

MINUTES OF THE MISSISSIPPI GAMING COMMISSION

Regular Monthly Meeting
April 26, 2001

The regular monthly meeting of the Mississippi Gaming Commission was held at 9:00 a.m., Thursday, April 26, 2001, at the offices of the Mississippi Gaming Commission, 202 E. Pearl Street, 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
John Carpenter, Director of Investigations, MS Gaming Commission
Brenda Redfern, Director of Compliance, MS Gaming Commission
Cassandra Moore, Director of Personnel, MS Gaming Commission
Regina Holbrooks, Bureau Director, MS Gaming Commission
Leigh Ann Wilkins, Staff Officer I, MS Gaming Commission
Ashley Skellie, Director of Public Relations, MS Gaming Commission
Ray Reed, Agent - Investigation Division, MS Gaming Commission
Vince Noce, Special Projects Officer IV, 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 9:03 a.m.

ITEM I.

Chairman Gresham gave the invocation.

Chuck Patton, Executive Director, made the following administrative announcements:

The May commission meeting is scheduled for May 17. Mr. Patton requested that anyone with items to be placed on the agenda submit them as soon as possible.

Mr. Patton requested that Item III. A. be taken up next.

ITEM III. A. ANNOUNCEMENT OF QUARTERLY MEETING BETWEEN MISSISSIPPI GAMING COMMISSION AND CHOCTAW GAMING COMMISSION

The Compact between the State of Mississippi and the Choctaw Tribe requires quarterly meetings between the Mississippi Gaming Commission and the Choctaw Gaming Commission. This quarter=s meeting is being held in conjunction with today=s meeting. Chairman Eddie Gibson and Commissioner Tom Benn were present and gave an update on the Golden Moon construction. Chairman Gibson stated that the projected completion date is August 2001.

No recommendation necessary.

ITEM II.

APPROVAL OF MINUTES

A. March 15, 2001

EXECUTIVE DIRECTOR'S RECOMMENDATION: "The Executive Director recommends that the minutes of the March 15, 2001 meeting be adopted.≡

Commissioner Smith: Move to adopt recommendation
Commissioner Blackwell: Second

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

B. April 18, 2001 - Special Interim Meeting

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

Commissioner Smith: Move to adopt recommendation
Commissioner Blackwell: Second

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

YES
ITEM III.

GAMING MATTERS

B.
AGI Distribution, Inc.

APPLICATION FOR FINDING OF SUITABILITY B

1. Mr. Floyd Wright Glisson (Updated)
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Scott Address, with Balch & Bingham, came forward to introduce Floyd Wright Glisson to the Commission.

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

Commissioner Smith: Move to adopt recommendation
Commissioner Blackwell: Second

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

C. APPLICATION FOR FINDING OF SUITABILITY B Beau Rivage Resorts, Inc. and Beau Rivage Distribution Corp.

1. Mr. Gary Jacobs (Initial)
Executive Vice President and General Counsel B MGM MIRAGE.

Scott Address, with Balch & Bingham, came forward to introduce Gary Jacobs to the Commission. Also present was Carole Brand, Vice President and General Counsel for Beau Rivage Resorts, Inc.

EXECUTIVE DIRECTOR=S RECOMMENDATION: ABased upon the investigative reports, the Executive Director recommends that Mr. Gary Jacobs 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. APPLICATION FOR FINDING OF SUITABILITY - Aristocrat, Inc.

Item III. D. was temporary tabled due to flight delays.

E. APPLICATION FOR FINDING OF SUITABILITY B Rainbow Casino Vicksburg Partnership, L.P. d/b/a Rainbow Casino and Bally Gaming, Inc.

1. Mr. Mark D. Lerner (Initial)
Senior Vice President - Law and Government, Secretary and General Counsel B Alliance Gaming Corporation; Secretary B Bally Gaming, Inc.; and Secretary B United Gaming Rainbow.

Tommy Shepherd, with Watkins Ludlam Winter & Stennis, came forward to introduce Mark D. Lerner to the Commission. Also present was Kurt Fullmer, General Manager of Rainbow Casino Vicksburg.

EXECUTIVE DIRECTOR'S RECOMMENDATION: Based upon the investigative report, the Executive Director recommends that Mr. Mark D. Lerner be found suitable to be associated with a gaming license granted under the Mississippi Gaming Control Act.≡

Commissioner Smith: Move to adopt recommendation
Commissioner Blackwell: Second

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

F. REQUESTS FOR APPROVAL B Casinovations Sales, Inc.

(Copy attached as Exhibit A1≡).

