

LOUISIANA GAMING CONTROL BOARD

Minutes of October 19, 2004

The Louisiana Gaming Control Board held a meeting on Tuesday, October 19, 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, Kelly Simoneaux and ex-officio member Col. Henry Whitehorn. Absent was ex-officio member Sec. Cynthia Bridges.

The Chairman called the meeting to order. It was moved by Gen. Cadoria to waive the reading and approve the minutes of the September 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, presented the Riverboat Compliance Reports for the Second Calendar Quarter.

The Board acted on the renewal applications of Louisiana-1 Gaming d/b/a Boomtown-Harvey and PNK (Bossier City) d/b/a Boomtown-Bossier. Ms. Evie Ficklin, State Police Gaming Audit Division, Ms. Judy Cockerham, Asst. Attorney General, and Master Trooper Wilburn McDowell, addressed the Board with reference to these renewals.

Following discussion it was moved by Mr. Boyer to approve the five year renewals for both licenses subject to Exhibit A attached to these minutes. That motion was seconded by Mr. Lastrapes and unanimously approved by the Board.

The Board acted on a petition by Old Evangeline Downs for approval of slot machine financing. Ms. Lonna Willingham addressed the Board on this matter.

Following discussion, it was moved by Mr. Lastrapes to approve the financing request. That motion was seconded by Mr. Boyer and approved by a five to four vote. Voting for the motion were: Chairman Gaudin, Judge Fleming, Mr. Boyer, Mr. Lastrapes and Ms. Morgan. Voting against the motion were: Gen. Cadoria, Mr. Kinchen, Ms. Richardson and Mr. Simoneaux.

The next item dealt with a request by PNK-Lake Charles for a modification of license condition 15 (c) concerning their construction deadline. Mr. Cliff Kortman, Vice-President of Construction & Development, stated the 15th license project was slightly behind schedule due to excessive rainfall. Following discussion, it was moved by Mr. Kinchen to approve the 60 day

extension. That motion was seconded by Ms. Richardson and unanimously approved by the Board.

The Board held a status conference concerning the request by Isle of Capri Casinos, Inc. for a change of berth for St. Charles Gaming Company, Inc. Ms. Janet Boles, attorney representing Isle of Capri, requested an extension on their request to supply additional information. The Chairman stated that the request would be placed on the December 21st agenda.

Mr. Leonce Gautreaux, Asst. Attorney General, updated board members on the status of Hollywood Casino Shreveport. He stated Hollywood had conditions placed on the renewal of their license at the September Board meeting, and had satisfied the first condition by filing a petition for transfer of interest. He also there was a hearing scheduled for October 29th to discuss the involuntary bankruptcy and the motion to have an independent examiner look at the bid process used by Hollywood in negotiations with El Dorado Resorts.

Mr. Keith Hightower, Mayor of Shreveport, and Ms. Marguerite Kingsmill, attorney representing the Louisiana Construction Creditors, also addressed the Board concerning Hollywood Casino.

The Board acted on the following truckstop application:

1. **Madison Auto Truck Plaza & Lucky Dollar Casino, LLC - No. 3300514090** Motion by Mr. Kinchen to approve the application. That motion was seconded by Ms. Richardson and unanimously approved by the Board.

Mr. Tom Warner, Asst. Attorney General in the Gaming Division, addressed Board members concerning the adoption of amendments to LAC 42:XIII.3101, IX, XIII.3103, 3105, 3107 and to repeal LAC 42:IX, XIII.3115 through 3132, Rules of Play.

Following discussion, it was moved by Mr. Kinchen to adopt the amendments to the above stated rules. That motion was seconded by Mr. Simoneaux and unanimously approved by the Board.

Mr. Warner also discussed the adoption of amendments to LAC 42:III.304, concerning Self-Exclusion. Ms. Morgan made a motion to adopt the amendments to the Self-Exclusion rule. Her motion was seconded by Mr. Lastrapes and unanimously approved by the Board.

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

Numbers one through six were handled in globo because the dealt with the same issue. All six non-key permittees failed to timely submit their tax clearances. It was moved by Ms. Morgan to approve the \$250.00 settlement for each permittee. That motion was seconded by Gen. Cadoria and unanimously approved by the Board.

1. **In Re: Stephen Morris – No. P040010665**

2. **In Re: Destry Tompkins – No. P040027181**
3. **In Re: Shane Ashworth – No. P040042928**
4. **In Re: Michael E. Ringgold – No. P040021046**
5. **In Re: Christine Eugene – No. P040037037**
6. **In Re: Elaine Fuller – No. P040021033**

Numbers seven and eight were also handled in globo. Both licensees failed to include the required toll-free gambling hotline number in advertising. It was moved by Ms. Morgan to approve the \$250.00 settlement for Golden Grove Truckstop & Casino and the \$500.00 settlement for Lucky Dollar Casino (second offense). That motion was seconded by Gen. Cadoria and unanimously approved by the Board.

