

Colorado Limited Gaming Control Commission

Minutes of Public Session
January 20, 2005

Call to Order

The January 20, 2005, 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 noted for the record that there were four Commissioners present and that the fifth position on the Commission was vacant.

Officials & Administrators in Attendance

Natalie Meyer, Commission Chair
Rob Millman, Commission Vice Chair
Barbara A. Jenkins, Commissioner
James Alderden, 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
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
John Baird, First 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 10:55 a.m.

Approval of Licensing Actions

The Commission voted unanimously to renew the retail licenses for MINTER HOLDINGS, LLC d/b/a JOHNNY NOLON'S CASINO and DEC, INC. d/b/a THE EUREKA! LTD. These licenses shall expire one year from the date of their current expirations.

The Commission voted unanimously to approve the following changes of ownership as outlined in the investigative reports for MINTER HOLDINGS, LLC d/b/a JOHNNY NOLON'S CASINO, which holds a retail license, and for PDS GAMING CORPORATION – COLORADO, which holds a manufacturer/distributor license.

The Commission voted unanimously to approve the new permanent operator licenses for:

- GOLDEN MARDI GRAS, INC. d/b/a MARDI GRAS CASINO
- GOLDEN MARDI GRAS, INC. d/b/a GOLDEN GATES CASINO
- GOLDEN MARDI GRAS, INC. d/b/a GOLDEN GULCH CASINO

These licenses are subject to the conditions outlined in the investigatory reports and shall expire one year from the date of approval.

The Commission voted unanimously to approve the new retail licenses for:

- GOLDEN MARDI GRAS, INC. d/b/a MARDI GRAS CASINO
- GOLDEN MARDI GRAS, INC. d/b/a GOLDEN GATES CASINO
- GOLDEN MARDI GRAS, INC. d/b/a GOLDEN GULCH CASINO

These licenses are subject to the conditions outlined in the investigatory reports and shall be effective upon completion of the standard conditions for a retail license. 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. Supervisory Investigator Flavio Quintana from the Division of Gaming introduced Roger Morris, attorney for Golden Mardi Gras, Inc., who, in turn, introduced several officials from the corporation. Chief Executive Officer Blake Sartini spoke to the Commission about the master plan that Golden Mardi Gras, Inc., has for its three properties in Black Hawk.

Presentation of Disciplinary Action

Ceri Williams, Assistant Attorney General, counsel for the Division, presented Case No. SS 05-01, an Order of Summary Suspension in the matter of Joshua Dean Nicolarsen, Support License No. 26227. Mr. Nicolarsen was arrested on November 10, 2004, on a felony charge of 1st Degree Criminal Trespass and related charges. Pursuant to Colorado Gaming Regulation 47.1-405(4), 1 C.C.R. 207.1, licensees must report to the Director, in writing, any arrests or charges within ten days. Ms. Williams stated that, pursuant to §§12-47.1-510(1)(c)(I), (1)(d), and 12-47.1-525, C.R.S., the Commission may discipline any licensee who is currently being prosecuted for a felony.

The Commission voted unanimously to approve the Summary Suspension and authorized the Chair to sign the Order.

Presentation of Petition for Declaratory Order

John Baird, First Assistant Attorney General, counsel for the Commission, presented a Petition for Declaratory Order by Ameristar Casinos, Inc. The Petition for Declaratory Order asks the Commission to decide whether the floor space that can be considered in calculating limited gaming area must be located within the Gaming District.

It was the decision of the Commission that additional information is required before it considers the Petition. The Commission voted unanimously to authorize the issuance of a briefing schedule for Ameristar and for the Division. Ameristar will file an opening brief within 15 days of January 20, 2005; the Division will file an answer brief within 15 days after service of the opening brief; and Ameristar may file a reply brief 10 days after service of the answer brief. If it is determined that oral argument will be heard, it will occur at the Commission meeting on March 17, 2005.

Rulemaking Hearings

Consideration of Rule 10, Rules for Poker. Ray Cherhoniak, Manager of Emerging Technologies, presented an amendment to Colorado Gaming Regulation 47.1-1058, Conduct of tournament, which addresses the number of chips allowed for an initial buy and for re-buys. The Commission voted unanimously to amend the Regulation as presented.

Consideration of Rule 12, Gaming Devices and Equipment. Ray Cherhoniak presented technical amendments to Colorado Gaming Regulations 47.1-1206, Inspection and removal from use, and 47.1-1209, Distribution of cards. The Commission voted unanimously to amend the Regulations as presented.

Emerging Technologies Quarterly Reports

The Quarterly Training Report was presented by Mark Distel, Training Coordinator, who explained the training sessions that took place from October through December 2004.

The Systems & Machine Approval Committee (SMAC) Report was presented by Ray Cherhoniak, who described the games, devices and systems that were approved from October through December 2004.

Presentation of Division Financial Statements for November 30, 2004

Janet Ford, Controller, presented the Statement of Gaming Revenues, Gaming Taxes, and Expenditures for the five months ending November 30, 2004. The Commission voted unanimously to approve the report and authorize its distribution.

Approval of Minutes

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

Director's Update

Mark Wilson announced that Phil Walter, former Commission member, had recently been appointed Chief Investigator for Colorado's Ninth Judicial District.

Adjournment

The Chair adjourned the meeting at 11:48 a.m.

Marilyn Davis, Secretary to the Colorado Limited Gaming Control Commission

Colorado Limited Gaming Control Commission

Minutes of Public Session
February 17, 2005

Call to Order

The February 17, 2005, meeting of the Colorado Limited Gaming Control Commission was called to order by Commission Chair Natalie Meyer at 9:04 a.m. at the Division of Gaming, 1881 Pierce Street, Lakewood, Colorado. She noted for the record that there were four Commissioners present and that the fifth position on the Commission was vacant.

Officials & Administrators in Attendance

Natalie Meyer, Commission Chair
Robert Millman, Commission Vice Chair
Barbara A. Jenkins, Commissioner
James Alderden, 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
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
John Baird, First 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 10:19 a.m.

Approval of Licensing Actions

The Commission voted unanimously to renew the manufacturer/distributor licenses for ATRONIC AMERICAS, LLC and NOVOMATIC COLORADO, INC. and the operator and manufacturer/distributor licenses for WMS GAMING, INC. These licenses shall expire one year from the date of their current expirations.

The Commission voted unanimously to approve the following changes of ownership as outlined in the investigative reports for CENTAUR COLORADO, LLC d/b/a FORTUNE VALLEY HOTEL AND CASINO, which holds retail and operator licenses, and PIONEER GROUP, INC. d/b/a BRONCO BILLY'S SPORTS BAR & CASINO and d/b/a BUFFALO BILLY'S CASINO, which hold retail licenses.

Opportunity for the Public to Address the Commission

The Chair extended an opportunity for the public in attendance to address the Commission. Karin Dittrock-Nathan, representing the Problem Gambling Coalition of Colorado (PGCC), provided an update of PGCC's activities to the Commission.

Approval of Minutes

Minutes of the January 20, 2005, meeting were unanimously approved by the Commission.

Presentation of Disciplinary Actions

Assistant Attorney General Ceri Williams, counsel for the Division, presented two disciplinary actions to the Commission. Case No. SS 05-02 is an Order of Summary Suspension in the matter of Lisa Ann Wright, Support License No. 22666. Ms. Wright failed to notify the Division of an arrest, the related charges or the pending felony charge, which render her unsuitable for continued licensure.

Case No. SS 05-03 is an Order of Summary Suspension against Jason Richard Jewert, Support License No. 29415. Mr. Jewert failed to notify the Division of pending felony charges, which render him unsuitable for continued licensure.

The Commission voted unanimously to approve both of the summary suspensions and authorized the Chair to sign the Orders.

Presentation of Division Financial Statements for December 31, 2004

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

Presentations in the Matter of the Petition for Declaratory Order by Ameristar Casinos, Inc.

Mark Grueskin, Esq., of Isaacson, Rosenbaum, Woods & Levy, P.C. and Gary Reiff, Esq., of Brownstein Hyatt & Farber, P.C. made a joint presentation. Each of them, representing groups of casinos, had filed Motions to Intervene or to Submit Amicus Briefs concerning Ameristar's Petition. Additionally, Mr. Grueskin filed a Request to Include Additional Intervenors, whom he also represented.

Manuel Martinez, Esq., of Holme Roberts & Owen, LLP, gave Ameristar's presentation in opposition to allowing Intervenors.

Executive Session

At 11:55 a.m., following the presentations, the Commission went into Executive Session to discuss the issue.

Public Session

Public Session reconvened at 12:41 p.m.

