



State of Louisiana

Gaming Control Board

M. J. "MIKE" FOSTER, JR.
GOVERNOR

HILLARY J. CRAIN
CHAIRMAN

RULING ON PETITION FOR DECLARATORY RULING OF D.P.L., INC., EMERALD COMPANY, FOREST COMPANY OF LOUISIANA, LLC, GARY LEVET, HENRY R. LENTZ, JR., AND ANGELICA MANDOT

Petitioners, D.P.L., Inc. ("D.P.L.") and Emerald Company, Forest Company of Louisiana, LLC, Gary Levet, Henry R. Lentz, Jr., and Angelica Mandot (collectively the "Associates") seek a declaratory ruling that the Louisiana Gaming Control Law, La. R.S. 27:1 et seq., and more specifically La. R.S. 27:310(D) providing that "all gaming related associations ... or other financial indebtedness of an applicant or licensee must be revealed to the division for the purposes of determining significant influence and suitability,"¹ grants the Louisiana Gaming Control Board ("Board") the authority to request that D.P.L. and

¹ Louisiana Revised Statute 27:310(D) provides in its entirety:

Every person who has or controls directly or indirectly more than a five percent ownership, income, or profit interest in an entity which has or applies for a license in accordance with the provisions of this Chapter, or who receives more than five percent revenue interest in the form of a commission, finder's fee, loan repayment, or any other business expense related to the gaming operation, or who has the ability, in the opinion of the division, to exercise a significant influence over the activities of a licensee authorized or to be authorized by this Chapter, shall meet all suitability requirements and qualifications for licensees. For the purposes of this Chapter, all gaming related associations, outstanding loans, promissory notes, or other financial indebtedness of an applicant or licensee must be revealed to the division for the purposes of determining significant influence and suitability.

the Associates meet suitability, and further permits the Board to allow D.P.L. and the Associates to continue to be paid under their contracts with the licensee unless and until such time as they are deemed unsuitable.

This matter was addressed by the Board at its June 20, 2000, meeting. Formerly, associates were not identified or subjected to suitability. The Board determined these associates should be identified and, because of the nature of their involvement with the licensed gaming entity, subjected to suitability. There is nothing in the Louisiana Gaming Control Law which prevents payment under an existing associate contract during the time a suitability determination is being made with one exception. La. R.S. 27:310(F) provides in pertinent part:

F. Notwithstanding the provisions of Subsection D of this Section, if any person required to be found qualified or suitable pursuant to Subsection D of this Section fails to provide all or part of the documents or information required by the Louisiana Gaming Control Board or the division, and if, as a result, any person holding a license issued pursuant to the provisions of this Chapter is not or may no longer be qualified or suitable, the board shall issue, under penalty of revocation of the license, a condition naming the person who failed to provide all or part of the documents or information required by the board or the division, and declaring that such person may not:

- (1) Receive dividends or interest on securities of a corporation holding a license, if the person has or controls directly or indirectly more than a five percent ownership, income, or profit interest in such corporation.
- (2) Exercise directly, or through a trustee or nominee, a right conferred by securities of a corporation holding a license, if the person has or controls directly or indirectly more than a five percent ownership, income, or profit interest in such corporation.
- (3) Receive remuneration or other economic benefit from any person holding a license issued pursuant to the provisions of this Chapter.
- (4) Exercise significant influence over the activities of a person holding a license issued pursuant to the provisions of this Chapter.
- (5) Continue owning or holding a security of a corporation holding a license if the person has or controls directly or indirectly more than a five percent ownership, income, or profit interest in such corporation.

With the exception of the foregoing, the Board will not interfere with these existing gaming related association contracts. If it is determined that any of the contracted associates are unsuitable, continued

payment under the contract could endanger the license.

Contracts evidencing gaming related associations are required to be submitted with an application for licensing. These contracts are subjected to a suitability determination prior to issuance of the license.

This matter was considered by the Louisiana Gaming Control Board in open meeting of March 19, 2002.

THUS DONE AND SIGNED this 20th day of March, 2002.

LOUISIANA GAMING CONTROL BOARD

BY:



HILLARY J. CRAIN, CHAIRMAN

LOUISIANA GAMING CONTROL BOARD
I HEREBY CERTIFY THAT A CERTIFIED
COPY HAS BEEN MAILED OR SERVED ON
ALL PARTIES THIS 21st DAY
OF March, 2002
APPEAL DOCKET CLERK
