

MINUTES OF THE MISSISSIPPI GAMING COMMISSION

Regular Monthly Meeting
December 21, 2017

The regular monthly meeting of the Mississippi Gaming Commission was held at 9:00 a.m., Thursday, December 21, 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
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
Emil Lyon, Director, Gaming Lab, MS Gaming Commission
Hal Bounds, Gaming Special Agent, Charitable Gaming, MS Gaming Commission
Louis P. Frascogna, Special Assistant Attorney General

The meeting was called to order at 9:00 a.m. Hal Bounds gave the invocation and Chairman Al Hopkins led the Pledge of Allegiance.

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

ITEM I.

- I. Administrative Update: Allen Godfrey made the following administrative announcements:
 - A. The next regular meeting of the Mississippi Gaming Commission will be held on Thursday, January 25, 2018, 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 December 29, 2017.
 - B. AP Gaming Holdco, Inc., the registered publicly traded corporation for AGS, LLC, has changed its name to Play AGS, Inc.
 - C. Announcement of the Quarterly Meeting between the Mississippi Gaming Commission and the Choctaw Gaming Commission.

Chairman Hopkins stated that they had a good meeting with the Choctaw Gaming Commission and always look forward to meeting with them.

ITEM II.

APPROVAL OF MINUTES

A. November 16, 2017 - Regular Monthly Meeting

EXECUTIVE DIRECTOR'S RECOMMENDATION: The Executive Director recommends approval of the Minutes of the November 16, 2017 Regular Monthly Meeting.

Commissioner Griffith: Motion to adopt recommendation
Chairman Hopkins: Second

RECORDED VOTE: Chairman Hopkins: YES
Commissioner Griffith: YES

ITEM III.

GAMING MATTERS

A. Application for Finding of Suitability – Daniel J. D’Arrigo (Beau Rivage Resorts, LLC and MGM Resorts Mississippi, Inc.)

1. Mr. Daniel J. D’Arrigo – Vice-President and Chief Financial Officer (MGM Resorts International)

Ryan O’Beirne of Butler Snow, introduced Daniel J. D’Arrigo to the Commission and he provided a brief personal history. Anthony Del Vescovo, General Counsel for Beau Rivage, was available to answer any questions.

EXECUTIVE DIRECTOR'S RECOMMENDATION: Based upon the investigative reports, the Executive Director recommends that Mr. Daniel J. D’Arrigo 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 December 21, 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 Griffith: Motion to adopt recommendation
Chairman Hopkins: Second

RECORDED VOTE: Chairman Hopkins: YES
Commissioner Griffith: YES

B. Application for Finding of Suitability – Michael F. Whitemaine (IOC-Lula, Inc.; Rainbow Casino – Vicksburg Partnership, L. P.; and IOC Manufacturing, Inc.)

1. Mr. Michael F. Whitemaine – Senior Vice-President of Regional Operations (Eldorado Resorts, Inc.)

Sean Doran, Esquire, of Phelps Dunbar, introduced Michael F. Whitemaine to the Commission and he provided a brief personal history.

EXECUTIVE DIRECTOR'S RECOMMENDATION: Based upon the investigative reports, the Executive Director recommends that Mr. Michael F. Whitemaine 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 December 21, 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 Griffith: Motion to adopt recommendation
Chairman Hopkins: Second

RECORDED VOTE: Chairman Hopkins: YES
Commissioner Griffith: YES

- C. Request for Approvals - SW Gaming, LLC d/b/a Harlow's Casino Resort & Spa, and Magnolia Hill, LLC d/b/a Riverwalk Casino Hotel

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

Scott E. Andress, Esquire, of Balch & Bingham, presented this item to the Commission.

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 Churchill Downs Incorporated 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, SW Gaming LLC and Magnolia Hill, LLC, in connection with the Senior Secured Credit Agreement, and
2. The Mississippi Gaming Commission grant approval, as required, to Churchill Downs Incorporated 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 such affiliated companies and subsidiaries, current and hereinafter acquired, including but not limited to, SW Gaming LLC, Magnolia Hill, LLC and HCRH, LLC, in connection with the Senior Secured Credit Agreement.

