

LOUISIANA GAMING CONTROL BOARD

Minutes of December 21, 2004

The Louisiana Gaming Control Board held a meeting on Tuesday, December 21, 2004, 10:00 a.m., in House Committee Room 6 of the Louisiana State Capitol. Present at this meeting were: H. Charles Gaudin, Chairman; Robert M. Fleming, James Boyer, Gen. Sherian Cadoria, Dennis Kinchen, William Lastrapes, Marcia Morgan, Rupert Richardson and Kelly Simoneaux. Absent were ex-officio members, Col. Henry Whitehorn and Sec. Cynthia Bridges.

The meeting was called to order. It was moved by Gen. Cadoria to waive the reading and approve the minutes of the November meeting. That motion was seconded by Ms. Richardson 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. Ms. Donna Stevens, also with the Audit Division, reported on the statistics for video poker.

Ms. Alyson McCord, Asst. Attorney General in the Gaming Division, presented the quarterly compliance reports for the riverboat casinos. Following her presentation, several board members requested an update on the riverboat casinos revised procurement goals. Mr. Wade Duty, Executive Director of the Casino Association, stated the revision was on hold at the present time. Mr. Duty also stated that a change in the definition of a Louisiana Business would assist the casinos in their efforts to achieve their procurement goals. Ms. Claudeidra Minor, Asst. Attorney General in the Gaming Division, stated their office would meet with licensees and come back with regional goals. She expects to have a report available at the February meeting.

The Board considered a petition filed by Churchill Downs for Approval and Execution of a proposed Fourth Amendment to the Amended and Renegotiated Casino Operating Contract between the State of Louisiana and Jazz Casino Company, L.L.C. Mr. John Campbell, Special Asst. Attorney General, addressed the Board regarding this matter. Also available to answer any questions were Mr. David Waguespack, counsel for Churchill Downs and Mr. Kevin Colomb, counsel for Jazz Casino Company.

Following discussion, it was moved by Mr. Boyer to adopt the resolution, attached as Exhibit A, approving the amendment to the Casino Operating Contract, and authorizing the Chairman to execute the documents following approval by the Joint Legislative Committee on the Budget. That motion was seconded by Mr. Lastrapes and unanimously approved by the Board.

The next item dealt with a request by Harrah's Louisiana Downs for consideration of their Petition for Approval of Gaming Space Configuration. Following discussion, it was moved by Judge Fleming to approve the petition. That motion was seconded by Ms. Morgan and unanimously approved by the Board.

The Board acted on the following truckstop application:

1. **R.C. Management, Inc. d/b/a River Parishes Truck Stop and Casino – No. 4800514194** – Motion by Ms. Morgan to approve the application. That motion as seconded by Gen. Cadoria and unanimously approved by the Board.

Mr. Tom Warner, Asst. Attorney General, addressed the Board with reference to resubmission of the Notice of Intent concerning proposed amendments to rules LAC 42:VII, XIII.2325, Imposition of Sanctions; IX.4103, Enforcement Actions of the Board; VII, IX, XIII.2723, Internal Controls, Slots; VII, IX, XIII.4204, Progressive Electronic Gaming Devices; VII, IX, XIII.4209, Approval of New Electronic Gaming Devices; VII, IX, XIII.4214, Maintenance of Electronic Gaming Devices and VII, IX, XIII.4215, Analysis of Questioned Electronic Gaming Devices.

Following discussion, it was moved by Ms. Richardson to resubmit the Notice of Intent to the above stated rules. That motion was seconded by Mr. Kinchen and unanimously approved by the Board.

The Board acted on the following Proposed Settlements/Appeals from Hearing Officers' Decisions:

1. **In Re: Harry Porter – No. P040030239 (proposed settlement)**
2. **In Re: Eugene D. Gilmer – No. P040027426 (proposed settlement)**
3. **In Re: Clara E. Myles – No. P040023924 (proposed settlement)**
4. **In Re: Patricia Rivett – No. P040043884 (proposed settlement)**
5. **In Re: Latonya Carr – No. P040043634 (proposed settlement)**
6. **In Re: Joy Bentley – No. P040012753 (proposed settlement)**
7. **In Re: Ebony Leftridge – No. P040024683 (proposed settlement)**
8. **In Re: LaShaun v. Jones – No. P040043159 (proposed settlement)**

Numbers 1 – 8 listed above were handled in globo because they dealt with the same issue. It was moved by Mr. Simoneaux to approve the \$250.00 settlement for each permittee for failure to timely submit their annual tax clearances. That motion was seconded by Gen. Cadoria and unanimously approved by the Board.

9. **In Re: Lucky Magnolia Truck Stop & Casino d/b/a Lucky Magnolia Truck Stop & Casino – No. 4600511567** – Motion by Gen. Cadoria to approve the \$250.00 settlement for failure to list the toll-free gambling hotline number in advertising. That motion was seconded by Mr. Boyer and unanimously approved by the Board.
10. **In Re: Peter's Seafood d/b/a Hank's Seafood – No. 3601207976A** – Motion by Judge Fleming to deny the request for rehearing. That motion was seconded by Gen. Cadoria and unanimously approved by the Board.

