

LOUISIANA GAMING CONTROL BOARD

Minutes of August 19, 2003

The Louisiana Gaming Control Board held a meeting on Tuesday, August 19, 2003, 10:00 a.m., in House Committee Room 6 of the Louisiana State Capitol. Present at this meeting were: Hillary J. Crain, Chairman; Robert M. Fleming, Vice-Chairman; James G. Boyer, Secretary/Treasurer; Gen. Sherian Cadoria, Dudley Lastrapes, Marcia Morgan, Kelly Simoneaux and Rupert Richardson. Absent was board member Dennis Kinchen and ex-officio members, Col. Terry Landry and Sec. Cynthia Bridges.

The meeting was called to order. It was moved by Gen. Cadoria to waive the reading and approve the minutes of both the Regular meeting and Executive Session in July. That motion was seconded by Ms. Richardson 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. Racquel Francis with the State Police Audit Division, reported on the employee numbers and salaries for the landbased casino, and Mr. Jim Bossier, also with the Audit Division, reported on the statistics for video poker.

Mr. Young Bonner, Asst. Attorney General in the Gaming Division, reported on the statutory compliance reports for Delta Downs and Harrah's Louisiana Downs. Following his presentation, Ms. Alyson McCord, also an Asst. Attorney General in the Gaming Division, presented the voluntary procurement and employment reports for the riverboat casinos.

The Board considered the 2003-2004 Casino Support Services Contract with the City of New Orleans. Speaking on behalf of state was Ms. Jeanne Marie Barham, Asst. Attorney General. Representing the City of New Orleans was Mr. Kenya Smith, Executive Counsel.

Following the presentation, it was moved by Ms. Morgan to approve the contract and authorize the Chairman to execute the contract following approval by the Joint Legislative Committee on the Budget, and appropriation of funds. That motion was seconded by Gen. Cadoria and unanimously approved by the Board.

Ms. Claudeidra Minor, Asst. Attorney General in the Gaming Division, presented a report on a survey of construction contracts of riverboat casinos. Following discussion, the Board suggested that representatives of the Attorney Generals Office, Casino Association and representative of the contractors meet and discuss problem areas with reference to construction contracts, and try to formulate a best practices procedure.

The next item on the agenda dealt with the definition of a Louisiana Business. The Chairman included this item on the agenda because one of the companies who does not meet the definition of a Louisiana Business, is proposing to sue the Board over their definition of a Louisiana Business adopted by a rule that was instituted in December, 2000. That rule stated

that a business would be considered a Louisiana Business if it was 51% owned by one or more Louisiana residents who controlled and operated the business. After the adoption of that rule, many businesses that serviced the casinos did not meet the definition of a Louisiana Business. These companies claimed they had a significant presence in this state, hired many Louisiana employees and paid substantial Louisiana Corporate taxes but since they were not considered a Louisiana business, would be unable to provide services to Louisiana Casinos. The Board proposed to change this rule in 2001, but deferred action because they were advised by several members of the legislature that the legislature would take care of this matter in the legislative session. Proposed legislation failed to pass the legislature in two regular sessions which indicated the legislature did not want the rule changed.

Following discussion, it was moved by Vice-Chairman Fleming not to proceed with a rule change regarding the definition of Louisiana Business. That motion was seconded by Gen. Cadoria and unanimously approved by the Board.

Mr. James Perdigao, counsel for PNK-Lake Charles, addressed board members on the status of their project. He stated that PNK would probably have their Corp permit within a day or two. Chairman Crain stated that PNK would be back on the September agenda for an update.

The Board acted on a Petition for Approval of Transfers of Interest among owners of Bicycle Holding, Inc. It was moved by Sec. Boyer to approve the transfers in accordance with terms of the purchase agreement. That motion was seconded by Ms. Richardson and unanimously approved by the Board.

Mr. Tom Warner, Asst. Attorney General in the Gaming Division, addressed the Board on various rules. Following discussion, it was moved by Mr. Lastrapes to institute the rulemaking procedures for the adoption of amendments to Video Draw Poker Rules LAC 42:XI.2403, Definitions; 2405, Application and License; 2407, Operation of Video Draw Poker Devices; 2409 Revenues; 2411, Regulatory, Communication and Reporting Responsibilities; 2413, Devices; 2417, Code of Conduct; 2419, Investigations; and 2421, Miscellaneous. That motion was seconded by Ms. Richardson and unanimously approved by the Board.

There was a motion by Mr. Simoneaux to amend the agenda to include action on a Video Poker Employee Permit Application form. That motion was seconded by Gen. Cadoria and unanimously approved by the Board.

It was moved by Ms. Morgan to approve form DPSSP 6503, Video Poker Employee Permit Application. That motion was seconded by Mr. Lastrapes and unanimously approved by the Board.

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

1. **In Re: B & D Signs, Inc. - No. P082600364** - Motion by Vice-Chairman Fleming to approve the \$500.00 settlement. That motion was seconded by Gen. Cadoria and unanimously approved by the Board.

2. **In Re: Amenophis Services Company, Inc. - P083602372** - Motion by Gen. Cadoria to approve the settlement in the amount of \$500.00. That motion was seconded by Sec. Boyer and unanimously approved by the Board.
3. **In Re: St. Francisville Inn, L.L.C. d/b/a St. Francis Hotel on the Lake - No. 6301310527** Motion by Mr. Lastrapes to approve the settlement in the amount of \$1,696.00. That motion was seconded by Ms. Morgan and unanimously approved by the Board.
4. **In Re: The Osborne Coinage Co. - No. CGD030088** - Motion by Ms. Morgan to approve the settlement in the amount of \$3,000.00. That motion was seconded by Mr. Lastrapes and unanimously approved by the Board.
5. **In Re: Carville Ent. L.L.C. d/b/a Carville's Deli - No. 2400210576** - Motion by Mr. Simoneaux to approve the settlement in the amount of \$1,785.70. That motion was seconded by Gen. Cadoria and unanimously approved by the Board.
6. **In Re: ESPOS Enterprises, Inc. d/b/a LaFonda - No. 3601113221** - Motion by Ms. Morgan to grant the rehearing and remand the case to the Hearing Office. That motion was seconded by Gen. Cadoria and unanimously approved by the Board.
7. **In Re: Donnell Payne - No. P040040716** - Motion by Ms. Morgan to grant the rehearing and remand the case to the Hearing Office. That motion was seconded by Gen. Cadoria and approved by a seven to one. Voting against the motion was Vice-Chairman Fleming.
8. **In Re: Morel G. Lemoine Distributor, Inc. d/b/a Café Mangeur - No. 4900512513** - Motion by Mr. Lastrapes to remand the case to the Hearing Office. That motion was seconded by Ms. Richardson and approved by a five to three vote. Voting against the motion was Vice-Chairman Fleming, Sec. Boyer and Ms. Morgan.
9. **In Re: KRS, Inc., Kenneth Schexnider & Brenda Schexnider - No. P81002040A** - Motion by Vice-Chairman Fleming to affirm the Hearing Officer's finding of unsuitability. That motion was seconded by Ms. Morgan. There was a substitute motion by Ms. Richardson to continue the matter for an additional 30 days. That motion was seconded by Gen. Cadoria and approved by a four to three vote. Voting against the motion was Vice-Chairman Fleming, Mr. Lastrapes and Ms. Morgan. Sec. Boyer abstained from voting.

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

The meeting was adjourned.