from the date of issuance.

### **Opportunity for the Public to Address the Commission**

The Chair extended an opportunity for the public in attendance to address the Commission. No one came forward.

### **Opening hearings to amend Colorado Gaming Regulation 47.1-1401**

At the request of the Chair, Commissioner Walter moved to open the hearings on proposed amendments to Colorado Gaming Regulation 47.1-1401, Gaming Tax. Commissioner Millman seconded the motion, and it passed unanimously.

### **Presentation by Anton Collins Mitchell LLP**

The presentation for Anton Collins Mitchell LLP, an independent CPA firm, was given by Chris Smith, Partner, and Stacey E. Hekkert, CPA. They stated that documents provided by the firm contained distilled information intended to give their overall impressions of the tax setting issues before the Commission. Among others, the following points were made during their slide presentation:

- For the gaming industry, calendar year 2003 was an "off" year when compared to the previous three.
- There was little movement of casinos between the tiers during 2003, while the number of casinos increased from 42 to 44 during the year. In a comparison of the changes that took place between 2000 and 2003, there was less movement at the larger end of the tier scale than at the smaller end. Tier 5 went from six casinos in 2000 to five in 2003, and Tier 6 went from four in 2000 to five in 2003. In contrast, Tier 1 went from eleven casinos in 2000 to eight in 2003, and Tier 2 went from seven to ten in the same period.
- Gross revenues of all casinos in calendar year 2003 dropped slightly from 2002 – by approximately \$13.6 million.
- The number of devices in use in 2003 totaled approximately 15,400, about 100 more than in 2002. In general, as an indicator of revenue, the more devices a casino has, the more revenue comes in per device. In monthly net revenue, the trend is that the larger the tier, the larger the amount per device. A single device in Tier 6 casinos brings in about six times more revenue than a single device in Tier 1 casinos. In 2003, the monthly net revenue of a Tier 1 device was \$1,178, while the monthly net revenue of a Tier 6 device was \$5,758.
- Earnings before interest, taxes, depreciation and amortization (EBITDA) comparisons by tier between 2002 and 2003 showed that only Tier 6 casinos increased. All other tiers saw a decrease on a per casino basis.

- Net cash provided by operating activities (NCPOA) was the only financial comparison that actually increased industry-wide.
- The return on assets (earnings before interest and taxes as a ratio of assets) is a measure of how casinos do on the return of investments. There was a positive return for all tiers except Tier 1 in 2003.
- Total equity is the net worth of a casino. A comparison of 2003 to 2002 shows that only Tier 4 saw an increase in total equity in 2003. Tiers 3, 5 and 6 saw an increase in return on equity in 2003.
- Advertising as a percentage of AGP in 2003 showed the casinos in the smaller tiers spending slightly more than those in the larger tiers.

### **Presentation by the Division of Gaming**

The presentation given on behalf of the Division of Gaming was by Janet Ford, Division Controller, and Melissa Holmes, Audit Supervisor for Central City/Black Hawk. Several of the areas which were discussed by Anton Collins Mitchell LLP were also the focus of comparisons made by the Division. Among other comparisons were:

- The AGP by fiscal year in 2002, 2003 and 2004 showed an increase from each preceding year. The Division is projecting a two percent increase in FY 2005 to \$726.82 million. Monthly comparisons that showed annual trends were discussed.
- In January 2004, taxes per month began to increase over 2003, and it is predicted that those in 2005 will be greater than in 2004.
- Based on 45 casinos operating, the Division is projecting taxes to be \$101,677 million, a 13.99 percent effective tax rate.

### **Presentation by the Colorado Gaming Association**

Mark Grueskin, representing the Association, gave its presentation.

- Calendar year 2003 was shown to have been an “off” year, which resulted in tax income being less for the first time. Taxes decreased by \$2.8 million from 2003, attributable to a \$12.1 million decrease in gaming revenue for the year. One reason given for the decrease was the inability of most customers to reach the gaming towns for a week due to the heavy snows in March.
- Factors included as primary indicators for projected income were EBITDA and net income. Tier comparisons cause the Association to recommend a change in some percentages.
- A graph showing promotions and giveaways demonstrated that casinos are spending more to encourage players to visit the gaming towns while they are taking in less revenue. A tier comparison showed this factor was especially evident in Tiers 4 and 5.
- Extraordinary expenses of the gaming industry included funding political campaigns such as the costly effort to prohibit video lottery terminals and other devices.
- Another serious concern of the industry is the possible Indian gaming site near DIA. Federal-level decisions could leave Colorado without a voice in the matter. It is necessary for the industry to fund an effort to see that this does not happen.
- The Association proposes lowering the taxes for Tiers 4 and 5. Tier 4 includes casinos in the \$5 to \$10 million range, and the proposal would change its tax rate from 11 percent to nine percent. Tier 5 is the \$10 to \$15 million range, and the

proposal would change its tax rate from 16 percent to 15 percent. Historic records of the decreases in 1993, 1994 and 1999 show increases in AGP followed.

- The Association presented copies of letters from five local government entities that showed support for the proposed changes for Tiers 4 and 5. These entities were Gilpin County, Teller County, City of Cripple Creek, City of Central and City of Black Hawk.
- Taxes resulting if the proposed changes were implemented, based on the Association's analysis, were predicted to be \$98.97 million. Using the current rates, the taxes would be \$98.52 million.

### **General Discussion and Opportunity for the Public to Address the Commission**

- Commissioner Millman questioned how or why the position toward tax rates had been changed by the five local governments that had just sent letters to the Commission. He compared the remarks made at the May 20<sup>th</sup> tax hearings when they presented their materials to those made in the letters. Other Commissioners echoed the concern.
- Janet Ford predicts less tax revenue than the Association does, based on the proposal to lower tax rates for Tiers 4 and 5. She predicted a slight increase with the proposal but a larger increase if rates remain the same.
- Ross Grimes, representing a Tier 1 casino in Central City, mentioned a problem with the device fees charged by municipalities. He also said the system is flawed, because the Commission does not support the Tier 1 casinos sufficiently. He recommended a rate change to benefit casinos in Tiers 1 and 2.

### **Pause in Commission Agenda to Honor Two Retiring Commissioners**

Director Mark Wilson presented the two retiring Commissioners with framed gifts containing pictures of staff at Central City/Black Hawk, Cripple Creek and Lakewood and a letter of appreciation on behalf of the Division. Commissioner Walter's resignation is effective after today's meeting. Commissioner Harris' term has ended, but she will be continuing on the Commission until a replacement is named. Both Commissioners made remarks, as did the Chair.

