

LOUISIANA GAMING CONTROL BOARD

Minutes of July 19, 2005

The Louisiana Gaming Control Board conducted a meeting on Tuesday, July 19, 2005, 10:00 a.m., in Senate Room A of the Louisiana State Capitol, Baton Rouge, La. Present at this meeting were: H. Charles Gaudin, Chairman; James Boyer, Gen. Sherian Cadoria, William Lastrapes, Marcia Morgan, and Mervin Simoneaux. Absent were board members Robert Fleming, Dennis Kinchen, Rupert Richardson, and ex-officio members, Sec. Cynthia Bridges and Col. Henry Whitehorn.

The meeting was called to order. Anne Neeb, Executive Director, announced she would be leaving to take a new position with the Pennsylvania Gaming Control Board. She thanked the Gaming Board for the opportunity to serve them.

It was moved by Gen. Cadoria to waive the reading and approve the minutes of both the June 7th Special Meeting and the June 20th Regular Meeting. That motion was seconded by Mr. Simoneaux and unanimously approved by the Board.

Ms. Donna Jackson, State Police Gaming Audit Division, presented the revenue reports for the riverboats, landbased casino, and slots at the tracks. Ms. Constance Wallace, State Police Gaming Audit Division, reported on the employee numbers and salaries for the landbased casino, and Ms. Donna Jackson, also with the Audit Division, reported on the statistics for video poker.

The Board acted on a Petition by Hollywood Casino Shreveport for a Transfer of Interest and Reorganization. In addition, the Board also considered the five-year renewal of the license. Ms. Evie Ficklin, State Police Gaming Audit Division, Mr. Leonce Gautreaux, Asst. Attorney General and Sgt. Troy Leonard, State Police Casino Gaming Division, addressed the Board with reference to these transactions.

Mr. Patrick Klotz, attorney representing Shreveport Paddlewheels, requested the Board to delay action in the matter at this time.

Following discussion, it was moved by Mr. Boyer to approve the Order and Resolution attached as Exhibit A, concerning the Transfer of Interest and Reorganization in Hollywood Casino Shreveport, and renewal of the license for five years. That motion was seconded by Mr. Simoneaux and unanimously approved by the Board.

There was a request by St. Charles Gaming Company, Inc. d/b/a Isle of Capri Casino, for modification of their designated gaming space. Following discussion, it was moved by Mr. Boyer to approve the request. That motion was seconded by Mr. Lastrapes and unanimously approved by the Board.

The Board acted on the proposed truckstop applications:

1. **I-10 Rayne Travel Center, L.L.C. Miss Mamie's Rayne Casino – No. 0106514381** – Motion by Mr. Lastrapes to approve the application. That motion was seconded by Gen. Cadoria and unanimously approved by the Board.
2. **St. Helena Express & Casino, LLC d/b/a St. Helena Express & Casino – No. 4600514456** – Motion by Gen. Cadoria to approve the application. That motion was seconded by Mr. Lastrapes and unanimously approved by the Board.
3. **Spanish Lake Truck & Casino Plaza d/b/a Spanish Lake Truck & Casino Plaza – No. 5000514417** – Motion by Gen. Cadoria to approve the application. That motion was seconded by Mr. Boyer and unanimously approved by the Board.

Mr. Tom Warner, Asst. Attorney General, Lt. Jules Pinero, Louisiana State Police Video Gaming Division, and Mr. Norbert Courville, Technical Supervisor with State Police, addressed the Board with reference to the institution of rulemaking procedures concerning LAC 42:XI.2403, Definitions; 2411, Regulatory, Communication and Reporting Responsibilities; and 2413, Devices.

Following discussion, it was moved by Mr. Lastrapes to institute the rulemaking procedures for the above stated rules. That motion was seconded by Ms. Morgan and unanimously approved by the Board.

The Board acted on Proposed Settlements/Appeals in the following:

1. **In Re: Gwendolyn F. Young**
5. **In Re: Marc Fruge**

The above two cases were handled in globo because they dealt with the same issue. Both permittees was assessed a \$250 penalty for failure to timely submit a tax clearance. It was moved by Gen. Cadoria to approve the settlement for each permittee. That motion was seconded by Mr. Boyer and unanimously approved by the Board.

2. **In Re: King Cheesecake Company of Louisiana – P081702148** – Motion by Gen. Cadoria to approve the \$500 penalty for failure to timely submit an annual fee and annual affidavit. That motion was seconded by Mr. Boyer and unanimously approved by the Board.
3. **In Re: Maloney Sept LLC d/b/b Big Easy Travel Plaza – No. 3601509389B** – Motion by Gen. Cadoria to approve the \$500 penalty for failure to disclose information to the Division. That motion was seconded by Mr. Lastrapes and unanimously approved by the Board.
4. **In Re: Sterling Silver Services, Inc. d/b/a Avenue B Grill – No. 2600114068** – Motion by Gen. Cadoria to approve the \$400 penalty for failure to disclose information to the

Division. That motion was seconded by Mr. Lastrapes and unanimously approved by the Board.

6. **In Re: Sierra Design Group, Inc. – No. CGD040139** – Motion by Mr. Lastrapes to approve the \$30,000 penalty for violations of regulations and statutes. That motion was seconded by Gen. Cadoria and unanimously approved by the Board.

