

LOUISIANA GAMING CONTROL BOARD

Minutes of June 15, 1999

7/20/99  
APPROVED

The Louisiana Gaming Control Board conducted a meeting on Tuesday, June 15, 1999, 10:00a.m., in the Mineral Board Hearing Room at the Dept. of Natural Resources Building. In attendance were: Hillary J. Crain, Chairman; Robert M. Fleming, Vice-Chairman; James Boyer, Sherian Cadoria, Marcia Morgan, Dudley Lastrapes and Rupert Richardson. Absent were board members Ralph Perlman and Ecotry Fuller, and ex-officio members Col. "Rut" Whittington and Sec. Brett Crawford.

The meeting was called to order. General Cadoria made a motion to approve the minutes of the special meeting held on May 17th, and the regular meeting held on May 18, 1999. That motion was seconded by Mr. Boyer and unanimously approved by the Board.

The Chairman then called upon Mr. Robert Tucker to present the riverboat revenue report, and Mr. Mike Lengendre, who presented the video poker figures.

The next item on the agenda was a request from Harrah's to be allowed to join the wide area progressive slot machine network. Mr. Jay Quinlan, Asst. Attorney General, Mr. David Satz, Mr. Kevin Colomb, both attorney's with Harrah's, and Mr. Jay Sevingy, President and Chief Operating Officer of Harrah's New Orleans Management Company, addressed the Board with reference to linking the IGT system games of progressive machines with the land based casino.

Following their presentation, it was moved by Mr. Lastrapes, seconded by Mr. Boyer, and unanimously approved by the Board, to allow the link-up with wide area progressive.

The Chairman then updated board members on the support services contract for the city of New Orleans. He stated that the Joint Committee on the Budget met with reference to the contract and approved a figure of \$6 million dollars. He stated that the contract would be executed after both the house and senate approved the resolution, and the money could be used for operations and equipment only.

The next item on the agenda was a presentation by Ms. Claudeidra Minor, Asst. Attorney General, of the quarterly riverboat compliance reports.

Mr. Stuart Greenley with Ben E. Keith Foods addressed the Board with reference to minority companies.

Lt. Dane Morgan, supervisor of the riverboat gaming division, Mr. Ed Pratt, President of Hollywood Casino, Mr. Ed Hensen, Vice-President of Hollywood, and Mr. Walt Evans, general counsel, addressed the board with the surveillance plan submitted by Hollywood Casino for approval. State Police recommended conditional approved of the plan and stated final approved would be granted by the Division prior to the commencing of gaming operations.

Upon a motion of Vice-Chairman Fleming, seconded by General Cadoria, the board unanimously, conditionally approved the surveillance plan submitted by Hollywood Casino.

Lt. Morgan addressed the Board with reference to conditional renewals of two riverboat casinos, Argosy Gaming and Casino Rouge.

Following his presentation, it was moved by Ms. Richardson, seconded by Gen. Cadoria, and unanimously approved by the Board to conditionally approve the renewal of Argosy Casino.

Vice-Chairman Fleming made a motion to conditionally approve the renewal of Casino Rouge, conditioned on suitability, and approval of a transfer of interest within 60 days. That motion was seconded by Ms. Morgan and unanimously approved by the Board.

The next item on the agenda was a Petition from Horseshoe Entertainment for approval of a line of credit facility. Ms. Lonna Willingham, audit section, riverboat gaming, explained the financing transaction submitted by Horseshoe. Following her presentation, it was moved by Mr. Boyer to approve the line of credit. That motion was seconded by Mr. Lastrapes and unanimously approved by the Board.

Mr. Leonce Gautreaux, Asst. Attorney General, and Ms. Susan Demouy, Audit Supervisor, Riverboat Gaming, updated board members with reference to the Bally's/Metro disagreement on escrowing of funds. Following the discussion, it was moved by Ms. Morgan to escrow the management fee of 12.25 percent and any profits that might be distributed, in the Hibernia account. That motion was seconded by General Cadoria and passed by a 5 to 2 vote. Voting for the motion were Chairman Crain, Gen. Cadoria, Ms. Morgan, Mr. Lastrapes and Ms. Richardson. Vice-Chairman Fleming and Mr. Boyer voted against escrowing the money.

Continuing with the agenda, the board considered a request for a merger between Anchor Gaming & Powerhouse Technologies. Mr. Toby Davis, Asst. Attorney General, and Sgt. Leland Falcon, riverboat gaming, addressed the board with reference to this merger. Following their presentation, it was moved by Mr. Lastrapes to approve the merger. That motion was seconded by Ms. Morgan and unanimously approved by the Board.

The next item on the agenda was rule-making.

The Board received a request from Ms. Trudy Bennette, attorney with the City of New Orleans Rivergate Development Corporation, for a clarification of the proposed rules dealing with the land based casino, which was given by the Board.

The Board also received comments from various individuals with reference to proposed rules 117 and 118, dealing with contributions to youth groups. Following the discussion, it was moved by Mr. Lastrapes to initiate the rule-making process for rules 117 and 118. That motion was seconded by Ms. Richardson and unanimously approved by the Board.

The Board acted upon proposed decisions/settlements, in the following cases:

1. **In Re: Embosser Sales & Service - Cert. No. I032610656** - Motion was proposed by Ms. Morgan to suspend certification for three months. That motion was seconded by Mr. Boyer and unanimously approved by the Board.
2. **In Re: Horseshoe Entertainment - RGS980751** - Motion by Ms. Richardson to remand back to hearing officer, seconded by Gen. Cadoria, and unanimously approved by the Board.
3. **In Re: Fuel Stop 36** - Motion to accept proposed settlement by Mr. Lastrapes, seconded by Mr. Boyer, and unanimously approved by the Board.
4. **In Re: Players - RGS980608(B)** - Motion by Gen. Cadoria to reverse hearing officer's decision and dismiss the citation, seconded by Ms. Morgan, and passed by a 4 to 3 vote. Voting for the dismissal were Gen. Cadoria, Ms. Morgan, Judge Fleming, and Mr. Boyer. Voting against were Mr. Lastrapes, Ms. Richardson and Chairman Crain.
5. **In Re: Players - RGS980431(B)** - Motion to affirm hearing officer's decision by Ms. Morgan, seconded by Mr. Boyer, and unanimously approved by the Board.
6. **In Re: Errick Griffin - P040019532** - Motion by Ms. Morgan to affirm hearing officer's decision, seconded by Mr. Boyer and unanimously approved by the Board.
7. **In Re: Si Texas Tours - Cert. No. I036510808** - Appeal was withdrawn.
8. **In Re: Diana's Brass Rail - No. 2003100346** - Motion by Gen. Cadoria to suspend license for 30 days beginning July 1, 1999. That motion was seconded by Mr. Boyer and unanimously approved by the Board.

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

The meeting was then adjourned.