Commission Ruling and Oral Argument Schedule

The Chair announced that the motions to intervene were granted. She announced that the existing motion to allow additional intervenors was granted, but no more intervenors will be allowed from this date forward.

The Chair announced the following continuation of the Briefing Schedule: The Division of Gaming's Response Brief is due on February 22, 2005. Intervenor's Briefs are due on February 28, along with any attachments. Ameristar's Response is due on March 10. All briefs are to be emailed or faxed to opposing counsel on or before the deadlines given.

The Chair announced that Oral Argument would begin at 1:00 p.m. on March 18, 2005, in Room 110, 1881 Pierce St., Lakewood. The following schedule was established for Oral Argument: Ameristar will be allowed one hour; each attorney representing the Intervenor's will be allowed 15 minutes; the Division of Gaming will be allowed 30 minutes. In general, the time spent responding to questions will not count against the time allowed. Following Oral Argument, the Commission will deliberate in Executive Session. The Commission's decision will be mailed to all participants.

Adjournment

The Chair adjourned the meeting at 12:47 p.m.

Marilyn Davis, Secretary to the Colorado Limited Gaming Control Commission

Colorado Limited Gaming Control Commission

Minutes of Public Session
March 17, 2005

Call to Order

The March 17, 2005, 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 noted for the record that there were four Commissioners present and that the fifth position on the Commission was vacant.

Officials & Administrators in Attendance

Natalie Meyer, Commission Chair
Robert Millman, Commission Vice Chair
Barbara A. Jenkins, Commissioner
James Alderden, Commissioner
Mark Wilson, Director of Gaming
Laura Manning, Chief of Investigations
Brenda Davis, Director of Administration
Ceri Williams, Assistant Attorney General
Georgine Zalesky, Chief Auditor
Ray Cherhoniak, Manager of Emerging Technologies
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
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 10:17 a.m.

Director Mark Wilson and Chief of Investigations Laura Manning congratulated Lakewood's Agent-in-Charge Ron Kammerzell, who will become Director of Investigations for the State Lottery Division on April 1.

Commissioner Millman advised the other Commissioners that prior to the Oral Argument in Case No. DO 04-01, Ameristar's Petition for Declaratory Order, which is scheduled for March 18, 2005, the Commission must act on Ameristar's Motion for Leave to File Reply in Support of Petition for Declaratory Order Two Days Out of Time. The Commission voted unanimously to accept the motion.

Approval of Licensing Actions

The Commission voted unanimously to renew the retail licenses for Penn Bullwhackers, Inc. d/b/a Bullwhackers Casino, Penn Silver Hawk, Inc. d/b/a Silver Hawk Casino, and Penn Bullpen, Inc. d/b/a Bullpen Sports Casino and the manufacturer/distributor and operator licenses for Atlantic City Coin & Slot Service Company, Inc. These licenses shall expire one year from the date of their current expirations.

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 Hotel and Casino, which holds retail 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. Karin Dittrick-Nathan, representing the Problem Gambling Coalition of Colorado (PGCC), announced that Ameristar Casinos, Inc. pledged \$15,000 to the PGCC. Dr. Dittrick-Nathan stated that Ameristar wants the funds to be used for Denver University's assistance program for problem gamblers.

Tom Burke, General Manager of Bullwhackers Casino, thanked the Commission on behalf of Penn National Gaming, Inc., for approving renewal of its retail licenses. Mr. Burke stated that he especially appreciated the assistance from the Division of Gaming's Audit and Emerging Technologies Sections.

Presentation of Division Financial Statements for January 31, 2005

Janet Ford, Controller, presented the Statement of Gaming Revenues, Gaming Taxes, and Expenditures for the seven months ending January 31, 2005. The Commission voted unanimously to approve the report and authorize its distribution.

Approval of Minutes

Minutes of the February 17, 2005, meeting were unanimously approved by the Commission.

Adjournment

The Chair adjourned the meeting at 10:40 a.m.

Marilyn Davis, Secretary to the Colorado Limited Gaming Control Commission

Colorado Limited Gaming Control Commission

Minutes of Public Session
April 21, 2005

Call to Order

The April 21, 2005, meeting of the Colorado Limited Gaming Control Commission was called to order by Commission Chair Natalie Meyer at 9:05 a.m. at the Division of Gaming, 1881 Pierce Street, Lakewood, Colorado. She noted for the record that there were four Commissioners present and that the fifth position on the Commission was vacant.

Officials & Administrators in Attendance

Natalie Meyer, Commission Chair
Robert Millman, Commission Vice Chair
Barbara A. Jenkins, Commissioner
James Alderden, Commissioner
Mark Wilson, Director of Gaming
Laura Manning, Chief of Investigations
Brenda Davis, Director of Administration
Ceri Williams, Assistant Attorney General
Georgine Zalesky, Chief Auditor
Ray Cheroniak, Manager of Emerging Technologies
Janet Ford, Controller
Don Burmania, Communications Director
Flavio Quintana, 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
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 10:50 a.m.

Approval of Licensing Actions

The Commission voted unanimously to renew the retail licenses for Black Hawk/Jacobs Entertainment, LLC d/b/a The Lodge Casino at Black Hawk, which holds retail and manufacturer/distributor licenses; and for Gilpin Hotel Venture d/b/a The Gilpin Hotel Casino, Ltd.; Red Dolly, Inc. d/b/a Red Dolly Casino, Inc.; Ed & Shirley's, Inc. d/b/a The Wild Card Saloon; Shirley & Ed's, Inc. d/b/a Black Hawk Station; Virgin Mule, Inc. d/b/a Virgin Mule Casino; and Pioneer Group, Inc. d/b/a Bronco Billy's Sports Bar & Casino and d/b/a Buffalo Billy's Casino, all of which hold retail licenses. These licenses shall expire one year from the date of their current expirations with the exception of the Black Hawk Station, which shall expire on May 17, 2006.

The Commission voted unanimously to renew the retail and operator licenses of Centaur Colorado, LLC d/b/a Fortune Valley Hotel and Casino for the term of one year from the date of expiration of the current licenses, and to approve the change of ownership as outlined in the investigative report.

Opportunity for the Public to Address the Commission

The Chair extended an opportunity for the public in attendance to address the Commission. Mike Shubic, representing The Lodge Casino at Black Hawk, thanked the Commission for renewing its retail and manufacturer/distributor licenses.

Speaking on behalf of Ameristar Casinos, Inc., Ken Felan, Internal Audit Manager of Mountain High Casino in Black Hawk, and Gillian Bidgood, representing Holme Roberts & Owen, LLP, thanked the Commission for accepting Ameristar's Petition for Declaratory Order and for issuing its decision expeditiously. Ms. Bidgood announced that Ameristar has chosen not to appeal the Commission's decision.

Peggy Brown announced that Ameristar's recent gift of \$15,000 to the Problem Gambling Coalition of Colorado would be used to train counselors to assist problem gamblers and their families.

Opening of Hearings for Proposed Amendments to Rule 1401, Gaming Tax

The Commission voted unanimously to open the hearings for proposed amendments to Rule 1401, Gaming Tax. The Chair extended an opportunity for the public to address the Commission on the proposed amendments.

Mark Grueskin, representing the Colorado Gaming Association, asked that the schedule for the gaming tax hearings be revised to allow presentations by the gaming towns and counties to occur in June instead of in May. He stated that the various parties to the tax hearings share a common need for statistical information from each other in order to prepare their presentations for the Commission. The Commission voted unanimously to allow the cities and counties to present their reports in June instead of May.

Brenda Davis presented an overview of the Division of Gaming's tax methodology, citing the Colorado Revised Statutes that address the Commission's responsibilities in setting the gaming taxes.

The Commission voted unanimously to close the hearings on proposed amendments and to continue the hearings during the regularly scheduled Commission meeting on May 19, 2005.

Fiscal Year 2006 Budget Requests

Department of Public Safety (DPS) Executive Director Joe Morales and Budget Director Erick Scheminske presented an overview of the DPS FY 2006 budget requests, which were prepared in accordance with statewide common figure setting policies. DPS's total request for FY 2006 is \$2,452,955 (28.0 FTE). Divisions within DPS presented their respective budget requests.

Colorado Bureau of Investigation CBI's budget request for FY 2006 is \$754,824 (7.0 FTE), which is an overall increase of \$22,034 over its FY 2005 request. The CBI presentation was given by Pete Mang, Deputy Director; Jonathan Lurie,

Budget Officer; and Bob Brown, Agent in Charge of the Gaming Unit. The Commission voted unanimously to accept the request.

