

10/17/00
APPROVED

LOUISIANA GAMING CONTROL BOARD

Minutes of September 19, 2000

The Louisiana Gaming Control Board held a meeting on Tuesday, September 19, 2000, 10:00 a.m., House Committee Room 1 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, Dudley Lastrapes, Marcia Morgan, and Rupert Richardson. Absent were ex-officio members Col. Terry Landry and Sec. Cynthia Bridges.

The Chairman called the meeting to order. He introduced the newest member, Mr. Dennis Kinchen, and welcomed him to the Board.

Following Mr. Kinchen's introduction, it was moved by Mr. Boyer to approve the minutes of the July 26th Special Meeting and minutes of both the August meeting and August Executive Session. That motion was seconded by Gen. Cadoria and unanimously approved by the Board.

Mr. Jeff Traylor, State Police Gaming Audit Division, presented the revenue for the riverboats and the landbased casino. Ms. Janice Adolph, also with the State Police Gaming Audit Division, presented the statistics for video gaming.

The Chairman called upon Mr. John Campbell, Special Asst. Attorney General, who addressed the Board about Financial Stability Certification issues under Section 9.5 (c) of the amended and renegotiated casino operating contract of Jazz Casino Corporation. Mr. Basille Uddo, counsel for Jazz Casino Corporation, also addressed members concerning the financial stability of the casino.

Mr. Campbell suggested that the board receive updates on the financial situation of Jazz Casino Corporation at each board meeting.

It was moved by Ms. Richardson, seconded by Mr. Lastrapes, and unanimously approved by the Board to adopt the following resolution:

1. JCC has committed a default under Section 9.5 (c) of the COC, in that it failed to demonstrate by clear and convincing evidence that JCC has the continuing ability to pay, exchange, refinance or extend its debt that will mature or otherwise become due and payable during the twelve month period that commenced on July 1, 2000.
2. The Board Chairman is empowered to issue a Notice of default as set forth in Section 9.5(e) of the COC notifying JCC that the Board finds that a default has occurred and JCC has a six month period to cure the default after receipt of Notice.

3. The Board Chairman is empowered to issue such other notices or directives and take such other action as he deems necessary and proper to enforce the terms of the COC.

The Board then considered a Petition for Approval of Amended and Restated Revolving Credit Facility and Hotel Land Transfer on behalf of Argosy Gaming. Speaking on behalf of Argosy Gaming was Mr. Dale Black. Representing the state were Ms. Lonna Willingham and Ms. Maggie Malone, Auditors with State Police Gaming Division.

Following the presentation, it was moved by Mr. Boyer to approve the Petition for the Amended Credit Facility. That motion was seconded by Gen. Cadoria and unanimously approved by the Board.

Mr. Dudley Lastrapes moved to approve the Hotel Land Transfer. That motion was seconded by Mr. Perlman and unanimously approved by the Board.

The Chairman called upon Ms. Claudeidra Minor, Asst. Attorney General in the Gaming Division, to report on the Voluntary Procurement and Compliance Reports for the second calendar quarter.

The Board acted on and approved a license for the Big Wheels Travel Center, d/b/a Big Wheels Casino Truckstop.

The Chairman called upon Mr. Tom Warner, Asst. Attorney General in the Gaming Division, who presented numerous rules to the Board.

Following his discussion, it was moved by Gen. Cadoria to set a public hearing at the October 17th board meeting regarding the comments on proposed rule LAC 42:XI.2405 B.12, Surrender of Licenses, and XI.2417 A, Code of Conduct of Licensees and Permittees (Video Poker). That motion was seconded by Mr. Perlman and unanimously approved by the Board.

It was moved by Ms. Richardson, seconded by Mr. Boyer, and unanimously approved by the Board to adopt the amendments to LAC 42:IX.4103, Landbased Casino, Enforcement Actions of the Board; adoption of LAC 42:IX.4201-4219, and repeal of LAC 42:IX.4327-4357, Electronic Gaming Devices.

It was moved by Mr. Perlman, seconded by Gen. Cadoria, and unanimously approved by the Board to adopt LAC 42:XI.2405 B.7., Tax clearance certificates (Video Poker).

Gen. Cadoria made a motion to adopt amendments to Subsections 2723 F., G. and H., Internal Controls, Slots (Requirements after Jackpot) in Parts VII, IX and XIII (Pari-Mutuel Live Racing Facility, Riverboat and Landbased) and to repeal LAC 42:XIII.2715 P., and VI. 2715P. That motion was seconded by Mr. Boyer and unanimously approved by the Board.

Vice-Chairman Fleming moved to institute the rule-making process for the adoption of amendments to LAC 42:VII.1701 and XIII.1701, Definitions, Louisiana Business (Pari-Mutuel Live

Racing Facility, Riverboat). That motion was seconded by Ms. Richardson and unanimously approved by the Board.

A Petition for Declaratory Order was filed by Sen. Max Malone requesting an interpretation of a Minority Business Enterprise or Minority Owned Business as defined in LAC 42:XIII.1701 with respect to individuals with disabilities.

It was moved by Mr. Lastrapes to consider persons with disabilities minorities. That motion was seconded by Mr. Perlman and approved 8 to 1. Ms. Morgan voted against the motion.

The Board acted on proposed appeals/settlements in the following:

1. In Re: Craig Major - Motion by Mr. Lastrapes to approve the settlement. That motion was seconded by Mr. Boyer and approved by a 5 to 4 vote. Voting in the favor of the settlement were: Mr. Boyer, Mr. Lastrapes, Ms. Morgan, Ms. Richardson and Chairman Crain. Voting against the settlement were: Vice-Chairman Fleming, Sec. Perlman, Gen. Cadoria and Mr. Kinchen.
2. In Re: Daiquiri World - Motion by Mr. Boyer to approve the settlement. That motion was seconded by Gen. Cadoria and unanimously approved by the Board.
3. In Re: The Pool Room - Motion by Vice-Chairman Fleming to approve the settlement. That motion was seconded by Ms. Morgan and unanimously approved by the Board.
4. In Re: Fredrick Brooks - Motion by Vice-Chairman Fleming to affirm the Hearing Officer's decision denying the renewal. That motion was seconded by Ms. Richardson and unanimously approved by the Board.
5. In Re: Lois Mitchell - Motion by Mr. Boyer to affirm the Hearing Officer's decision denying the renewal. That motion was seconded by Mr. Perlman and unanimously approved by the Board.
6. In Re: Stacy Halpine - Motion by Ms. Morgan to affirm the Hearing Officer's decision denying the renewal. That motion was seconded by Mr. Kinchen and unanimously approved by the Board.
7. In Re: Xavior Matthews, II - Motion by Mr. Lastrapes to affirm the Hearing Officer's decision revoking is state certification. That motion was seconded by Ms. Richardson and unanimously approved.
8. In Re: Loretta Murray - Motion by Ms. Richardson to affirm the Hearing Officer's decision denying the renewal. That motion was seconded by Vice-Chairman Fleming and unanimously approved by the Board.
9. In Re: Kristal Cooley - Motion by Mr. Lastrapes to affirm the Hearing Officer's decision

denying the renewal. That motion was seconded by Ms. Morgan and approved 8 to 0. Mr. Kinchen abstained from voting.

10. In Re: Emmett Antwine - Motion by Mr. Boyer to affirm the Hearing Officer's decision denying the renewal. That motion was seconded by Vice-Chairman Fleming and unanimously approved by the Board.
11. In Re: Leslie Bonano - Continued to the October 17th meeting.

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

The meeting was adjourned.