

MINUTES OF THE MISSISSIPPI GAMING COMMISSION

Regular Monthly Meeting
February 22, 2001

The regular monthly meeting of the Mississippi Gaming Commission was held at 9:00 a.m., Thursday, February 22, 2001, at the Mississippi Gaming Commission, 202 E. Pearl Street, Stuart C. Irby Conference Room, Jackson, Mississippi. Staff attending:

W. W. Gresham, Jr., Chairman, MS Gaming Commission
Victor P. Smith, Commissioner, MS Gaming Commission
Leonard A. Blackwell, II, Commissioner, MS Gaming Commission
Chuck Patton, Executive Director, MS Gaming Commission
Larry Gregory, Deputy Executive Director, MS Gaming Commission
Mick Lura, Chief of Staff, MS Gaming Commission
Charlene R. Pierce, Special Assistant Attorney General, Attorney General's Office
J. Ledbetter, Chief of Intelligence, MS Gaming Commission
John Carpenter, Director of Investigations, MS Gaming Commission
Brenda Redfern, Director of Compliance, MS Gaming Commission
Leigh Ann Wilkins, Staff Officer I, MS Gaming Commission
Ashley Skellie, Director of Public Relations, MS Gaming Commission
David Bethea, Special Agent, Investigation Division, MS Gaming Commission
Preston Roberts, Investigation Division, MS Gaming Commission
Jack DePoyster, Investigation Division, MS Gaming Commission
Teresa Tucker, Special Projects Officer IV, Attorney General's Office

Chairman W. W. Gresham, Jr., presided and called the meeting to order at 9:04 a.m.

Commissioner Blackwell gave the invocation.

ITEM I.

Chuck Patton, Executive Director, welcomed Mississippi Secretary of State Eric Clark and Charlie Williams, former member of the Mississippi House of Representatives, to the meeting. Mr. Patton reminded everyone that the March commission meeting was to be held in Tunica, Mississippi, at the Hollywood Casino. Commissioner Smith informed everyone that the Mississippi Council on Compulsive Gambling would be holding a meeting in Tunica the same day as the Commission meeting.

ITEM II.

APPROVAL OF MINUTES

A. January 18, 2001

EXECUTIVE DIRECTOR'S RECOMMENDATION: "The Executive Director recommends that the minutes of the January 18, 2001 meeting be adopted."

Commissioner Smith: Move to adopt recommendation
Commissioner Blackwell: Second

RECORDED VOTE: Chairman Gresham: YES
Commissioner Smith: YES
Commissioner Blackwell: YES

ITEM III.

GAMING MATTERS

A. REQUEST FOR CONTINUOUS APPROVAL FOR INVOLVEMENT IN FOREIGN GAMING - Harrah=s Vicksburg Corporation d/b/a Harrah=s Casino and Hotel and Tunica Partners II, L.P. d/b/a Harrah=s Tunica Mardi Gras Casino

Dan Hise, with Butler Snow, came forward. Also present was Dennis Gallagher, Associate General Counsel and Chief Compliance Officer for Harrah=s.

EXECUTIVE DIRECTOR=S RECOMMENDATION: AThe Executive Director recommends that the Mississippi gaming Commission waive the requirements of Mississippi Code 1972 Annotated  75-76-269 through  75-76-277 of the Mississippi Gaming Control Act, as consistent with public policy of the State of Mississippi concerning

gaming, for Harrah=s Entertainment, Inc. and any related Alicensee,≡ as defined in Mississippi Code 1972 Annotated 375-76-269(b), to be involved in foreign gaming in the jurisdiction of California.≡

Commissioner Blackwell: Move to adopt recommendation
Commissioner Smith: Second

RECORDED VOTE: Chairman Gresham: YES
Commissioner Smith: YES
Commissioner Blackwell: YES

B. APPLICATION FOR FINDING OF SUITABILITY B Silicon Gaming B Mississippi, Inc.

1. Mr. Paul David Mathews (Initial)
Executive Vice President and Chief Operating Officer B Silicon Gaming, Inc.
2. Mr. Thomas Edward Carlson (Updated)
Vice President and Chief Financial Officer B Silicon Gaming, Inc.

Danny McDaniel, with Phelps Dunbar, came forward to introduce Paul David Mathews and Thomas Edward Carlson to the Commission.