Colorado State Patrol The State Patrol's FY 2006 budget request is \$1,536,871 (19.0 FTE), an increase of \$95,874 over its FY 2005 request. The request was presented by Lt.Col. Bruce Davidson, Acting Chief; Steve Gagnon, Controller; Sgt. Rob Wilson, Teller County; and Sgt. Carol Nero, Gilpin County. The Commission voted unanimously to accept the request.

Division of Fire Safety Fire Safety's FY 2006 budget request is \$161,260 (2.0), a \$15,132 increase over its FY 2005 request. The request was given by Paul Cooke, Director, and Janet Crisman, Budget Officer. The Commission voted unanimously to accept the request.

Colorado Department of Local Affairs Eric Bergman, Director of the Office of Smart Growth, presented DOLA's FY 2006 budget request of \$122,371 (1.0), an increase of \$19,934 over the increase of the FY 2005 request. The Commission voted unanimously to approve the request.

Colorado Department of Revenue, Division of Gaming Janet Ford, Controller, presented the Division's FY 2006 budget request of \$7,142,301 (72.0 FTE), a decrease of .73% from the FY 2005 appropriation. The Commission voted unanimously to accept the request.

Presentation of Supplemental Budget Request for FY 2005

Janet Ford presented the Division's negative supplemental request of \$10,056 for FY 2005, a result of reductions in Leased Vehicles and Risk Management costs. The Commission voted unanimously to accept the request.

Presentation of Division Financial Statements for February 28, 2005

Janet Ford presented the Statement of Gaming Revenues, Gaming Taxes, and Expenditures (unaudited) for the eight months ending February 28, 2005. The Commission voted unanimously to approve the report and authorize its distribution.

Emerging Technologies Quarterly Reports

The Division's Quarterly Training Report for January-March 2005 was presented by Mark Distel, Training Coordinator.

The Systems & Machine Approval Committee (SMAC) Report was given by Ray Cherhoniak, Manager of Emerging Technologies.

Approval of Minutes

Minutes of the March 17, 2005, meeting were unanimously approved by the Commission.

Introductions

Ray Cherhoniak introduced new Compliance Investigators Nicole Lewis and Ken Page, both of whom are working out of the Central City office. Ray also acknowledged Deb Gorham, Systems Specialist.

Director's Announcement

Mark Wilson announced that the July 21 Commission meeting will be held in Central City and the September 15 meeting will be held in Cripple Creek.

Adjournment

The Chair adjourned the meeting at 1:07 p.m.

Marilyn Davis, Secretary to the Colorado Limited Gaming Control Commission

Colorado Limited Gaming Control Commission

Minutes of Public Session
May 19, 2005

Call to Order

The May 19, 2005, meeting of the Colorado Limited Gaming Control Commission was called to order by Commission Chair Natalie Meyer at 9:07 a.m. at the Division of Gaming, 1881 Pierce Street, Lakewood, Colorado. She noted for the record that there were four Commissioners present and that the fifth position on the Commission was vacant.

Officials & Administrators in Attendance

Natalie Meyer, Commission Chair
Robert Millman, Commission Vice Chair
Barbara A. Jenkins, Commissioner
James Alderden, Commissioner
Laura Manning, Chief of Investigations
Brenda Davis, Director of Administration
Ceri Williams, Assistant Attorney General
Georgine Zalesky, Chief Auditor
Ray Cherhoniak, Manager of Emerging Technologies
Janet Ford, Controller
Don Burmania, Communications Director
Flavio Quintana, Agent in Charge, Lakewood
Phil Dinan, Agent in Charge, Central City
Gary Watada, Agent in Charge, Cripple Creek
Bob Brown, Agent in Charge, Gaming Unit, Colorado Bureau of Investigation
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 10:31 a.m.

Approval of Licensing Actions

The Commission voted unanimously to renew the manufacturer/distributor license of PDS Gaming Corporation – Colorado, which shall expire one year from the date of its current expiration.

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.

Disciplinary Actions

Ceri Williams presented two disciplinary actions requiring Commission approval. The Commission voted unanimously to approve and authorize the Chair to sign the following disciplinary actions:

- Order of Summary Suspension, Case No. SS 05-05, In the Matter of Pami Sue Sprague, Support License No. 28689
- Order to Show Cause, Case No. SC 05-01, In the Matter of Levi Woodrow Wilson, Licensee No. 28759

Hearings for Proposed Amendments to Rule 1401, Gaming Tax

The Commission voted unanimously to open the hearings for proposed amendments to Rule 1401, Gaming Tax. The Chair extended an opportunity for the public to address the Commission on the proposed amendments. No one came forward.

Overview of May Tax Hearings Brenda Davis, Director of Administration at the Division of Gaming, presented information concerning gaming impacts on the Colorado State Judicial Branch and the Department of Public Health & Environment (DPHE). Each of these entities has identified ongoing impacts that are funded within their base budgets and are included in their FY 2007 continuation requests to the Joint Budget Committee. The Judicial Branch costs are driven by workload increases in Gilpin and Teller Counties. Costs for DPHE relate to three of its divisions: Consumer Protection, Air Quality Control and Water Quality Control.

Local Government Limited Gaming Impact Advisory Committee Eric Bergman, Program Manager at the Department of Local Affairs, discussed the grants that are distributed through the Local Government Limited Gaming Impact Fund, which receives at least 13% of gaming tax revenues. In 2005, the total funds awarded will be just over \$10.6 million. The funding is used to repair wear and tear on county roads and bridges and for increased costs for law enforcement and human services.

State Historical Society Georgianna Contiguglia, President of the Colorado Historical Society, and Mark Wolfe, Director of the State Historical Funds, presented an overview of the grants the Fund provides with its portion of gaming tax revenue. The Fund requires matching funds for its awards, and it has made over 2,600 awards in the last 12-13 years. Each county in the state has benefited from its grants. Its largest project is the Colorado State Capitol Life Safety Project which began in 2003 and will be completed in 2008. Another of its major grants has been to the Colorado Tourism Office, providing funding for heritage tourism projects. The Commission Chair requested that appropriate signage be provided at sites that have been created or improved by gaming revenue. Mark Wolfe advised that required signage is posted where and when required and if she was aware of any deviations, to let him know where and he would immediately address it.

Colorado Department of Transportation Bruce Nilemo, Budget Analyst, presented an overview of the impact of gaming on CDOT. Because of budget constraints, CDOT's requests for funding in FY 2004, FY 2005 and FY 2006 were denied by the Joint Budget Committee, although the JBC acknowledged that CDOT's requests were legitimate. For FY 2007, its request is \$11.3 million which would be allocated primarily for maintenance and construction.

The Commission voted unanimously to close the hearings on proposed amendments and to continue the hearings during the regularly scheduled Commission meeting on June 16, 2005, beginning at 9:30 a.m.

Interagency Agreements and Appropriation Letters

Janet Ford, Division Controller, presented the FY 2006 Interagency Agreements and appropriation letters outlining the maximum financial obligations that were approved by the Commission at its April 21, 2005, meeting. The agencies and the FY 2006 appropriation granted to them are as follows:

Colorado State Patrol	\$1,536,871
Colorado Bureau of Investigations	754,824
Division of Fire Safety	161,260
<u>Department of Local Affairs</u>	<u>122,371</u>
Total Appropriations	\$2,575,326

The Commission voted unanimously to approve and to authorize the Chair to sign the Interagency Agreements and appropriation letters as presented.

Presentation of Division Financial Statements for March 31, 2005

Janet Ford presented the Statement of Gaming Revenues, Gaming Taxes, and Expenditures (unaudited) for the nine months ending March 31, 2005. The Commission voted unanimously to approve the report and authorize its distribution.

Organizational Matters

Minutes of the April 21, 2005, meeting were unanimously approved by the Commission.

The Commission agreed to begin its June 16, 2005, executive meeting at 8:30 a.m. and its public meeting at 9:30 a.m.

Adjournment

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

Marilyn Davis, Secretary to the Colorado Limited Gaming Control Commission

Colorado Limited Gaming Control Commission

Minutes of Public Session

June 16, 2005

Call to Order

The June 16, 2005 meeting of the Colorado Limited Gaming Control Commission was called to order by Commission Chair Natalie Meyer at 8:35 a.m. at the Division of Gaming, 1881 Pierce Street, Lakewood, Colorado. She noted for the record that there were four Commissioners present and that the fifth position on the Commission was vacant.

