

LOUISIANA GAMING CONTROL BOARD

Minutes of June 16, 2003

The Louisiana Gaming Control Board held a meeting on Monday, June 16, 2003, 10:00 a.m., at the LaSalle Building, 617 N. Third Street, Baton Rouge. Present at this meeting were: Hillary J. Crain, Chairman; Robert M. Fleming, Vice-Chairman; James G. Boyer, Secretary/Treasurer; Gen. Sherian Cadoria, Dudley Lastrapes, Marcia Morgan, Rupert Richardson and Kelly Simoneaux. Absent was board member Dennis Kinchen and 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 May meeting after amending them. The minutes were amended to show that Mr. Kinchen had seconded the motion to institute the rulemaking procedure and that the motion was unanimously approved by the Board. That motion was seconded by Sec. Boyer and unanimously approved by the Board.

Vice-Chairman Fleming made a motion to approve the 2003-2004 Contracts with the Hearing Officers and Court Reporters. That motion was seconded by Gen. Cadoria 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. Racquel Francis with the 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.

Ms. Alyson McCord, Asst. Attorney General in the Gaming Division, reported on the voluntary employment and procurement conditions for the first quarter of 2003.

The next item on the agenda was the Casino Support Services Contract for 2002-2003 with the City of New Orleans. Ms. Billy Larry, Director of the Attorney General's Gaming Division and Jeanne-Marie Barham, Asst. Attorney General, addressed the Board regarding this contract. On behalf of the city were Ms. Cindy Connick and Mr. Charles Rice.

Following discussion, it was moved by Ms. Morgan to approve the contract and authorize the Chairman to execute the contract following legislative approval and appropriation of funds. That motion seconded by Gen. Cadoria and unanimously approved by the Board.

The Board acted on the following truckstop applications:

1. **VGD Services, L.L.C. d/b/a Minnows II - No. 6100511935** - Motion by Mr. Lastrapes to approve the application. That motion was seconded by Mr. Simoneaux and unanimously approved by the Board.
2. **Rose Gaming, L.L.C. d/b/a Rose Gaming L.L.C. - No. 2600609936** - Motion by Vice-

Chairman Fleming to correctly reflect that this is not a truckstop renewal. This is a renewal of a device owner's licence. That motion was seconded by Ms. Morgan and unanimously approved by the Board. Following discussion, it was moved by Mr. Simoneaux to refer this matter to the Hearing Officer for action. That motion was seconded by Mr. Lastrapes and approved by a 7 to 1 vote. Voting against the motion was Vice-Chairman Fleming.

The next item on the agenda was consideration of the renewal of the license of Belle of Orleans, L.L.C. d/b/a Bally's Casino Lakeshore Resort.

Mr. Leonce Gautreaux, Asst. Director of the Attorney General's Gaming Division, Sgt. Troy Leonard and Ms. Lonna Willingham, both with the Louisiana State Police addressed the board with reference to this item. Representing Bally's Louisiana Inc., Park Place Entertainment Corporation, the parent company of Bally's Louisiana Inc., and Bally's Midwest Casino Inc., were Mr. Jeff Barbin, counsel and Mr. Bernie DeLury, Executive Vice President/Chief Legal Officer.

Mr. Sam Schildkraut, a former employee at Bally's Casino spoke against the renewal of Bally's license.

Following discussion, it was moved by Sec. Boyer to approve the renewal of the license of Belle of Orleans, L.L.C. d/b/a Bally's Casino Lakeshore Resort subject to the Resolution and Statement of Conditions attached to these minutes as Appendix A. That motion was seconded by Ms. Richardson and unanimously approved by the Board.

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

Numbers 1 - 4 were acted on in globo because they all dealt with licensees not including the toll-free telephone number of the National Council on Problem Gambling in any advertisement of its gaming activities or establishments and were each assessed a \$250.00 penalty. It was moved by Ms. Richardson to approve the settlement in these cases. That motion was seconded by Gen. Cadoria and unanimously approved by the Board.

1. **In Re: Tammy Nolan d/b/a Settler's Restaurant - No. 4908212583A**
2. **In Re: Shop Rite, Inc. d/b/a Shop Rite #82 Jennings Travel Center - No. 2703512949**
3. **In Re: Pilot Corp. Tennessee d/b/a Pilot Travel Center #274 - No. 5002512949**
4. **In Re: Olive D. Hebert d/b/a Bayou Gold - No. 1000500281**

5. **In Re: J & R KMS Custom Flooring, Inc. - No. P086502333** - Motion by Gen. Cadoria to approve the settlement of \$500.00. That motion was seconded by Sec. Boyer and unanimously approved by the Board.

6. **In Re: Global Minting, Inc. - No. P066502241** - Motion by Gen. Cadoria to approve the settlement of \$5,000.00. That motion was seconded by Ms. Richardson and unanimously approved by the Board.

7. **In Re: Jazz Casino, Co., L.L.C. d/b/a Harrah's New Orleans - No. CGD020241** - Motion by Ms. Richardson to approve the settlement of \$45,000.00. That motion was seconded by Sec. Boyer and unanimously approved by the Board.
8. **In Re: Jazz Casino, Co., L.L. C. d/b/a Harrah's New Orleans - No. CDG020403** - Motion by Ms. Morgan to approve the settlement of \$45,000.00. That motion was seconded by Sec. Boyer and unanimously approved by the Board.
9. **In Re: Paul-Son Gaming Supplies, Inc. - No. CDG020337** - Motion by Sec. Boyer to approve the settlement of \$75,000.00. That motion was seconded by Ms. Richardson and unanimously approved by the Board.
10. **In Re: Treasure Chest Casino, L.L.C. - No. RGS010130** - Motion by Mr. Lastrapes to approve the settlement of \$58,000.00. That motion was seconded by Mr. Richardson and unanimously approved by the Board.