Commissioner Griffith: Motion to adopt recommendation
Chairman Hopkins: Second

RECORDED VOTE: Chairman Hopkins: YES
Commissioner Griffith: YES

D. Application for Findings of Suitability – AGS, LLC

1. Mr. Victor J. Gallo – General Counsel, Chief Compliance Officer and Corporate Secretary (AGS, LLC)
2. Mr. Greg P. Schatzman – Chairman Compliance Committee (AGS, LLC)

Thomas B. Shepherd, III, Esquire of Jones Walker, introduced Mr. Victor J. Gallo and Mr. Greg P. Schatzman to the Commission and each provided a brief personal history.

EXECUTIVE DIRECTOR’S RECOMMENDATION: Based upon the investigative reports, the Executive Director recommends that Mr. Victor J. Gallo and Mr. Greg P. Schatzman be found suitable to be associated with a gaming license granted under the Mississippi Gaming Control Act subject to the following:

1. The findings of suitability are valid for a period of nine (9) years, beginning December 21, 2017;
2. Applicants shall file an annual report as required by 13 Mississippi Administrative Code Part 2, R.1.3(e);
3. Applicants will comply with all federal and state laws, including the laws of Mississippi and particularly the Mississippi Gaming Control Act;
4. Applicants will comply with all the policies, rules and regulations adopted by the Mississippi Gaming Commission;
5. Applicants will comply with and do hereby agree to be bound by all laws, including the Gaming Control Act, of the State of Mississippi; further, licensees agree to adjudicate all legal proceedings (both state and federal) relative to said licenses in the courts located in the State of Mississippi; and
6. The findings of suitability are based on the applicants’ ability to maintain satisfactory results for all investigations and agency checks.

Commissioner Griffith:
Chairman Hopkins :

Motion to adopt recommendation
Second

RECORDED VOTE:

Chairman Hopkins: YES
Commissioner Griffith: YES

E. Request for Approvals – AGS LLC

1. Request for Approval of Public Offering of PlayAGS, Inc.
2. Request for Approval of Waiver of Legend Requirement
- 3a. Continuous Approval of Public Offerings and/or Private Placements
 - b. Pledges of Equity Interests or Securities
 - c. Imposition of Equity Restrictions including Negative Equity Pledges
 - d. Guarantee of Securities and Hypothecation of Assets

Thomas B. Shepherd, III, Esquire of Jones Walker, presented this item to the Commission.

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 PlayAGS, Inc. for an initial public offering of the equity interests or securities of PlayAGS, Inc. The Mississippi Gaming Commission also grants the Executive Director the power to issue an interlocutory stop order with respect to any public offering by PlayAGS, Inc.,
2. The Mississippi Gaming Commission grant PlayAGS, Inc., a registered publicly traded corporation, a waiver of the stock restriction legend requirement as set forth in Mississippi Code Annotated §75-76-235(5) (1972), and
3. For a three-year period, effective December 21, 2017, through December 20, 2020, that:
 - (a) The Mississippi Gaming Commission exempt PlayAGS, Inc., a publicly traded corporation, from the requirement to obtain prior approval of continuous public offerings and/or private placements of its securities. The Mississippi Gaming Commission grants the Executive Director the power to issue an interlocutory stop order with respect to any public offering and/or private placement by PlayAGS, Inc. The Mississippi Gaming Commission further grants the Executive Director the power, at any time and upon notice to PlayAGS, Inc., to require that PlayAGS, Inc. submit any proposed public offerings and/or private placements of its securities to the Executive Director at least fourteen (14) calendar days prior to offering such public offerings and/or private placements. At the request of PlayAGS, Inc., the fourteen (14) calendar day period may be reduced, in the sole discretion of the Executive Director, to such period of time as shall be designated in writing by the Executive Director. This

recommendation for exemption is conditioned on compliance with the laws of the State of Mississippi and the regulations of the Mississippi Gaming Commission. This action is not to be relied upon as a finding by the Mississippi Gaming Commission of the truth or accuracy of any statements contained in documents submitted to the Mississippi Gaming Commission. The Mississippi Gaming Commission, its officers, and employees disclaim any liability in respect to such a public offering and/or private placement of securities;

