

MINUTES OF THE MISSISSIPPI GAMING COMMISSION

Regular Monthly Meeting
May 17, 2001

The regular monthly meeting of the Mississippi Gaming Commission was held at 9:00 a.m., Thursday, May 17, 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
Leigh Ann Wilkins, Staff Officer I, MS Gaming Commission
Ashley Skellie, Director of Public Relations, MS Gaming Commission
David Bethea, Special Agent, Investigations, MS Gaming Commission
JoAn Miller, Agent, Investigations, MS Gaming Commission
Richard Johnson, Agent, Investigations, MS Gaming Commission
Ken Adcock, Agent, MS Gaming Commission
Amanda Summerlin, Intern, Attorney General's Office
Teresa Tucker, Special Projects Officer IV, Attorney General's Office

Chairman W. W. Gresham, Jr., presided and called the meeting to order at 9:01 a.m.

ITEM I.

Commissioner Leonard Blackwell gave the invocation.

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

The June commission meeting is scheduled for June 21. Mr. Patton requested that anyone with items to be placed on the June agenda to submit them by the close of business on May 31, 2001.

Mr. D. E. Cotton, with the Yazoo-Mississippi Delta Levee Board, was recognized and welcomed to the meeting.

ITEM II.

APPROVAL OF MINUTES

A. April 26, 2001

Commissioner Blackwell made the following correction to the April 26, 2001 minutes:

On page 14 under item R. change Riley Morse to Reilly Morse.

EXECUTIVE DIRECTOR'S RECOMMENDATION: "The Executive Director recommends that the minutes of the April 26, 2001 meeting be adopted, as amended.≡

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. Application for Finding of Suitability B Innovative Gaming, Inc.

1 . Mr. Steven Michael Peterson (Updated)
President B Xertain, Inc. and Member of Board of Directors B IGCA.

Webb Franklin, came forward to introduce Steven Michael Peterson to the Commission. Also present was Loren A. Peel, corporate counsel.

EXECUTIVE DIRECTOR'S RECOMMENDATION: ABased upon the investigative report, the Executive Director recommends that Mr. Steven Michael Peterson 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

2. APPLICATION FOR FINDING OF SUITABILITY B Atlantic City Coin & Slot Service Company, Inc.

1. Mr. Robert Alan Malone (Initial)
Controller

Si Ireland, with Butler Snow, came forward to introduce Robert Alan Malone to the Commission.

EXECUTIVE DIRECTOR=S RECOMMENDATION: ABased upon the investigative report, the Executive Director recommends that Mr. Robert Alan Malone 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

3. APPLICATION FOR FINDING OF SUITABILITY B Casinovations Sales, Inc.

1. Mr. Robert G. Pietrosanto (Initial)
President, Secretary, Treasurer and Sole Director

Tommy Shepherd, with Watkins Ludlam Winter & Stennis, came forward to introduce Robert G. Pietrosanto to the Commission.

EXECUTIVE DIRECTOR=S RECOMMENDATION: ABased upon the investigative reports, the Executive Director recommends that Mr. Robert G. Pietrosanto 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

Chuck Patton took this opportunity to recognize JoAn Miller. Ms. Miller is retiring after 17 years with the state, the last seven being with the Mississippi Gaming Commission. Chairman Gresham thanked Ms. Miller for all her contributions to the Gaming Commission and wished her well.

4. REQUESTS FOR APPROVAL B Boyd Tunica, Inc. d/b/a Sam=s Town Hotel & Gambling Hall

1. Restrictions on Transfer of Equity Interests, Pledge and Negative Pledge of Stock
2. Guarantee and Pledge of Assets

Tommy Shepherd, with Watkins Ludlam Winter & Stennis, came forward. Also present was Tom McPherson, Boyd Gaming and Monte Collins.

EXECUTIVE DIRECTOR=S RECOMMENDATION: AThe Executive Director recommends that, with respect to Boyd Gaming Corporation=s \$825,000,000 credit facility, the restrictions on the transfer of equity interest, including stock pledges and negative stock pledges, in Boyd Tunica, Inc. d/b/a Sam=s Town Hotel & Gambling Hall be approved. The Executive Director further recommends that the guarantee and pledge of assets by Boyd Tunica, Inc. d/b/a Sam=s Town Hotel & Gambling Hall with respect to Boyd Gaming Corporation=s \$825,000,000 credit facility be approved.