1. Issuances of Stock
2. Restrictions on Stock and Pledge of Stock
3. Recommendation for Licensure

Tommy Shepherd, with Watkins Ludlam Winter & Stennis, came forward to represent Casinovations Sales, Inc. Also present were Steve Blad, CEO of VendingData Corporation and Stacie Brown, in-house counsel of VendingData Corporation.

EXECUTIVE DIRECTOR'S RECOMMENDATION:

1. The Executive Director recommends that the issuances of stock, as reflected on the attached Exhibit, be approved.
2. The Executive Director recommends that, with respect to the \$1,200,000 line of credit with American Business Funding Corporation entered into on July 31, 2000, and the \$500,000 credit facility with Dan Purjes entered into on February 6, 2001, the Commission approve (1) the restrictions, including negative stock pledges, upon the transfer of, and the agreements not to encumber the stock of Casinovations, and (2) the pledge of stock in Casinovations by VendingData.
3. The Executive Director recommends that Casinovations Sales, 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 ninety (90) day period, beginning May 21, 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. RECOMMENDATION FOR LICENSURE B Coast Gaming Supply, Inc.

Jamie Slavich, owner of Coast Gaming Supply, Inc., was present.

EXECUTIVE DIRECTOR'S RECOMMENDATION: AWith past Commission action, key principals of the company have been found suitable. The Executive Director recommends that Coast Gaming Supply, Inc. be granted a manufacturer and distributor's license to conduct business in the State of Mississippi subject to the following conditions:

1. The license will be issued for a three-year period, beginning June 18, 2001;
2. Licensee will comply with all federal and state laws, including the laws of Mississippi and particularly the Mississippi Gaming Control Act;
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 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. Pending the results of any background agency checks of key principals.

Commissioner Blackwell: Move to adopt recommendation

Commissioner Smith: Second

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

H. APPLICATION FOR FINDING OF SUITABILITY B Advanced Casino Systems

Corporation

1. Mr. John Joseph Sarno, Jr. (Initial)
Vice President.

Sam Begley, with the Begley Law Firm, came forward to introduce John Joseph Sarno, Jr., to the Commission.

EXECUTIVE DIRECTOR=S RECOMMENDATION: ABased upon the investigative report, the Executive Director recommends that Mr. John Joseph Sarno, Jr. 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

I. APPLICATION FOR FINDING OF SUITABILITY B Treasure Bay Corp. d/b/a Treasure Bay - Biloxi

Gerald Blessey, with Gerald Blessey & Associates, came forward to introduce April W. Fairley and Andra June Mladinich. Also present was June Mladinich.

1. Ms. April W. Fairley (Initial)
Limited Partner - Mladinich Family Limited Partnership and
Landlord B Treasure Bay Corp. d/b/a Treasure Bay B Biloxi and
2. Ms. Andra June Mladinich (Initial)
Limited Partner - Mladinich Family Limited Partnership and
Landlord B Treasure Bay Corp. d/b/a Treasure Bay B Biloxi.

EXECUTIVE DIRECTOR=S RECOMMENDATION: ABased upon the investigative reports, 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. Ms. April W. Fairley and
2. Ms. Andra June Mladinich.≡

Commissioner Blackwell: Move to adopt recommendation
Commissioner Smith: Second

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

J. REQUEST FOR APPROVAL TO RECEIVE A BONUS BASED ON GROSS GAMING REVENUE B Treasure Bay Corp. d/b/a Treasure Bay - Biloxi

Gerald Blessey, with Gerald Blessey & Associates, came forward to represent Treasure Bay Corp. d/b/a Treasure Bay - Biloxi

EXECUTIVE DIRECTOR=S RECOMMENDATION: AThe Executive Director recommends that the Mississippi Gaming Commission approve the request of the Mladinich Family Limited Partnership and Mladinich Property Management, Inc. to receive a bonus based on gross gaming revenue from Treasure Bay Corp. d/b/a Treasure Bay - Biloxi pursuant to 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

K. APPLICATION FOR FINDING OF SUITABILITY B President Riverboat Casino B Mississippi, Inc.

Dan McDaniel, with Phelps Dunbar, came forward to introduce Craig Adams.

