

APPROVED

4/18/00

LOUISIANA GAMING CONTROL BOARD

Minutes of March 21, 2000

The Louisiana Gaming Control Board held a meeting on Tuesday, March 21, 2000, 10:00 a.m. at the Dept. of Natural Resources Building, Mineral Board Hearing Room. Present at the meeting were: Hillary J. Crain, Chairman; Robert M. Fleming, Vice-Chairman; James Boyer, Gen. Sherian Cadoria, Dudley Lastrapes, Marcia Morgan, and Rupert Richardson. Absent were board members Ralph Perlman, Ecotry Fuller, and ex-officio members Col. "Rut" Whittington and Sec. Brett Crawford.

The meeting was called to order. Gen. Cadoria made a motion to approve the minutes of February 15, 2000. That motion was seconded by Vice-Chairman Fleming and approved by board members Fleming, Boyer, Cadoria, Lastrapes, Morgan and Crain.. Ms. Richardson was not present for the vote.

Next on the agenda were the monthly revenue reports. Mr. Lonnie Parker, Audit Supervisor with State Police presented the figures for the riverboats and the landbased casino. Ms. Donna Stevens, accountant in Video Gaming, presented the revenue figures in video poker.

Mr. Walt Evans, attorney representing Hollywood Casino, addressed the Board concerning three items requiring approval in connection with the construction project. The first item was an amendment to their vessel construction contract. Following his presentation, it was moved by Ms. Morgan to approve the amendment to the contract. That motion was seconded by Mr. Lastrapes and approved by board members Fleming, Boyer, Cadoria, Lastrapes, Morgan and Crain. Ms. Richardson arrived late and so abstained from voting on this item.

The second item dealt with approval of the disbursement agreement. Mr. Boyer made a motion to approve the disbursement agreement. That motion was seconded by Gen. Cadoria and unanimously approved by the Board.

The third item involved approval of a trustee for an F F & E loan. Following that discussion, it was moved by Mr. Lastrapes to approve the trustee. That motion was seconded by Gen. Cadoria and unanimously approved by the Board.

The Chairman then called upon Ms. Claudeidra Minor, Asst. Attorney General, to present the Voluntary Procurement and Compliance Reports for the 4<sup>th</sup> Calendar Quarter.

Mr. Jamie Perdigao, attorney representing Dos Gringos, petitioned the Board concerning the applicability of LAC 42:XI.2417 under a certain factual scenario dealing with a license suspension of the device owner placing video gaming devices at its establishment. Following the presentation, it was moved by Vice-Chairman Fleming that as long as Dos Gringos continues to meet all

requirements and qualifications imposed by the Gaming Control Act and applicable regulations, they would not be in violation of LAC 42:XI 2417. That motion was seconded by Mr. Boyer and unanimously approved by the Board.

Mr. Brett Sulzer, attorney on behalf of Seabuckle Gaming, d/b/a Bayou Vista Truck Plaza, petitioned the Board concerning its interpretation of the law in a certain factual scenario in which a perimeter of the facility would be designated to run through a single building, dissecting part of the building and the other property. Ms. Morgan made a motion that the building could not be dissected, the entire building had to fulfill the requirements of a truckstop. That motion was seconded by Gen. Cadoria and approved by a 6 to 1 vote. Voting against the motion was Mr. Lastrapes.

A petition for declaratory order was also filed on behalf of Otis Burmaster. That motion was continued to the April meeting.

The Board acted upon the following truckstop applications:

1. Houma-Coteau Holdings, Inc., d/b/a Coteau 90 Exxon - Motion by Mr. Boyer to approve the application. That motion was seconded by Ms. Richardson and unanimously approved by the Board.
2. Hill City Oil Co., d/b/a Prospect Station - Motion by Mr. Lastrapes to approve the application. That motion was seconded by Gen. Cadoria and unanimously approved by the Board.

The Chairman asked the Board to amend the agenda to discuss the Guarantee of Harrah's Entertainment. It was moved by Vice-Chairman Fleming to amend the agenda. That motion was seconded by Ms. Richardson and unanimously approved by the Board.

Mr. Jay Quinlan, Asst. Attorney General, addressed the Board concerning the hundred-million-dollar guarantee for the landbased casino to run from April 1, 2000 to March 31, 2001. This guarantee provides the state with the hundred-million-dollar payment for next year even if the casino ceases to operate, provided it is authorized by the Chairman and posted by March 31, 2000.

Following his presentation, it was moved by Ms. Richardson to authorize the Chairman to accept the guarantee. That motion was seconded by Mr. Boyer and unanimously approved by the Board.

