

Approved 2-20-97

LOUISIANA GAMING CONTROL BOARD
MINUTES OF DECEMBER 18, 1996 MEETING

The Louisiana Gaming Control Board held a meeting on Wednesday, December 18, 1996, 10:00 a.m., House Committee Room 1 of the Louisiana State Capitol. In attendance were Board members' Hillary J. Crain, Chairman, General Sherian Cadoria, Mr. Robert Fleming, Mr. Ecotry Fuller, Mr. Ralph Perlman, Mr. James G. Boyer, and Col. W.R. "Rut" Whittington, (ex-officio member).

Chairman Crain called the meeting to order and welcomed the newest board member, Mr. James G. Boyer. Mr. Boyer is from Lake Charles and has a distinguished background in banking. Mr. Boyer thanked the Chairman for his introduction and said he was looking forward to working with the Board.

Jenifer Schaye, Head of the Gaming Division of the Attorney General's office, presented a revenue report on gaming interests. She briefly discussed Casino Magic's flooding problems and also discussed how quickly and efficiently the Flamingo Casino responded to the recent river tragedy at the Riverwalk in New Orleans. The entire ship was evacuated in less than four minutes. The Chairman also congratulated the Flamingo for their quick response and the well-organized emergency procedures that were in place.

Tom Warner, Asst. Attorney General with the Gaming Division, reported on the Flamingo's anticipated move to Shreveport that was approved by the Board a few months ago. He stated that one of the conditions of the move was to escrow the sum of \$10 million within 30 days of Board approval, and those funds have been deposited in Hibernia Bank in New Orleans. Also, the construction plans were provided to the Board members along with a schedule and drawings of the terminal facility. Mr. Warner told the Board that the conditions which were required to be done prior to the commencement of gaming operations are being met timely.

The next item on the agenda was the promulgation of Rule 108, which was adopted by the Board on September 6th. That rule provides some basic hearing procedures for persons that have hearings before the Board. Mr. Perlman moved to promulgate Rule 108 and was seconded by General Cadoria. The motion was adopted unanimously.

Next on the agenda was the adoption of the proposed budget of the Gaming Control Board. Chairman Crain explained the some of the funds of the Board are transferred to both State Police and the Attorney General's office, because they handle both enforcement and legal issues of the Board. Judge Robert Fleming made a motion to adopt the budget that was seconded by Mr. Ecotry Fuller. There being no further comments or questions concerning the 1997-98 budget, it was unanimously adopted as submitted.

The Chairman then called upon Ms. Schaye to give a statistical report on the administrative hearings. She briefly spoke about the types of hearings that have already been heard by Judge Joseph E. Anzalone, Hearing Officer. She stated things seem to be running smoothly with the process and that hearings are continuously being docketed.

The Chairman noted that the Horseshoe had requested a change of ownership modification, but that they were going to be removed from the agenda because additional matters needed to be looked at before it would be ready to present to the Board.

The next item on the agenda was the request for an approval of a merger for Hilton/Bally. Jenifer Schaye of the Attorney General's office, Trooper Robert Hogan, Louisiana State Police, and Racquel Francis, Auditor with the Louisiana State Police, reported on the task force investigation of the Hilton/Bally merger. Their conclusion from the investigation was there was no reason not to approve the merger agreement. James Boyer, Board member, made a motion to approve the merger and Judge Robert Fleming seconded that motion. A roll call vote was taken and the Board unanimously approved the merger. The Chairman thanked both the Attorney General's office and State Police for their diligence and hard work that went into the investigation of this merger.

Next on the agenda was a report on litigation following the Local Option Election. Tom Warner, Asst. A.G., reported that as of the date of this meeting, there had been four suits filed regarding video poker licensees. He briefly stated who the litigants were and when the hearings were scheduled.

Chairman Crain spoke about the filing fees required to apply for a license and the process by which the licenses were approved. He stated that the Board had no authority to return fees to applicants who had not been approved prior to the Local Option Election, but he personally felt they should be entitled to a refund after the pending lawsuits were settled. It is up to the state legislature to determine if fees can be refunded. The refund would apply only to applicants who would not have otherwise been denied a license.

Judge Fleming moved to adopt a motion to defer action on returning filing fees until a later date. General Cadoria seconded that motion and the Board unanimously agreed.

Board member Ralph Perlman moved to adopt the minutes of October 11 and October 29 meetings. Mr. Ecotry Fuller seconded, and the Board unanimously approved the minutes.

There being no further business, James Boyer moved to adjourn the meeting. General Cadoria seconded, and the meeting was adjourned.