1. Mr. Craig Adams (Initial)
General Manager

EXECUTIVE DIRECTOR=S RECOMMENDATION: ABased upon the

investigative report, the Executive Director recommends that Mr. Craig Adams be found suitable to be associated with a gaming license granted under the Mississippi Gaming Control Act.≡

Commissioner Smith: Move to adopt recommendation

Commissioner Blackwell: Second

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

L. RECOMMENDATION FOR LICENSURE B Isle of Capri Casino - Tunica, Inc.

Dan McDaniel, with Phelps Dunbar, came forward to represent Isle of Capri Casino - Tunica, Inc. Also present was Shawn Bernard, acting General Manager of Isle of Capri Casino - Tunica.

EXECUTIVE DIRECTOR=S RECOMMENDATION: AWith past Commission action, key principals of the company have been found suitable. The Executive Director recommends that Isle of Capri Casino - Tunica, Inc. be granted an operator=s license to conduct business in the State of Mississippi subject to the following conditions:

- 10 The license will be issued for a three-year period, beginning May 21, 2001;
- 2) Licensee shall implement a compliance review and reporting system, which shall include a compliance committee. No later than June 26, 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;
- 3) Licensee will comply with all federal and state laws, including the laws of Mississippi and particularly the Mississippi Gaming Control Act;

- 4) Licensee will comply with all the policies, rules and regulations adopted by the Mississippi Gaming Commission;
- 5) 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;
- 6) Licensee must comply with the definition of navigable waters in 27-109-1 of the Miss. Code of 1972, as amended; and
- 7) 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

M. REQUEST FOR APPROVAL OF PUBLIC OFFERING AND/OR PRIVATE PLACEMENT B Innovative Gaming, Inc.

Shawn McGinness, with Gordon & Silver, came forward to represent Innovative Gaming, Inc.

EXECUTIVE DIRECTOR'S RECOMMENDATION: AThe Executive Director recommends that the Mississippi Gaming Commission approve Innovative Gaming Corporation of America's request for a public offering of 10,544,804 shares of common stock, including shares issuable upon conversion of the company's Series E 6% Convertible Preferred Stock, Series F 6% Convertible Preferred Stock, and Series G 6% Convertible Preferred Stock, certain shares of common stock issuable in lieu of payment of dividends, and certain shares issuable upon the exercise of currently outstanding warrants. The Mississippi Gaming Commission authorizes the Executive Director to administratively approve, as part of this public offering, up to 1,054,480 additional shares of common stock, for a maximum total of 11,599,284 shares. Further, the Mississippi Gaming Commission grants the Executive Director the power to issue an interlocutory stop order. 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 of common stock.≡

Commissioner Blackwell: Move to adopt recommendation
Commissioner Smith: Second

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

N. APPLICATION FOR FINDING OF SUITABILITY B Modern Gaming, Inc.

1. Mr. Rory Evans Fradella (Initial)
Owner

Rory E. Fradella, owner of Modern Gaming, Inc., came forward to be recognized.

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

Commissioner Smith: Move to adopt recommendation
Commissioner Blackwell: Second

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

O. Recommendation for Licensure B Modern Gaming, Inc.

Rory E. Fradella, owner of Modern Gaming, Inc., was present.

EXECUTIVE DIRECTOR=S RECOMMENDATION: AWith past Commission action, key principals of the company have been found suitable. The Executive Director recommends that Modern Gaming, Inc. be granted a manufacturer and distributor=s license to conduct business in the State of Mississippi subject to the following conditions:

- 10 The license will be issued for a three-year period, beginning April 26, 2001;

- 2) Licensee will comply with all federal and state laws, including the laws of Mississippi and particularly the Mississippi Gaming Control Act;
- 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 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) 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

P. REQUEST TO SURRENDER GAMING SCHOOL AND GAMING SCHOOL ADMINISTRATOR LICENSES B Coast School of Gaming and Bartending, Inc. d/b/a Coast School of Gaming - Tunica

(Copy attached to the record as Exhibit A2≡).

John Woodfield, counsel for corporation, was present. Also present were Kenneth Sarna and Susan L. Sarna.

EXECUTIVE DIRECTOR=S RECOMMENDATION: AThe Executive Director recommends that the Commission accept the surrender of Gaming School License #351 and Kenneth Sarna=s Gaming School Administrator License upon the terms submitted to the Commission.≡

Commissioner Smith: Move to adopt recommendation
Commissioner Blackwell: Second

RECORDED VOTE: Chairman Gresham: YES

Commissioner Smith: YES
Commissioner Blackwell: YES

Q. PROPOSED AMENDMENT B Public Notice

1. MGC Regulation VII. Internal Controls for Gaming Establishments, M. Slot Machines, Section 2. Slot Drop and Count Procedures, (b)

(Copy attached to the record as Exhibit A3≅).