7. **In Re: Golden Grove Truckstop, Inc. d/b/a Golden Grove Truckstop & Casino – No. 4701512081**
8. **In Re: T & D Ventures, LLC d/b/a Lucky Dollar Casino – No. 4701512880B**
9. **In Re: No Name Lounge, LLC d/b/a No Name Lounge – No. 1000113895 –** Motion by Ms. Richardson to approve the \$2,500.00 settlement for failure to timely pay income taxes. That motion was seconded by Judge Fleming and unanimously approved by the Board.
10. **In Re: 1239 Loop Properties, LLC d/b/a Eagles Truck Stop – No. 1600511610A** Motion by Mr. Simoneaux to approve the \$10,415.20 settlement for failure to maintain the truck stop parking lot. That motion was seconded by Gen. Cadoria and unanimously approved by the Board.
11. **In Re: V.J. Vending Services, Inc. – No. 1001600118 –** Motion by Mr. Lastrapes to approve the \$10,000.00 settlement for failure to notify the Division of a counter letter, royalty agreement, prior arrest, involvement in lawsuits, and failure to timely pay income taxes. That motion was seconded by Ms. Morgan and unanimously approved by the Board.
12. **In Re: 200 Magazine Inc. d/b/a Huey's 24/7 – No. 3601213901 –** Motion by Judge Fleming to grant the rehearing and remand the case to the hearing office for a hearing on the denial of original application. That motion was seconded by Mr. Lastrapes and approved by a six to three vote. Voting for the motion were: Judge Fleming, Mr. Boyer, Gen. Cadoria, Mr. Kinchen, Mr. Lastrapes, and Ms. Morgan. Voting against the motion were: Ms. Richardson, Mr. Simoneaux and Chairman Gaudin.
13. **In Re: Digital Press & Graphics, LLC – No. P081701849 –** Motion by Mr. Boyer to grant the rehearing and impose a \$10,000.00 civil penalty. That motion was seconded by Ms. Morgan and unanimously approved by the Board.
14. **In Re: Gus Mijalis (Farmer's Seafood Company, Inc.) – No. P080800283 –** Motion by Judge Fleming to affirm the decision of the Hearing Officer granting the

Division's exception of lack of subject matter jurisdiction. That motion was seconded by Ms. Morgan and unanimously approved by the Board.

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

The meeting was adjourned.

Exhibit A

The Louisiana Office of State Police Casino Gaming Division submits to the Louisiana Gaming Control Board for its consideration the following proposed public policy conditions for all riverboat licensees.

As a component of the renewals, Louisiana-I Gaming, a Louisiana Partnership in Commendam d/b/a Boomtown New Orleans and PNK (Bossier City), Inc. d/b/a Boomtown Bossier agree that the policies are to be conditions of their license renewals, subject to any changes the Louisiana Gaming Control Board may formally effectuate in the future.

- A. Recognition of minimal business standards regarding transfers and/or granting of equity interests in licensees (or affiliates) by requiring:
 - 1) that such transfer or grant be reasonably related to contributions;
 - 2) that such transfer agreement or grant agreement be specific and in writing;
 - 3) that such transfer agreement or grant agreement have reasonable mechanisms for enforcement or resolution; and
 - 4) that the true nature of such arrangements be fully disclosed to the Board, Division and to the public, when public filings take place.

- B. Recognition of minimal business standards regarding consulting contracts by requiring:
 - 1) that such contracts be reasonably specific and in writing; and

2) that such contracts a) require the person to perform the reasonable services as stated in the contract, b) allow for the modification of the contract in writing as a result of a change in circumstance, and c) allow for the termination of the contract and opportunity to seek appropriate legal relief upon a failure to provide reasonable services.

C. Reporting of minority procurement shall be factually accurate to accomplish the true goals of the minority procurement policies of the State of Louisiana and the Louisiana Gaming Control Board. In addition to the requirements of LAC 42: XIII. 2331, any amounts reported in connection with services or goods from each vendor shall reflect the actual services or goods provided by each vendor. Actual services or goods provided shall mean those provided based upon a rational and factual basis, taking into account customary and ordinary arms-length business practices. Person shall mean a natural person or a business entity.

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

**ACKNOWLEDGMENT AND ACCEPTANCE OF STATEMENT OF
CONDITIONS TO LICENSE TO CONDUCT RIVERBOAT GAMING**

BEFORE ME, the undersigned notary public, duly commissioned and qualified within and for the State and Parish aforesaid, personally came and appeared

LOUISIANA – I GAMING, A LOUISIANA PARTNERSHIP IN COMMENDAM

appearing herein, through and represented by _____ who after being sworn and deposed stated that he/she does hereby, for and on behalf of LOUISIANA - I GAMING, A LOUISIANA PARTNERSHIP IN COMMENDAM, accept and agree to and is bound by these conditions to its license to conduct riverboat gaming, and does hereby, for and on behalf of LOUISIANA - I GAMING, A LOUISIANA PARTNERSHIP IN COMMENDAM, acknowledge continued applicability of the original conditions placed upon its license except as modified by the Louisiana Gaming Control Board.

Duly Authorized Agent and Representative
On Behalf of Louisiana-I Gaming, A Louisiana
Partnership In Commendam

SWORN TO AND SUBSCRIBED before me, Notary, this _____ day of _____, 2004.

Notary Public

Approved By:

The Louisiana Gaming Control Board

H. Charles Gaudin, Chairman
Louisiana Gaming Control Board

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

**ACKNOWLEDGMENT AND ACCEPTANCE OF STATEMENT OF
CONDITIONS TO LICENSE TO CONDUCT RIVERBOAT GAMING**

BEFORE ME, the undersigned notary public, duly commissioned and qualified within and for the State and Parish aforesaid, personally came and appeared

PNK (BOSSIER CITY), INC.

appearing herein, through and represented by _____ who after being sworn and deposed stated that he/she does hereby, for and on behalf of PNK (BOSSIER CITY), INC., accept and agree to and is bound by these conditions to its license to conduct riverboat gaming, and does hereby, for and on behalf of PNK (BOSSIER CITY), INC. acknowledge continued applicability of the original conditions placed upon its license except as modified by the Louisiana Gaming Control Board.

Duly Authorized Agent and Representative
On Behalf of PNK (Bossier City), Inc.

SWORN TO AND SUBSCRIBED before me, Notary, this _____ day of _____, 2004.

Notary Public

Approved By:

The Louisiana Gaming Control Board

H. Charles Gaudin, Chairman
Louisiana Gaming Control Board