Officials & Administrators in Attendance

Natalie Meyer, Commission Chair

Robert Millman, Commission Vice Chair

Barbara A. Jenkins, Commissioner

James Alderden, Commissioner

David Dechant, Senior Director of Enforcement

Mark L. Wilson, Director, Division of Gaming

Laura Manning, Chief of Investigations

Brenda Davis, Director of Administration

Ceri Williams, Assistant Attorney General

Ray Cherhoniak, Manager of Emerging Technologies

Janet Ford, Controller

Flavio Quintana, Agent in Charge, Lakewood

Phil Dinan, Agent in Charge, Central City

Gary Watada, Agent in Charge, Cripple Creek

Bob Brown, Agent in Charge, Gaming Unit, Colorado Bureau of Investigation

Steve Johnson, Division Director – Investigations, Colorado Bureau of Investigation

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 9:55 a.m.

Approval of Licensing Actions

The Commission voted unanimously to renew the retail license and change of ownership for the Colorado Grande Enterprises, Inc. d/b/a Colorado Grande Gaming Parlor and the Imperial Gaming Corporation d/b/a Imperial Hotel & Casino Corp. The licenses shall expire one year from the date of their current expirations.

The Commission voted unanimously to renew the retail licenses of Casino Holdings, Inc. d/b/a Brass Ass Casino; Holland Ventures, Inc. d/b/a J.P. McGill's Hotel & Casino;

Midnight Rose Hotel & Casino, Inc. d/b/a Midnight Rose Hotel & Casino; WMCK Acquisition Corp. d/b/a Womacks Casino; Century Casinos Cripple Creek, Inc. d/b/a Legends Casino; Richman Properties, LLC d/b/a Richman Casino; the manufacturer/distributor license of Western Money Systems, Inc.; and the operator license of John A. Schaffer. These licenses shall expire one year from the date of their current expirations.

The Commission voted unanimously to approve the changes of ownership detailed in the investigative reports for PDS Gaming Corporation-Colorado, which holds a manufacturer/distributor license, and Centaur Colorado LLC d/b/a Fortune Valley Hotel and Casino, which holds retail 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 on any topic not on the agenda. No one came forward.

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

Ray Cherhoniak presented the Williams Gaming, Inc. (WMS) Wide Area Progressive System and said the Division recommends approval for its use in Colorado. He introduced two representatives from WMS who were present: Jean Brown, Vice President for Product Development, and Daurean Sloan, Executive Director of Regulatory Compliance.

The Commission voted unanimously to approve the Williams Gaming, Inc. (WMS) Wide Area Progressive System as presented.

Deb Gorham, Systems Specialist in the Emerging Technologies Section, introduced Garry Brown, who recently transferred from the Central City/Black Hawk Audit Section to Emerging Technologies.

Continuation of Hearings for Proposed Amendments to Rule 1401, Gaming Tax

The Commission voted unanimously to open and continue the hearings for proposed amendments to Rule 1401, Gaming Tax. The Chair extended an opportunity for the public to address the Commission on the proposed amendments. No one came forward.

Presentation of FY 2006 Revenue Projections Janet Ford, Controller of the Division of Gaming, presented the Division's FY 2006 Revenue Projections. The projections are based on 47 open casinos in FY 2006. The Division projected a 3% growth in overall AGP, resulting in a projection of \$770.78 million AGP for FY 2006.

Presentation by Anton Collins Mitchell LLP Melissa Holmes, Audit Manager for the Division's Central City/Black Hawk office, introduced Stacey Hekkert, CPA, and Tom Hughes, CPA, representing Anton Collins Mitchell LLP (ACM). They explained that standard financial statements are required to be filed on a calendar year basis, yet the gaming tax structure is on a fiscal year basis. They pointed out that the number of casinos increased 5% in the last year, from 44 to 46. They also mentioned that the top two tiers of casinos, Tier 5 and Tier 6, bring in 71% of the total revenue. There are six casinos in

Tier 5, which includes those in the \$20 to \$50 million AGP bracket. Tier 6 has four casinos, each with an AGP over \$50 million.

Executive Session

The Commission went into Executive Session to receive confidential information from ACM.

Public Session

Public Session reconvened at 12:02 p.m.

Presentation by the City of Central Mayor Buddy Schmalz reported that Central City has experienced revenue increases based primarily on economic growth due to the opening of the Central City Parkway. He said a public/private 500-car parking structure is under construction, and he anticipates that another structure of the same size will be built using public financing only. The Mayor stated that there is good cooperation between Central City and Black Hawk as they work together for mutual benefit. A joint shuttle service is currently being created. The Mayor asked that the tax rate for FY 2006 be kept the same.

Presentation by the City of Black Hawk Richard F. Lessner, City Manager of Black Hawk, said that Black Hawk is pleased that the two cities are working together on transportation efforts at this time. He acknowledged that the opening of the Central City Parkway has benefited Central City but stated that business in Black Hawk has also increased. Mr. Lessner said that Black Hawk is comfortable with the existing tax structure and recommended that it remain the same.

Presentation by Gilpin County Jeanne Nicholson, Chair of the Gilpin County Commission, and Roger Baker, County Manager, requested that the existing tax rates and brackets be retained. They said that Gilpin County relies heavily on gaming revenues, and, because of them, the county has been able to support a recreation center, a child care center, a family medical center and an ambulance service.

Presentation by the City of Cripple Creek Kip Peterson, City Administrator, reported that they are still pursuing federal designation as a national historic location for heritage tourism, but they have gone ahead with a regional heritage and historic program. They will be promoting next year's bicentennial observance of Zebulon Pike's first attempt to climb what became known as Pike's Peak. They are in the design phase for a medical center and are hoping to eventually have physicians working there five days a week. Mr. Peterson requested that the tax structure remain the same.

Presentation by Teller County Bob Campbell, Chair of the County Commission, and Greg Winkler, County Administrator, recommended that the current tax structure be continued. They reported that law enforcement and transportation projects benefit the most from the County's gaming revenues. Nearly all of the County's income is gaming-related, and its financial stability is maintained by that income. They stated that proper signage crediting tax revenue from gaming is displayed at construction sites, which include window and door renovations at the Courthouse.

Presentation by the Colorado Gaming Association Mark Grueskin, Legal Counsel to the Colorado Gaming Association (CGA), stated that increases in previous years had encouraged requests for tax cuts, but that is not the case this year. He said that the CGA encourages using part of the revenue increase this year to aid Emerging Technologies with approval, testing and training efforts. He believes that the customer base is increasingly sophisticated, making advertising and promotions necessary to attract more customers. He urged more rapid implementation of emerging technologies to help keep customers in Colorado. The CGA prefers that tax rates remain the same. It would like to see the Division have more revenue available to increase its staff so that the approval process for technology can be accomplished more quickly. He said that gaming investors look at technology as a good investment.

Opportunity for Public Comment The Chair extended an opportunity for the public to address the Commission concerning proposed amendments to Rule 1401, Gaming Tax. No one came forward.

Close of Hearings for Proposed Amendments to Rule 1401, Gaming Tax

The Commission voted unanimously to close the hearings on proposed amendments to Rule 1401, Gaming Tax, and to open an Executive Session to deliberate changes to the gaming tax.

Executive Session

The Commission entered into Executive Session at 1:03 p.m. to deliberate changes to the gaming tax.

Public Session

The Chair announced that the Commission had voted unanimously to leave the tax structure as it is for FY 2006.

Opening of Hearings on Proposed Amendments to Rule 3 – 47.1-303 and 47.1-305

The Commission voted unanimously to open the hearings on proposed amendments to Colorado Gaming Regulations, Rule 3 – 47.1-303 and 47.1-305, Applications, Investigations and Licensure.

47.1-303 License and Application Fees Janet Ford stated that the Division of Gaming recommends the current license fees for new and renewal support and key licenses be retained for FY 2006. The Commission voted unanimously to leave the license fees at the current level for FY 2006.

47.1-305 Background Investigation Hourly Rate Janet Ford reviewed the Commission's fee policy passed on May 14, 1995, which states:

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

In order to comply with the fee policy, the Division recommends that the current hourly rate of \$62.00 be lowered to \$59.00. The decrease in average hourly cost is primarily

attributed to turnover in the background investigations unit, with positions being filled at lower pay levels.

The Commission voted unanimously to change the hourly investigation fee to \$59.00 and amend Colorado Gaming Regulation 47.1-305 to reflect the \$59.00 per hour rate in place of the current \$62.00 per hour rate.

The Commission voted unanimously to adopt the findings contained in and authorize the Chair to sign the Resolution Concerning Emergency Amendments to Colorado Gaming Regulation 47.1-305.

Presentation of Division Financial Statements for April 2005

Janet Ford presented the Statement of Gaming Revenues, Gaming Taxes, and Expenditures (unaudited) for the ten months ending April 30, 2005. The Commission voted unanimously to approve the report and authorize its distribution.