EXECUTIVE DIRECTOR=S RECOMMENDATION: AThe Executive Director recommends to the Commission that the proposed amendment to MGC Regulation VII. Internal Controls for Gaming Establishments, M. Slot Machines, Section 2. Slot Drop and Count Procedure, (b) be adopted for public notice.≅

Commissioner Smith: Move to adopt recommendation
Commissioner Blackwell: Second

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

2. MGC Regulation VII. Internal Controls for Gaming Establishments, R. Miscellaneous Slot Requirements, Sections 1-8

(Copy attached to the record as Exhibit A4≅).

EXECUTIVE DIRECTOR=S RECOMMENDATION: AThe Executive Director recommends to the Commission that the proposed amendment to MGC Regulation VII. Internal Controls for Gaming Establishments, R. Miscellaneous Slot Requirements, Sections 1-8 be adopted for public notice.≅

Commissioner Blackwell: Move to adopt recommendation
Commissioner Smith: Second

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

R. PROPOSED AMENDMENT B Final Adoption

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

(Copy attached to the record as Exhibit A5≅).

The following persons were recognized:

Bobby Eleuterius, former President of Harrison County Board of Supervisors
Rusty Quave, Mayor of D=Iberville
Representative Roger Ishee
Riley Morse, attorney representing Gulf Islands Conservancy
Therese Collins, environmentalist
Mark Seymour, D=Iberville landowner
Mike Cavanaugh, D=Iberville City Attorney

Commissioner Len Blackwell stated that the licensing process had been studied extensively. Commissioner Blackwell went on to state that by passing this regulation the commission had tried to do something not only environmentally sound, but also to recognize the various interests involved. Chairman Gresham stated that environmental interests and the interest of Keesler Air Force Base had to be protected.

EXECUTIVE DIRECTOR=S RECOMMENDATION: AThe Executive Director recommends that the Commission, having considered both written and public comments, give approval for final adoption of the proposed amendments to MGC Regulation II. Licensing, B. Qualifications, Section 2. Location, (a)(1).≅

Commissioner Smith: Move to adopt recommendation
Commissioner Blackwell: Second

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

S. RECOMMENDATION REGARDING WORK PERMIT HEARINGS HELD AND DECISIONS RENDERED ON FEBRUARY 6 B 7, 2001 AND MARCH 1 - 2, 2001

(Copy attached to the record collectively as Exhibit A6≅).

HEARING EXAMINER=S DECISIONS:

The following work permits were revoked:

Nikeshia Heard
Sherrea Holmes
Elizah Pinkton
Norman Wells
Douglas Wheat
Venson Price
Chris Snyder
Joseph Alexander, Jr.

The following work permit was not revoked, but granted on conditions:

Eric D. Toldson

The following work permit denials were affirmed:

Kwame Aldridge
Jeffrey S. Phillips

The following work permit application was withdrawn:

Rodney M. Edwards

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

Antwonette Duncan
Jerome J. Andrews

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 Blackwell: Move to adopt recommendation

Commissioner Smith: Second

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

T. REVIEW OF HEARING EXAMINER'S DECISION B Denial of Work Permit Application

Madeline Thomas

(Copy attached to the record as Exhibit A7).

EXECUTIVE DIRECTOR'S RECOMMENDATION: AThe Executive Director recommends to the Commission that they decline to review the decision of 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

U. RECOMMENDATION REGARDING UNANIMOUS APPROVAL OF WORK PERMIT APPLICATION

1. Tangula Fairley
2. Tondra Renee King

(Copies attached to the record as Exhibit A8 and A9).

EXECUTIVE DIRECTOR'S RECOMMENDATION: AThe Executive Director recommends that the Commission unanimously approve the applications of Tangula Fairley and Tondra King for gaming work permits.

Commissioner Smith: Move to adopt recommendation
Commissioner Blackwell: Second

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

ITEM III. D., WHICH HAD BEEN TEMPORARY TABLED, WAS HEARD AT THIS TIME.

D. APPLICATION FOR FINDING OF SUITABILITY B Aristocrat, Inc.

Hugh Keating, with Dukes Dukes Keating & Faneca, came forward to introduce Lionel Jeyaraj and Michael Gavin Isaac to the Commission. Desmond Henry Randall, Stephen Michael Cohn, and John Patrick Ducker had been excused from attending the meeting by the Commission.