11. **In Re: Sebrina Deionn Holt d/b/a Sab's Place – No. 5100113581** – Motion by Judge Fleming to delay the matter until the February meeting. That motion was seconded by Ms. Richardson and unanimously approved by the Board.
12. **In Re: TLC Games – No. 0801613774** – Continued to January.
13. **In Re: Katrina L. Dunson – No. P040037634** - Motion by Mr. Boyer to affirm the decision of the Hearing Officer imposing the \$250.00 penalty for failure to timely submit her tax clearance. That motion was seconded by Ms. Richardson and unanimously approved by the Board.
14. **In Re: Smitty's Seafood, Inc. d/b/a Smitty's Seafood – No. 2605208181** – Motion by Judge Fleming to dismiss the appeal. That motion was seconded by Gen. Cadoria and unanimously approved by the Board.
15. **In Re: Felipe A. Diaz – No. P040036568** – Motion by Mr. Kinchen to dismiss the appeal. That motion was seconded by Judge Fleming and unanimously approved by the Board.
16. **In Re: Bayou Vista Truck Plaza & Casino, L.L.C. d/b/a Bayou Vista Truck Plaza & Casino – No. 5100511651** – Motion by Mr. Lastrapes to approve the decision of the Hearing Officer imposing the \$129,223.84 penalty for failure to pay the annual fee and processing fee due July 1, 2004. That motion was seconded by Gen. Cadoria and approved seven to one. Voting against the motion was Ms. Morgan. Chairman Gaudin abstained from voting.

There were public comments from Mr. William Lott concerning subcontract work done through Manhattan Construction for PNK-Lake Charles. He complained about not being paid and requested that the Board look into the business practices of Manhattan. Mr. Boyer suggested that Mr. Lott have his attorney look into this matter because the Board does not get involved in third party disputes.

There was a motion to go into Executive Session by Ms. Morgan. That motion was seconded by Gen. Cadoria and unanimously approved by the Board.

Following the Executive Session the Board returned to the Regular Session.

It was moved by Gen. Cadoria to adjourn the meeting. That motion was seconded by Ms. Richardson and unanimously approved.

The meeting was adjourned.

Exhibit A

STATE OF LOUISIANA
GAMING CONTROL BOARD

In the Matter of the Petition of Churchill Downs
Louisiana Horseracing Company, L.L.C.
Seeking Approval of Execution of Proposed
Fourth Amendment to the Amended and
Renegotiated Casino Operating Contract
Between the State of Louisiana and Jazz
Casino Company, L.L.C.

BOARD RESOLUTIONS
OF THE
LOUISIANA GAMING CONTROL BOARD

On the 21st day of December, 2004, the Louisiana Gaming Control Board (hereinafter, the "Gaming Board") did at a public meeting consider the Petition of Churchill Downs Louisiana Horseracing Company, L.L.C. ("Churchill"), seeking approval of execution on behalf of the State of Louisiana, by and through the Gaming Board, of the proposed Fourth Amendment to the Amended and Renegotiated Casino Operating Contract between the State of Louisiana and Jazz Casino Company, L.L.C., in the form of a draft dated December 6, 2004 attached hereto as Exhibit "A." Upon motion duly made and seconded, the Gaming Board passed the following resolution:

1. BE IT RESOLVED THAT a proposed Fourth Amendment to the Amended and Renegotiated Casino Operating Contract between the State of Louisiana and Jazz Casino Company, L.L.C. in the form attached hereto as Exhibit "A" (the "Fourth Amendment"), is hereby approved and, accordingly, Judge H. Charles Gaudin, Chairman of the Board, is specifically ordered and empowered to execute the Fourth Amendment, following approval of the Fourth Amendment by the Joint

Legislative Committee on the Budget as required under Louisiana R.S. 27:361C(2).

2. BE IT FURTHER RESOLVED that, following such approval of the Fourth Amendment by the Joint Legislative Committee on the Budget and execution of the Fourth Amendment by Judge H. Charles Gaudin on behalf of the Gaming Board, for and on behalf of the State of Louisiana, the Fourth Amendment shall become effective only after execution of the Fourth Amendment on behalf of Jazz Casino Company, L.L.C., and JCC Holding Company II, and execution of the accompanying Intervention In and Consent to Fourth Amendment to Amended and Renegotiated Casino Operating Contract on behalf of Harrah's Entertainment, Inc. and Harrah's Operating Company, Inc.

THUS DONE AND SIGNED IN BATON ROUGE, LOUISIANA, ON THIS 21ST DAY OF DECEMBER, 2004.

BOARD MEMBERS:

H. Charles Gaudin, Chairman

Robert M. Fleming

James Boyer

General Sherian Cadoria

William Dudley Lastrapes

Marcia Morgan

Rupert Richardson

Mervin J. Simoneaux

Dennis Kinchen