EXECUTIVE DIRECTOR=S RECOMMENDATION: ABased upon the investigative report, the Executive Director recommends that the following individuals be found suitable to be associated with a gaming license granted under the Mississippi Gaming Control Act:

1. Mr. Paul David Mathews and
2. Mr. Thomas Edward Carlson.≡

Commissioner Blackwell: Move to adopt recommendation
Commissioner Smith: Second

RECORDED VOTE: Chairman Gresham: YES
Commissioner Smith: YES

Commissioner Blackwell: YES

C. APPLICATION FOR FINDING OF SUITABILITY B WMS Gaming, Inc.

1. Mr. Brian Robert Gamache (Initial)
President and Chief Operating Officer

Dan McDaniel, with Phelps Dunbar, came forward to introduce Brian Robert Gamache to the Commission. Also present was John DeGresse, in-house counsel for WMS Gaming, Inc.

EXECUTIVE DIRECTOR=S RECOMMENDATION: ABased upon the investigative reports, the Executive Director recommends that Mr. Brian Robert Gamache be found suitable to be associated with a gaming license granted under the Mississippi Gaming Control Act.≡

Commissioner Blackwell: Move to adopt recommendation

Commissioner Smith: Second

RECORDED VOTE: Chairman Gresham: YES
Commissioner Smith: YES
Commissioner Blackwell: YES

D. REQUEST FOR APPROVAL OF GUARANTY AND RESTRICTION ON DISPOSITION OF STOCK B United States Playing Card Co.

Dan McDaniel, with Phelps Dunbar, was present to represent United States Playing Card Co.

EXECUTIVE DIRECTOR=S RECOMMENDATION: AThe Executive Director recommends that the Mississippi Gaming Commission approve the requests of (1) USPC Holding, Inc. to guarantee the credit agreement of United States Playing Card Co.; (2) USPC Holding, Inc. to restrict, through a negative stock pledge agreement, the transfer of the stock it owns in United States Playing Card Co.; and (3) Bicycle Holding, Inc. to restrict, through a negative stock pledge agreement, the transfer of the stock it owns in USPC Holding, Inc.≡

Commissioner Smith: Move to adopt recommendation

Commissioner Blackwell: Second

RECORDED VOTE: Chairman Gresham: YES
Commissioner Smith: YES
Commissioner Blackwell: YES

ITEM III. N. TAKEN UP NEXT.

N. REQUEST FOR CONTINUOUS APPROVAL FOR INVOLVEMENT IN FOREIGN GAMING B BTN, Inc. d/b/a Boomtown B Biloxi and BSL, Inc. d/b/a Casino Magic B Bay St. Louis

Dan McDaniel, with Phelps Dunbar, was present to represent BTN, Inc. d/b/a Boomtown.

EXECUTIVE DIRECTOR=S RECOMMENDATION: AThe Executive Director recommends that the Mississippi Gaming Commission waive the requirements of sections 75-76-269 through 75-76-277 of the Gaming Control Act, as consistent with public policy of the State of Mississippi concerning gaming, for Penn National Gaming, Inc. and any related Licensee, as defined in section 75-76-269(b), to be involved in foreign gaming in the jurisdiction of Louisiana.

Commissioner Smith: Move to adopt recommendation

Commissioner Blackwell: Second

RECORDED VOTE: Chairman Gresham: YES
Commissioner Smith: YES
Commissioner Blackwell: YES

E. APPLICATION FOR FINDING OF SUITABILITY B KEM Plastic Playing Cards, Inc.

1. Mr. John Parente (Initial)
Chief Executive Officer, Chief Financial Officer and Chief Operating Officer

Jeffrey Andrews came forward to represent John Parente. Mr. Parente had been excused from attending today=s meeting, but is expected to attend next month=s meeting.

The Commission questioned Mr. Andrews on the financial stability of KEM. Mr. Andrews stated that the long term financial projection for KEM Plastic Playing Cards, Inc. looked good, and the Parente family was committed to the company.

EXECUTIVE DIRECTOR=S RECOMMENDATION: ABased upon the investigative reports, the Executive Director recommends that Mr. John Parente be found suitable to be associated with a gaming license granted under the Mississippi Gaming Control Act.

