

# LOUISIANA GAMING CONTROL BOARD

## Minutes of June 14, 2004

The Louisiana Gaming Control Board held a meeting on Monday, June 14, 2004, 10:00 a.m., at the LaSalle Building, 617 N. Third Street, Baton Rouge, La. Present at this meeting were: H. Charles Gaudin, Chairman, Robert M. Fleming, James G. Boyer, Gen. Sherian G. Cadoria, Dennis Kinchen, William Lastrapes, Marcia Morgan, Rupert Richardson, Kelly Simoneaux and ex-officio member Sec. Cynthia Bridges. Absent was ex-officio member Col. Henry Whitehorn.

The meeting was called to order. It was moved by Gen. Cadoria to approve the May minutes and waive the reading of both the regular session and executive session. That motion was seconded by Ms. Richardson and unanimously approved by the Board. Gen. Cadoria also moved to amend the agenda to include the May revenue reports. That motion was also 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. She stated that on May 18<sup>th</sup>, Red River Entertainment of Shreveport Partnership in Commendam (Harrah's), ceased operations and reopened on May 20<sup>th</sup> as Sam's Town Casino (Boyd Gaming).

Ms. Constance Wallace, State Police Audit Division, reported on the employee numbers and salaries for the landbased casino, and Ms. Donna Stevens, also with the Audit Division, reported on the statistics for video poker.

The Board acted on the following truckstop applications:

1. **Krawdaddy's LA L.L.C. d/b/a Krawdaddy's LA – No. 6100513858** – Motion by Mr. Boyer to approve the application. That motion was seconded by Mr. Kinchen and unanimously approved by the Board.
2. **Earl L. Stark d/b/a Starz Casino – No. 1000514009** – Motion by Mr. Lastrapes to approve the application. That motion was seconded by Mr. Kinchen and unanimously approved by the Board.

There was a request by United States Playing Card Company (USPCC) for conditional approval of a transfer of interest of the stock in Bicycle Holding (parent company of USPCC) to Jarden Corporation. Mr. Leonce Gautreaux, Asst. Attorney General in the Gaming Division, Mr. Kelly Duncan, attorney on behalf of USPCC and Mr. James Lilly, President and Chief Operating Officer for Jarden Corporation, addressed the Board concerning this issue.

Following discussion, it was moved by Mr. Boyer to approve the transfer of interest of all of the stock of Bicycle Holding to Jarden Corporation, subject to conditions attached as Appendix A. That motion was seconded by Mr. Lastrapes and unanimously approved by the Board.

The Board considered a request by Boyd Gaming Corporation for approval of a change in trade name from Sam's Town Shreveport to Sam's Town Hotel and Gambling Hall. It was moved by Mr. Lastrapes to approve the name change. That motion was seconded by Mr. Boyer but failed by a six to two vote. Voting against the name change was Judge Fleming, Gen. Cadoria, Mr. Kinchen, Ms. Morgan, Ms. Richardson and Mr. Simoneaux. Voting for the name change was Mr. Boyer and Mr. Lastrapes. Chairman Gaudin abstained from voting. Following the failed motion, it was moved by Judge Fleming to change the trade name to Sam's Town Hotel and Casino. That motion was seconded by Ms. Richardson and was unanimously approved by the Board.

Boyd Gaming also requested approval of a \$1.85 billion dollar credit facility and merger agreement with Coast Casinos, Inc. Also included in this request was a finding of suitability of Mr. Michael J. Gaughan, who would become an owner of greater than five percent of Boyd Gaming if the merger is approved by the Board.

Following discussion, it was moved by Ms. Richardson to approve the credit facility and transfer of shares between Boyd Gaming Corporation, BGC, Inc. and Coast Casinos, Inc., including suitability findings of officers and directors, namely Michael J. Gaughan, an owner of greater than five percent. That motion was seconded by Mr. Kinchen and unanimously approved by the Board.

