

Colorado Limited Gaming Control Commission

Minutes of Public Session
October 16, 2014

Public Session

I. Call to Order

The October 16, 2014 meeting of the Colorado Limited Gaming Control Commission was called to order by Chairman Roger Hutson at approximately 10:00 a.m. at the Division of Gaming office, 142 Lawrence Street, Central City, Colorado. Commissioners Jannine Mohr, Chuck Murphy and Doug Darr were present and a quorum existed.

Officials & Administrators in Attendance

Roger Hutson, Chairman
Jannine Mohr, Vice-Chairman
Chuck Murphy, Commissioner
Doug Darr, Commissioner
Ron Kammerzell, Deputy Senior Director, Enforcement Business Group
Laura Manning, Director
Brenda Davis, Director of Administration
Flavio Quintana, Chief of Investigations
Ceri Williams, Senior Assistant Attorney General
Geri Clerkin, Chief Auditor
Vickie Floyd, Controller
Kirsten Gregg, Agent in Charge, Golden
Lad Sullivan, Agent in Charge, Central City
Chris Moore, Agent in Charge, Cripple Creek
Allison Yunko, Secretary to the Commission

Public Session

Chairman Hutson expressed the Commission's gratitude for the hospitality extended by the towns of Black Hawk and Central City, the Gaming Industry and the Division and stated the Commission enjoys being able to visit the community.

II. Opportunity for the Public to Address the Commission

The Chairman extended an opportunity for the public in attendance to address the Commission on any topic not on the agenda.

On behalf of Gilpin County, Gail Watson, Chairman, Gilpin County Commission, expressed appreciation for gaming and its impact in Gilpin County. Ms. Watson continued by proclaiming that approximately half of Gilpin County's budget is allocated from the limited and extended gaming distributions. Chairman Watson proceeded by going on record to voice Gilpin County's opposition to Amendment 68.

III. Consideration of Disciplinary Actions

Ceri Williams, Senior Assistant Attorney General, presented the Findings, Conclusions and Order in Case No. SC DOG14001288, In the Matter of Mark Cisnero Taylor-Chin, Support License No. 43536, the Order to Show Cause in Case No. DOG14000028, In the Matter of Jeremy Wayne Gaskill, Support License No. 43236 and the Order of Summary Suspension in Case No. CDOG 14003400, In the Matter of Michaela Lucinda Rea, Support License No. 43432.

The Commission voted unanimously to approve and authorize the Chairman to sign the disciplinary actions.

IV. Consideration of Amendments to Colorado Gaming Regulations

The Commission voted unanimously to open the hearings on proposed amendments to Colorado Limited Gaming Regulations, Rule 12. Paul Hogan, Systems Manager, Division of Gaming, provided sworn testimony regarding the proposed changes to the following regulations listed below.

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| <u>Rule 12</u> | 47.1-1201 | Device and equipment approval. |
| | 47.1-1202 | Gaming Device and Gaming System testing. |
| | 47.1-1203 | Appeal of test results. |
| | 47.1-1204 | Blackjack table – physical characteristics. |
| | 47.1-1205 | Cards – receipt and storage. |
| | 47.1-1206 | Cards – inspection and removal from use. |
| | 47.1-1207 | Cards, envelopes, and containers to Division. |
| | 47.1-1208 | Duties of a licensee. |
| | 47.1-1209 | Destruction of cards. |
| | 47.1-1210 | Dealing shoes. |
| | 47.1-1211 | Poker table. |
| | 47.1-1212 | Approval of chips and tokens – procedures. [Eff. 04/30/2009] |
| | 47.1-1213 | Specifications for chips and tokens. [Eff. 04/30/2009] |
| | 47.1-1214 | Specifications for the shape and size of chips. Amended 9/14/2012 |
| | 47.1-1214.5 | Chip design definition. |
| | 47.1-1215 | Colors of chips. |
| | 47.1-1216 | Specifications for tokens. |
| | 47.1-1217 | Other devices. |
| | 47.1-1218 | Ownership identification on gaming devices. |
| | 47.1-1219 | Drop box requirements. |
| | 47.1-1220 | Persons not to bring their own cards, die (dice), roulette ball, tokens, or chips. |
| | 47.1-1221 | Definitions for slot machines. |
| | 47.1-1222 | Control program requirements. |
| | 47.1-1223 | Meters. |
| | 47.1-1224 | Randomness events. |
| | 47.1-1225 | Basic slot machine specifications. |
| | 47.1-1226 | Safety requirements. |
| | 47.1-1227 | Backup battery. |
| | 47.1-1228 | ON and OFF switch. |
| | 47.1-1229 | Coin and note acceptors. |
| | 47.1-1230 | Automatic light. |
| | 47.1-1231 | Access to interior. |