### **Executive Session/Lunch Break**

The Commission went into Executive Session to discuss confidential casino-specific information pertaining to amending the gaming tax regulation.

### **Close of Hearing for Colorado Gaming Regulation 47.1-1401 – Gaming Tax**

A motion to close the hearings for consideration of Colorado Gaming Regulation 47.1-1401 – Gaming Tax was passed by unanimous vote.

### **Public Session**

The Chair reconvened Public Session, and each Commissioner was given an opportunity to make remarks about amending the gaming tax.

- Commissioner Jenkins said that the proposal to decrease rates for Tiers 3, 4 and 5 was positive.

- Commissioner Harris said she was less impressed by the local governments' May 20th presentations after receiving the letters in support of the Association's proposal. She noted that the Division's projections showed little change and stated that she is comfortable with the current rate.
- Commissioner Millman stated that information for the end of the fiscal year (2004) seems reliable, and it changes the picture by showing both revenues and AGP are up. He contrasted the testimony given in May by virtually all of the local government officials that they were not asking for a tax rate change to the letters received on this date from the same officials requesting consideration of the Association's proposal. He feels the testimony given in May was more credible and sees no compelling reason to change tax rates.
- Commissioner Walter also remarked about the comments from the cities and counties and agrees that the structure should remain as it is.
- Commissioner Meyer stated that if a change were considered, she would prefer lowering rates for the lower tiers over Tiers 4 and 5. She appreciated the Association's recommendation, but because there had been almost no change from one tier to another (a net of two casinos moving up one tier), she did not favor changing the rates at this time.

#### **Vote to Amend the Gaming Tax**

Commissioner Walter offered a motion to make no amendments to the gaming tax at this time. The motion was seconded by Commissioner Millman. The vote for the motion was 4-1, with Commissioner Jenkins casting the opposing vote.

#### **Consideration of Colorado Gaming Regulation 47.1-303 and 47.1-305**

Don Burmania, Communications Director for the Division, presented recommendations concerning fees for applications, investigations and licensure. His documents showed that no changes are necessary because the fees fall within policy limits. He did recommend a minor change to 47.1-305 to allow costs of table games investigations above \$2,000 to be recovered.

No one from the public asked to speak on the subject. The Commission voted unanimously to amend Colorado Gaming Regulation 47.1-305 as presented.

#### **Presentation of Financial Statements for April 2004**

Janet Ford, Division Controller, presented the Division's Statement of Gaming Revenues, Gaming Taxes and Expenditures (unaudited) for the Ten Months ended April 30, 2004. The AGP comparison of the current year to the prior year shows an increase of .101 percent (from \$586.4 million to \$587.0 million). Tax comparisons show a decrease of -0.25 percent. There are 45 open casinos at this time compared to 43 last year, a net gain of +2.

#### **Organizational Matters**

- Minutes of the May 20, 2004, meeting were unanimously approved by the Commission.
- Disciplinary Action: Ceri Williams, Assistant Attorney General, requested approval for a Stipulation & Agreement (SA 04-03) against Uncle Sam's Casino. A fine of



\$50,000 had previously been agreed to, along with an agreement to follow specified procedures. Christopher Whitney, counsel for Uncle Sam's Casino, spoke on behalf of his client, expressing regret that the situation had reached this point. The Commission voted unanimously to have the Chair sign the order approving SA 04-03.

- Director Mark Wilson announced that the August meeting will be held in Cripple Creek and the September meeting in Central City.

**Adjournment**

The Chair adjourned the meeting at 2:05 p.m.

Prepared by \_\_\_\_\_  
Marilyn Davis, Secretary to the Colorado Limited Gaming Control Commission

Approved by \_\_\_\_\_  
Natalie Meyer, Commission Chair

## Colorado Limited Gaming Control Commission

### Minutes of Meeting July 15, 2004

#### **Call to Order**

The July 15, 2004, meeting of the Colorado Limited Gaming Control Commission was called to order by Commission Chair Natalie Meyer at 9:03 a.m. at 1881 Pierce Street, Lakewood. She noted for the record that until a new Commissioner is named by the Governor to replace Commissioner Walter, the Gaming Commission will operate with four members.

#### **Officials & Administrators in Attendance**

Natalie Meyer, Commission Chair  
Shirley Harris, Commissioner  
Barbara A. Jenkins, Commissioner  
Rob Millman, Commissioner  
Dave Dechant, Senior Director of Enforcement  
Laura Manning, Acting Director of Gaming  
Brenda Davis, Director of Administration and Emerging Technologies  
Georgine Zalesky, Chief Auditor  
LaToiya Ancar, Licensing Supervisor  
Janet Ford, Controller  
Ron Kammerzell, Agent in Charge, Lakewood  
Phil Dinan, Agent in Charge, Central City  
Gary Watada, Agent in Charge, Cripple Creek  
Peter Mang, Deputy Director, Colorado Bureau of Investigation  
Robert Brown, Agent in Charge, Colorado Bureau of Investigation, Gaming Unit  
Ceri Williams, Assistant Attorney General

#### **Executive Session**

The Commission voted unanimously to go into Executive Session to review reports from the Division of Gaming and the Colorado Bureau of Investigation and to discuss financial audit information from the State Auditor's Office.

#### **Public Session**

The Public Session reconvened at 10:41 a.m.

#### **Election of Commission Chair and Vice Chair for FY 2005**

The Chair relinquished the floor to Assistant Attorney General Ceri Williams so that she could conduct the election of Commission Chair and Vice Chair for FY 2005. Ms. Williams explained the statutory requirements and the procedures to be followed during the election process.

Natalie Meyer was unanimously re-elected as Commission Chair for FY 2005, and Rob Millman was unanimously elected as Vice Chair.