The next item dealt with consideration of a petition by Harrah's Entertainment, Inc. and Harrah's Operating Company, Inc., for approval of the acquisition of Horseshoe Entertainment, LLP. Ms. Evie Ficklin, State Police Casino Gaming Division Auditor, and Mr. Leonce Gautreaux, Asst. Attorney General, addressed the Board concerning this matter. Mr. Gautreaux stated that all existing conditions on Horseshoe's license would remain in effect.

Following discussion, it was moved by Mr. Boyer to approve the transfer of shares of Class A and Class B common stock in Horseshoe Gaming Holding Corporation to Harrah's Operating Company. That motion was seconded by Mr. Lastrapes and unanimously approved by the Board.

The Board also considered a petition by Harrah's Louisiana Downs for approval of reconfiguration of gaming space at their racing facility. Lt. Scott Reggio and Sgt. Ronnie Moore, Louisiana State Police, Mr. Joe Messina, State Fire Marshall's Office, Mr. Kevin Colomb, attorney representing Harrah's Louisiana Downs, and Mr. Anthony Sanfilippo, Central Division President of Harrah's Entertainment, addressed the Board on this matter.

Following discussion, it was moved by Ms. Morgan to approve the reconfiguration of gaming space. That motion was seconded by Mr. Lastrapes and unanimously approved by the Board.

Mr. Tom Warner, Asst. Attorney General in the Gaming Division, addressed the Board concerning the institution of rulemaking procedures for the adoption of amendments to LAC 42:III.304 D.(6), Self-Exclusion, Confidentiality of Administrative Actions and Hearings Involving Self-Excluded Persons.

Following discussion, it was moved by Ms. Richardson to approve the institution of rulemaking procedures for the adoption of amendments to the above stated rules. That motion was seconded by Gen. Cadoria and unanimously approved by the Board.

The Board acted on proposed settlements/appeals from Hearing Officer's decisions in the following:

1. **In Re: Darrel's Video – No. 1001600170A**

2. **In Re: Darrel's – No. 1001100246A**

These two cases were handled in globo because they dealt with the same issue. It was moved by Judge Fleming to approve the settlement whereby each licensee agreed to surrender their license and refrain from gaming for five years. That motion was seconded by Ms. Richardson and unanimously approved by the Board. The Chairman abstained from voting.

3. **In Re: Kelly's Truck Terminal – No. 0906500309**

6. **In Re: AlyCo, L.L.C. d/b/a Love's Travel Stop #237 – No. 3302513240**

8. **In Re: Pilot Corporation Tennessee d/b/a Pilot Travel Center #199 – No. 0804512585**

These three cases were handled in globo because they dealt with the same issue. All three licensees failed to include the toll-free gambling hotline number in their advertising. It was moved by Ms. Morgan to approve the \$250.00 settlement for each licensee. That motion was seconded by Mr. Boyer and unanimously approved by the Board.

4. **In Re: Antennille D. Dillard – No. P040036866** – Motion by Mr. Simoneaux to approve the \$250.00 settlement for failure to timely submit a tax clearance. That motion was seconded by Mr. Boyer and unanimously approved by the Board.

5. **In Re: Michelle V. Johnson – No. P040016209** – Motion by Mr. Kinchen to approve the \$250.00 settlement for failure to timely submit a tax clearance. That motion was seconded by Gen. Cadoria and unanimously approved by the Board.

7. **In Re: Laser Amusement, Inc. d/b/a Laser Amusement – No. 2604600120** – Motion by Mr. Boyer to approve the \$350.00 settlement for failure to display the language regarding underage patron play on its gaming device and for failure to maintain validation decals on seven of its devices located at Palace Truck Stop. That motion was seconded by Gen. Cadoria and was unanimously approved.