- (b) The Mississippi Gaming Commission grant approval, as otherwise required by the Gaming Control Act or the Mississippi Gaming Commission Regulations, to PlayAGS, Inc. and its affiliated companies and subsidiaries, current and hereafter acquired, to pledge the equity interests or securities of such affiliated companies and subsidiaries, pursuant to a public offering and/or private placement made under the approval granted by paragraph 3(a), above;
- (c) The Mississippi Gaming Commission grant approval, as otherwise required by the Mississippi Gaming Commission Regulations, to PlayAGS, Inc. and its affiliated companies and subsidiaries, current and hereafter acquired, to place restrictions, including negative stock pledges, upon the transfer of, and to enter into agreements not to encumber, the equity interests or securities of such affiliated companies and subsidiaries, pursuant to a public offering and/or private placement made under the approval granted by paragraph 3(a), above;
- (d) The Mississippi Gaming Commission grant approval, as otherwise required by the Mississippi Gaming Commission Regulations, to the Mississippi licensees, current and hereafter acquired, of PlayAGS, Inc., to guarantee the securities issued by PlayAGS, Inc., pursuant to a public offering and/or private placement made under the approval granted, pursuant to paragraph 3(a), above, and to hypothecate their assets to secure the payment or performance of obligations evidenced by securities issued by PlayAGS, Inc., pursuant to a public offering and/or private placement made under the approval granted by paragraph 3(a), above; and
- (e) PlayAGS, Inc. shall report to the Executive Director of the Mississippi Gaming Commission all public offerings and/or private placements of its securities by simultaneously filing with the Executive Director all related reports, statements, etc. (and amendments thereto) that must be filed with the U.S. Securities and Exchange Commission ("SEC"). If the proposed transaction is not required to be filed/reported to the SEC, PlayAGS, Inc. shall report such transaction to the Mississippi Gaming Commission by filing copies of all documents related to the transaction within fourteen (14) calendar days of the closing of such transaction. Within fourteen (14) calendar days after the closing of any public offering and/or private placement, PlayAGS, Inc. shall file with the Executive Director a report of

all participants in the public offering and/or private placement, which shall include (at a minimum) name, amount of securities issued and purchase price. If the offering is an equity offering, PlayAGS, Inc. shall also file, within thirty (30) calendar days after the closing, an updated master list of all shareholders following such offering, which shall include (at a minimum) the names of all record shareholders and number of shares owned.

Commissioner Griffith: Motion to adopt recommendation
Chairman Hopkins: Second

RECORDED VOTE: Chairman Hopkins: YES
Commissioner Griffith: YES

F. Request for Approvals – Natchez Casino OpCo, LLC d/b/a Magnolia Bluffs Casino

1. Transfer of the Equity Interests or Securities of Casino Holding Investment Partners, LLC
2. Issuance of Equity Interests or Securities of Casino Holding Investment Partners, LLC
3. Pledges of Equity Interests or Securities
4. Imposition of Equity Restrictions including Negative Equity Pledges
5. Transfer of the Equity Interests or Securities of Casino Holding Investment Partners, LLC

Thomas B. Shepherd, III, Esquire of Jones Walker, presented this item to the Commission. Mr. Shepherd advised that Kevin Preston, President, planned to attend the meeting, however, due to the weather he was not able to be here.