#### **Approval of Licensing Actions**

The Commission voted unanimously to renew the following licenses, which shall be effective upon expiration of the current licenses and shall expire one year from the date of issuance:

- Creeker's, Inc., dba Creeker's Casino (Retail)

- Colorado Casino Resorts, Inc. (Operator)
- Gold Creek Ventures, LLC dba Gold Creek Casino (Retail)
- Double Eagle Resorts, Inc. dba Double Eagle Hotel and Casino (Retail)
- Royal Bell, Ltd. dba Mills Bell-O-Matic Company (Mfg/Distr)
- IGT (Mfg/Distr and Operator)
- IGT – Colorado Corporation (Mfg/Distr and Operator)
- Spin for Cash Wide Area Progressive Joint Venture (Mfg/Distr and Operator)
- Bally Gaming, Inc. dba Bally Gaming and Systems (Mfg/Distr and Operator)
- Aristocrat Technologies, Inc. (Mfg/Distr and Operator)
- Casino Data Systems, Inc. (Mfg/Distr)
- Sigma Game, Inc. (Mfg/Distr)
- John A. Schaeffer (Operator)
- Concorde Cripple Creek, Inc. dba Golden Gates Casino (Retail)

The Commission voted unanimously to approve the following changes in ownership:

- Southwest Casino and Hotel Corp. dba Uncle Sam’s Casino; Gold Rush I, LLC dba Gold Rush Hotel and Casino; Gold Rush I, LLC dba Gold Digger’s Casino (Retail)
- Southwest Casino and Hotel Corp. dba Uncle Sam’s Casino; Gold Rush I, LLC dba Gold Rush Hotel and Casino; Gold Rush I, LLC dba Gold Digger’s Casino (Retail)

The Commission voted unanimously to approve a new retail license for Shirley and Ed’s, Inc. dba Black Hawk Station. It shall be effective upon completion of the standard conditions for a retail license and shall expire one year from the date of approval.

**Opportunity for the Public to Address the Commission**

The Chair extended an opportunity for the public in attendance to address the Commission. No one came forward.

**Presentation of Emerging Technologies Quarterly Report**

Brenda Davis presented the Emerging Technologies Quarterly Report. She said one product had been revoked during the quarter, but only one Colorado casino had been interested in it and the product had never been in play in Colorado. She mentioned new technologies for ticket redemption are being studied. They include self-service kiosks and hand-held wireless devices.

**Presentation of Quarterly Training Report**

Mark Distel explained several recent training activities. An accounting course for licensees and revenue auditors was well attended, and feedback was positive. Attendees included licensees and revenue auditors. A “Follow the Coin” training was given in June for licensees. Licensees from different casino sections attended, including some from slots, cage and drop sections. An additional training experience, shadow training, offers an opportunity for Division employees to observe trends and problems encountered by the industry. Division employees have found it to be very beneficial.

**Presentation of Financial Statements for May 31, 2004**

Janet Ford, Division Controller, presented the Division’s Statement of Gaming Revenues, Gaming Taxes and Expenditures (unaudited) for the Eleven Months ended May 31, 2004. The AGP comparison of FY 2004 to FY 2003 shows an increase slightly over \$2 million for the current year. Tax comparisons show an increase of 0.24 percent. There are 45 open casinos at this time compared to 44 last year.

Total assets for FY 2004 are \$83,945,389, an increase of more than \$200,000 over FY 2003. Total liabilities are \$464,932 for FY 2004, down nearly \$25,000 from FY 2003. Total liabilities and fund balance for FY 2004 is nearly \$84 million, an increase of more than \$227,000 over FY 2003. Total revenues were \$89,781,982 for FY 2004, down about \$200,000 from FY 2003. Total expenditures for FY 2004 were \$7,809,297, nearly \$400,000 less than FY 2003. The fund balance at May 31, 2004, was \$83,480,457, over last year's total by \$251,331.

It is anticipated that the Division will have \$91.2 million to distribute to the local government units and other agencies entitled to receive funds from gaming taxes. The final figures of available funds will be available as soon as the June figures are available and are added to FY 2004's totals as of May 31, 2004.

### **Organizational Matters**

- Minutes of the June 17, 2004, meeting were unanimously approved by the Commission.
- Laura Manning called the Commission's attention to the Statement of Position (on setting the gaming tax for fiscal year 2005) in their packets. She asked the Commission to review the document and provide feedback. The final copy will be provided in next month's packet.
- The Chair asked the Commission and Division staff to look over a new initiative from Douglas Bruce that would reduce fees. Janet Ford responded that the Department of Revenue is accumulating figures from all of its Divisions to determine its fiscal impact. The Chair speculated that the initiative may not be intended for the November ballot, as no editorials have been written about it and signature solicitors are not at shopping centers.

### **Adjournment**

The Chair adjourned the meeting at 11:17 a.m.

Prepared by \_\_\_\_\_  
Marilyn Davis, Secretary to the Colorado Limited Gaming Control Commission

Approved by \_\_\_\_\_  
Natalie Meyer, Commission Chair

# Colorado Limited Gaming Control Commission

## Minutes of Meeting August 19, 2004

### Call to Order

The August 19, 2004, meeting of the Colorado Limited Gaming Control Commission was called to order by Commission Chair Natalie Meyer at 9:00 a.m. at the Teller County Centennial Building, 114 North "A" Street, Cripple Creek, Colorado. She noted for the record that until a new Commissioner is named by the Governor to replace Commissioner Phil Walter, the Gaming Commission will operate with four members.

### Officials & Administrators in Attendance

Natalie Meyer, Commission Chair  
Rob Millman, Commission Vice Chair  
Shirley Harris, Commissioner  
Barbara A. Jenkins, Commissioner  
Dave Dechant, Senior Director of Enforcement  
Mark Wilson, Director of Gaming  
Laura Manning, Chief of Investigations  
Brenda Davis, Director of Administration and Emerging Technologies  
Georgine Zalesky, Chief Auditor  
LaToiya Ancar, Licensing Supervisor  
Janet Ford, Controller  
Don Burmania, Communications Director  
Ron Kammerzell, Agent in Charge, Lakewood  
Phil Dinan, Agent in Charge, Central City  
Gary Watada, Agent in Charge, Cripple Creek  
Peter Mang, Deputy Director, Colorado Bureau of Investigation  
Ceri Williams, Assistant Attorney General

### Executive Session

The Commission voted unanimously to go into Executive Session to review reports from the Division of Gaming and the Colorado Bureau of Investigation.

### Public Session

The Public Session reconvened at 10:01 a.m. The Chair thanked the officials present from the City of Cripple Creek and Teller County for the use of their facilities. She stated how impressed she has been with the "community feeling" they have been able to maintain in the city and county.