Organizational Matters

Minutes of the May 19, 2005 meeting were unanimously approved by the Commission.

Director Wilson announced that the July meeting, previously slated to be held in Central City, will instead be in Lakewood. The rule hearings that had been noticed for the July meeting have been re-noticed for the August meeting. These hearings concerned the following:

- Consideration of amendments to Regulation 47.1-313, restricting licensed premises to the constitutionally defined commercial districts of Black Hawk, Central City and Cripple Creek.
- Consideration of other amendments to Rule 3, Applications, Investigations and Licensure.
- Consideration of amendments to Regulation 47.1-1003, authorizing the game Trips Poker.
- Consideration of other amendments to Rule 10, Rules of Poker.

Adjournment

The Chair adjourned the meeting at 3:05 p.m.

Marilyn Davis, Secretary to the Colorado Limited Gaming Control Commission

Colorado Limited Gaming Control Commission

Minutes of Public Session

July 21, 2005

Call to Order

The July 21, 2005 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 noted for the record that there were four Commissioners present and that the Governor has appointed Florence Hunt of Pueblo to be the fifth Commissioner. She was unable to attend the meeting due to a scheduling conflict.

Officials & Administrators in Attendance

Natalie Meyer, Commission Chair
Robert Millman, Commission Vice Chair
Barbara A. Jenkins, Commissioner
James Alderden, Commissioner
Mark L. Wilson, Director, Division of Gaming
Laura Manning, Chief of Investigations
Brenda Davis, Director of Administration
Ceri Williams, Assistant Attorney General
Ray Cherhoniak, Manager of Emerging Technologies
Janet Ford, Controller
Flavio Quintana, Agent in Charge, Lakewood
Phil Dinan, Agent in Charge, Central City
Gary Watada, Agent in Charge, Cripple Creek
Bob Brown, Agent in Charge, Gaming Unit, Colorado Bureau of Investigation
Steve Johnson, Division Director – Investigations, Colorado Bureau of Investigation
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 10:37 a.m.

Election of Chair and Vice Chair of the Commission for Fiscal Year 2006

Commission Chair Meyer relinquished the Chair to Assistant Attorney General Ceri Williams to conduct the election of the Chair and Vice Chair of the Commission for Fiscal Year 2006. The Commission voted unanimously to elect Commissioner Meyer as Chair and Commissioner Millman as Vice Chair for Fiscal Year 2006.

Approval of Licensing Actions

The Commission voted unanimously to renew the Operator and Manufacturer/distributor licenses for International Game Technology (IGT); Bally Gaming, Incorporated d/b/a Bally Gaming and Systems; and Aristocrat Technologies, Inc; the Manufacturer/distributor license of Royal Bell, Ltd. d/b/a Mills Bell-O-Matic Sales Company; and the Operator license of Colorado Casino Resorts, Inc. The licenses shall expire one year from the date of their current expirations.

The Commission voted unanimously to renew the Retail licenses for Creeker's Inc. d/b/a Creeker's Casino; Gold Creek Ventures, LLC d/b/a Gold Creek Casino; and Double Eagle Resorts, Inc. d/b/a Double Eagle Hotel and Casino. The licenses shall expire one year from the date of their current expirations.

Opportunity for the Public to Address the Commission

The Chair extended an opportunity for the public in attendance to address the Commission on any topic not on the agenda. Lois Rice, representing the Problem Gambling Coalition of Colorado (PGCC), introduced Amber Bunch, a graduate student at the University of Colorado at Denver, who has been selected as PGCC's first executive director. Recent donations from casinos have made it possible to employ Ms. Bunch.

Disciplinary Actions

Ceri Williams presented two disciplinary actions to the Commission. The Commission voted unanimously to authorize the Chair to sign the Order to Show Cause, Case No. SC 05-02, In the Matter of Edward Lawrence Nutt, Support License No. 24454. The Commission voted unanimously to approve and to authorize the Chair to sign the Findings, Conclusions and Order revoking the Support License of Levi Woodrow Wilson in Case No. SC 05-01.

Presentation of Division Financial Statements for May 2005

Janet Ford, Controller, presented the Statement of Gaming Revenues, Gaming Taxes, and Expenditures (unaudited) for the eleven months ending May 31, 2005. The Commission voted unanimously to approve the report and authorize its distribution.

Emerging Technologies Quarterly Report

Ray Cherhoniak, Manager of Emerging Technologies, presented the April – June 2005 Quarterly Report for the Systems & Machine Approval Committee. In addition, he updated the Commission about the large volume of cases awaiting approval that was discussed at the last Commission meeting. Brenda Davis, Director of Administration, complimented staff members for their efforts to alleviate the situation. Individuals acknowledged for their outstanding work were Georgine Zalesky and Melissa Holmes of the Auditing Section and Ray Cherhoniak, Deb Gorham, Jeff Marone and Garry Brown of the Emerging Technologies Section. Brenda stated that in the future casinos will be given more criteria to evaluate whether they have successfully completed testing. Commissioner Meyer requested a follow-up report on this subject at the next Commission meeting.

Quarterly Training Report

Mark Distel, Training Coordinator, presented the Quarterly Training Report for April – June 2005.

Swearing in of New Investigators

Flavio Quintana, Agent in Charge, introduced Lakewood's new investigators: Eric Gutzait, Peter Holowaty and John Madruga. The Chair administered their oaths of office and presented them with certificates of appointment.

Organizational Matters

Minutes of the June 16, 2005 meeting were unanimously approved by the Commission.

Don Burmania, Director of Communications, presented the Statement of Position on Setting the Gaming Tax for Fiscal Year 2006. The Commission unanimously adopted the Statement of Position.

Adjournment

The Chair adjourned the meeting at 11:37 a.m.

Marilyn Davis, Secretary to the Colorado Limited Gaming Control Commission

Colorado Limited Gaming Control Commission

Minutes of Public Session

August 18, 2005

Call to Order

The August 18, 2005 meeting of the Colorado Limited Gaming Control Commission was called to order by Commission Chair Natalie Meyer at 9:00 a.m. at the Division of Gaming, 1881 Pierce Street, Lakewood, Colorado. She noted for the record that there were four Commissioners present and that the Governor has appointed Florence Hunt of Pueblo to be the fifth Commissioner. She will be present at the September Commission meeting.

Officials & Administrators in Attendance

Natalie Meyer, Commission Chair
Robert Millman, Commission Vice Chair
Barbara A. Jenkins, Commissioner
James Alderden, Commissioner
Mark L. Wilson, Director, Division of Gaming
Laura Manning, Chief of Investigations
Brenda Davis, Director of Administration
Ceri Williams, Assistant Attorney General
Ray Cherhoniak, Manager of Emerging Technologies
Janet Ford, Controller
Flavio Quintana, Agent in Charge, Lakewood
Phil Dinan, Agent in Charge, Central City
Gary Watada, Agent in Charge, Cripple Creek
Bob Brown, Agent in Charge, Gaming Unit, Colorado Bureau of Investigation
Steve Johnson, Deputy Director – Investigations, Colorado Bureau of Investigation
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 and to discuss violations of law with Attorney General John Suthers.

Public Session

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

Approval of Licensing Actions

The Commission voted unanimously to renew the Retail license for The Gold Vein Limited Liability Co. d/b/a Black Diamond Casino and the Operator and Manufacturer/Distributor licenses for Rocky Mountain Gaming Equipment, Inc. d/b/a Mountain Gaming Distributors. These licenses shall expire one year from the date of their current expirations.

Opportunity for the Public to Address the Commission

The Chair extended an opportunity for the public in attendance to address the Commission on any topic not on the agenda. No one came forward.

Rulemaking

Don Burmania, Director of Communications and Ray Cherhoniak, Manager of Emerging Technologies, assisted by Nick Reisdorff, Field Investigator, presented proposed amendments to Colorado Limited Gaming Regulations as follows:

Consideration of Rule 3 – Applications, Investigations and Licensure. [47.1-313(2)(c), Licensed Premises – Location] The amendment removed an ambiguity that was the subject of the Ameristar declaratory order issued by the Commission in April 2005 regarding restriction of the area used for the computation of casino building square footage to the gaming district boundaries as defined in the Colorado Constitution. The Commission voted unanimously to amend Colorado Gaming Regulation 47.1-313 as presented.

Consideration of Rule 1 – General Rules and Regulations. [47.1-106(27.3), Definitions] The amendment changed outdated verbiage identified by Division staff to maintain consistency with current terminology. The Commission voted unanimously to amend Colorado Gaming Regulation 47.1-106 as presented.

