

## MINUTES OF THE MISSISSIPPI GAMING COMMISSION

Regular Monthly Meeting  
July 27, 2017

The regular monthly meeting of the Mississippi Gaming Commission was held at 9:00 a.m., Thursday, July 27, 2017, at the offices of the Mississippi Gaming Commission, 620 North Street, Suite 200, Jackson, Mississippi 39202. Staff attending:

Major General (R) Al Hopkins, Chairman, MS Gaming Commission  
Jerry Griffith, Commissioner, MS Gaming Commission  
Tom Gresham, Commissioner, MS Gaming Commission  
Allen Godfrey, Executive Director, MS Gaming Commission  
Jay McDaniel, Deputy Director, MS Gaming Commission  
Eddie Williams, Deputy Director, MS Gaming Commission  
Stephanie Sills, Director, Compliance, MS Gaming Commission  
Johnny George, Director, Investigations, MS Gaming Commission  
Jack DePoyster, Director, Enforcement, MS Gaming Commission  
Ed Wong, Director, Work Permits, MS Gaming Commission  
Sonny Weathersby, Director, Charitable, Gaming, MS Gaming Commission  
Emil Lyon, Director, Gaming Lab, MS Gaming Commission  
Louis P. Frascogna, Special Assistant Attorney General

The meeting was called to order at 9:02 a.m. Reginald Finch gave the invocation and Chairman Al Hopkins led the Pledge of Allegiance.

Chairman Hopkins welcomed everyone to the meeting and asked that Executive Director Godfrey provide the Administrative Update.

### ITEM I.

- A. Administrative Update: Allen Godfrey made the following administrative announcements:
- A. The next regular meeting of the Mississippi Gaming Commission will be held on Thursday, August 17, 2017, at the Jackson offices of the Mississippi Gaming Commission beginning at 9:00 a.m. The deadline for submission of agenda items for this meeting is July 31, 2017.

### ITEM II.

#### APPROVAL OF MINUTES

- A. June 15, 2017 - Regular Monthly Meeting

**EXECUTIVE DIRECTOR'S RECOMMENDATION:** The Executive Director recommends approval of the Minutes of the June 15, 2017 Regular Monthly Meeting.

Commissioner Griffith: Motion to adopt recommendation  
Commissioner Gresham: Second

RECORDED VOTE: Chairman Hopkins: YES  
Commissioner Griffith: YES  
Commissioner Gresham: YES

### **ITEM III.**

#### **GAMING MATTERS**

##### **A. APPLICATION FOR FINDING OF SUITABILITY (Coast Gaming Supply, Inc.)**

###### **1. Mr. James Eugene Sablich (Coast Gaming Supply, Inc.) – President**

Mr. Sablich introduced himself to the Commission and provided a brief personal history.

**EXECUTIVE DIRECTOR'S RECOMMENDATION:** Based upon the investigative reports, the Executive Director recommends that Mr. James Eugene Sablich, be found suitable to be associated with a gaming license granted under the Mississippi Gaming Control Act subject to the following:

1. The finding of suitability is valid for a period of nine (9) years, beginning July 27, 2017;
2. Applicant shall file an annual report as required by 13 Mississippi Administrative Code Part 2, R.1.3(e);
3. Applicant will comply with all federal and state laws, including the laws of Mississippi and particularly the Mississippi Gaming Control Act;
4. Applicant will comply with all the policies, rules and regulations adopted by the Mississippi Gaming Commission;
5. Applicant will comply with and does hereby agree to be bound by all laws, including the Gaming Control Act, of the State of Mississippi; further, licensee agrees to adjudicate all legal proceedings (both state and federal) relative to said license in the courts located in the State of Mississippi; and
6. The finding of suitability is based on the applicant's ability to maintain satisfactory results for all investigations and agency checks.

Commissioner Gresham: Motion to adopt recommendation  
Commissioner Griffith: Second

RECORDED VOTE: Chairman Hopkins: YES  
Commissioner Griffith: YES  
Commissioner Gresham: YES

B. Request for Approvals – AGS, LLC

1. Pledges of Equity Interests or Securities
2. Imposition of Equity Restrictions including Negative Equity Pledges

Thomas B. Shepherd, III, Esquire, of Jones Walker, presented this item to the Commission and introduced Ms. Amy Lawrence, Counsel for AGS, LLC, who was available to answer questions.

EXECUTIVE DIRECTOR'S RECOMMENDATION: With past Commission action, key principals of the company have been found suitable. The Executive Director recommends that:

1. The Mississippi Gaming Commission grant approval, as required, to AP Gaming I, LLC and its affiliated companies and subsidiaries, current and hereafter acquired, to pledge the equity interests or securities of such affiliated companies and subsidiaries, current and hereinafter acquired, including but not limited to, AGS LLC, in connection with the new First Lien Credit Agreement, and
2. The Mississippi Gaming Commission grant approval, as required, to AP Gaming I, LLC and its affiliated companies and subsidiaries, current and hereafter acquired, to (1) enter into any negative equity pledges and/or (2) place any restrictions upon the transfer of, and agree not to encumber, the equity interests or securities of AGS LLC and such affiliated companies and subsidiaries, current and hereinafter acquired, including but not limited to, AGS LLC, in connection with the new First Lien Credit Agreement.