### Approval of Licensing Actions

The Commission voted unanimously to renew the following licenses, which shall be effective upon expiration of the current licenses and shall expire one year from the date of issuance:

- Gold Vein Limited Liability Company d/b/a Black Diamond Casino (permanent retail license)
- Rocky Mountain Gaming Equipment, LLC, d/b/a Mountain Gaming Distributors (permanent manufacturer/distributor and operator licenses)

### **Opportunity for the Public to Address the Commission**

The Chair extended an opportunity for the public in attendance to address the Commission.

Lois Rice, executive director of the Colorado Gaming Association (CGA), gave a brief presentation about the claim by the Cheyenne-Arapaho Tribes of Oklahoma to 27 million acres of land in the state, including acreage near Denver International Airport and a large portion of Adams County. She said the CGA had hired a Washington, D.C., firm that works with federal casino lobbyists and that an informal hearing before the Senate Indian Affairs Committee is scheduled for September 8. She said the Committee is chaired by Colorado Senator Ben Nighthorse Campbell and that the hearing has been referred to as one to gather information.

Ms. Rice said that Governor Owens is working directly with them, with Colorado's Congressional Delegation and with the Historical Association to remain fully informed on the issue. She mentioned that people purchasing property within the 27-million-acre site in question are being asked by title insurance companies to sign documents that acknowledge their awareness of the Indian claim to the area and that ownership of the land could be in dispute at some future time.

Ms. Rice introduced Kyle Fenner, the new executive director of the Cripple Creek Gaming Association.

Jerry Bergeman, Teller County Commissioner, spoke briefly about the 27-million-acre claim, saying that representatives of the tribes are interested in negotiating a trade-off. Instead of the large land claim, they would settle for 500 acres of land that is 10 miles east of DIA where they would establish one or more casinos. He said that the issue will first come before the Bureau of Indian Affairs, then the Department of the Interior. He said that Senator Campbell was opposed to the idea initially, but he doesn't know the Senator's position at this point.

Kip Peterson, City Administrator for the City of Cripple Creek, welcomed the Commission to Cripple Creek and introduced City Councilman Dennis Peck. Jerry Bergeman introduced his fellow Teller County Commissioners Bob Campbell and James Ignatius.

The Chair mentioned that she had been on a mine tour the previous day and had noticed that there were no signs near walking trails or other public areas giving credit to the funding provided by limited gaming revenues. The Teller County Commissioners assured the Chair that they would check into the issue.

### **Presentation of Disciplinary Actions**

Ceri Williams, Assistant Attorney General, presented two orders for summary suspension for the Commission to consider.

Case No. SS 04-05 involves David A. Gumina, Support License No. 01701 and Key License No. 25606. The grounds were set forth in the Notice of Charges and included being prosecuted for eight felonies, conspiring with patrons to qualify them for cash prizes and repeatedly taking a share of tips from subordinate gaming employees when he was employed as the Manager on Duty.

Case No. SS 04-06 involves Helen M. White, Support License No. 19545. Grounds set forth in the Notice of Charges included being prosecuted for misdemeanor theft by deception, issuing prizes from a casino's promotional prize wheel when the prize winner was not entitled to the prize and manipulating the wheel in order to award prizes to acquaintances.

The Commission voted unanimously to authorize the Chair to sign the Orders of Summary Suspension.

#### **Presentation of Financial Statements for June 30, 2004**

Janet Ford, Division Controller, presented the Division's Statement of Gaming Revenues, Gaming Taxes and Expenditures (unaudited) for the Twelve Months ended June 30, 2004.

#### **Colorado Limited Gaming Fund Distribution for FY 2004**

Janet Ford presented an overview of the Colorado Limited Gaming Fund Distribution for FY 2004. Since its beginning in FY 92, the Fund has distributed \$776.93 million. In FY 2004, the distribution is \$92.4 million.

- Colorado Historical Society – 28 percent of the distribution. The FY 2004 distribution was \$25.9 million, an increase over FY 2003 of nearly \$400,000. Since FY 2000, the distribution to the Colorado Historical Society has increased by nearly \$6 million.
- Gilpin and Teller Counties – 12 percent of the distribution.
  - Gilpin County received 79.6 percent (\$8.83 million) of the FY 2004 counties' share. In the last five fiscal years, the counties' market shares have remained fairly constant, but the distribution amounts have grown steadily. In FY 2000, Gilpin's share was \$6.7 million.
  - Teller County received 20.4 percent (\$2.26 million) in FY 2004. Its distribution amount in FY 2000 was \$1.89 million.
- Cities of Black Hawk, Central and Cripple Creek – 10 percent of the distribution.
  - Black Hawk's percentage of the cities' share has steadily increased. In FY 2000, it received 66.3% of the share (\$4.7 million). In FY 2004, its share was 72.6% (\$6.7 million).
  - In FY 2000, Central City received 11.7% (\$840,000) of the cities' share. Its share has decreased each fiscal year. Central City received 7% (\$645,000) of the cities' FY 2004 share.
  - Cripple Creek's percentage has shown a slight decrease for most of the fiscal years. In FY 2000 its share was 22% (\$1.6 million), while in FY 2004 its share was 20.4% (\$1.8 million).
- General Fund – 50 percent of the distribution. The General Fund's share amounted to slightly over \$40 million in FY 2004, a 4.71 percent increase over FY 2003. The increase occurred because the Legislature withheld some allotments that had been made in previous years to help prevent a budget shortfall.
  - Colorado Travel & Tourism Promotion Fund – 0 percent. In FY 2003, this Fund received \$181,964 of the gaming distribution.
  - Colorado Department of Transportation – 0 percent. Similar to the Travel & Tourism distribution, CDOT received no money in FY 2004. CDOT's distribution amounts in the past few fiscal years have been \$2.25 million in FY 2000, \$5.09 million in FY 2001, \$4.76 million in FY 2002 and \$1.01 million in FY 2003.
  - Local Government Limited Gaming Impact Fund – 13 percent. This Fund received \$6.0 million in FY 2004. Its allotment has increased steadily in past years, amounting to \$3.9 million in FY 2000, \$4.6 in FY 2001, \$4.9 in FY 2002 and \$5.9 million in FY 2003.

The Commission voted unanimously to certify the FY 2004 distribution of gaming revenues.

Gary Watada, Agent in Charge for Cripple Creek, introduced Kip Peterson, Cripple Creek City Administrator, and Dennis Peck, City Councilman. The Chair presented the officials a check for the city's FY 2004 distribution, \$1,885,175.16.