9. **In Re: Green Park Industries, Inc. d/b/a Lakeview Lounge – No. 0800111494 and Green Park Industries, Inc. d/b/a Lakeview Gaming – No. 0800612464**

Motion by Gen. Cadoria to affirm the decision of the Hearing Officer fining each licensee \$500.00. That motion was seconded by Mr. Boyer and approved by a five to four vote. Voting for the motion were Mr. Boyer, Gen. Cadoria, Mr. Lastrapes, Ms. Morgan and Mr. Simoneaux. Voting against the motion were Judge Fleming, Mr. Kinchen, Ms. Richardson and Chairman Gaudin.

10. **In Re: Parsa, Inc. d/b/a Club Decatur – No. 3601210741** – Motion by Mr. Simoneaux to grant the rehearing. That motion was seconded by Mr. Kinchen and approved by a seven to two vote. Voting for the amendment were Mr. Boyer, Gen. Cadoria, Mr. Kinchen, Mr. Lastrapes, Ms. Morgan, Ms. Richardson and Mr. Simoneaux. Voting against the amendment were Judge Fleming and Chairman Gaudin.
  
11. **In Re: Benetech, Inc. – No. P082602229** – Motion by Mr. Simoneaux to reverse the decision of the hearing officer denying the application, approve the application and issue a \$10,000 fine. That motion was seconded by Mr. Lastrapes and failed by a six to three vote. Voting against the motion was Judge Fleming, Mr. Boyer, Mr. Kinchen, Ms. Morgan, Ms. Richardson and Chairman Gaudin. Voting for the motion was Gen. Cadoria, Mr. Lastrapes and Mr. Simoneaux. It was moved by Judge Fleming to affirm the decision of the hearing officer denying the application. That motion was seconded by Ms. Richardson and unanimously approved by the Board.

There were public comments by Mr. Bennett following the denial of his application.

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

The meeting was adjourned.

## APPENDIX A

### USPCC CONDITIONS

1. The waiver provided by Rule 2501(F) does not waive the requirement that all persons who must meet suitability (“Qualifiers”) be found qualified and suitable in accordance with applicable statutes and rules and/or be found to be qualified institutional investors pursuant to applicable statute and rule.
2. Neither Jarden Corporation (“Purchaser”) nor any Qualifier, other than any Qualifier who previously has been found suitable by the Office of State Police and the Louisiana Gaming Control Board, shall exercise any voting rights associated with the stock of Bicycle Holding Company, Inc. (“BHI”), or any BHI subsidiary, including United States Playing Card Company (“USPCC”), with respect to the supplying, selling or leasing of USPCC products to gaming operators in Louisiana, until such time as each is determined suitable and qualified in accordance with applicable statutes and rules.
3. Neither Purchaser nor any Qualifier, other than any Qualifier who previously has been found suitable by the Office of State Police and the Louisiana Gaming Control Board, shall participate in the management or operation of USPCC with respect to the supplying, selling or leasing of USPCC products to gaming operators in Louisiana, until such time as each is determined suitable and qualified.
4. Neither Purchaser nor any Qualifier, other than any Qualifier who previously has been found suitable by the Office of State Police and the Louisiana Gaming Control Board, shall receive dividends or interest on BHI securities or receive any other remuneration or economic benefit related to the purchase of the BHI securities until such time as each is determined suitable and qualified in accordance with applicable statutes and rules.
5. Should the Office of State Police recommend that any Qualifier be found unsuitable, the Qualifier shall be removed from his/her ownership and/or management (officer, director, manager) position and he/she shall be divested of all ownership interest without recognizing a gain or profit from the investment in BHI or USPCC, all of which must occur within fifteen (15) calendar days of a ruling by the Louisiana Gaming Control Board affirming the recommendation of the Office of State Police. This condition does not preclude the right of the Qualifier to adjudicate the recommendation through the proper administrative and judicial process.
6. Within fifteen (15) calendar days from the receipt of notice, including notice by telephone, facsimile, e-mail or U.S. mail, all documentation requested by the Office of State Police shall be submitted to the Office of State Police.
7. Any other conditions or limitations deemed necessary by the Louisiana Gaming Control Board.