

APPROVED

12/15/98

LOUISIANA GAMING CONTROL BOARD

Minutes of November 17, 1998

The Louisiana Gaming Control conducted a meeting on Tuesday, November 17, 1998, 10:00 a.m., in House Committee Room 1 of the Louisiana State Capitol. Present were board members Hillary J. Crain, Chairman; Robert Fleming, Vice-Chairman, James Boyer, Sherian Cadoria, Marcia Morgan, Dudley Lastrapes, Rupert Richardson, and ex-officio members, Col. W.R. "Rut" Whittington and Sec. John Kennedy. Absent were board members Ralph Perlman, Secretary-Treasurer; and Ecotry Fuller.

The meeting was called to order. General Sherian Cadoria moved to approve the minutes of the October meeting pending the correction of adding: 1. *Gaming Control Board* in the first paragraph, and 2. *The Board returned to regular session*, on the second page, 11th line. That motion was seconded by Mr. Boyer and unanimously approved by the Board.

A motion was made by Ms. Morgan to approve the 1999-2000 budget. The motion was seconded by Mr. Boyer and unanimously approved by the Board.

Ms. Charlotte McGarr, state police auditor in the riverboat division, presented the monthly riverboat revenue to board members, Mr. Mike Legendre, auditor in the video poker division, presented the video revenue, and Sgt. Richard Fleming of the Louisiana State Police Indian Casino Gaming Division, presented the Indian gaming revenue. Sgt. Fleming stated that the figures on Indian revenue represent 6% of net revenue (gross revenue less amount paid out for prizes and total operating expenses excluding management fees).

Next on the agenda was an update on the land based casino by Ms. Anne Neeb and Mr. Jay Quinlan, both Assistant Attorneys General, and Lt. Riley Blackwelder, Supervisor, Louisiana State Police Land Based Division. They reported that the official date of closing of the contract was October 29, 1998, and that all unsecured creditors have been paid. Board members will be updated on the construction progress of the land based casino at upcoming meetings.

The chairman called upon Ms. Claudeidra Minor, Asst. Attorney General, who reported on the Compliance Reports for the third quarter.

Mr. Walt Evans, counsel for Hollywood Casino, Ms. Claudeidra Minor and Ms. Delores Woods, Intelligence Monitor, Louisiana State Police, presented board members with an update on the conditions of the QNOV Joint Project.

Mr. Danny Rester, counsel for Casino Magic, Ms. Lonna Willingham and Mr. Jeff Traylor,

state police auditors, addressed board members concerning a petition from Casino Magic involving a loan and line of credit.

After the presentation, it was moved by Gen. Cadoria that this transaction did not require board approval. That motion was seconded by Mr. Boyer and unanimously approved by the Board.

Next on the agenda was a report from Lt. Dane Morgan and Sgt. Scott Reggio, riverboat gaming, on an investigation of a Petition filed by Metro Riverboat Associates. Mr. Thomas Tucker, counsel for Metro Associates also addressed the Board.

Following the report, it was moved by Mr. Boyer for the Board not to take any action since there is pending civil litigation proceedings ongoing. That motion was seconded by Vice-Chairman Fleming and unanimously approved by the Board.

The next item on the agenda, sanctions for failure to furnish information on video poker applications, was postponed until the next board meeting. Mr. Lastrapes made a motion to postpone action on this item until Representative Bowler could be present. That motion was seconded by Ms. Morgan and unanimously approved by the board.

The Chairman then called upon Mr Brett Sulzer, an attorney for numerous video poker licensees. Mr. Sulzer requested a declaratory judgment from the Board involving a proposed truckstop in St. Martinville. Following this discussion, it was moved by Mr. Lastrapes for the Attorney General's office to determine if the location of the proposed truckstop is considered a park or a playground before the Board decides the issue. That motion was seconded by Mr. Morgan and unanimously approved by the Board.

Due to the length of the meeting, the executive session was postponed until the December meeting.

The Board acted on hearing officer decisions/recommendations in the following cases:

1. **In Re: Sonny's Side Street Lounge** - Motion to deny recusal of Judge William Brown, Hearing Officer, by Mr. Boyer, seconded by Ms. Richardson and unanimously approved by the Board.

Ms. Richardson was present only to vote on the first case and left the meeting thereafter.

2. **In Re: Annette's Old Fashioned Tamales** - Motion by Mr. Lastrapes to affirm the recommendation of the hearing officer, seconded by Gen. Cadoria and unanimously approved by the Board.
3. **In Re: Laurie Granger** - Motion by Mr. Lastrapes to affirm the recommendation of the hearing officer, seconded by Mr. Boyer. Mr. Lastrapes, Mr. Boyer and Gen. Cadoria voted for the motion, Ms. Morgan, Vice-Chairman Fleming and Chairman Crain voted against the recommendation. Based on the 3 to 3 tie, a substitute motion to carry this item to the next

meeting was offered by Ms. Morgan. That motion was seconded by Vice-Chairman Fleming and the Board unanimously agreed.

4. **In Re: Bubba's** - Motion by Mr. Boyer to reverse the hearing officer's recommendation and to deny the license. That motion was seconded by General Cadoria and unanimously approved by the Board.
5. **In Re: Hi-Tech Games, Inc.** - Motion by Vice-Chairman Fleming to accept the settlement, seconded by Mr. Lastrapes and unanimously approved by the Board.
6. **In Re: Southern Trading Corp.** - Motion by Vice-Chairman to accept the proposed settlement, seconded by Ms. Morgan and unanimously approved by the Board.
7. **In Re: Louisiana Gaming Management** - This case was taken off the agenda and will proceed directly to the 19th J.D.C.
8. **In Re: Dorbeck Gaming, Inc. & DDF Enterprises** - Motion by Mr. Lastrapes to accept the hearing officer's recommendation insofar as the penalty imposed, but in addition, to remand the matter to state police for a determination that Mr. Bruce Dorbeck has been removed from the operation and to report their findings to the Board within 90 days. That motion was seconded by General Cadoria and unanimously approved by the Board.

There being no public comments, a motion to adjourn was proposed by Ms. Morgan. That motion was seconded by General Cadoria and unanimously approved by the Board.

The meeting was then adjourned.