Gary Watada introduced Teller County Commissioners Jerry Bergeman, Bob Campbell and James Ignatius. The Chair presented the officials with the county's FY 2004 distribution, \$2,262,210.19.

**Organizational Matters**

- Minutes of the July 15, 2004, meeting were unanimously approved by the Commission.
- The Commission voted unanimously to adopt the Statement of Position (on setting the gaming tax for fiscal year 2005).
- Mark Wilson, Director of the Division of Gaming, thanked the Division's Cripple Creek office staff for the hospitality extended to the visiting Commissioners and senior staff members. He thanked Michael Smith, General Manager of the Double Eagle and Gold Creek Casinos, for arranging a tour of the casino surveillance room. He recognized retiring Gaming employee Bill Garrett for 20 years of exemplary service to state government.

**Adjournment**

The Chair adjourned the meeting at 10:43 a.m.

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Marilyn Davis, Secretary to the Colorado Limited Gaming Control Commission



## Colorado Limited Gaming Control Commission

### Minutes of Meeting September 16, 2004

#### Call to Order

The September 16, 2004, meeting of the Colorado Limited Gaming Control Commission was called to order by Commission Chair Natalie Meyer at 9:21 a.m. at the Division of Gaming, 142 Lawrence Street, Central City, Colorado. She noted for the record that until a new Commissioner is named by the Governor to replace Commissioner Phil Walter, the Gaming Commission will operate with four members.

#### Officials & Administrators in Attendance

Natalie Meyer, Commission Chair  
Rob Millman, Commission Vice Chair  
Shirley Harris, Commissioner  
Barbara A. Jenkins, Commissioner  
Dave Dechant, Senior Director of Enforcement  
Mark Wilson, Director of Gaming  
Laura Manning, Chief of Investigations  
Brenda Davis, Director of Administration and Emerging Technologies  
Georgine Zalesky, Chief Auditor  
LaToiya Ancar, Licensing Supervisor  
Janet Ford, Controller  
Don Burmania, Communications Director  
Ron Kammerzell, Agent in Charge, Lakewood  
Phil Dinan, Agent in Charge, Central City  
Mark Hodges, Supervisory Investigator, representing Agent in Charge Gary Watada, Cripple Creek  
Pete Mang, Deputy Director, Colorado Bureau of Investigation  
Bob Brown, Agent in Charge, Colorado Bureau of Investigation, Gaming Unit  
Ceri Williams, Assistant Attorney General

#### Executive Session

The Commission voted unanimously to go into Executive Session to review reports from the Division of Gaming and the Colorado Bureau of Investigation.

#### Public Session

The Public Session reconvened at approximately 10:45 a.m.

#### Approval of Licensing Actions

The Commission voted unanimously to renew the following licenses, which shall be effective upon expiration of the current licenses and shall expire one year from the date of issuance:

- Windsor Woodmont Black Hawk Resort Corporation d/b/a Mountain High Casino (Retail & Operator)
- Isle of Capri Black Hawk, LLC d/b/a Isle of Capri Casino (Retail)
- IOC-Black Hawk Distribution Company, LLC (Manufacturer/Distributor)
- Hyatt Gaming Management, Inc. (Operator)
- Doc Holliday Casino, LLC (Retail)
- CCSC/Black Hawk, Inc. d/b/a Colorado Central Station Casino, Inc. (Retail & Operator)

- Casinos U.S.A., Inc. d/b/a Bull Durham Saloon & Casino (Retail)
- Barden Colorado Gaming, LLC d/b/a/ Fitzgeralds Casino (Retail & Operator)
- Dostal Alley, Inc. d/b/a Dostal Alley (Retail)

The Commission voted unanimously to renew the retail license for the Midnight Rose Hotel & Casino, Inc. d/b/a Midnight Rose Hotel & Casino, which shall be effective upon expiration of the current license and shall expire on June 21, 2005, to coincide with the expiration of the licenses held by J.P. McGill's Casino and the Brass Ass Casino.

The Commission voted unanimously to approve the change of ownership as outlined in the Investigative Report for Centaur Colorado, LLC d/b/a Fortune Valley (Retail & Operator).

At a later point in the public session, an additional motion concerning licensing action was passed unanimously. It continues for a period of one year the existing conditions on the retail licenses of Doc Holliday Casino, LLC, and Casinos U.S.A., Inc., d/b/a Bull Durham Saloon & Casino.

### **Opportunity for the Public to Address the Commission**

The Chair extended an opportunity for the public in attendance to address the Commission. Dave Baker of Colorado Central Station and Todd Steffen of the Isle of Capri welcomed the Commission.

### **Request to Rescind Stipulation in Case No. DC 95005**

Ceri Williams, Assistant Attorney General, presented a request on behalf of the Gilpin Casino to rescind a stipulation established in Case No. DC 95005. The stipulation pertains to using maps to designate the gaming areas in the casino. Ms. Williams stated that the Division of Gaming has no objections to the rescission. The Commission voted unanimously to rescind the stipulation.

### **Request to Consider Initial Decision in Case No. GAD 04-08**

Because she acted as Hearing Officer in Case No. GAD 04-08, Chairperson Meyer recused herself from this segment of the session, and Vice Chair Millman presided. John Baird, Assistant Attorney General representing the Gaming Commission, presented a status report of the case. He recommended that the Commission accept the brief letter Khahn Sivities delivered to the Division of Gaming on August 12, 2004, as the filing of exceptions required for an appeal.

The Commission voted unanimously to notify Mr. Sivities that his written exceptions must be filed with the Division of Gaming by September 29, 2004. Ceri Williams, Assistant Attorney General for the Division of Gaming, will then have 10 days to file a response. On October 21, 2004, the Commission, with the Chair recused, will hear oral arguments limited to 15 minutes for each side. No new evidence will be permitted.

### **Rulemaking**

Supervisory Investigator Chris Hartman presented amendments to Rule 8 (Rules for Blackjack).

Rule 8 – The amendment allows the blackjack variation game, Double Action Blackjack. There were no objections, and the Commission voted unanimously to amend 47.1-834.1 of Rule 8.

Supervisory Investigator Chris Hartman and Investigator Jim Wattles presented amendments to Rule 10 (Rules of Poker).

Rule 10 – A new table game, 3-5-7 Poker, by Gaming Entertainment was demonstrated. It has been in field trials in two casinos, and no problems have surfaced. The game is being used in Las Vegas and in Mississippi at this time. The Commission voted unanimously to allow the use of 3-5-

7 Poker by amending 47.1-1017.37 of Rule 10. Rulemaking hearings on the remaining regulations in Rule 10 were continued until the next Commission meeting, October 21, 2004.