Commissioner Smith: Move to adopt recommendation
Commissioner Blackwell: Second

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

5. REQUEST FOR CONTINUOUS APPROVAL FOR INVOLVEMENT IN FOREIGN GAMING B Phoenix Mississippi, Inc. d/b/a Paradise Bay Resort & Casino and Greenville Casino Partners, L.P. d/b/a Bayou Caddy=s Jubilee Casino

Sean McGuinness came forward on behalf of Eric Nelson with Phoenix Mississippi, Inc. Also present was Gene McCarly, Director of Phoenix Mississippi, Inc.

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 Phoenix Leisure Corporation and any related Alicensee, as defined in section 75-76-269(b), to be involved in foreign gaming in the jurisdictions of Mexico, Washington, Wyoming, Colorado, and Vermont.

The 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 Greenville Casino Partners, L.P. d/b/a Bayou Caddy=s Jubilee Casino and any related Alicensee, as defined in section 75-76-269(b), to be involved in foreign gaming in the jurisdictions of Mexico, Greece, Wisconsin, South Carolina, New York, Florida, Louisiana, Colorado, Vermont, Wyoming, Michigan, Illinois, South Dakota, and Washington.

Commissioner Blackwell: Move to adopt recommendation
Commissioner Smith: Second

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

F. REQUESTS FOR APPROVAL B WMS Gaming, Inc.

1. Proposed Acquisition of Control
2. Transfer of Ownership Interest
3. De-Register Intermediary Holding Company
4. Negative Stock Pledge
5. Recommendation for Licensure

Dan McDaniel, with Phelps Dunbar, came forward to represent WMS Gaming, Inc. Also present was John DeGrass, in house counsel for WMS Gaming, Inc.

EXECUTIVE DIRECTOR=S
RECOMMENDATION: AThe
Executive Director
recommends:

1. That the transfer, and related acquisition of control, of all shares owned by WMS Games, Inc. in WMS Gaming (Canada) Ltd. to WMS Gaming, Inc. be approved;
2. That the transfer of all shares owned by WMS Games, Inc. in WMS Gaming, Inc. to WMS Industries, Inc. be approved;
3. Effective upon the transfer of all shares owned by WMS Games, Inc. in WMS Gaming, Inc. to WMS Industries, Inc., that WMS Games, Inc. be de-registered as an intermediary holding company of WMS Gaming, Inc.;
4. That the negative stock pledge by WMS Industries, Inc. of stock in WMS Games, Inc. and/or WMS Gaming, Inc. be approved; and
5. With past Commission action, key principals of the company have been found suitable. The Executive Director recommends that they be granted a manufacturer=s 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 Smith: Move to adopt recommendation
Commissioner Blackwell: Second

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

7. SUSPENSION OF FINE B Gulfside Casino Partnership d/b/a Copa Casino

Dan McDaniel, with Phelps Dunbar, was present to represent Gulfside Casino Partnership d/b/a Copa Casino.

EXECUTIVE DIRECTOR=S RECOMMENDATION: AThe Executive Director recommends that the Commission suspend payment of the final \$15,000.00 of the \$50,000.00 fine agreed to in the settlement of Disciplinary Complaint In Re Gulfside Casino Partnership d/b/a Copa Casino, Cause No. 98-01032 due to the fact that Gulfside has addressed and corrected the problem identified in the Complaint.≡

Commissioner Blackwell: Move to adopt recommendation
Commissioner Smith: Second

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

8. PROPOSED AMENDMENT B Public Comment

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

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 Procedures, (b) be adopted for public comment. Written comments will be accepted for thirty days and public oral comments will be taken today.≡

Commissioner Smith: Move to adopt recommendation
Commissioner Blackwell: Second

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

There were no public comments.

H. PROPOSED AMENDMENT B Public Comment

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

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 comment. Written comments will be accepted for thirty days and public oral comments will be taken today.≡

Commissioner Blackwell: Move to adopt recommendation
Commissioner Smith: Second

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

There were no public comments.

1. RECOMMENDATION REGARDING WORK PERMIT HEARINGS HELD AND DECISIONS RENDERED ON MARCH 1-2, 2001 AND APRIL 3-4, 2001

(Copies attached to the record collectively as Exhibit A1≡).