Mr. Tom Warner, Asst. Attorney General, discussed the adoption of rules LAC 42:XIII.4201-4219 and repealing of LAC 42:XIII.4327-4357, Electronic Gaming Devices (Riverboat). It was moved by Mr. Boyer to adopt LAC 42:XIII.4219 and repeal LAC 42:XIII.4327-4357. That motion was seconded by Ms. Richardson and unanimously approved by the Board.

It was moved by Gen. Cadoria to adopt LAC 42:VII.1701 et seq., Pari-mutuel Live Racing Facility Slot Machine Gaming. That motion was seconded by Mr. Richardson and unanimously approved by the Board.

The Board conducted a Public Hearing regarding substantive changes to riverboat rules LAC 42:XIII.1701- Definitions, 2108 - Nongaming Suppliers, 2325 - Imposition of Sanctions, and Video Poker Rule LAC 42:XI.2415 D.. Structural Requirements for Licensed Establishments (truck stop parking).

Following the public hearing, it was moved by Gen. Cadoria to continue the rule-making process. That motion was seconded by Mr. Boyer and unanimously approved by the Board.

A discussion was held on approval of Nonsubstantive Changes to LAC 42:VII.2325, Imposition of Sanctions, Pari-mutuel Live Racing Facility Slot Machine Gaming, and LAC 42:XIII.2325, Imposition of Sanctions (riverboat). Following this discussion, it was moved by Ms. Richardson to approve the changes. That motion was seconded by Mr. Boyer and unanimously approved by the Board.

Gen. Cadoria made a motion to go into Executive Session. That motion was seconded by Ms. Richardson and unanimously approved by the Board.

Following the Executive Session, the board acted upon proposed settlements/appeals in the following:

1. In Re: Major's Truck Stop - Motion by Ms. Morgan to counteroffer the settlement by adding a fine of \$10,000. That motion was seconded by Mr. Lastrapes and approved by a 5 to 2 vote. Voting for the motion were Mr. Boyer, Mr. Lastrapes, Ms. Morgan, Ms. Richardson and Chairman Crain. Voting against the motion were Vice-Chairman Fleming and Gen. Cadoria.
2. In Re: Horseshoe Entertainment - Motion by Ms. Morgan to approve the settlement. That motion was seconded by Ms. Richardson and unanimously approved by the Board.
3. In Re: Argosy Casino - Motion by Mr. Boyer to approve the settlement. That motion was seconded by Gen. Cadoria and unanimously approved by the Board.
4. In Re: Players-Lake Charles - Motion by Mr. Boyer to approve the settlement. That motion was seconded by Ms. Morgan and unanimously approved by the Board.
5. In Re: Isle of Capri- Bossier) - Motion by Gen. Cadoria to approve the settlement. That motion was seconded by Mr. Boyer and unanimously approved by the Board.
6. In Re: Rodney Burch Enterprises
7. In Re: Delta Motor Inn
8. In Re: Krawdaddy's - These three were combined because they all deal with the same issue. It was moved by Mr. Lastrapes to approve the settlement. That motion was seconded by Gen. Cadoria and unanimously approved by the Board.
9. In Re: The Matador - Motion by Ms. Morgan to affirm the Hearing Officer's decision. That

motion was seconded by Ms. Richardson and approved by a 6 to 1 vote. Voting against the motion was Vice-Chairman Fleming.

10. In Re: Tracy Cleary - Motion by Vice-Chairman Fleming to remand the case back to the Hearing Officer. That motion was seconded by Ms. Richardson and unanimously approved by the Board.
11. In Re: Products Unlimited - Motion by Mr. Boyer to affirm the Hearing Officer's decision. That motion was seconded by Ms. Richardson and unanimously approved by the Board.
12. In Re: LGM -
  1. Motion by Vice-Chairman Fleming to deny the motion for a continuance. That motion was seconded by Gen. Cadoria and approved 6 to 1. Voting against the motion was Ms. Marcia Morgan.
  2. Motion by Mr. Boyer to affirm the Hearing Officer's decision. That motion was seconded by Ms. Richardson and unanimously approved by the Board.
  3. There was a motion by Ms. Morgan to grant a 14 day stay. That motion was seconded by Mr. Lastrapes and unanimously approved by the Board.
13. In Re: Red River Entertainment (Harrah's) - Motion for continuance by Vice-Chairman Fleming. Included in that motion was the Chairman's ability to grant continuances. The motion was seconded by Gen. Cadoria and unanimously approved by the Board.
14. In Re: Catfish Town Partnership (Argosy) - Motion by Ms. Richardson to amend the Hearing Officer's decision from \$8,500 to \$10,000. That motion was seconded by Ms. Morgan and approved by a 6 to 1 vote. The Chairman voted against the motion and stated he would have voted for the \$20,000 fine.

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

The meeting was then adjourned.