**Presentation of Williams Gaming, Inc. (WMS) Wide Area Progressive System**

Georgine Zalesky, Chief Auditor; Jean Courey Brown, Vice President of Product Development at WMS Gaming; and Daurean Sloan, Executive Director of Regulatory Compliance at WMS Gaming presented a wide area progressive (WAP) system utilizing the approved game of "Monopoly." The system has been field tested in Colorado. Seven casinos are interested in participating in the WAP, with a total of 25 machines in use at the onset. The Commission voted unanimously to approve the WAP for Colorado.

**Presentation of Financial Statements for July 31, 2004**

Janet Ford, Division Controller, presented the Division's Statement of Gaming Revenues, Gaming Taxes and Expenditures (unaudited) for the Month ended July 31, 2004.

**New Investigator Sworn In**

Phil Dinan, Agent in Charge in Central City, introduced a new investigator, Christopher Teague. The Chair administered the Oath of Office to Investigator Teague.

**Organizational Matters**

Minutes of the August 19, 2004, meeting were unanimously approved by the Commission.

**Adjournment**

The Chair adjourned the meeting at 12:10 p.m.

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Marilyn Davis, Secretary to the Colorado Limited Gaming Control Commission

## Colorado Limited Gaming Control Commission

### Minutes of Meeting October 21, 2004

#### Call to Order

The October 21, 2004, meeting of the Colorado Limited Gaming Control Commission was called to order by Commission Chair Natalie Meyer at 9:09 a.m. at the Division of Gaming, 1881 Pierce Street, Lakewood, Colorado. She noted for the record that until a new Commissioner is named by the Governor to replace Commissioner Phil Walter, the Gaming Commission will operate with four members.

#### Officials & Administrators in Attendance

Natalie Meyer, Commission Chair  
Rob Millman, Commission Vice Chair  
Shirley Harris, Commissioner  
Barbara A. Jenkins, Commissioner  
Mark Wilson, Director of Gaming  
Laura Manning, Chief of Investigations  
Brenda Davis, Director of Administration  
Georgine Zalesky, Chief Auditor  
Ray Cherhoniak, Manager of Emerging Technologies  
LaToiya Ancar, Licensing Supervisor  
Janet Ford, Controller  
Don Burmania, Communications Director  
Ron Kammerzell, Agent in Charge, Lakewood  
Phil Dinan, Agent in Charge, Central City  
Gary Watada, Agent in Charge, Cripple Creek  
Pete Mang, Deputy Director, Colorado Bureau of Investigation  
Bob Brown, Agent in Charge, Colorado Bureau of Investigation, Gaming Unit  
Ceri Williams, Assistant Attorney General  
John Baird, Assistant Attorney General

#### Executive Session

The Commission voted unanimously to go into Executive Session to review reports from the Division of Gaming and the Colorado Bureau of Investigation.

#### Public Session

The Public Session reconvened at 10:25 a.m.

#### Approval of Licensing Actions

The Commission voted unanimously to renew the following retail licenses, which shall be effective upon expiration of their current licenses and shall expire on November 16, 2005:

- G.F. Gaming Corp. d/b/a The Famous Bonanza Casino Corp.
- G.F. Gaming Corp. d/b/a Easy Street Casino

The Commission voted unanimously to approve the change of ownership as outlined in the Investigative Report for PDS Gaming Corporation Colorado. John Tipton, counsel for PDS Gaming, expressed appreciation to the Division's staff for its assistance with the merger process.

### **Presentation of Division Financial Statements for August 31, 2004**

Janet Ford, Division Controller, presented the Division's Statement of Gaming Revenues, Gaming Taxes and Expenditures (unaudited) for the Month ended August 31, 2004. In a brief discussion about indirect costs, Janet explained that each fiscal year's figures are based on the preceding year's actual costs. Costs in FY 2004 were forecast higher than actual costs because they were based on FY 2003 costs, which included large IT expenditures. The figures forecast for the current fiscal year (FY 2005) are more reasonable because they are based on the actual costs experienced in FY 2004.

### **Opportunity for the Public to Address the Commission**

The Chair extended an opportunity for the public in attendance to address the Commission.

### **Colorado Court of Appeals Decision in William H. Sheridan v. Colorado Division of Gaming**

Ceri Williams, Assistant Attorney General, explained that the Colorado Court of Appeals has affirmed a decision by the El Paso District Court dismissing William H. Sheridan's lawsuit against the Colorado Division of Gaming for lack of jurisdiction. In 2002, Mr. Sheridan filed a Petition for Declaratory Order before the Gaming Commission concerning his allegation that he should have been paid a \$40,000 "bad beat" jackpot. The Commission denied the Petition, and Mr. Sheridan filed three subsequent lawsuits. All were dismissed by the Court.

### **Rulemaking**

The Commission continued the hearings on proposed amendments to Colorado Gaming Rule 10 (Rules of Poker). Regulations concerning a new table game by Gaming Entertainment, 3-5-7 Poker, were adopted during the Sept. 16, 2004, Commission Meeting. The remaining regulations in Rule 10 were continued until this meeting. Supervisory Investigator Chris Hartman and Investigator Jim Wattles presented the amendments. The Commission voted unanimously to amend Rule 10 as presented.

### **Emerging Technologies Quarterly Reports**

Mark Distel, Training Coordinator, presented the Division's Quarterly Training Report. Brenda Davis presented the Systems & Machine Approval Committee (SMAC) Quarterly Report. She introduced the new Manager of Emerging Technologies, Ray Cherhoniak, who has been a Compliance Investigator in the Division's Cripple Creek office.

### **Swearing In Ceremony**

The Chair administered the Oath of Office to Timothy Martinez, a new Investigator assigned to the Cripple Creek office.

### **Disciplinary Action**

Ceri Williams presented Stipulation & Agreement Case No. SA 04-04 against Michael Magnuson, License No. 03360. The Commission voted unanimously to approve the Order and authorized the Chair to sign it.

### **Approval of Minutes**

Minutes of the September 16, 2004, meeting were unanimously approved by the Commission.