Commissioner Blackwell: Move to adopt recommendation

Commissioner Smith: Second

RECORDED VOTE: Chairman Gresham: YES
 Commissioner Smith: YES
 Commissioner Blackwell: YES

F. REQUEST FOR APPROVALS B KEM Plastic Playing Cards, Inc.

1. Applications for Finding of Suitability With Equity Ownership Greater than 5%:

- a. Charles Parente Trust, John Parente -Trustee;
- b. Mary Parente Trust, John Parente - Trustee;
- c. Parente Family Trust, John Parente - Trustee;
- d. Brian Parente Trust, John Parente - Trustee;
- e. Charles Parente Jr. Trust, John Parente - Trustee;
- f. Marla Parente Trust, John Parente -Trustee; and
- g. John Parente Trust, John Parente -Trustee.

2. Applications for Finding of Suitability and Registration as Intermediary Holding Companies:

- a. Benevento & Mayo Partners, L.P.;
- b. Parco Financial & Investment Corp.; and
- c. Parodi Industries Incorporated.

3. Recommendation for Licensure B KEM Plastic Playing Cards, Inc.

EXECUTIVE DIRECTOR'S RECOMMENDATION: AThe Executive Director recommends that the following requests be approved:

1. Applications for Finding of Suitability With Equity Ownership Greater than 5%:

- a. Charles Parente Trust, John Parente -Trustee;
- b. Mary Parente Trust, John Parente - Trustee;
- c. Parente Family Trust, John Parente - Trustee;
- d. Brian Parente Trust, John Parente - Trustee;
- e. Charles Parente Jr. Trust, John Parente - Trustee;
- f. Marla Parente Trust, John Parente -Trustee; and
- g. John Parente Trust, John Parente -Trustee.

2. Applications for Finding of Suitability and Registration as Intermediary Holding Companies:
 - a. Benevento & Mayo Partners, L.P.;
 - b. Parco Financial & Investment Corp.; and
 - c. Parodi Industries Incorporated.

3. KEM Plastic Playing Cards, Inc. be granted a manufacturer and distributor=s license to conduct business in the State of Mississippi subject to the following conditions:
 - a. The license will be issued for a three-year period, beginning February 22, 2001;
 - b. Licensee will comply with all federal and state laws, including the laws of Mississippi and particularly the Mississippi Gaming Control Act;
 - c. Licensee will comply with all the policies, rules and regulations adopted by the Mississippi Gaming Commission;
 - d. Licensee 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
 - e. Pending the results of any background agency checks of key principals.≡

Commissioner Smith: Move to adopt recommendation
Commissioner Blackwell: Second

RECORDED VOTE: Chairman Gresham: YES
Commissioner Smith: YES
Commissioner Blackwell: YES

G. REQUEST FOR CONTINUOUS APPROVAL FOR INVOLVEMENT IN FOREIGN GAMING B Beau Rivage Resorts, Inc.

Scott Andress and Ben Stone, with Balch & Bingham, came forward to represent Beau

Rivage Resorts, Inc.

EXECUTIVE DIRECTOR'S RECOMMENDATION: The Executive Director recommends that the Mississippi Gaming Commission waive the requirements of Mississippi Code 1972 Annotated §75-76-269 through §75-76-277 of the Mississippi Gaming Control Act, as consistent with public policy of the State of Mississippi concerning gaming, for MGM MIRAGE and any related licensee, as defined in Mississippi Code 1972 Annotated §75-76-269(b), to be involved in foreign gaming in the jurisdiction of California.

Commissioner Blackwell: Move to adopt recommendation
Commissioner Smith: Second

RECORDED VOTE: Chairman Gresham: YES
Commissioner Smith: YES
Commissioner Blackwell: YES

H. REQUEST TO SURRENDER GAMING SCHOOL LICENSE B Academy of Casino Training, Inc.

(Copy attached to record as Exhibit A1)

William Wilder, President of Academy of Casino Training, Inc., came forward to explain his request for surrender.

EXECUTIVE DIRECTOR'S RECOMMENDATION: The Executive Director recommends that the request by the Academy of Casino Training, Inc. to surrender the Gaming School License #355 for its Gulfport location be approved.

