

LOUISIANA GAMING CONTROL BOARD

APPROVED

2/20/01

Minutes of January 16, 2001

The Louisiana Gaming Control Board held a meeting on Tuesday, January 16, 2001, 10:00 a.m., Senate Room A 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 ex-officio member Sec. Cynthia Bridges. Absent was Rupert Richardson and ex-officio member Col. Terry Landry.

The meeting was called to order. Chairman Crain updated Board members concerning the decision rendered by the First Circuit Court of Appeal involving the Metro Gaming case and its effect on gaming in Louisiana. He stated that if the decision was not overturned by the Supreme Court, any matter that was contested would have to be heard by a Hearing Officer. He indicated that prior to the Gaming Control Board acting on any issue, the topic would be placed on the Board's agenda. If anyone disputes a proposed action the matter would have to be referred to a hearing officer.

Following his comments, it was moved by Sec. Perlman to approve the minutes of the December meeting. That motion was seconded by Mr. Lastrapes 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 in Video Gaming, presented the statistics in video gaming.

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

1. Ozden, Inc., d/b/a I-49 @ US-167 Gold Rush Truck Stop
2. Golden Grove Truckstop, Inc. d/b/a Golden Grove Truckstop and Casino
3. Stark, Inc. d/b/a Studebaker's Texaco Travel Plaza

Mr. Fred Burford, President and C.E.O. of Jazz Casino Corporation, and Mr. David Satz, general counsel, addressed the Board concerning financial suitability issues .

Mr. John Campbell, Special Asst. Attorney General and Mr. Jay Quinlan, Director of the Attorney General's Gaming Division, also spoke concerning suitability issues regarding Jazz Casino Corporation. As a precautionary measure, Mr. Quinlan stated that the state would like for J.C.C. to maintain the current numbers of surveillance and security staff between now and March 31<sup>st</sup>.

Following the discussion, it was moved by Mr. Lastrapes, seconded by Mr. Kinchen and unanimously approved by the Board to adopt the following resolution:

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1. **BE IT RESOLVED** by the Board that, until further action of this Board, JCC be required to maintain a cash reserve of no less than \$17,500,000 for operation of the landbased casino.
2. **BE IT FURTHER RESOLVED** by the Board that JCC maintain this cash reserve in accordance with LAC 42:IX.2713(D) and adopt this cash reserve as an amendment to the internal controls of the landbased casino.

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Mr. Phillip Becker, counsel for Red River Entertainment in Shreveport and Mr. Dennis Gallagher, associate general counsel and compliance officer for Harrah's Entertainment, addressed the Board concerning a Petition for Modification of Corporate Structure of Red River Entertainment Partnership in Commendum.

Following their presentation, it was moved by Sec. Perlman, seconded by Mr. Boyer and unanimously approved by the Board to approve the petition.

Lt. Rick Chargois, Supervisor of the Louisiana State Police Gaming Suitability Section, updated board members regarding the status of the investigation of the 15<sup>th</sup> riverboat gaming license. He stated that the reports should be completed by the end of March and would be submitted to the board in April.

The Chairman called on Mr. Tom Warner, Asst. Attorney General, to address the Board concerning the adoption of amendments to LAC 42:VII.2933, IX.2939, XI.2407 and XIII.2933, Compulsive and Problem Gaming Telephone Number.

Following Mr. Warner's comments, it was moved by Gen. Cadoria, seconded Mr. Boyer and unanimously approved by the Board to adopt the amendments to the rule.

Vice-Chairman Fleming made a motion to go into Executive Session. That motion was seconded by Gen. Cadoria and unanimously approved by the Board.

Following the Executive Session, the Board returned to the regular session.

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

1. In Re: Catfish Queen Partnership in Commendum Jazz Enterprises d/b/a Belle of Baton Rouge Casino - Motion by Ms. Morgan to approve the settlement. That motion was seconded by Mr. Kinchen and unanimously approved by the Board.

The Board acted on a Petition for Declaratory Ruling filed by Mr. Paul Baier, on behalf of El

Chico Restaurants, regarding the applicability of La. R.S. 27:311(G) involving a merger where the surviving corporation continues to operate the video gaming devices previously operated by the non-surviving corporation to the merger who is the licensee. Following discussion, it was moved by Vice-Chairman Fleming, seconded by Gen. Cadoria and unanimously approved by the Board that La. R.S. 27:311(G), which requires a new entity to apply for and receive a video gaming license in order to operate video gaming devices, was applicable to the merger.

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

The meeting was adjourned.