There were public comments by Mr. Frederick Henson on behalf of the National Association of Minority Contractors with reference to construction contracts with riverboat casinos.

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

The meeting was adjourned.

**STATE OF LOUISIANA
GAMING CONTROL BOARD**

**IN THE MATTER OF HEARING ON
BELLE OF ORLEANS, L.L.C. LICENSE RENEWAL**

RESOLUTION

On the 16th day of June, 2003, the Louisiana Gaming Control Board (“Board”) did, in a duly noticed public meeting, consider the issue of Hearing on Belle of Orleans, L.L.C. License Renewal and, upon motion duly made and seconded, the Board adopted the following Resolution:

1. **BE IT RESOLVED** by the Board that the Statement of Conditions to Renewal of the Riverboat Gaming License of the Belle of Orleans, L.L.C. presented for consideration this date be and is hereby approved and adopted by the Board.
2. **BE IT FURTHER RESOLVED** by the Board that the riverboat casino license of Belle of Orleans, L.L.C. be renewed for a term of five years commencing March 24, 2000, subject to the original conditions of the license and all conditions approved this date, and that such conditions be attached hereto and made apart hereof.
3. **BE IT FURTHER RESOLVED** by the Board that, finding the Licensee has fulfilled the conditions placed on the approval of the merger and spin-off as reflected in the Board’s resolution of December 29, 1998, the approval of the merger and spin-off and the transfer of ownership interest to Park Place be and is hereby confirmed as final.

***THUS DONE AND SIGNED IN BATON ROUGE, LOUISIANA, THIS _____ DAY
OF _____, 2003.***

**HILLARY J. CRAIN, CHAIRMAN
LOUISIANA GAMING CONTROL BOARD**

ATTEST:

**ROBERT M. FLEMING, VICE-CHAIRMAN
LOUISIANA GAMING CONTROL BOARD**

**STATEMENT OF CONDITIONS TO RENEWAL
OF THE RIVERBOAT GAMING LICENSE OF THE
BELLE OF ORLEANS, L.L.C. d/ b/a BALLY'S CASINO
LAKESHORE RESORT**

In addition to the conditions placed upon it on February 10, 1994, by the Louisiana Riverboat Gaming Commission, **Belle of Orleans, L.L.C.** ("Licensee") and **Park Place Entertainment Corporation** ("Park Place") hereby expressly accept, agree and stipulate to the following additional conditions to its license to conduct riverboat gaming issued by the Louisiana Gaming Control Board pursuant to the provisions of La. R.S. 27:41 et. Seq. and the administrative rules promulgated pursuant thereto. More particularly, Licensee and Park Place agree as follows:

1. Park Place shall maintain a formal regulatory compliance committee ("Committee") charged with fulfilling Park Place and its licensee's regulatory responsibilities to the State of Louisiana. The Committee shall consist of not less than five (5) members, the majority of whom shall not be officers or employees of Park Place or any of its affiliates or subsidiaries. The Committee shall report to the Board of Directors of Park Place.
2. Park Place shall employ a fulltime Compliance Officer/Director who shall report directly to the Committee and the General Counsel. The Compliance Officer/Director shall hold no other position with Park Place and shall only be tasked with the responsibility of assuring and maintaining regulatory compliance. The Compliance Officer/Director shall not be involved in market development activities.
3. Park Place shall report to, and the Committee shall approve, all committee members, individuals and business entities having any association with Park Place's efforts to pursue gaming opportunities in any jurisdiction.
4. Park Place shall report to, and the Committee shall approve, any business association with, payment to, or provision of services, gifts, or anything of value on behalf of any public official, and where it involves a public official or public employee of the State of Louisiana, the Committee shall assure compliance with the statutes and regulations governing the ethical conduct of public employees and officials of the State of Louisiana.
5. Within thirty (30) days of any action taken by the Committee in conformity with Renewal Condition No. 4 involving a public official or employee of the State of Louisiana, said action shall be reported to the Board and the Division.

6. Within thirty (30) days of any meeting of the Committee, a copy of all ratified minutes, exhibits and reports received by the Committee shall be provided to the Board and the Division.
7. On or before June 30th and December 30th each year, Park Place shall submit a written report to the Board and the Division summarizing outstanding litigation involving Park Place, its affiliates and subsidiaries and its key employees. This semi-annual submission need not include routine business litigation involving negligence or employment claims or similar type actions unless the potential damage claim requires filing and notification to the SEC.
8. On or before June 30th and December 30th of each year, Park Place shall submit a written report to the Board and the Division summarizing regulatory action initiated or taken by any regulatory agency with reference to Park Place, its affiliates and subsidiaries and its key employees where the potential penalty may exceed \$ 100,000.00 or which may affect the approved status of any gaming license or operation.

Any provision or conditions shall be modified or superseded by applicable subsequent statutory or regulatory provisions. Failure to comply with any provisions or conditions shall constitute grounds for administrative action by the Board.