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| 47.1-1232 | Hardware switches. |
| 47.1-1233 | Rules of play. |
| 47.1-1234 | Multi-game and multi-denomination slot machines. |
| 47.1-1235 | Power supply filter. |
| 47.1-1236 | Error conditions – automatic reset. |
| 47.1-1237 | Error conditions – cleared by attendant. |
| 47.1-1238 | Hopper mechanism. |
| 47.1-1239 | Communication protocol. |
| 47.1-1240 | Number and value of credits wagered. |
| 47.1-1241 | Software requirements for randomness testing. |
| 47.1-1242 | Software requirements for percentage payout. |
| 47.1-1243 | Software requirements for continuation of game after malfunction. |
| 47.1-1244 | Progressive slot machine games defined. |
| 47.1-1244.5 | Increasing probability and progressive bonus slot machine games. |
| 47.1-1245 | Slot machine tournaments. |
| 47.1-1246 | Tournament machines required. |
| 47.1-1247 | Qualification of players. |
| 47.1-1248 | Entry fee. |
| 47.1-1249 | Calculation of adjusted gross proceeds of tournament play. |
| 47.1-1250 | Cash receipts and prize awards – accounting. |
| 47.1-1251 | Rules of play – slot machine tournaments. |
| 47.1-1252 | Conduct of tournament. |
| 47.1-1253 | House rules for tournament play. |
| 47.1-1254 | Progressive table games defined. |
| 47.1-1255 | Progressive table game meter requirements. |
| 47.1-1256 | Slot machine awards. |
| 47.1-1257 | Definition of component parts. |
| 47.1-1258 | Manufacturers and distributors of component parts. |
| 47.1-1259 | Incidental repairs. |
| 47.1-1260 | Cheating and compliance. |
| 47.1-1261 | Specifications for slot coupons. |
| 47.1-1262 | Use of slot coupons. |
| 47.1-1263 | Definitions for cashless gaming systems. |
| 47.1-1264 | Cashless system standards. |
| 47.1-1265 | Electronic transfer of funds. |
| 47.1-1266 | Electronic transfers of promotional funds. |
| 47.1-1267 | Cashless system bonuses. |
| 47.1-1268 | Validity of tickets and slot coupons. |
| 47.1-1269 | General ticketing standards. |
| 47.1-1270 | Validation. |
| 47.1-1271 | Use of tickets under circumstances of conflicting wagering denominations. |
| 47.1-1272 | Types of tickets. |
| 47.1-1273 | Ticket printers. |
| 47.1-1274 | Ticket reports outlined in the Internal Control Minimum Procedures. |

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| 47.1-1275 | Ticket redemption kiosks. |
| 47.1-1276 | Restriction on ATM or credit card functionality. |
| 47.1-1277 | Ticket and slot coupon irregularity notification. |
| 47.1-1278 | Secure database. |
| 47.1-1279 | Wireless handheld validation unit and the supporting wireless local area network. |
| 47.1-1280 | Dice – physical characteristics. |
| 47.1-1281 | Dice – receipt, storage, inspections, and removal from use. |
| 47.1-1282 | Cancellation and destruction of dice. |
| 47.1-1283 | Electronic promotional credit system definition. Eff 1/14/2012 |
| 47.1-1284 | Electronic promotional credit system control program requirements. Eff 1/14/2012 |
| 47.1-1285 | Electronic promotional credit system standards. Eff 1/14/2012 |
| 47.1-1286 | Establishing electronic promotion meters. Eff 1/14/2012 |
| 47.1-1287 | Personal identification number (PIN). Eff 1/14/2012 |
| 47.1-1288 | Patron online access. Eff 1/14/2012 |
| 47.1-1289 | Communication. Eff 1/14/2012 |
| 47.1-1290 | Promotional play without an established membership. Eff 1/14/2012 |
| 47.1-1291 | Control system operations. Eff 1/14/2012 |
| 47.1-1292 | Transfer of electronic promotional credits. Eff 1/14/2012 |

The public was given an opportunity to address the Commission on the proposed amendments; no one came forward.