Commissioner Smith: Move to adopt recommendation
Commissioner Blackwell: Second

RECORDED VOTE: Chairman Gresham: YES
Commissioner Smith: YES
Commissioner Blackwell: YES

I. RECOMMENDATION REGARDING WORK PERMIT HEARINGS HELD AND DECISIONS RENDERED ON JANUARY 9, 2001

(Copy attached to record collectively as Exhibit A2)

HEARING EXAMINER'S DECISIONS:

The following work permits were revoked:

Ronald F. Doyle
Louvenia Jackson

The following work permits were expired and of no force and effect:

Melissa Faulkner
Jacqueline Harris
James A. Hughes

EXECUTIVE DIRECTOR'S RECOMMENDATION: AThe Executive Director recommends that the Commission accepts into the minutes the Findings of Facts and recommended actions of the Hearing Examiner, Special Assistant Attorney General, Larry J. Stroud.≡

Commissioner Smith: Move to adopt recommendation
Commissioner Blackwell: Second

RECORDED VOTE: Chairman Gresham: YES
Commissioner Smith: YES
Commissioner Blackwell: YES

J. REVIEW OF HEARING EXAMINER'S DECISION B Denial of Work Permit Application
Karl Hursell

(Copy attached to the record as Exhibit A3≡)

EXECUTIVE DIRECTOR'S RECOMMENDATION: AThe Executive Director recommends to the Commission that they sustain the decision of the Hearing Examiner, Special Assistant Attorney General, Larry J. Stroud.≡

Commissioner Blackwell: Move to adopt recommendation
Commissioner Smith: Second

RECORDED VOTE: Chairman Gresham: YES
Commissioner Smith: YES
Commissioner Blackwell: YES

K. REVIEW OF HEARING EXAMINER'S DECISION B Player Dispute
Robert Fowler vs. Sam's Town Casino

(Copy of Amended Decision attached to the record as Exhibit A4≡)

EXECUTIVE DIRECTOR'S RECOMMENDATION: AThe Executive Director

recommends to the Commission that they sustain the decision of the Hearing Examiner, Special Assistant Attorney General, Larry J. Stroud as to Mr. Fowler=s request and modify the Hearing Examiner=s decision as to Sam=s Town=s request.=

Commissioner Smith: Move to adopt recommendation

Commissioner Blackwell: Second

RECORDED VOTE: Chairman Gresham: YES
Commissioner Smith: YES
Commissioner Blackwell: YES

L. RECOMMENDATION REGARDING UNANIMOUS APPROVAL OF WORK PERMIT APPLICATION

Nina Kay Nix

(Copy attached to the record as Exhibit A5=)

EXECUTIVE DIRECTOR=S RECOMMENDATION: AThe Executive Director recommends that the Commission accepts into the minutes that by unanimous vote, Nina Kay Nix be issued a gaming employee work permit.=

Commissioner Blackwell: Move to adopt recommendation

Commissioner Smith: Second

RECORDED VOTE: Chairman Gresham: YES
Commissioner Smith: YES
Commissioner Blackwell: YES

M. PROPOSED AMENDMENT B Public Comment

MGC Regulation II. Licensing, B. Qualifications, Section 2. Location, (a)(1)

EXECUTIVE DIRECTOR=S RECOMMENDATION: AThe Executive Director recommends to the Commission that the proposed amendment to MGC Regulation II. Licensing, B. Qualifications, Section 2. Location, (a)(1) be adopted for public comment. Written comments will be accepted for thirty days.=

Commissioner Smith: Move to adopt recommendation

Commissioner Blackwell: Second

RECORDED VOTE: Chairman Gresham: YES
Commissioner Smith: YES

Commissioner Blackwell: YES

PUBLIC COMMENT ON REGULATION II. LICENSING, B. QUALIFICATIONS, SECTION 2.
LOCATION (a)(1)

A copy of this portion of the meeting was transcribed by Linda Wilson, CSR, Verbatim Court Reporting and is attached to the record as Exhibit A6.≡

Public comments reflected in the transcript are summarized below.

Mississippi Secretary of State Eric Clark came forward to address the Commission. Mr. Clark=s concerns centered around Keesler Air Force Base and the state=s responsibility not to degrade the mission of Keesler.

Chairman Gresham asked Mr. Elton Jay, Director of MDOT=s Aeronautical Division, who was responsible for regulation of the height regulation. Mr. Jay stated that the individual landowner was ultimately responsible.

Dan McDaniel, with Phelps Dunbar, came forward to represent Terry Moran and Mark Seymour, who are the landowners in D=Iberville. Mr. McDaniel stated that they support the proposed regulation and were aware of the height restrictions in place.

Mike Cavanaugh, attorney for the City of D=Iberville, came forward in support of the proposed regulation.

ITEM IV.

PUBLIC COMMENTS

None.

A short recess was taken at 10:20 a.m.
Meeting reconvened at 10:30 a.m.

ITEM V.