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 prior approval for the transfer of 1,500,000 Class A-2 Common Units of Casino Holding Investment Partners, LLC from Premier Gaming Group, Inc. to Casino Holding Investment Partners, LLC and grant prior approval for the transfer of 3,080,985 Class A-1 Common Units of Casino Holding Investment Partners, LLC and 7,742,958 Class A-2 Common Units of Casino Holding Investment Partners, LLC from Natchez Riverside Entertainment, LP to Casino Holding Investment Partners, LLC;

2. The Mississippi Gaming Commission grant prior approval for the issuance to Premier Gaming Group, Inc. of up to 3,750,000 Class A Units and to Natchez Riverside Entertainment, LP of up to 11,250,000 Class A Units by Casino Holding Investment Partners, LLC;
3. The Mississippi Gaming Commission grant approval, as required, to Casino Holding Investment Partners, 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, Natchez Casino OpCo, LLC, in connection with the Wells Fargo Secured Credit Facilities;
4. The Mississippi Gaming Commission grant approval, as required, to Casino Holding Investment Partners, 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 Casino Holding Investment Partners, LLC and Natchez Casino OpCo, LLC and such affiliated companies and subsidiaries, current and hereinafter acquired, including but not limited to, Natchez Casino OpCo, LLC, in connection with the Wells Fargo Secured Facilities, and
5. The Mississippi Gaming Commission grant prior approval for the transfer of a number of Class A Units representing five percent (5%) of the fully diluted membership interests of Casino Holding Investment Partners, LLC to Summit Partners Credit Advisors, L.P

Commissioner Griffith: Motion to adopt recommendation
Chairman Hopkins : Second

RECORDED VOTE: Chairman Hopkins: YES
Commissioner Griffith: YES

- G. Recommendation for a Permit as an Independent Testing Laboratory – Nick Farley and Associates d/b/a Eclipse Compliance Testing

Nick Farley, President, introduced himself to the Commission and was available to answer any questions.

EXECUTIVE DIRECTOR’S RECOMMENDATION: With past Commission action, key principals of the company have been found suitable. The Executive Director recommends that the Mississippi Gaming Commission grant Nick Farley and Associates d/b/a Eclipse Compliance Testing, an Independent Testing Laboratory, permit to conduct business in the State of Mississippi subject to the following conditions:

- (1) The permit will be issued for a three-year period, effective December 21, 2017 through December 20, 2020;
- (2) Permittee will comply with all federal, state and local laws, including the laws of the State of Mississippi and particularly the Mississippi Gaming Control Act;
- (3) Permittee will comply with all the policies, rules and regulations adopted by the Mississippi Gaming Commission;
- (4) Permittee 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
- (5) The permit is based on the permittee's ability to maintain satisfactory results for all investigations and agency checks.

Commissioner Griffith: Motion to adopt recommendation
Chairman Hopkins: Second

RECORDED VOTE: Chairman Hopkins: YES
Commissioner Griffith: YES

H. Recommendation Regarding Work Permit Hearing Held and Decision Rendered

(Documentation attached as Exhibit "1")

1. John Bogner – Not Present

HEARING EXAMINER'S RECOMMENDATION: The Commission accepts the Findings of Fact and Decision of the Hearing Examiner in the above-referenced matter. (Revoke)

Chairman Hopkins: Motion to adopt recommendation
Commissioner Griffith: Second

RECORDED VOTE: Chairman Hopkins: YES
Commissioner Griffith: YES

ITEM IV.

PUBLIC COMMENT

None.

There are no Charitable Gaming Agenda Items.

ITEM V.

PUBLIC COMMENT

None.

ITEM VI.

ADJOURNMENT

Chairman Hopkins asked for a motion to adjourn.

Commissioner Griffith:	Motion to Adjourn
Chairman Hopkins:	Second

RECORDED VOTE:	Chairman Hopkins:	YES
	Commissioner Griffith:	YES

The Chairman wished everyone a Merry Christmas and the meeting adjourned at 9:24 a.m.

MAJOR GENERAL (R) AL HOPKINS, CHAIRMAN

JERRY GRIFFITH, COMMISSIONER

ALLEN GODFREY, EXECUTIVE DIRECTOR

ATTEST:

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