The Commission voted unanimously to close the rulemaking hearing and to amend Colorado Limited Gaming Regulations, Rule 12, as presented.

V. Division Financial Statement

Vickie Floyd, Controller, presented the Statement of Gaming Revenues, Gaming Taxes, and Expenditures (unaudited) for the two (2) months ending August 31, 2014.

The Commission voted unanimously to approve the financial statement and authorize its distribution.

VI. Consideration of Organizational Matters

Approval of Minutes – Minutes of the September 18, 2014 Public Session of the Colorado Limited Gaming Control Commission were approved as presented.

Directors' Update:

Ron Kammerzell, Deputy Senior Director, Enforcement Business Group, expressed his appreciation to Division staff in the Central City office for hosting the October meeting of the Colorado Limited Gaming Control Commission. Mr. Kammerzell verbalized the importance of visiting the Central City community and thanked the audience for their attendance.

Laura Manning, Director, Division of Gaming, showed gratitude toward the public and officials who were in attendance at the open house and Commission meeting; she also thanked Lad Sullivan

for his efforts in hosting the two events. Director Manning shared that at the end of September/early October, Deputy Senior Director Kammerzell and some Division Senior Staff members traveled to visit the Ute Mountain Ute and Southern Ute tribes in southwest Colorado as part of the compact between the State and Tribes. Ms. Manning then went on to acknowledge the many, many years of service to the Division provided by Jan Cowan and John Call, who are both retiring from the state at the end of the month. Their service is extremely appreciated and they will both be greatly missed. Good luck, Jan and John!

Executive Session

The Commission voted unanimously to go into Executive Session pursuant to sections 24-6-402(3)(a)(III), 12-47.1-522(1)(a) and (b) and 12-47.1-527(1) of the Colorado Revised Statutes to review confidential reports from the Division of Gaming and the Colorado Bureau of Investigation.

Public Session (Reconvened)

VII. Approval of Licensing Actions

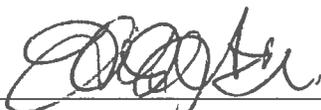
The Commission voted unanimously to approve the renewal of the Retail licenses for Affinity Gaming Black Hawk, LLC d/b/a Golden Gulch, Affinity Gaming Black Hawk, LLC d/b/a Golden Gates, Affinity Gaming Black Hawk, LLC d/b/a Golden Mardi Gras, CCSC/Blackhawk, Inc. d/b/a Lady Luck Casino Black Hawk and Isle of Capri Black Hawk, LLC d/b/a Isle Casino Hotel Black Hawk. The license renewals shall expire two years from the date of their current expiration.

The Commission voted unanimously to approve the renewal of the Manufacturer/Distributor licenses for IOC-Black Hawk Distribution Company, LLC and Affinity Gaming Black Hawk, LLC d/b/a Golden Mardi Gras. The license renewals shall expire two years from the date of their current expiration.

The Commission voted unanimously to approve the renewal of the Operator license for CCSC/Blackhawk, Inc. d/b/a Lady Luck Casino Black Hawk. The license renewal shall expire two years from the date of its current expiration.

The Chairman extended an opportunity for the public to address the Commission. Cindy Payne, Internal Compliance Officer, Isle Casino Hotel Black Hawk, thanked the Commission for renewing Isle Casino Hotel Black Hawk's licenses. Scott Nelson, Regional Vice-President and General Manager, Golden Mardi Gras, Golden Gates and Golden Gulch, expressed Affinity Gaming's gratitude for being a part of the community and moving forward, continuing to maintain a good relationship with the Division and Commission.

Adjournment – The meeting was adjourned at approximately 10:58 a.m.



Allison Yunko, Secretary to the Colorado Limited Gaming Control Commission