Consideration of Rule 8 – Rules of Blackjack. [47.1-843(2), Conduct of Tournament] An amendment was proposed to allow an electronic selection process for random selection of table and seating assignments at blackjack tournaments. The Commission voted unanimously to amend Colorado Gaming Regulation 47.1-843 as presented.

Consideration of Rule 10 – Rules for Poker. [47.1-1003(32-33), Types of poker authorized; 47.1-1017.38(1-16), Trips Poker; 47.1-1017.39(1-19), Texas Hold'Em Bonus Poker; 47.1-1021, Dealing; and 47.1-1058(2), Conduct of Tournament] These amendments established rules for new poker games of Trips Poker and Texas Hold'Em Bonus Poker. Amendments were also proposed to clarify a dealing procedure and to allow for an electronic selection process for random selection of table and seating assignments at poker tournaments. Some clarifying amendments were adopted during the discussion of Trips Poker. The Commission voted unanimously to amend Colorado Gaming Regulations 47.1-1003, 47.1-1017.38, 47.1-1017.39, 47.1-1021 and 47.1-1058 as presented and amended.

Consideration of Rule 12 – Gaming Devices and Equipment. [47.1-1252 (2) Conduct of Tournament] An amendment was proposed to allow an electronic selection process for random selection of machine assignments at slot tournaments. The Commission voted unanimously to amend Colorado Gaming Regulation 47.1-1252 as presented.

Presentation of Division Financial Statements for June 2005

Vickie Floyd, Accountant, presented the Statement of Gaming Revenues, Gaming Taxes, and Expenditures (unaudited) for the twelve months ending June 30, 2005. The Commission voted unanimously to approve the report and authorize its distribution.

Certification of Fiscal Year 2005 Distribution

Janet Ford, Controller, presented the Colorado Limited Gaming Fund Distribution for FY 2005, which totaled \$92,930,204.61. The Commission voted unanimously to certify the distribution of the Gaming funds as presented by the Division.

Roger Baker, Gilpin County Manager, was present, and Commission Chair Meyer presented him with a warrant for \$8,893,755.13, the Gilpin County FY 2005 distribution. Agents in Charge Phil Dinan and Gary Watada will deliver the warrants to the remaining city and county officials.

Swearing in of New Investigators

Phil Dinan, Agent in Charge, introduced Central City/Black Hawk's new investigators, Steven Cowles and Richard Linnebur. The Chair administered their oaths of office and presented them with certificates of appointment.

Organizational Matters

Minutes of the July 21, 2005 meeting were unanimously approved by the Commission.

Mark Wilson and Ceri Williams acknowledged the contributions of Melissa Dougherty, a University of Denver law intern, who has completed her internship with the Division.

Adjournment

The Chair adjourned the meeting at 12:40 p.m.

Marilyn Davis, Secretary to the Colorado Limited Gaming Control Commission

Colorado Limited Gaming Control Commission

Minutes of Public Session
September 15, 2005

Call to Order

The September 15, 2005 meeting of the Colorado Limited Gaming Control Commission was called to order by Commission Chair Natalie Meyer at 9:00 a.m. at the Division of Gaming, 433 East Carr Avenue, Cripple Creek, Colorado. Chairman Meyer noted for the record that Commissioner Barbara A. Jenkins was excused from the meeting because of illness. The Chair also noted that Commissioner Florence Hunt was present for her first Commission meeting.

Officials & Administrators in Attendance

Natalie Meyer, Commission Chair
Robert Millman, Commission Vice Chair
James Alderden, Commissioner
Florence Hunt, Commissioner
David Dechant, Senior Director of Enforcement
Mark L. Wilson, Director, Division of Gaming
Laura Manning, Chief of Investigations
Ceri Williams, Assistant Attorney General
Janet Ford, Controller
Don Burmania, Director of Communications
Georgine Zalesky, Chief Auditor
Flavio Quintana, Agent in Charge, Lakewood
Phil Dinan, Agent in Charge, Central City
Gary Watada, Agent in Charge, Cripple Creek
Bob Brown, Agent in Charge, Gaming Unit, Colorado Bureau of Investigation
Steve Johnson, Deputy Director – Investigations, Colorado Bureau of Investigation
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 10:46 a.m.

Approval of Licensing Actions

The Commission voted unanimously to renew the Retail licenses of Casinos U.S.A., Inc. d/b/a Bull Durham Saloon & Casino; Doc Holliday Casino, LLC; Dostal Alley, Inc. d/b/a Dostal Alley; Isle of Capri Black Hawk, LLC d/b/a Isle of Capri Casino; Barden Colorado Gaming, LLC d/b/a Fitzgeralds Casino; and CCSC/Blackhawk, Inc. d/b/a Colorado Central Station Casino, Inc.; to renew the Operator licenses of Barden Colorado Gaming, LLC

d/b/a Fitzgeralds Casino and CCSC/Blackhawk, Inc. d/b/a Colorado Central Station Casino, Inc.; and to renew the Manufacturer/Distributor license of IOC-Black Hawk Distribution Company, LLC. These licenses shall expire one year from the date of their current expirations, and the current conditions on the Retail license for Casinos U.S.A., Inc., d/b/a Bull Durham Saloon & Casino shall continue for one year.

Opportunity for the Public to Address the Commission

The Chair extended an opportunity for the public in attendance to address the Commission on any topic not on the agenda. Aaron Hyatt, an attorney with Brownstein Hyatt Farber & Strickland PC, thanked the Commission for its renewal of the Isle of Capri's Retail license.

Disciplinary Action

Ceri Williams, Assistant Attorney General, presented the Findings, Conclusions and Order revoking the Support License (No. 24454) of Edward Lawrence Nutt in Case No. SC 05-02. The Commission voted unanimously to approve and to authorize the Chair to sign the Findings, Conclusions and Order.

Presentation of Division Financial Statements for July 2005

Janet Ford, Controller, presented the Statement of Gaming Revenues, Gaming Taxes, and Expenditures (unaudited) for the first month ending July 31, 2005. The Commission voted unanimously to approve the report and authorize its distribution.

Fiscal officers from other agencies in the Department of Revenue were in attendance and were introduced by Ms. Ford. They included Brent Voge, Director of Accounting & Financial Services, and Kathy Heese, Contract Administrator for the Department; and Barb Aggson, Controller, and Deb Decker, Accounting Technician for the Lottery Division.

Swearing in of New Investigators

Gary Watada, Agent in Charge, introduced Cripple Creek's new investigators, Cecil Hutcheson and Michael Ezard. The Chair administered their oaths of office and presented them with certificates of appointment.

Indian Gaming Proposal

Don Burmania, Director of Communications, provided the Commission with a brief synopsis of federal Indian gaming law in light of a proposal by the Cheyenne and Arapaho Tribes of Oklahoma to obtain land in Pueblo on which to conduct tribal gaming.

Organizational Matters

Minutes of the August 18, 2005 meeting were unanimously approved by the Commission.

Mark Wilson, Director, thanked Agent in Charge Gary Watada and the Gaming staff located in Cripple Creek for the hospitality extended to the Gaming Commission and Senior Staff during this trip. He also mentioned that the City of Cripple Creek had provided Commissioners Meyer and Hunt with an afternoon tour so that city improvements made possible by gaming revenues could be noted.

Adjournment

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

Marilyn Davis, Secretary to the Colorado Limited Gaming Control Commission

Colorado Limited Gaming Control Commission

Minutes of Public Session
October 20, 2005

Call to Order

The October 20, 2005 meeting of the Colorado Limited Gaming Control Commission was called to order by Commission Chair Natalie Meyer at 9:01 a.m. at the Division of Gaming, 1881 Pierce Street, Lakewood, Colorado. Chairman Meyer noted for the record that Commissioner Florence Hunt was excused from the meeting because of a family commitment, but the remaining Commissioners were all present.

Officials & Administrators in Attendance

Natalie Meyer, Commission Chair
Robert Millman, Commission Vice Chair
Barbara A. Jenkins, Commissioner
James Alderden, Commissioner
Mark L. Wilson, Director, Division of Gaming
Laura Manning, Chief of Investigations
Brenda Davis, Director of Administration
Ceri Williams, Assistant Attorney General
Janet Ford, Controller
Don Burmania, Director of Communications
Georgine Zalesky, Chief Auditor
Ray Cherhoniak, Manager of Emerging Technologies
Flavio Quintana, Agent in Charge, Lakewood
Phil Dinan, Agent in Charge, Central City
Gary Watada, Agent in Charge, Cripple Creek
Bob Brown, Agent in Charge, Gaming Unit, Colorado Bureau of Investigation
Steve Johnson, Deputy Director – Investigations, Colorado Bureau of Investigation
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 10:45 a.m.