CHARITABLE BINGO MATTERS

Staff present for Charitable Bingo session:

W. W. Gresham, Jr., Chairman, MS Gaming Commission
Victor P. Smith, Commissioner, MS Gaming Commission
Leonard A. Blackwell, II, Commissioner, MS Gaming Commission
Chuck Patton, Executive Director, MS Gaming Commission
Larry Gregory, Deputy Executive Director, MS Gaming Commission
Charlene R. Pierce, Special Assistant Attorney General, Attorney General's Office
Doug Tyrone, Director of Charitable Bingo, MS Gaming Commission
Sonny Weathersby, Division Director, Charitable Bingo Division, MS Gaming Commission
Joel Jones, Special Assistant Attorney General, Attorney General=s Office
Regina Holbrooks, Special Agent, Enforcement Division, MS Gaming Commission
Leigh Ann Wilkins, Staff Officer I, MS Gaming Commission
Preston Roberts, Investigation Division, MS Gaming Commission
Jack DePoyster, Investigation Division, MS Gaming Commission
Ashley Skellie, Director of Public Relations, MS Gaming Commission
Teresa Tucker, Special Projects Officer, IV, Attorney General=s Office

A. APPROVALS OF LICENSURE

(Copy attached to the record as Exhibit A7≡).

EXECUTIVE DIRECTOR=S RECOMMENDATION: AThe Executive Director recommends that the previously identified organizations be approved for licensure.≡

Commissioner Smith: Move to adopt recommendation

Commissioner Blackwell: Second

RECORDED VOTE:	Chairman Gresham:	YES
	Commissioner Smith:	YES
	Commissioner Blackwell:	YES

B. Charitable Bingo License

(Copy attached to the record as Exhibit A8≡)

1. Tri-State Educational Foundation
2. Friends of Education

EXECUTIVE DIRECTOR=S RECOMMENDATION: AThe Executive Director recommends that the Commission issue a 90-day renewal license to Tri-State Educational Foundation and Friends of Education so that the Commission may evaluate their expenses for the previous license year.≡

Commissioner Blackwell: Move to adopt recommendation
Commissioner Smith: Second

RECORDED VOTE: Chairman Gresham: YES
Commissioner Smith: YES
Commissioner Blackwell: YES

C. PROPOSED COMPROMISE AND SETTLEMENT PERTAINING TO DISCIPLINARY COMPLAINT AGAINST M&M OPERATORS, INC.

(Copy attached to the record as Exhibit A9≡)

Dan Hise, with Butler Snow, came forward to represent GameTech International, Inc. and Peter Doran, with Wells Marble Simmons & Hubbard, came forward on behalf of M & M Operators, Inc.

Chairman Gresham asked Mark Marley, with M & M Operators, Inc., if he understood all the conditions set forth in the settlement agreement. Mr. Marley stated that he did.

EXECUTIVE DIRECTOR=S RECOMMENDATION: AThe Executive Director recommends that the Commission accept the settlement proposal as full and final resolution of these two disciplinary complaints.≡

Commissioner Smith: Move to adopt recommendation
Commissioner Blackwell: Second

RECORDED VOTE: Chairman Gresham: YES
Commissioner Smith: YES
Commissioner Blackwell: YES

ITEM VI.

PUBLIC COMMENTS B CHARITABLE BINGO MATTERS

Commissioner Victor P. Smith stressed once again that he believes that there is a problem with compulsive gambling across the state. Commissioner Smith informed everyone that he had several brochures from the Council of Compulsive Gambling with him and would like for everyone to pick up a few to take with them.

Dr. Bob Ferguson, Executive Director of Tri-State Educational Foundation, made the statement that Tri-State had had a good year and that their expenses were beginning to come down. Shawn Phelps, also with Tri-State Educational Foundation, came forward to tell the Commission that Tri-State had provided all documents to the Charitable Bingo Division and that rent was the only item that was out of line.

Commissioner Blackwell commented that it was not uncommon for an administrative agency to talk about excessive expenditures with organizations that they oversee.

ITEM VII.

ADJOURNMENT

There being no further business, the meeting was adjourned at 10:41 a.m.

W. W. GRESHAM, JR., CHAIRMAN

VICTOR P. SMITH, COMMISSIONER

LEONARD A. BLACKWELL, II, COMMISSIONER

CHARLES PATTON, EXECUTIVE DIRECTOR

ATTEST:

Tucker

Teresa