### **Presentation of Communications Award**

Mark Wilson and Brenda Davis presented an award made to Don Burmania, Division Communications Director, at the Global Gaming Expo 2004 (G2E) earlier in October in Las

Vegas. Don received the American Gaming Association's annual Communications Award for Best Website Produced by a Supplier/Vendor, Agency or Association. Don was also presented with a Division Customer Service Award.

**Consideration of the Initial Decision in Case No. GAD 04-08**

Because she acted as Hearing Officer in Case No. GAD 04-08, Commission Chair Meyer recused herself from this segment of the meeting, and Vice Chair Millman presided. Assistant Attorneys General John Baird, representing the Gaming Commission, and Ceri Williams, representing the Division of Gaming, were present. Neither the petitioner, Khanh Sivisay, nor an attorney representing him appeared to present an oral argument.

Earlier in 2004, Mr Sivisay was denied a support license for multiple reasons, including failing to disclose a gambling-related misdemeanor on his application and his involvement in illegal gambling. Mr. Sivisay appealed the denial, and a hearing was held on July 29, 2004. Hearing Officer Meyer upheld the denial in her Initial Decision. Mr. Sivisay appealed to the Commission to reverse the Initial Decision.

The Commission voted unanimously to uphold the Initial Decision issued by Hearing Officer Meyer on July 29, 2004.

**Adjournment**

The Vice Chair adjourned the meeting at 11:45 a.m.

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Marilyn Davis, Secretary to the Colorado Limited Gaming Control Commission

## **Colorado Limited Gaming Control Commission**

Minutes of Public Session  
November 18, 2004

### **Call to Order**

The November 18, 2004, meeting of the Colorado Limited Gaming Control Commission was called to order by Commission Chair Natalie Meyer at 9:02 a.m. at the Division of Gaming, 1881 Pierce Street, Lakewood, Colorado. She announced that the Governor has appointed James Alderden, Sheriff of Larimer County, to replace Commissioner Phil Walter. Sheriff Alderden will serve as the Gaming Commission's member who has had at least five years of law enforcement experience as a peace officer certified pursuant to section 24-31-305 of the Colorado Revised Statutes. Sheriff Alderden plans to attend the Commission meeting scheduled for December 16, 2004.

### **Officials & Administrators in Attendance**

Natalie Meyer, Commission Chair  
Rob Millman, Commission Vice Chair  
Shirley Harris, Commissioner  
Barbara A. Jenkins, Commissioner  
M. Michael Cooke, Executive Director, Dept. of Revenue  
Dave Dechant, Senior Director of Enforcement  
Mark Wilson, Director of Gaming  
Laura Manning, Chief of Investigations  
Brenda Davis, Director of Administration  
Georgine Zalesky, Chief Auditor  
Ray Cherhoniak, Manager of Emerging Technologies  
LaToiya Ancar, Licensing Supervisor  
Janet Ford, Controller  
Don Burmania, Communications Director  
Ron Kammerzell, Agent in Charge, Lakewood  
Phil Dinan, Agent in Charge, Central City  
Gary Watada, Agent in Charge, Cripple Creek  
Pete Mang, Deputy Director, Colorado Bureau of Investigation  
Bob Brown, Agent in Charge, Gaming Unit, Colorado Bureau of Investigation  
Ceri Williams, Assistant Attorney General

### **Executive Session**

The Commission voted unanimously to go into Executive Session to review reports from the Division of Gaming and the Colorado Bureau of Investigation.

### **Public Session**

The Public Session reconvened at 10:12 a.m.

### **Approval of Licensing Actions**

The Commission voted unanimously to renew the following licenses, which shall expire one year from the date of their current expirations:

- Vista Gaming Corporation (Manufacturer/Distributor and Operator)
- Riviera Black Hawk, Inc., d/b/a Riviera Black Hawk Casino (Retail)

The Commission voted unanimously to approve the changes of ownership as outlined in the Investigative Reports for the following:

- Rocky Mountain Gaming Equipment, Inc., d/b/a Mountain Gaming Distributors (Manufacturer/Distributor and Operator)
- Centaur Colorado, LLC, d/b/a Fortune Valley Hotel and Casino (Retail and Operator)

### **Opportunity for the Public to Address the Commission**

The Chair extended an opportunity for the public in attendance to address the Commission.

- Pete Savage, General Manager of the Riviera Black Hawk Casino, thanked the Commission for renewing his casino's Retail license earlier in the meeting.
- Brenda Davis introduced Anita Synko, a new employee in the Licensing Section of the Division.

### **Presentation of Division Financial Statements for September 30, 2004**

Janet Ford, Division Controller, presented the Division's Statement of Gaming Revenues, Gaming Taxes and Expenditures (unaudited) for the Month ended September 30, 2004. The Commission voted unanimously to approve the report and authorize its distribution.

Janet announced that the Legislative Audit Committee had approved the Division's FY 2004 financial audit that was performed by Ehrhardt Keefe Steiner & Hottman PC. The audit found no areas in need of improvement and made no recommendations. Janet expressed her appreciation to the Accounting Section and Division staff for their assistance and cooperation during the audit.

Janet discussed the First Quarter Budget Report for FY 2005. It projects a surplus in several areas of the budget. The Chair recommended that travel costs be closely monitored. Janet explained that Division personnel use less expensive tickets purchased on the Internet when it is possible, but in some instances those tickets are too restrictive and may cause additional hardship for the Division and for the traveler.

### **Approval of Minutes**

Minutes of the October 21, 2004, meeting were unanimously approved by the Commission.

### **Swearing In Ceremony**

The Chair administered the Oath of Office for Bradley K. Nelson and Chris Moore, two new Criminal Investigators employed in the Cripple Creek Gaming Office.

### **Director's Update**

Mark Wilson announced that the Commission meetings in 2005 will continue to be held on the third Thursday of each month.

Mark reported that Gaming Division staff had taken two recent trips to the Southern Ute and Ute Mountain Ute tribes, as required by the Compact between the Division and the tribes. Tribal operations are facilitated by expertise from the Division, and Mark stated that interactions are outstanding. The tribes are particularly interested in receiving training in emerging technologies.

### **Adjournment**

The Chair adjourned the meeting at 10:47 a.m.