Approval of Licensing Actions

The Commission voted unanimously to renew the Retail licenses for G.F. Gaming Corporation d/b/a The Famous Bonanza Casino Corp.; G.F. Gaming Corporation d/b/a Easy Street Casino; Riviera Black Hawk, Inc. d/b/a Riviera Black Hawk Casino; to renew the Operator license for Vista Gaming Corporation; to renew the Manufacturer/Distributor license for Vista Gaming Corporation; and to issue its first Manufacturer/Distributor

license to NRT Technology Corporation. The license renewals shall expire one year from the date of their current expirations. The first license to NRT Technology Corporation was issued for the term of one year.

Opportunity for the Public to Address the Commission

The Chair extended an opportunity for the public in attendance to address the Commission on any topic not on the agenda. Pete Savage, General Manager of the Riviera Black Hawk Casino, thanked the Commission for renewing the casino's Retail license.

Stephanie Steinberg, volunteer and citizen advocate for Smoke Free Gaming of Colorado, asked the Commission to support a legislative effort to make casinos smoke free. Commissioner Alderden suggested that her group approach local government entities. He explained that they have the power to regulate, and it is sometimes easier to bring about a change at the governmental level most affected by the regulation. Commissioner Millman suggested that her group could approach casinos directly to discuss the issue.

Presentation of Division Financial Statements for August 2005

Janet Ford, Controller, presented the Statement of Gaming Revenues, Gaming Taxes, and Expenditures (unaudited) for the two months ending August 31, 2005. The Commission voted unanimously to approve the report and authorize its distribution.

Disciplinary Actions

Ceri Williams, Assistant Attorney General, presented three Orders of Summary Suspension to the Commission: Case No. SS 05-007, In the Matter of Barbara Jean Hosanna, Support License No. 26790; Case No. SS 05-008, In the Matter of Columbus Neou, Support License No. 29250; and Case No. SS 05-009, In the Matter of William Lee Gregory, Support License No. 20390.

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

Emerging Technologies Quarterly Report

Ray Cherhoniak, Manager of Emerging Technologies, presented the July – September 2005 Emerging Technologies Quarterly Report to the Commission. He mentioned that the Emerging Technologies and Audit Sections have initiated regular meetings to develop a broader knowledge base and insight for Division staff with regard to new technological advancements in gaming.

Quarterly Training Report

Mark Distel, Training Coordinator/Licensing Manager, presented the July – September 2005 Quarterly Training Report to the Commission. He mentioned that the Division's Audit and Emerging Technologies Sections had revised ICMP Ticketing and had presented training sessions to industry personnel.

Organizational Matters

Minutes of the September 15, 2005 meeting were unanimously approved by the Commission.

Mark Wilson, Director, reported that Division personnel had recently visited the Southern Ute Indian Tribe's gaming facility in southwest Colorado. He said members of the Tribe are beginning to attend SMAC (Systems & Machine Approval Committee) meetings.

Chairman Meyer asked for an update on the Pueblo casino project from Lois Rice, Executive Director of the Colorado Gaming Association. Ms. Rice noted that in October the Cheyenne and Arapaho Tribes of Oklahoma decided not to enter into an agreement to construct a casino in Pueblo. The decision was based on financial matters. Ms. Rice said the Tribes are still having some discussions concerning parcels of land near Denver International Airport.

Adjournment

The Chair adjourned the meeting at 11:44 a.m.

Marilyn Davis, Secretary to the Colorado Limited Gaming Control Commission

Colorado Limited Gaming Control Commission

Minutes of Public Session

November 17, 2005

Call to Order

The November 17, 2005 meeting of the Colorado Limited Gaming Control Commission was called to order by Commission Chair Natalie Meyer at 9:16 a.m. at the Division of Gaming, 1881 Pierce Street, Lakewood, Colorado. Chairman Meyer noted for the record that all five Commissioners were present.

Officials & Administrators in Attendance

Natalie Meyer, Commission Chair

Robert Millman, Commission Vice Chair

Barbara A. Jenkins, Commissioner

James Alderden, Commissioner

Florence Hunt, Commissioner

Dave Dechant, Senior Director, Enforcement

Mark L. Wilson, Director, Division of Gaming

Laura Manning, Chief of Investigations

Brenda Davis, Director of Administration

Ceri Williams, Assistant Attorney General

Janet Ford, Controller

Don Burmania, Director of Communications

Georgine Zalesky, Chief Auditor

Ray Cherhoniak, Manager of Emerging Technologies

Flavio Quintana, Agent in Charge, Lakewood

Phil Dinan, Agent in Charge, Central City

Gary Watada, Agent in Charge, Cripple Creek

Bob Brown, Agent in Charge, Gaming Unit, Colorado Bureau of Investigation

Steve Johnson, Deputy Director – Investigations, Colorado Bureau of Investigation

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 10:39 a.m.

Approval of Licensing Actions

The Commission voted unanimously to renew the Retail license for Ameristar Casino Black Hawk, Inc. d/b/a Mountain High Casino and the Operator license for Ameristar Casino Black Hawk, Inc. d/b/a Mountain High Casino; to approve the Change of Ownership for Red Dolly, Inc. d/b/a Red Dolly Casino, Inc.; and to issue its first Operator

license to Luna Gaming-Red Dolly, LLC. The license renewals shall expire one year from the date of their current expirations, and the first license for Luna Gaming-Red Dolly Casino, Inc. is issued for the term of one year.

Opportunity for the Public to Address the Commission

The Chair extended an opportunity for the public in attendance to address the Commission on any topic not on the agenda. Investigator Mark Rule introduced two officials from LGRD Management Company, which manages Luna Gaming-Red Dolly, LLC. Present were Thomas Celani, President, Treasurer and Director of LGRD, and James Oegema, Secretary of LGRD.

Phil Dinan introduced Drew Petersen, Gilpin County's Emergency Preparedness Director, who presented a plaque honoring Colorado Central Station and the Isle of Capri for their cooperation with the emergency drill of a commercial building evacuation. It was conducted on October 1, 2005 at 6:00 a.m. and involved 150 participants of which 70 were casino employees.

Disciplinary Actions

Ceri Williams, Assistant Attorney General, presented Stipulation and Agreements to the Commission in the following matters: Case No. SA 05-01, In the Matter of Golden Mardi Gras Incorporated DBA Mardi Gras Casino; Case No. SA 05-02, In the Matter of Golden Mardi Gras Incorporated DBA Golden Gates Casino; and Case No. SA 05-03, In the Matter of Golden Mardi Gras Incorporated DBA Golden Gulch Casino.

The Commission voted unanimously to approve the Stipulation and Agreements, to adopt the terms of each case as Orders of the Commission, and to authorize the Chair to sign the Orders.

Presentation of Mega Riches™ Multi-Link Progressive System

Ray Cherhoniak, Manager of Emerging Technologies, presented the Mega Riches™ Multi-Link Progressive System and explained the requirements and process involved. The system is ready to start in Colorado in December. Representatives from IGT corporate offices were introduced: Susan Abernathy, Director of Gaming Operations Administration, and Tammy Roberts, Supervisor of the Submissions Administration.

The Commission voted unanimously to approve the Mega Riches™ Multi-Link Progressive System as presented.

Presentation of Division Financial Statements for September 2005

Janet Ford, Controller, presented the Statement of Gaming Revenues, Gaming Taxes, and Expenditures (unaudited) for the three months ending September 30, 2005. The Commission voted unanimously to approve the report and authorize its distribution.

Janet presented copies of the annual audit of the Division of Gaming to the Commissioners. It was released by the Office of the State Auditor on November 7. The audit was conducted by Ehrhardt Keefe Steiner & Hottman P.C., and no recommendations

or areas of concern were reported. Commission Chair Meyer praised Janet and the Accounting Section for this outstanding accomplishment.

Organizational Matters

Minutes of the October 20, 2005 meeting were unanimously approved by the Commission.

Commissioners requested that the Division hold a two-day workshop in January 2006 at which they can be brought up to date on various gaming issues, including identity theft, tax setting, terminology, technology demonstrations, poker games demonstrations, budget procedures, and so forth.

Commissioners expressed concern about the ongoing audit staff shortages and requested the Director to prepare an assessment of the issue. They asked that it be given to them a week before the next Commission meeting and that it focus on recruitment and retention ideas.

Adjournment

The Chair adjourned the meeting at 11:50 a.m.

