

## LOUISIANA GAMING CONTROL BOARD

### Minutes of October 16, 2001

The Louisiana Gaming Control Board held a meeting on Tuesday, October 16, 2001, at 10:00 a.m., Senate Room E of the Louisiana State Capitol. Present at this meeting were: Hillary J. Crain, Chairman; Robert M. Fleming, Vice-Chairman; Ralph R. Perlman, Secretary/Treasurer; James Boyer, Gen. Sherian Cadoria, Dennis Kinchen, William Lastrapes, Marcia Morgan, and Rupert Richardson. Absent were ex-officio members, Col. Terry Landry and Sec. Cynthia Bridges.

The meeting was called to order. It was moved by Gen. Cadoria to approve the minutes of the September meeting and Executive Session. That motion was seconded by Mr. Kinchen and unanimously approved by the Board.

Ms. Donna Jackson, State Police Gaming Audit Division, presented the revenue reports for the riverboats and landbased casino. Ms. Stacey Madden, also with the State Police Audit Division, reported on the employee numbers and salaries of the landbased casino, and Ms. Donna Adolph reported on the statistics for video poker.

The Chairman called on Ms. Maggie Malone and Ms. Lonna Willingham, auditors with State Police, to report on documents that were submitted by La. Horizons with reference to Pinnacle Entertainment. They reported that the documents did not contain any information that had not been previously reviewed.

Dr. Joseph Sarpy with Pier Distributors, addressed the Board concerning statements made during the Oct. 10<sup>th</sup> Special Meeting about pass-through companies. He stated that Pier had lost contracts with some casinos because of this publicity. Dr. Sarpy continued by saying Pier was a legitimate company and that Horseshoe Casino was the only casino who was still contracting with them.

Following Dr. Sarpy's comments, it was moved by Mr. Boyer to award the 15<sup>th</sup> riverboat license to Pinnacle Entertainment. There was a substitute motion by Ms. Morgan whether the license should be issued at this time. That motion was seconded by Ms. Richardson and failed by a 5 to 4 vote. Voting not to issue the license were: Vice-Chairman Fleming, Mr. Kinchen, Mr. Lastrapes, and Ms. Richardson. Voting to issue the license were: Sec. Perlman, Mr. Boyer, Gen. Cadoria, Ms. Morgan and Chairman Crain. The Board then voted on the original motion to award Pinnacle Entertainment the license. Voting for Pinnacle were: Sec. Perlman, Mr. Boyer, Gen. Cadoria, Ms. Morgan, Ms. Richardson and Chairman Crain. Voting against the motion: were Vice-Chairman Fleming, Mr. Kinchen and Mr. Lastrapes.

The Chairman then called on Ms. Claudeidra Minor, Asst. Attorney General, to report on the Voluntary Employment and Compliance Reports for the second quarter of 2001.

Mr. Tom Warner, Asst. Attorney General, addressed the Board with a request received by Mr. Brett Sulzer, attorney, requesting a hearing on proposed rule LAC 42:III.123, Application After Denial. It was moved by Sec. Perlman to amend the agenda to add this item. That motion was seconded by Mr. Boyer and unanimously approved by the Board. Following that motion, it was moved by Ms. Richardson to grant a hearing on Rule 123 at the November meeting. That motion was seconded by Mr. Boyer and unanimously approved by the Board.

The Board also received comments from Mr. Brett Sulzer regarding his opposition to rules LAC 42:III.121, 122, Withdrawal of Application and Voluntary Surrender of Licenses. Following discussion, the Board decided to continue with the rule-making process on these rules.

It was moved by Sec. Perlman to institute the rule-making procedures for the adoption of LAC 42:III.201, Electronic Cards, General Credit Provisions. That motion was seconded by Gen. Cadoria and unanimously approved by the Board.

Sec. Perlman also made a motion for the adoption of LAC 42:IX.3305, Surveillance Room and Gaming Board's Control Space Requirements, Landbased Casino. That motion was seconded by Mr. Kinchen and unanimously approved by the Board.

The Board acted on Proposed Settlements/Appeals from hearing officers' decisions in the following:

1. **In Re: BYA, LLC d/b/a Elmwood Kitchen Restaurant & Bar - No. 2600212048**
2. **In Re: Red Eye Grill, II, LLC d/b/a Red Eye Grill - No. 2600111736**
3. **In Re: Caperton, LLC d/b/a The Caddy Shack - No. 2900112032**

These three settlements were handled in globo because they dealt with the same issue. All three licensees failed to attend their mandatory compulsive gambling program. It was moved by Ms. Morgan to approve the settlements. That motion was seconded by Mr. Kinchen and unanimously approved by the Board.

4. **In Re: JOM, Inc. d/b/a Chipco - Cert. No. - I026500878** - Motion by Mr. Lastrapes to remand the case back to the hearing officer and allow 60 days to get the information needed by State Police. The Board will place the appeal back on the December agenda for action.

The Chairman discussed the Resolution adopted by the Legislature to place the Delta Downs/Boyd Racing matter on the agenda without the Board receiving the investigative report from State Police. He stated the Senate had not passed such a resolution. He only brought this matter to the Board's attention because of the misinformation that had been spread pertaining to this matter.

There being no public comments, it was moved by Ms. Richardson to adjourn the meeting. That motion was seconded by Mr. Boyer and unanimously approved by the Board.

The meeting was adjourned.