Commissioner Griffith: Motion to adopt recommendation  
Commissioner Gresham: Second

RECORDED VOTE: Chairman Hopkins: YES  
Commissioner Griffith: YES  
Commissioner Gresham: YES

C. Request for Approval - RW Development

(Documentation attached as Exhibit "1")

1. Gaming Site

Michael Cavanaugh, Esquire and Gerald Blessey, Esquire, appeared before the Commission on behalf of RW Development, LLC.

RW Development (“RW”) submits the following for Gaming Site Approval (the “Proposed Site”):

- 1) RW intends to develop and operate a casino gaming establishment and related facilities at a site located in Biloxi, Hancock County, Mississippi, consisting of approximately seventeen (17) acres (the “Proposed Site”). Map attached as Exhibit 1A.
- 2) RW’s Legal Notice of Intent for Site Approval, as approved by the Executive Director, was published in the Biloxi-D’Iberville Press newspaper on June 15, June 22, and June 29 of 2017, thereby satisfying the requirements of Miss. Code Ann. Sec. 19-3-79(1). The Biloxi-D’Iberville Press is a newspaper published in Biloxi, Mississippi. Attached as Exhibit 1B of Composite Exhibit are the Legal Notice of Intent as approved by the Executive Director and the Proof of Publication.
- 3) The Proposed Site is bounded on the south by the seawall and the Mississippi Sound. To the North, the property is largely vacant. To the West, the property contains an entertainment complex of restaurant, bar and amusement games. To the East, the property contains an apartment complex. *See* Surrounding Area, attached as Exhibit 1C. The nearest residence is Madison Rouge Apartments, three hundred sixty (360) feet from the Proposed Site. The nearest place of worship is Trinity Baptist Church, which is located approximately 1,625 feet from the Proposed Site. The nearest school is Jeff Davis Elementary which is located 2,893 feet from the Proposed Site *See* the Mean High Water Map, attached as Exhibit 1A.
- 4) The Proposed Site is zoned WF-Waterfront. Attached hereto as Exhibit 1D is a letter from Biloxi Director of Community Development, Jerry Creel, dated May 1, 2017, confirming the zoning compliance, which specifically allows gaming at the Proposed Site.
- 5) By letter dated June 9, 2017, RW applied to the Commission for gaming site approval and requested that said approval be considered and granted at the Commission’s regularly monthly meeting. Exhibit 1E.
- 6) The Mississippi Gaming Commission is aware of opposition to the project. All opposing documentation received has been attached as Exhibit 1F.

Chairman Hopkins announced that he was not going to ask for a recommendation from the Executive Director.

Chairman Hopkins: Motion to Approve the Proposed Site  
No Second

Chairman Hopkins: Motion to Deny the Proposed Site Pursuant to Mississippi  
Gaming Regulations

Chairman Griffith: Second

RECORDED VOTE: Chairman Hopkins: YES  
Commissioner Griffith: YES  
Commissioner Gresham: YES

(Statement of the Commission attached as Exhibit "2")

Following the vote, Chairman Hopkins explained that he voted to deny because gaming regulations barred the proposed location. However, in his opinion, the site was legal under Mississippi statute and that a regulation should not exist that overrules a statute.

#### **ITEM IV.**

#### **PUBLIC COMMENT**

None.

#### **ITEM V.**

#### **CHARITABLE GAMING MATTERS**

#### **A. Recommendation for Approval of Licensure - Distributor - Twelve Months**

(Documentation attached as Exhibit "3")

#### **1. Don's Bingo, Inc.**

**EXECUTIVE DIRECTOR'S RECOMMENDATION:** The Executive Director recommends that the previously identified organization be approved for licensure, subject to the following conditions:

1. The license will be issued for a thirty-six month period effective August 01, 2017 through July 31, 2018;
2. Licensee will comply with all federal and state laws, including the laws of Mississippi and particularly, the Mississippi Charitable Bingo Law;
3. Licensee will comply with all the policies, rules and regulations adopted by the Mississippi Gaming Commission;

4. Licensee will comply with and does hereby agree to be bound by all laws, including the Mississippi Charitable Bingo Law; further, licensee agrees to adjudicate all legal proceedings (both state and federal) relative to said license in the courts located in the State of Mississippi.

Commissioner Griffith: Motion to Adopt Recommendation  
Commissioner Gresham: Second

RECORDED VOTE: Chairman Hopkins: YES  
Commissioner Griffith: YES  
Commissioner Gresham: YES

**ITEM VI.**

**PUBLIC COMMENT**

None.

**ITEM VII.**

**ADJOURNMENT**

Chairman Hopkins asked for a motion to adjourn.

Commissioner Griffith: Motion to Adjourn  
Commissioner Gresham: Second

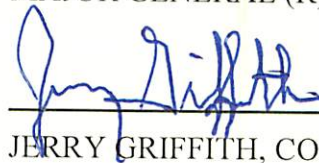
RECORDED VOTE: Chairman Hopkins: YES  
Commissioner Griffith: YES  
Commissioner Gresham: YES

The meeting adjourned at 9:16 a.m.



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MAJOR GENERAL (R) AL HOPKINS, CHAIRMAN



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JERRY GRIFFITH, COMMISSIONER

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TOM GRESHAM, COMMISSIONER



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ALLEN GODFREY, EXECUTIVE DIRECTOR

ATTEST:



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LOUIS P. FRASCOGNA, SPECIAL ASSISTANT ATTORNEY GENERAL  
MISSISSIPPI GAMING COMMISSION COUNSEL