The following work permits were revoked:

Eric Franklin
Michael P. Hollis
Stanley Brown
Lisa Reck
Doris Short
Adrienne Clark
Steve Van Nguyen
Mattie Nix
Stephen Wallace

Brandon Archibald
Reggie Burton
Harold Martinez

The following work permits were not revoked:

Maurice Burnham
Michael Hampton

The following work permits were not revoked, but granted on conditions:

Kara Starks
Michael Bond

The following work permit denials were affirmed:

Katrina Roberts
Andrea Brass

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

Brandon Hebert
Kathy Kessler

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. APPEAL OF HEARING EXAMINER'S DECISION B Revocation of Work Permit

(Copies attached to the record as Exhibit A2 and A3).

1. Lawrence Bowman
2. Erika Webb

EXECUTIVE DIRECTOR'S RECOMMENDATION: The Executive Director recommends to the Commission that they decline to review the Hearing Examiner's decisions regarding Lawrence Bowman and Erika Webb.

Commissioner Blackwell: Move to adopt recommendation
Commissioner Smith: Second

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

11. REVIEW OF HEARING EXAMINER'S DECISION B Player Dispute

Vernon Rowe vs. Casino Magic - Biloxi

(Copies attached to the record as Exhibit A4).

EXECUTIVE DIRECTOR'S RECOMMENDATION: The Executive Director recommends that the Commission decline to review Vernon Rowe's request for review of the Hearing Examiner's decision.

Commissioner Smith: Move to adopt recommendation
Commissioner Blackwell: Second

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

ITEM VI.

PUBLIC COMMENTS - GAMING

NONE.

Chuck Patton announced that there would be a General Managers meeting immediately following the charitable bingo session.

A short recess was taken at 9:50 a.m.
Meeting reconvened at 10:00 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
David Bethea, Special Agent, Investigations, MS Gaming Commission
JoAn Miller, Agent, Investigations, MS Gaming Commission
Richard Johnson, Agent, Investigations, MS Gaming Commission
Ken Adcock, Agent, MS Gaming Commission
Leigh Ann Wilkins, Staff Officer I, MS Gaming Commission
Ashley Skellie, Director of Public Relations, MS Gaming Commission
Amanda Summerlin, Intern, Attorney General=s Office
Teresa Tucker, Special Projects Officer IV, Attorney General=s Office

A. APPROVALS OF LICENSURE

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

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

2. CHARITABLE BINGO LICENSE

(Copy attached to the record as Exhibit A6≅, A7≅ and A8≅).

1. Housing 2010
2. Tri-State Educational Foundation
3. Veterans of Foreign Wars #10734

EXECUTIVE DIRECTOR=S RECOMMENDATION: AThe Executive Director recommends that the Commission issue a 90-day renewal license to Housing 2010, Tri-State Educational Foundation and Veterans of Foreign Wars #10734 so that the Commission may evaluate their expenses for the previous license year.≅

Commissioner Smith: Move to adopt recommendation
Commissioner Blackwell: Second

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

3. DENIALS FOR LICENSURE

(Copy attached to the record as Exhibit A9≅ and A10≅).

1. Inner Man Church of the Future, Inc.
2. Petal Lodge No. 2472, Loyal Order of the Moose

EXECUTIVE DIRECTOR=S RECOMMENDATION: AThe Executive Director recommends to the Commission that they deny the application for a charitable bingo license filed on April 16, 2001 by Inner Man Church of the Future, Inc. and the application for a charitable bingo license filed on April 25, 2001 by Petal Lodge No. 2472, Loyal Order of the Moose.≅

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

Commissioner Victor Smith recognized Cindy Brunson, with His Way Homes, for their contribution to French Camp Academy.

Ashley Skellie reminded everyone that there would be a Charitable Bingo conference on June 1 at the Mississippi Gaming Commission offices in Biloxi, Mississippi, and on July 15 at Itawamba Jr. College, Tupelo Campus, Tupelo, Mississippi. The conferences will begin at 8:00 a.m. through 4:00 p.m.

ITEM VII.

ADJOURNMENT

There being no further business, the meeting was adjourned at 10:14 a.m.

W. W. GRESHAM, JR., CHAIRMAN

VICTOR P. SMITH, COMMISSIONER

LEONARD A. BLACKWELL, II, COMMISSIONER

CHARLES PATTON, EXECUTIVE DIRECTOR

ATTEST:

Teresa Tucker