7. **In Re: Louisiana Specialty Drinks, Inc. – No. P083601550**

8. **In Re: Diversified Products of America, Inc. – No. P083602126**

These two cases were handled in globo because they dealt with the same issue. It was moved by Mr. Boyer to approve the settlement allowing both non-gaming supplier permits to be surrendered with the agreement that neither company reapply for any approval permits with the Board, nor do business with any Louisiana casino licensee for five years. That motion was seconded by Gen. Cadoria and unanimously approved by the Board.

9. **In Re: Tony Alexander – No. P040043814** - Motion by Mr. Simoneaux to deny the rehearing request. That motion was seconded by Mr. Boyer and unanimously approved by the Board.

10. **In Re: Hulio's, Inc. d/b/a Hulio's Hamburger & Seafood – No. 3601212038** – Motion by Gen. Cadoria to remand the case to the hearing office to consider a settlement proposal. That motion was seconded by Mr. Boyer and unanimously approved by the Board.

Following the proposed settlements/appeals, Mr. Tom Warner, Asst. Attorney General, updated the Board concerning the status of the lawsuit by *I-20 Properties, Inc. d/b/a Copa Casino, d/b/a Copa Casino, No. 04-CA-1063*. He stated the First Circuit Court of Appeal had affirmed the decision of the Gaming Control Board calling for a seven month suspension of the license.

There were public comments by Melinda Fayard, lobbyist on behalf of AMA Distributors. Ms. Fayard stated she was against the institution of the rulemaking procedures for the adoption of amendments to LAC 42:XI.2403, Definitions; 2411, Regulatory, Communication and Reporting Responsibilities; and 2413, Devices. Mr. Matt Wellman and Mr. Emile Cantrell, both with LAMOA, stated they were in favor of the rule amendments. Mr. Tom Warner advised the Board that once the rulemaking process began, a public hearing on the changes would be held at a board meeting, and any comments concerning the rule would be addressed at that time.

There being no further comments, it was moved by Ms. Morgan adjourn. That motion was seconded by Gen. Cadoria and unanimously approved by the Board.

The meeting was adjourned.

EXHIBIT A

**LOUISIANA GAMING CONTROL BOARD
STATE OF LOUISIANA**

**ORDER APPROVING TRANSFER OF INTEREST
IN HOLLYWOOD CASINO SHREVEPORT G.P.**

CONSIDERING the Petition for Approval of Transfer of Interest, the confirmed Chapter 11 plan of reorganization, the Fourth Amended and Restated Joint Venture Agreement and the Fifth Amended and Restated Joint Venture Agreement, and upon motion duly made and seconded,

IT IS HEREBY ORDERED that the following transactions be and are hereby approved:

1. transfer of a 75.4% partnership interest in Hollywood Casino Shreveport to Eldorado Shreveport #1 LLC;
2. transfer of a 1% partnership interest in Hollywood Casino Shreveport to Eldorado Shreveport #2 LLC;
3. transfer of a 23.6% non-voting partnership interest in Hollywood Casino Shreveport to Shreveport Gaming Holdings, Inc. (“SGH”) subject to the following conditions:
 - a. all equity interest in SGH shall be held in escrow by the sole director of SGH and shall not be distributed, nor shall the SGH interest holder exercise any Board observation rights, until such time as;
 - i. the director has been notified in writing that the SGH interest holder is not required to submit to suitability, or
 - ii that the SGH interest holder has been found suitable by the Louisiana Gaming Control Board;
4. conversion of HCS- Golf Course LLC to Shreveport Gaming Holdings, Inc.;
5. restructure of Hollywood Casino Shreveport’s debt securities as follows:
 - a. Issuance of \$140 million Notes at 10% interest per annum;

- b. Issuance of \$20 million preferred partnership interest to SGH; and
 - c. Allowance of preferred return on the \$20 million preferred partnership interest at 13% per annum, compounded quarterly;
- 6. approval of the Interim Management Agreement between Hollywood Casino Shreveport and HWCC-Shreveport Inc;
 - 7. approval of the Management Agreement between Hollywood Casino Shreveport and Eldorado Resorts; and
 - 8. approval of Licensee's name change from Hollywood Casino Shreveport to Eldorado Casino Shreveport Joint Venture d/b/a Eldorado Resorts Casino Shreveport.

Done this _____ day of _____, 2005

CHAIRMAN
LOUISIANA GAMING CONTROL BOARD

**STATE OF LOUISIANA
GAMING CONTROL BOARD**

In the Matter of Hollywood Casino Shreveport License Renewal

RESOLUTION

On the 19th day of July, 2005, the Louisiana Gaming Control Board (“Board”) did, in a duly noticed public meeting, consider the issue of the Hollywood Casino Shreveport (“Licensee”) License Renewal and upon motion duly made and seconded, the Board adopted the following Resolution:

1. **BE IT RESOLVED** by the Board that the public policy conditions identified as Exhibit A and presented for consideration this date be and are hereby approved and adopted by the Board as additional conditions placed upon the Licensee.

2. **BE IT FURTHER RESOLVED** by the Board that the riverboat casino license of Hollywood Casino Shreveport be renewed for a term of five (5) years commencing on, and retroactive to, October 14, 2004, subject to the original conditions of the license and all conditions approved this date as attached hereto and made a part hereof.

THUS DONE AND SIGNED IN BATON ROUGE, LOUISIANA THIS ____ DAY OF _____, 2005.

**H. CHARLES GAUDIN, CHAIRMAN
LOUISIANA GAMING CONTROL BOARD**

ATTEST:

**ROBERT M. FLEMING, VICE-CHAIRMAN
LOUISIANA GAMING CONTROL BOARD**