

MINUTES OF THE MISSISSIPPI GAMING COMMISSION

Special Interim Meeting
April 18, 2001

A special interim meeting of the Mississippi Gaming Commission was held at 9:30 a.m., Wednesday, April 18, at the offices of the Mississippi Gaming Commission, 202 E. Pearl Street, Jackson, Mississippi. Staff attending:

W. W. Gresham, Jr., Chairman, MS Gaming Commission (telephonically)
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
Brenda Redfern, Director of Compliance, MS Gaming Commission
Stephanie Quist, Compliance Division, MS Gaming Commission
Leigh Ann Wilkins, Staff Officer I, MS Gaming Commission
Teresa Tucker, Special Projects Officer IV, Attorney General's Office

Also present were Dan McDaniel, Phelps Dunbar; Heather Camp, Phelps Dunbar; Jeff Barbin, Baton Rouge office of Phelps Dunbar; Scott Andress, Balch and Bingham; and two members of the press.

Chairman W. W. Gresham, Jr., who was out of the country, presided over the meeting telephonically. The meeting was called to order at 9:45 a.m.

ITEM I.

GAMING MATTERS

- A. REQUESTS FOR APPROVAL B BSL, Inc. d/b/a Casino Magic B Bay St. Louis and BTN, Inc. d/b/a Boomtown - Biloxi
1. Finding of Suitability and Registration of CRC Holdings, Inc. as an Intermediary Holding Company

2. Agreement and Plan of Merger and Proposed Acquisition of Control of Casino Holding, Inc. and its Subsidiaries by CRC Holdings, Inc.

3. Withdrawal of Registration of Casino Holding, Inc. as an Intermediary Holding Company

4. Renewal of Continuous Approval for Public Offerings and/or Private Placements

Dan McDaniel and Heather Camp, with Phelps Dunbar, and Jeff Barbin, with the Baton Rouge office of Phelps Dunbar, were present to represent Penn National Gaming.

EXECUTIVE

DIRECTOR=S

RECOMMENDATION: AThe Executive Director recommends that the Commission approve the following items:

a. Find suitable and approve the registration of CRC Holdings, Inc. as an intermediary holding company of BSL, INC d/b/a Casino Magic - Bay St. Louis and BTN, INC. d/b/a Boomtown B Biloxi.

b. Approve the merger and acquisition of control of Casino Holding, Inc. and its subsidiaries by CRC Holdings, Inc.

c. Effective upon the closing of the merger, approve the withdrawal of registration of Casino Holding, Inc. as an intermediary holding company of BSL, INC d/b/a Casino Magic - Bay St. Louis and BTN, INC. d/b/a Boomtown B Biloxi.

d. Penn National Gaming, Inc. shall implement a compliance review and reporting system, which shall include a compliance committee, for both BSL, INC d/b/a Casino Magic - Bay St. Louis and BTN, INC. d/b/a Boomtown B Biloxi. No later than June 18, 2001 licensee shall submit for approval to the Executive Director a written compliance review and reporting plan that meets the requirements of Mississippi Gaming Commission Regulation II.A.3 and such other conditions as may be required by the Executive Director;

e. Continuous Approval for Public Offerings and Private Placements:

- (1) The Executive Director recommends that the Mississippi Gaming Commission exempt Penn National Gaming, Inc., a publicly traded corporation, from the requirement to obtain prior approval of continuous public offerings and/or private placements of its securities for a period of two (2) years. The Mississippi Gaming Commission grants the Executive Director the power to issue an interlocutory stop order. An application for approval shall be submitted two (2) weeks prior to any public offering and/or private placement of any securities of Penn National Gaming, Inc. of which the proceeds are to be used as defined in Mississippi Gaming Commission Regulation II.H.æ6.b. The Executive Director may shorten the two-week period upon written agreement with the applicant. 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;
- (2) The Executive Director recommends that the Mississippi Gaming Commission grant approval to Penn National Gaming, Inc. and its affiliated subsidiaries, for a period of two (2) years, to pledge the equity interests or securities of their affiliated subsidiaries pursuant to a public offering and/or private placement made under the approval granted by paragraph e(1), above;
- (3) The Executive Director recommends that the Mississippi Gaming Commission grant approval to Penn National Gaming, Inc. and its affiliated subsidiaries, for a period of two (2) years, 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 their affiliated subsidiaries pursuant to a public offering and/or private placement made under the approval granted by paragraph e(1), above;
- (4) The Executive Director recommends that the Mississippi Gaming Commission grant approval to the affiliated subsidiaries of Penn National Gaming, Inc. for a period of two (2) years, to guarantee the equity interests or securities issued by Penn National Gaming, Inc.

pursuant to a public offering and/or private placement made under the approval granted pursuant to paragraph e(1), above, and to hypothecate their assets to secure the payment or performance of obligations evidenced by equity interests or securities issued by Penn National Gaming, Inc. pursuant to a public offering and/or private placement made under the approval granted by paragraph e(1), above; and

- (5) Penn National Gaming, Inc. shall report to the Executive Director of the Mississippi Gaming Commission any transaction conducted pursuant to paragraphs e(1), (2), (3) or (4), above, no later than two (2) weeks after its closing.≡

Commissioner Smith: Move to adopt recommendation

Commissioner Blackwell: Second

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

ITEM II.

PUBLIC COMMENTS

None.

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ITEM III.

ADJOURNMENT

There being no further business, the meeting was adjourned at 10:20 a.m.

(telephonically)

W. W. GRESHAM, JR., CHAIRMAN

VICTOR P. SMITH, COMMISSIONER

COMMISSIONER

LEONARD A. BLACKWELL, II,

CHARLES PATTON, EXECUTIVE DIRECTOR

ATTEST:

Teresa Tucker