

LOUISIANA GAMING CONTROL BOARD

Minutes of September 18, 2007

The Louisiana Gaming Control Board conducted a meeting on Tuesday, August 21, 2007, 10:00 a.m., in Senate Room A of the Louisiana State Capitol. Present at this meeting were: H. Charles Gaudin, Chairman; James Boyer, William Lastrapes, Marcia Morgan, Rupert Richardson, M.J. "Kelly" Simoneaux, Major Claude Mercer and Velma Rogers. Absent were ex-officio members, Col. Stanley Griffin and Sec. Cynthia Bridges.

It was moved by Ms. Richardson to waive the reading and approve the minutes of the July meeting. That motion was seconded by Mr. Boyer 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. Donna Stevens, also with the Audit Division, reported on the video poker statistics.

The Board acted on a truckstop application for **Jalou Silver Dollar, LLC d/b/a Silver Dollar Truckstop Casino – No. 0904515201**. It was moved by Mr. Boyer to approve the application. That motion was seconded by Mr. Lastrapes and unanimously approved by the Board.

The petition by Belle of Baton Rouge for approval of conceptual drawings relative to a new riverboat at their current berth was withdrawn by the licensee and will be considered at a later date.

The Board acted on a petition by L'auberge du Lac for approval of reconfiguration of gaming space. It was moved by Mr. Simoneaux to approve the reconfiguration. That motion was seconded by Ms. Richardson and unanimously approved by the Board.

The next item dealt with a request by Churchill Downs Inc. Louisiana Horseracing Company, LLC for approval of their Compulsive and Problem Gaming Program.

Following discussion, it was moved by Mr. Lastrapes to approve Churchill Downs Compulsive and Problem Gaming Program. That motion was seconded by Ms. Morgan and unanimously approved by the Board.

Churchill Downs Inc. Louisiana Horseracing Company, LLC also petitioned the Board for approval to open their temporary slots facility and amended floor plan.

Following discussion, it was moved by Ms. Morgan to approve opening of the temporary slots facility and amended floor plan for Churchill Downs Inc. Louisiana Horseracing Company, LLC. That motion was seconded by Ms. Richardson and unanimously approved by the Board.

The Board acted on a request by Pinnacle Entertainment, Inc. for approval of a second amendment to their second amended credit facility. Following discussion, it was moved by Mr. Boyer to approve the amendment to the credit facility. That motion was seconded by Mr. Lastrapes and unanimously approved by the Board.

The next item was consideration of the request by Pinnacle Baton Rouge for approval of the second amended petition for a change of berth. Appearing on behalf of PNK were Larry Orlansky, counsel, Dan Lee, Chairman of the Board and Chief Executive Officer, Jack Godfrey, Executive Vice-President, General Counsel and Secretary, Wade Hundley, President of PNK, and Cliff Kortman, President of Design and Construction.

Mr. Lee stated that PNK either owned or had an option on 565 acres of land in Baton Rouge to build a new facility which would be called Riviere. The project would be built in two phases. The casino and support facilities, restaurant, 100 room hotel, entertainment venue, lake and waterscape would be built in the first phase. Phase two would consist of the first commercial building, residential mixed use community, golf course and additional hotel rooms. No timeline was set for building Phase Two of the project.

Appearing on behalf of the state were Leonce Gautreaux, Deputy Director, Gaming Division, Attorney General's Office, Lonna Willingham, Auditor with State Police, and Sgt. Jeff Watts.

Mr. Gautreaux pointed out there was an interest in a portion of the property that PNK had not yet acquired, and stated that there was a requirement included in the conditions that PNK file for judicial partition within 30 days if the project was approved by the Board. He also stated that any approval would be subject to a local option referendum which would have to be called by the local governing authority.

Ms. Willingham reported on the financial status of Pinnacle Entertainment and stated there would be no financial problems for Pinnacle to construct this project.

Sgt. Watts stated he received a letter of no objection to the berth site plans proposed by Pinnacle from Lt. Commander S.N. Gilbreth of the United States Coast Guard. He also stated no derogatory information had been discovered with regard to public safety matters.

There was opposition from Mr. Brent Barrier, who represented Hollywood Casino. He stated the application was fundamentally flawed and there were no standards to accept it. Also objecting were Dr. Loren Scott, economist, and Mr. Bill Clifford, Senior Vice-President and CFO for Penn National Gaming, who were concerned about the financial impact a third riverboat casino would have on the current Baton Rouge market.

Others objecting to the petition by Pinnacle were Pat Culbertson, Baton Rouge Metro Council Member, Kelly Stutes, Charles Perriloux, David Ellison and Dr. W.A. Krotoski.

Following the discussion, it was moved by Mr. Boyer to adopt the resolution and conditions approving the change of berth. That motion was seconded by Mr. Lastrapes.

Mr. Simoneaux offered a substitute motion which in addition to the original motion would contain a timetable. That motion failed due to lack of a second.

The original motion was voted on and passed seven to one. Voting against the motion was Mr. Simoneaux.

The Board acted on Proposed Settlements/Appeals from Hearing Officers' decisions in the following:

1. **In Re: Jazz Casino Company, L.L.C. d/b/a Harrah's New Orleans Casino - No. ENF060262** - Motion by Ms. Morgan to approve the \$50,000 penalty and implementation of new procedure for failure to inform Division of required information. That motion was seconded by Mr. Lastrapes and unanimously approved by the Board.
2. **In Re: Paul K. Pitre – No. P040039607** – Motion by Ms. Richardson to approve the \$250 penalty for failure to remain eligible for tax clearances. That motion was seconded by Major Mercer and unanimously approved by the Board.
3. **In Re: Bisso Enterprises, Inc. d/b/a The Club Ms. Mae's – No. 3601103362** - Motion by Mr. Lastrapes to approve the \$5,500 penalty for failure to respond and failure to timely provide required information. That motion was seconded by Mr. Boyer and unanimously approved by the Board.
4. **In Re: Fisherman's Paradise Harbor & Marina, Inc. d/b/a Paradise Truck Stop – No. 3601504045** – Motion by Mr. Simoneaux to approve the \$5,000 penalty for repeated violations regarding sufficient parking area. That motion was seconded by Ms. Morgan and unanimously approved by the Board.
5. **In Re: Gilsbar, Inc. – No. P085200730** – Motion by Major Mercer to approve the \$5,000 penalty for failure to timely provide required information. That motion was seconded by Mr. Boyer and unanimously approved by the Board.
6. **In Re: Mail Print Incorporated – No. P086502502**
7. **In Re: Graphic Controls, LLC – No. P086502642**
8. **In Re: Stuarts Incorporated of Shreveport – No. P080902041**

The above stated cases were considered in globo because they dealt with the same issue. It was moved by Ms. Morgan to approve the \$562.50 penalty for each of these permittees for

failure to timely submit their annual fee and annual affidavit. That motion was seconded by Mr. Lastrapes and unanimously approved by the Board.

9. **In Re: Philip M. Grego – No. P040050891** – Motion by Ms. Richardson to grant a 30 day continuance and suspend his license until the next meeting. That motion was seconded by Mr. Simoneaux and unanimously approved by the Board.
10. **In Re: Willard F. Guillot, III - No. P040050371** – Continued.

Ms. Antonia Edgewood addressed the Board stating she was voting against the Pinnacle project and would be writing her representative to curb the number of casinos in Louisiana, especially in Baton Rouge.

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

The meeting was adjourned.