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

1. Mr. Desmond Henry Randall,
2. Mr. Stephen Michael Cohn,
3. Mr. Lionel Jeyaraj,
4. Mr. John Patrick Ducker and
5. Mr. Michael Gavin Isaacs.≡

Commissioner Blackwell: Move to adopt recommendation
Commissioner Smith: Second

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

ITEM VI.

PUBLIC COMMENTS - GAMING

NONE.

A short recess was taken at 10:30 a.m.
Meeting reconvened at 10:40 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
Joel R. Jones, Special Assistant Attorney General, Attorney General's Office
Sonny Weathersby, Division Director, Charitable Bingo, MS Gaming Commission
Rodney Smith, Charitable Bingo Agent, MS Gaming Commission
Regina Holbrooks, Bureau Director, MS Gaming Commission
Leigh Ann Wilkins, Staff Officer I, 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 A10).

EXECUTIVE DIRECTOR'S RECOMMENDATION: The 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

American Legion #119

(Copy attached to the record as Exhibit A11≅).

Al O=Bannon, acting Commander, and Marguerite Carrico, were present for American Legion #119.

EXECUTIVE DIRECTOR=S RECOMMENDATION: AThe Executive Director recommends that the Commission issue a 90-day renewal license to American Legion #119 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. DENIALS FOR LICENSURE

Youth Hope Ministry

(Copy attached to the record as Exhibit A12≅).

Dennis Goldman, Executive Director of Youth Hope Ministry, Dean Walker, Alternate Bingo Supervisor, and Jamie McBride, attorney for Youth Hope Ministry, came forward to be recognized.

Dennis Goldman wanted to advise the Commission that he felt Youth Hope Ministry=s problem with the 60/40% regulation was related to the 1999 move they had to make because of high rent. The hall was closed for three months during the move with no income. Mr. Goldman stated that this was not an ongoing problem.

Dean Walker spoke to the Commission about the need for a place in
Tupelo for the young people to have supervised activities.

Jamie McBride, attorney for Youth Hope Ministry, stated that the denial letter was sent to the wrong person, and the organization did not have proper time to respond to the allegations. Mr. McBride asked the Commission for a 60 to 90 day extension in which to work with the bingo division and to respond to these allegations before the appeal process.

Doug Tyrone, Director of Charitable Bingo, brought it to the Commissioners attention that the bingo hall could continue to play bingo during the appeal process.

Chuck Patton, Executive Director, asked what Jeff Walker=s present job with the bingo hall was. Mr. Goldman stated that Jeff Walker had resigned thirty days ago.

Chairman Gresham suggested that executive session may be needed.

Commissioner Blackwell: I make a motion to close the meeting to discuss whether there is a need to go into executive session.

Commissioner Smith: Second

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

CLOSE MEETING
OPEN MEETING

Commissioner Blackwell: Move to go into Executive Session to discuss investigative proceedings regarding alleged misconduct on the part of Youth Hope Ministry.

Commissioner Smith: Second

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

CLOSE MEETING TO GO INTO EXECUTIVE SESSION.
OPEN MEETING TO THE PUBLIC.

NO ACTION TAKEN.

Chuck Patton, Executive Director, stated that, after hearing today=s comments from Youth Hope Ministry and having spoken with the Commission staff, he feels that the Commission needs an outside party to look at this case. This should be handled through the Commission=s normal hearing process, during which time the organization will have opportunity to refute any information it deems necessary.

The Executive Director stated he was ready to make his recommendation.

EXECUTIVE DIRECTOR'S RECOMMENDATION: The Executive Director recommends that Youth Hope Ministry be denied a Charitable Bingo license.

Commissioner Blackwell: Move to adopt recommendation
Commissioner Smith: Second

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

ITEM VI.

COMMENTS - CHARITABLE BINGO

Jamie McBride wanted to reiterate that Jeff Walker was no longer associated with Youth Hope Ministry.

William Head, of the bingo licensee Child Safety, Inc., expressed his concern over Indian gaming opening a bingo hall. Mr. Head's concerns centered on the fact that the Indians are a sovereign nation and, therefore, not under state control.

General discussion followed.

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ITEM VII.

ADJOURNMENT

There being no further business, the meeting was adjourned at 11:36 a.m.

W. W. GRESHAM, JR., CHAIRMAN

VICTOR P. SMITH, COMMISSIONER

LEONARD A. BLACKWELL, II, COMMISSIONER

CHARLES PATTON, EXECUTIVE DIRECTOR

ATTEST:

Teresa Tucker