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NATIONAL INDIAN GAMING COMMISSION
CLASS II CLASSIFICATION STANDARDS
GOVERNMENT-TO-GOVERNMENT CONSULTATION MEETING
WITH THE SEMINOLE NATION
HELD IN OKLAHOMA CITY, OKLAHOMA
ON AUGUST 8, 2006

REPORTED BY: TRENA K. BLOYE, CSR
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2 going to be recording this meeting. But if at
3 any time you would like to discuss anything
4 other than Class II standards and business at
5 hand, let us know and we will go off record,
6 because this will be on our website, and will
7 also be subject to dissemination to anyone who
8 wishes to look at them.

9 So with that introduction, I would
10 like to welcome you to this Class II Standards
11 Consultation meeting here in Oklahoma City on
12 August 8, 2006. By way of introduction, I
13 would like to introduce Phil Hogen, chairman
14 of the National Indian Gaming Commission. My
15 name is Chuck Choney, I'm the commissioner.

16 Sitting next to me is Penny
17 Coleman, acting attorney, Office of General
18 Counsel. Seated next to her is senior
19 attorney, Michael Gross. Sitting off to the
20 far left is Tim Harper, region director, Tulsa
21 region. And sitting next to him is Marci Pate
22 Ober, yeah, senior field investigator.

23 Sitting next to me is Natalie
24 Hemlock. She's a special assistant to the
25 Commission. Sitting next to her is Joe

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1 Valandra. He's our chief of staff. And John
2 Hay, senior attorney in the Office of General

3 Counsel. And probably outside will be
4 Jeanette Ross, another one of our field
5 investigators. If you could, Chairman Haney,
6 if you could introduce your participants.

7 CHIEF HANEY: I will start down
8 and have Sam -- I will have each one of them
9 introduce themselves and what role they play.

10 MR. CARUSO: I'm Sam Caruso. I'm
11 gaming commissioner with the Seminole Nation.

12 MR. BARNETT: My name is Roy
13 Barnett, general manager for the Seminole
14 Nation casinos.

15 MS. COODY: I am Lottie Coody,
16 commissioner for the Seminole Nation.

17 MS. HARRISON: Sandra Harrison,
18 Attorney General's Office for the Seminole
19 Nation.

20 MR. MURRAY: Bill Murray,
21 executive director, SNDA.

22 MR. SHARPE: My name is Glenn
23 Sharpe. I am the gaming commissioner.

24 COMMISSIONER CHONEY: And the two
25 in the --

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1 MS. WYNN: I'm Ladonna Wynn (ph.),
2 administrative assistant for the Gaming
3 Commission.

4 MS. WESLEY: Anna Wesley, general

5 counsel representative.

6 COMMISSIONER CHONEY: Okay. Thank
7 you. Chairman Hogen?

8 CHAIRMAN HOGEN: Okay. Thank you.
9 On behalf of the National Indian Gaming
10 Commission, welcome to this government-to-
11 government consultation session. As I know
12 you are aware, on the 25th of May of this year
13 we published in the "Federal Register" some
14 proposed regulations and some proposed
15 amendments with definitions with the goal
16 being better distinguishing the difference
17 between uncompact Class II gaming equipment
18 from that of that requires a Class III
19 compact, that is electronic facsimiles of
20 games of chance.

21 This was a product of sessions we
22 had with the Tribal Advisory Committee that we
23 assembled and established and several rounds
24 of drafting we had published on our website, I
25 think five drafts, five revisions of these

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1 proposed regulations; and finally, this
2 spring, decided it was time to start the
3 administrative process to implement
4 regulations.

5 And thereafter we have been

6 embarked on sessions whereby we have been
7 consulting on a government-to-government basis
8 with tribal nations around the country. We
9 have been in Washington, DC. We have been to
10 Bloomington, Minnesota. We have been to
11 Tacoma, Washington. We were in southern
12 California about a week or so ago. Now we are
13 in Oklahoma, which maybe is kind of the birth
14 place of the focus of this concern, how better
15 to distinguish the difference between Class II
16 and Class III game.

17 We know that's important to tribes
18 whether they do or don't have compacts. And
19 we know it's important in that negotiating
20 process in the Class II will always be a
21 significant part of gaming and important to
22 tribes. So we want to get these regulations
23 right, if and when we do finalize them. We
24 very much want to hear your views on those
25 proposals and respond to any questions that

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1 you may have.

2 So, Chief Haney, if you want to
3 share with us the Seminole's views.

4 CHIEF HANEY: Well, Phil, as you
5 know, I'm still reasonably new and don't spend
6 a lot of time with the gaming activity except
7 to place people in a position of

8 responsibility there. I have the confidence
9 and trust in them to carry out the rules and
10 regulations as we understand them to be.
11 Therefore, I will start with Mr. Sharpe, who
12 is an attorney, and let him visit with you
13 about my concerns.

14 CHAIRMAN HOGEN: Very good.

15 MR. SHARPE: Well, basically, the
16 Seminole Nation has been under a great deal of
17 liability with the National Indian Gaming
18 Commission. And because of that situation, we
19 are very much aware of the shortcomings that
20 has transpired with this tribe, which, of
21 course, is a different subject than what you
22 brought before us. But we thought that was
23 our purpose here today is to let you know that
24 the Seminole Nation is achieving great strides
25 in trying to comply with the rules and

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1 regulations and the laws, and that is our
2 goal.

3 And we have prepared a little
4 packet here to show the steps that we have
5 taken in consultation with your
6 representatives. And we want to put the best
7 foot forward, not only for the tribe, but for
8 the nation and for the State of Oklahoma as

9 well. And we are working every day in that
10 regard.

