

APPROVED

8/15/00

LOUISIANA GAMING CONTROL BOARD

Minutes of July 18, 2000

The Louisiana Gaming Control Board held a meeting on Tuesday, July 18, 2000, 10:00 a.m., in House Committee Room 6 of the Louisiana State Capitol. Present at this meeting were: Hillary J. Crain, Chairman; Robert M. Fleming, Vice-Chairman; Ralph Perlman, Secretary-Treasurer; James Boyer, Sherian G. Cadoria, Dudley Lastrapes, Marcia Morgan, Rupert Richardson, and ex-officio member Col. Terry Landry. Absent was ex-officio member Sec. Cynthia Bridges.

The Chairman called the meeting to order. It was moved by Gen. Cadoria to approve the minutes of the June meeting. That motion was seconded by Ms. Richardson and unanimously approved by the Board.

Mr. Jeff Traylor, State Police Gaming Audit Division, presented the revenue reports for the riverboats and the landbased casino. Ms. Donna Stevens, Audit Supervisor, presented the revenue for video gaming.

The Chairman called upon Ms. Fran Hartzog and Mr. Gary Wheat, Administrative Director for Operating Services with the Dept. of Public Safety & Corrections, to address the Board concerning a Loss Prevention Program in which the Board had the option to participate. Following Mr. Wheat's presentation, it was decided that the Board would opt out of the risk management loss prevention audit program.

Next on the agenda was an update on the Hollywood Casino project. Ms. Claudeidra Minor, Asst. Attorney General and Mr. Walt Evans, general counsel for Hollywood Casino Corporation, updated the Board on the Hollywood Casino project. Mr. Evans also requested approval of payment from the escrow account to reimburse Hollywood for payment of R. Donally, the financial printer for the notes issued to finance the Hollywood Shreveport project.

It was moved by Sec. Perlman, seconded by Vice-Chairman Fleming and unanimously approved by the Board to authorize the Chairman to sign the order approving payment from the escrow account.

The Board then acted upon a petition from Louisiana Horizons, an applicant for the 15th riverboat license, to amend their application and approve a transfer of interest which would result in Isle of Capri owning 45 percent of the project through a subsidiary called Isle of Capri, L.L.C., and Louisiana Horizons owning 55 percent of the project.

It was moved by Mr. Boyer to approve the petition. That motion was seconded by Mr. Lastrapes and unanimously approved by the Board.

The Board acted on and approved licenses for the following truckstops:

1. LaPlace Travel Center d/b/a Poker Palace Casino
2. Sizzling 7's d/b/a Vegas Style Casino
3. Larose Truck Plaza & Casino d/b/a Larose Casino
4. Raven Enterprises d/b/a Royal Flush #1
5. Bayou Enterprises d/b/a Royal Flush #2
6. Stan's L.L.C. d/b/a Stan's Truckstop/Diamond Jubilee

The next item dealt with the replacement of bill acceptors. Lt. Jules Pinero, State Police Video Gaming, Mr. Norbert Courville, technician with the State Police Video Gaming Division, and Mr. Leonce Gautreaux, Asst. Attorney General, addressed the Board concerning the problem of the current bill acceptors not recognizing the new five and ten dollar bills at video poker machines.

Several members of the video poker industry also spoke to board members with reference to this problem.

Following the discussion, it was moved by Ms. Richardson that the Board require bill validators to be fixed through licensed manufacturers where possible, and where not possible, to be fixed by purchasing parts by a licensed distributor. That motion was seconded by Gen. Cadoria and unanimously approved by the Board.

Mr. Tom Warner, Asst. Attorney General, presented numerous rules to the Board. Following his presentation, it was moved by Mr. Lastrapes to initiate the rule-making process to amend LAC 42:VII.2933, IX.2901, XI.2407, and XIII.2933, Compulsive or Problem Gambling-Telephone Information and Referral Services-Sign Posting. That motion was seconded by Ms. Morgan and unanimously approved by the Board.

It was moved by Mr. Boyer to initiate the rule-making process to amend LAC 42:VII.2901, IX.2901, XI.2417 and XIII.2901, Code of Conduct of Licensees and Permittees, Casino Operator. That motion was seconded by Gen. Cadoria, and unanimously approved by the Board.

Mr. Lastrapes made a motion to initiate the rule-making process to amend LAC 42:VII.2931, IX.2927, XIII.2931, Assisting in Violations. That motion was seconded by Ms. Morgan and unanimously approved by the Board.

It was moved by Mr. Perlman to initiate the rule-making process to repeal LAC 42:XIII, Chapters 3.5,7,9 - Rules of Riverboat Gaming Commission, Adopt LAC 42:XIII.2118, Indemnification; 2156, Modification of Routes, Excursion Schedules and Berth, 2910, Passenger Embarkation and Disembarkation, and Amend LAC 42:XIII.2123, Application Information. That motion was seconded by Gen. Cadoria and unanimously approved by the Board.

It was moved by Gen. Cadoria to initiate the rule-making process to amend LAC 42:XI.2405 B., Video-Poker - Requirements for Licensing, Surrendering of Licenses. That motion was seconded by Mr. Perlman and unanimously approved by the Board.

A petition for declaratory order was filed on behalf of WMS Gaming, Inc., by Mr. Freddie Pitcher for an interpretation as to the Division's requirement that a shareholder in a parent corporation file a disclosure application for all of the board members and officers of that corporation.

Following the presentation, it was moved by Mr. Boyer to require that the application requested by the Division be completed. That motion was seconded by Judge Fleming and unanimously approved.

Mr. Brett Sulzer filed a petition for declaratory order on behalf of Vega Consultants, Ltd., involving a change of ownership between a purchaser and seller and the assets involved.

It was moved by Ms. Morgan to approve the 180 day period to give the new owner time to operate under the prior license when renewing regardless of the time of renewal. That motion was seconded by Mr. Boyer and unanimously approved by the Board.

Mr. Sulzer also filed a petition for declaratory order on behalf of New Millennium Ventures involving a licensed business that merged with a new L.L.C., and questioned whether the merged entity could continue to operate under the old license.

It was moved by Mr. Lastrapes that where the surviving entity of a merger is not the original license holder, the owner would have to apply for a new license under its new name. That motion was seconded by Ms. Richardson and unanimously approved by the Board.

The Board acted on motions for settlements/appeals in the following:

1. In Re: The Bengal Lounge - Motion by Mr. Boyer to approve the settlement and issue the license. That motion was seconded by Gen. Cadoria and unanimously approved by the Board.
2. In Re: Nitro Gaming, Inc. - Motion by J. Fleming to approve the settlement. That motion was seconded by Ms. Morgan and unanimously approved by the Board.
3. In Re: David Shane Pierce - Motion by J. Fleming to deny the renewal of the application and set aside the permit revocation. That motion was seconded by Mr. Boyer and unanimously approved by the Board.
4. In Re: El Chico Restaurant - Motion by Ms. Richardson to affirm the decision of the Hearing Officer. That motion was seconded by Gen. Cadoria and unanimously approved by the Board.

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

The meeting was adjourned.