Marilyn Davis, Secretary to the Colorado Limited Gaming Control Commission

Colorado Limited Gaming Control Commission

Minutes of Public Session

December 15, 2005

Call to Order

The December 15, 2005 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. Chairman Meyer noted for the record that all five Commissioners were present.

Officials & Administrators in Attendance

Natalie Meyer, Commission Chair
Robert Millman, Commission Vice Chair
Barbara A. Jenkins, Commissioner
James Alderden, Commissioner
Florence Hunt, Commissioner
Dave Dechant, Senior Director, Enforcement
Mark L. Wilson, Director, Division of Gaming
Laura Manning, Chief of Investigations
Brenda Davis, Director of Administration
Ceri Williams, Assistant Attorney General
Janet Ford, Controller
Don Burmania, Director of Communications
Georgine Zalesky, Chief Auditor
Ray Cherhoniak, Manager of Emerging Technologies
Flavio Quintana, Agent in Charge, Lakewood
Gary Watada, Agent in Charge, Cripple Creek
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 and for legal advice and discussion with their attorney per Sec. 13-90-107(1)(b).

Public Session

The Public Session reconvened at 10:48 a.m.

Approval of Licensing Actions

The Commission voted unanimously to renew the Retail licenses for Horseshoe Casino, LLC d/b/a Canyon Casino; Horseshoe Casino, LLC d/b/a Grand Plateau Casino; Wild Horse Investment Partners, LLC d/b/a Wild Horse Casino; Southwest Casino and Hotel Corporation 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; Scarlet's Casino, Inc. d/b/a Scarlet's Casino; to renew the Operator license for Casino Vision Management (U.S.),

Inc.; and to renew the Manufacturer/distributor licenses of MGC, INC.; American Gaming & Electronics, Inc.; and Universal Gaming Resources, LLC. The license renewals shall expire one year from the date of their current expirations.

Opportunity for the Public to Address the Commission

The Chair extended an opportunity for the public in attendance to address the Commission on any topic not on the agenda. Michael Hirsch, General Manager of Uncle Sam's Casino and Gold Rush I, LLC, thanked the Commission for the retail renewals, as did Larry Hill, General Manager of the Canyon Casino and Grand Plateau Casino, and Chuck Oxentenko, General Manager of Scarlet's Casino.

Disciplinary Actions

Ceri Williams, Assistant Attorney General, presented an Order to Show Cause, Case No. SC 05-03, In the Matter of Melissa Hope Cogley, Support License No. 25363. The Commission voted unanimously to authorize the Chair to sign the Order.

Ms. Williams presented an Order of Stipulation and Agreement, Case No. SA 05-04, in the Matter of Virgin Mule, Inc. d/b/a Virgin Mule Casino. The Commission denied the Order. An Order to Show Cause will be forthcoming as a result.

Rulemaking

Don Burmania, Director of Communications, presented amendments to Rule 12 – Gaming Devices and Equipment. The Commission voted unanimously to adopt the changes.

Presentation of Division Financial Statements for October 2005

Janet Ford, Controller, presented the Statement of Gaming Revenues, Gaming Taxes, and Expenditures (unaudited) for the four months ending October 31, 2005. The Commission voted unanimously to approve the report and authorize its distribution.

Organizational Matters

Minutes of the November 17, 2005 meeting were unanimously approved by the Commission.

Adjournment

The Chair adjourned the meeting at 11:50 a.m.

Marilyn Davis, Secretary to the Colorado Limited Gaming Control Commission

Colorado Limited Gaming Control Commission

Minutes of Public Session

December 29, 2005

Call to Order

The December 29, 2005 special 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. Chairman Meyer noted for the record that four Commissioners were present and Commissioner Hunt was participating telephonically.

Officials & Administrators in Attendance

Natalie Meyer, Commission Chair

Robert Millman, Commission Vice Chair

Barbara A. Jenkins, Commissioner

James Alderden, Commissioner

Florence Hunt, Commissioner (telephonically until 9:50 a.m.)

M. Michael Cooke, Executive Director, Department of Revenue

David Dechant, Senior Director, Enforcement

Gary Krueger, Chief Financial Officer, Department of Revenue

Mark L. Wilson, Director, Division of Gaming

Ceri Williams, Assistant Attorney General for the Division of Gaming

John Baird, Assistant Attorney General for the Commission

Robert Dodd, Assistant Attorney General for the Department of Revenue

Jon Anderson, Staff Attorney for Gov. Bill Owens

Don Burmania, Communications Director/Acting Secretary to the Commission

The Chair announced the statutory basis for the special meeting to discuss abuses in the administration of the Colorado Limited Gaming Act by the Department of Revenue, and statutorily to report this immediately to the governor and the legislative leadership.

The Chair stated current restrictions on the Commission and Division prohibit the entities from exercising their constitutional responsibilities, and that the purpose of the meeting was to point out the problems that continue to be unresolved and to pray that a quick resolution to these problems would be forthcoming. The Chair provided an overview of the Commission's constitutional and statutory authority to regulate the Colorado gaming industry.

Commissioner Jenkins stated that staff vacancies have prevented the Division of Gaming from conducting and completing financial and compliance audits, which could lead to potential abuses by the industry.

The Vice Chair cited a lack of audits due to staff vacancies, a hiring freeze, the movement of the Division accounting staff to the Department of Revenue, departmental control over

\$15,000 in capital outlay expenses and the departmental denial of expenditures for a two-day Commission work session as intrusions by the executive director of the Department of Revenue and impediments to the Commission's and Division's ability to discharge their duties to strictly regulate limited gaming.

The Vice Chair made the following motion: Pursuant to our duty under C.R.S. 12-47.1-302(1)(d), (e) and (f), I hereby move the Commission immediately report these abuses in the administration of the Gaming Act to the governor and the legislative leadership in order to recommend immediate amendments to the laws, and that the Commission order Mark Wilson, the director of the Division of Gaming, to begin hiring to fill these vacancies. Commissioner Jenkins seconded the motion.

John Tipton testified that as executive director of the Department of Revenue from 1988 until August 1992 he was involved in the constitutional and legislative process that enabled limited gaming starting October 1, 1991, and operated under the understanding the Commission had the clear authority, including taxing and budget authority, to regulate the gaming industry and to ensure its viability. He stated that during his tenure as executive director, the Department viewed its role as a support role to the Commission.

Executive Director Cooke stated she was surprised to learn of the special meeting and the language of the meeting announcement because she was not aware of anything taking place in the Department, the Division or the Commission that rises to this level. She addressed each issue raised by the Commission. She provided timelines and details of the process to fill the four vacancies in the audit staff that came open between December 2004 and September 2005. She explained the Department did not have a hiring freeze in September and October prior to the November election, but had a cautionary stance toward new hires because of potential budget cuts should Referendum C not pass. She outlined a plan to use auditors from the Department's Tax Audit and Compliance Section to perform revenue audits. She described how the budget and accounting functions were centralized within the Department, which led to the movement of the Division accounting section to the Department's central budget office in July 2004, which appeared to be a seamless transition. She explained the reasons why she denied the official function request for the Commission's training session based upon Department policy. She and Mr. Krueger described how placing \$15,000 in spending authority from the Division into a Departmental pot for IT capital expenditures ensures the Division does not purchase IT equipment that is not compatible with Departmental systems and that if the Division does not spend the entire \$15,000, Division funds are not used for other Departmental purposes.

The Chair stated the crux of the problem was that the Department is making decisions that are under the authority of the Commission.

Commissioner Alderden asked Ms. Cooke what would happen if the motion failed.

Ms. Cooke stated the Department is moving forward with a plan to fill vacancies and move audit functions within the Department. She plans to complete the transition plan and have it in place by Jan. 30.

Commissioner Jenkins indicated she did not believe the tax examiners had the ability to look at internal control issues in relation to financial audits.

Mr. Anderson expressed that he believed both the Commission and the Department had similar objectives but were experiencing a breakdown in communication. He recommended a working meeting between the two parties prior to proceeding to the Governor, and that if problems still existed after that meeting, then present those problems to the Governor at that time.

The Vice Chair reiterated the Commission has the legal authority over the budget.

The Chair described the issues discussed during the meeting as a constitutional crisis.

The Vice Chair restated the motion.

The motion passed 3-1, with Commissioner Alderden voting against the motion and Commissioner Hunt abstaining prior to leaving the meeting at 9:50 a.m.

The Chair instructed Mr. Wilson to fill the Commission secretary vacancy by January 5, even if by contract if necessary.

The Chair announced the Commission would be immediately calling the Governor's office after the meeting.

The meeting was adjourned at 10:23.

Don Burmania, Acting Secretary to the Colorado Limited Gaming Control Commission