11 We want you to know this is a new
12 face with a new philosophy. And we will work
13 with the NIGC, whatever it has out there, we
14 will try our best to support it. And that's
15 basically our philosophy.

16 Mr. Bill Murray here is with the
17 SNDA. He would have other comments in that
18 regard.

19 MR. MURRAY: Well, we try to stay
20 in touch with Ms. Marci. And, of course, with
21 Mr. Rod being out, we have had some
22 difficulty, because Ms. Pate is very busy.
23 Ms. Pate and I have visited. And I think,
24 maybe, next week you are coming.

25 Our biggest concern is to try to

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1 get our second casino, actually, if you count
2 the Trading Post it's number two, I guess it
3 would be our third casino back open. We
4 desperately need to get that facility open.
5 It's costing you big bucks each month, or each
6 quarter on our fine payment. It's costing us,
7 as a nation, you know, a couple of million
8 dollars every quarter that that thing is
9 closed. We need to get it open.

10 We have been working since last

11 September. That was our target date after
12 Ms. Pate gave us the okay to open Wewoka. We
13 have been working since last September to get
14 everything up and going. We have been hiring
15 people. We have lost people that we have
16 hired. We have tested them, you know, we
17 tried to work with them. But you can't keep
18 them online forever.

19 So, I know that Ms. Pate realizes,
20 and we have visited on this that is our
21 primary goal to get River Mist open and get it
22 up. And I think that Ms. Pate would testify
23 to the fact that anything that she's asked us
24 to do that we could get done, that we tried to
25 cooperate with her. And whatever Ts she said

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1 to cross and whatever I she said dot, we
2 dotted it. I don't think we have had any
3 misunderstands in the year and a half or two
4 years now that I have been in there. And
5 working with the gaming commissioners, the
6 gaming commissioners have been tremendously
7 helpful. Your people, Mr. Hogen, have been
8 tremendously helpful to us.

9 Our goal is just to -- I kind of,
10 like Mr. Sharpe, was a little mislead, because
11 I thought that we were here basically to talk

12 about that. I'm sorry for the
13 misunderstanding.

14 But, as a conception or as right
15 now, we are compacted with the state. We only
16 have in the facility, we have like 16 Class II
17 machines in Wewoka and we have 26 left on
18 I-40. And those 26 are on the way out.

19 Is that right, Mr. Barnett.

20 MR. BARNETT: Yes, sir.

21 MR. MURRAY: So those will be
22 moved out. And then as we know it and as we
23 understand the instructions from the state and
24 Ms. Marci and them have had us Kobetron a lot
25 of these machines. We are only bringing in

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1 stuff that is compacted with the state as
2 Class III. That is our goal is to have
3 nothing in our casinos except Class III, state
4 compacted games. And if you guys tell us they
5 are not compacted, then, you know, we will
6 have to go a different way.

7 CHAIRMAN HOGEN: Okay. Let me say
8 that, you know, Chuck and I came on board in
9 December of 2002. And much of the difficulty
10 that led to some of these things was history
11 by that time. So, as far as Chuck and I are
12 concerned, Seminole has been a bright spot in
13 terms of good cooperation and so forth.

14 I have had the pleasure of
15 discussing at some length with Chief Haney how
16 problematic the fine was imposed and so forth
17 and how we might take another look at that one
18 of these days. But I gather that you folks
19 aren't interested right now in discussing the
20 nuts and bolts of our classification
21 standards. So, perhaps we could do this.

22 I do hope that you look further at
23 those. And if you have comments you would
24 like to make, we would love to receive those
25 in writing. We have extended the comment

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1 period, was going to close on the 23rd of
2 August, but we have extended it to September
3 30th. So let me invite you to look at those
4 and share your views in that connection with
5 that.

6 But unless there is an objection
7 otherwise, why don't we go off the record,
8 then.

9 MR. SHARPE: One other thing,
10 Mr. Chairman. We have prepared a packet for
11 the members of the NIGC, and we have submitted
12 that to you. We would like to make that a
13 part of the record.

14 CHAIRMAN HOGEN: Okay. Does this

15 deal with classification?

16 MR. SHARPE: It does not. It
17 deals with our particular involvement with
18 NIGC.

19 CHAIRMAN HOGEN: But the record we
20 are making is going to focus just on those
21 regulations. I don't know that we want the
22 rest of the world, necessarily, to focus their
23 attention on this.

24 MR. SHARPE: Very well. We would
25 like you to take notice of it.

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1 CHIEF HANEY: What he is
2 suggesting, I think, Mr. Sharpe, is we can
3 discuss this when we get off the record.

4 CHAIRMAN HOGEN: Yes. We will ask
5 the reporter to wind this up.

6 MR. SHARPE: Yeah. I withdraw
7 that request.

8 (Proceedings concluded.)

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4 STATE OF OKLAHOMA)
) SS:
5 COUNTY OF OKLAHOMA)

6 I, Trena K. Bloye, Certified Shorthand
7 Reporter for the State of Oklahoma, certify that the
8 foregoing transcript of proceedings taken by me in
9 stenotype and thereafter transcribed is a true and
10 correct transcript of the proceedings; that they
11 were taken on August 8, 2006, at the Cox Convention
12 Center, Oklahoma City, State of Oklahoma; that I am
13 not an attorney for nor a relative of any said
14 parties, or otherwise interested in the event of
15 said action.

16 IN WITNESS WHEREOF, I have hereunto set my
17 hand and seal of office on this the 11th day of

18 August, 2006.

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Trena K. Bloye
Certified Shorthand Reporter
for the State of Oklahoma

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