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Marilyn Davis, Secretary to the Colorado Limited Gaming Control Commission



## **Colorado Limited Gaming Control Commission**

Minutes of Public Session  
December 16, 2004

### **Call to Order**

The December 16, 2004, meeting of the Colorado Limited Gaming Control Commission was called to order by Commission Chair Natalie Meyer at 9:02 a.m. at the Division of Gaming, 1881 Pierce Street, Lakewood, Colorado. She introduced a new Commissioner who was recently appointed by the Governor. James Alderden is replacing Commissioner Phil Walter and will complete Commissioner Walter's term, which expires July 1, 2005. Commissioner Alderden is the Sheriff of Larimer County and will serve as the Gaming Commission's member who has had at least five years of law enforcement experience as a peace officer. Commissioner Alderden is a Republican and represents the 4<sup>th</sup> Congressional District. His background includes serving at the Colorado Bureau of Investigation in the Gaming Unit.

### **Officials & Administrators in Attendance**

Natalie Meyer, Commission Chair  
Rob Millman, Commission Vice Chair  
Barbara A. Jenkins, Commissioner  
James Alderden, Commissioner  
Dave Dechant, Senior Director of Enforcement  
Mark Wilson, Director of Gaming  
Laura Manning, Chief of Investigations  
Brenda Davis, Director of Administration  
Georgine Zalesky, Chief Auditor  
Ray Cherhoniak, Manager of Emerging Technologies  
LaToiya Ancar, Licensing Supervisor  
Janet Ford, Controller  
Don Burmania, Communications Director  
Ron Kammerzell, Agent in Charge, Lakewood  
Phil Dinan, Agent in Charge, Central City  
Gary Watada, Agent in Charge, Cripple Creek  
Pete Mang, Deputy Director, Colorado Bureau of Investigation  
Bob Brown, Agent in Charge, Gaming Unit, Colorado Bureau of Investigation  
Ceri Williams, Assistant Attorney General  
Marilyn Davis, Secretary to the Commission

### **Executive Session**

The Commission voted unanimously to go into Executive Session to review reports from the Division of Gaming and the Colorado Bureau of Investigation.

### **Public Session**

The Public Session reconvened at 11:14 a.m.

### **Approval of Licensing Actions**

The Commission voted unanimously to renew the following licenses, which shall expire one year from the date of their current expirations:

- MGC, Inc. (Manufacturer/Distributor)
- Wild Horse Investment Partners, LLC d/b/a Wild Horse Casino (Retail)
- Southwest Casino and Hotel Corporation d/b/a Uncle Sam's Casino (Retail)

- Gold Rush I, LLC d/b/a Gold Rush Hotel and Casino (Retail)
- Gold Rush I, LLC d/b/a Gold Digger's Casino (Retail)
- Millennium Gaming, Inc. (Manufacturer/Distributor)
- Universal Gaming Resources, LLC (Manufacturer/Distributor)
- Blackhawk Brewery and Casino, LLC d/b/a Mardi Gras Casino (Retail)
- Horseshoe Casino, LLC d/b/a Canyon Casino (Retail)
- Horseshoe Casino, LLC d/b/a Grand Plateau Casino (Retail)
- Concorde Black Hawk Corporation d/b/a Golden Gulch Casino (Retail)

The Commission voted unanimously to approve the change of ownership of Millennium Gaming, Inc., as outlined in the investigative report.

The Commission voted unanimously to approve the new permanent manufacturer/distributor license for American Gaming & Electronics, Inc. This license shall expire one year from the date of approval.

The Commission voted unanimously to approve the new permanent retail licenses for Legends Gaming, LLC d/b/a Fitzgeralds Casino, Ameristar Casino Black Hawk, Inc. d/b/a Mountain High Casino, Scarlet's Casino, Incorporated d/b/a Scarlet's Casino, and Teller House Casino, Inc. d/b/a Teller House Casino. These licenses shall be effective upon completion of the standard conditions for a retail license and shall expire one year from the date of approval.

The Commission voted unanimously to approve the new permanent operator licenses for Ameristar Casino Black Hawk, Inc. d/b/a Mountain High Casino, Casino Vision Management (U.S.), Inc., and Casinopartners Management (U.S.), Inc. These licenses shall expire one year from the date of approval.

### **Opportunity for the Public to Address the Commission**

The Chair extended an opportunity for the public in attendance to address the Commission. There were many representatives from newly licensed casinos or from those whose licenses had been renewed. Investigators from the Division of Gaming introduced principal figures from the newly licensed entities with whom they had worked during their background investigations.

Kendal Dittmer introduced William McEnery and G. Dan Marshall from Legends Gaming (Fitzgeralds Casino). Flavio Quintana introduced Peter Walsh, Tom Steinbauer and Tom Malone from Ameristar Casino Black Hawk, Inc. (Mountain High Casino). Lewis Koski introduced Roger Morris and Eddie Lynn from Scarlet's Casino. Several of those who were introduced expressed appreciation to the Commission for granting their licenses and complimented the staff involved for their professionalism.

Larry Hill, representing Horseshoe Casino, LLC, thanked the Commission for renewing the licenses for Canyon Casino and Grand Plateau Casino.

### **Presentation of Disciplinary Action**

Ceri Williams, Assistant Attorney General, presented Case No. SA 04-05, a Stipulation and Agreement in the matter of Joe A. Montoya, Key License No. 20420 and Support License No. 16602. An employee of the Eureka! Casino, Mr. Montoya was charged with sharing tips with a Key licensee in a supervisory position, which is a violation of gaming regulations. He was aware of the illegal activity and failed to report it to the Division of Gaming, another violation.

Ms. Williams stated that Mr. Montoya never acted in a supervisory capacity in connection with the tip sharing violation. He has agreed to pay an \$800.00 fine at intervals as specified in SA 04-05,

and he has surrendered his Key license for a period of five years. He will be allowed to keep his Support license and work in the capacities it permits.

The Commission voted unanimously to approve the Stipulation and Agreement and authorized the Chair to sign it.

**Presentation of Division Financial Statements for October 31, 2004**

Janet Ford, Division Controller, presented the Division's Statement of Gaming Revenues, Gaming Taxes and Expenditures for the four months ending October 31, 2004. The Commission voted unanimously to approve the report and authorize its distribution.

**Approval of Minutes**

Minutes of the November 18, 2004, meeting were unanimously approved by the Commission.

**Director's Update**

Mark Wilson expressed his appreciation to the employees of the Division of Gaming for their outstanding work and professional attitudes during the past year, and he thanked the members of the Commission for their continued commitment.

**Adjournment**

The Chair adjourned the meeting at 11:55 a.m.

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Marilyn Davis, Secretary to the Colorado Limited Gaming Control Commission