

Minutes of the Mississippi Gaming Commission September 20, 2001

MINUTES OF THE MISSISSIPPI GAMING COMMISSION

Regular Monthly Meeting September 20, 2001

The regular monthly meeting of the Mississippi Gaming Commission was held at 9:00 a.m., Thursday, September 20, 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
Leigh Ann Wilkins, Staff Officer I, MS Gaming Commission
Regina Holbrooks, Bureau Director, MS Gaming Commission
Paul Waldrop, Investigations, MS Gaming Commission
Brad Hetherington, Investigations, MS Gaming Commission
E. W. Williams, Investigations, MS Gaming Commission
Chairman W. W. Gresham, Jr., presided and called the meeting to order at 9:04 a.m.

ITEM I.

Commissioner Smith gave the invocation.

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

The October commission meeting is scheduled for October 15th.

Mr. Patton introduced A. J. Pitts who had recently been appointed by Governor Musgrove to a four year term on the Commission.

Mr. Patton also announced that the September meeting was Chairman Gresham's last meeting as a member of the Commission and thanked the Chairman for his service to the Commission.

ITEM II.

GAMING MATTERS

A. APPLICATION FOR FINDING OF SUITABILITY - Paul-Son Gaming Supplies, Inc.

1. Mr. Paul Stewart Dennis (Initial) Independent Outside Director.

ITEM II. A. WAS TABLED.

B. APPLICATION FOR FINDING OF SUITABILITY - Greenville Riverboat, LLC d/b/a Lighthouse Point Casino

1. Mr. William Marvin Cato (Updated) President, Rainbow Entertainment, Inc.

Mr. William Marvin Cato came forward to introduce himself to the Commission.

EXECUTIVE DIRECTOR'S RECOMMENDATION: "Based upon the investigative reports, the Executive Director recommends that Mr. William Marvin Cato 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 - Isle of Capri Casino-Tunica, Inc.

1. Ms. Camille Breland (Updated) Landlord.

Bobby Leatherwood, the brother of Ms. Breland, came forward to introduce Ms. Camille Breland to the Commission.

EXECUTIVE DIRECTOR'S RECOMMENDATION: "Based upon the investigative report, the Executive Director recommends that Ms. Camille Breland 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 - Atlantic City Coin & Slot Service Co., Inc.

1. Mr. Jason Scott Seelig (Updated)

Executive Vice-President of Sales and Marketing.

ITEM II.D. WAS TABLED.

E. APPLICATION FOR FINDING OF SUITABILITY - Harrah's Vicksburg Corporation d/b/a Harrah's Vicksburg and Tunica Partners 11, L.P. d/b/a Harrah's Tunica Casino & Hotel

1. Mr. Charles Lafayette Atwood (Initial)

Senior Vice-President and Chief Financial Officer, Harrah's Operating Company, Inc. and Harrah's Entertainment

Dan Hise, with Butler Snow, came forward to introduce Charles Lafayette Atwood to the Commission.

Also present were Dennis Gallagher, Associate General Counsel, and Pete Bonner, General Manager of Harrah's Tunica and Harrah's Vicksburg.

EXECUTIVE DIRECTOR'S RECOMMENDATION: "Based upon the investigative reports, the Executive Director recommends that Mr. Charles Lafayette Atwood 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. REQUEST FOR APPROVALS - Harrah's Vicksburg Corporation

d/b/a Harrah's Vicksburg and Tunica Partners II, L.P. d/b/a Harrah's Tunica Casino & Hotel

1. Application for Finding of Suitability as Partners of a Limited Partnership

2. Recommendation for Licensure - Harrah's Vicksburg corporation d/b/a Harrah's Vicksburg

3. Recommendation for Licensure - Tunica Partners 11, L.P. d/b/a Harrah's Tunica Casino & Hotel

Dan Hise, with Butler Snow, came forward to introduce Charles Lafayette Atwood to the Commission.

Also present were Dennis Gallagher, Associate General Counsel, and Pete Bonner, General Manager of Harrah's Tunica and Harrah's Vicksburg.

EXECUTIVE DIRECTOR'S RECOMMENDATION: "With past Commission action, key principals of the company have been found suitable. The Executive Director recommends:

1. That both Harrah's Tunica corporation and Harrah's Vicksburg corporation be granted a finding of suitability as the general partner and limited partner, respectively, of Tunica Partners 11, L.P.;

2. That Harrah's Vicksburg Corporation d/b/a Harrah's Vicksburg be granted an operator'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 September 28, 2001;

b) Licensee shall implement a compliance review and reporting system, which shall include a compliance committee. No later than November 20, 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;

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

d) Licensee will comply with all the policies, rules and regulations adopted by the Mississippi Gaming Commission;

e) 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;

f) Licensee must comply with the definition of navigable waters in §2710901 of the Miss. Code of 1972, as amended; and

g) Pending the results of any background agency checks of key principals.

3. That Tunica Partners 11, L.P. d/b/a Harrah's Tunica Casino & Hotel be granted an operator'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 September 28, 2001;

- b) Licensee shall implement a compliance review and reporting system, which shall include a compliance committee. No later than November 20, 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;
- c) Licensee will comply with all federal and state laws, including the laws of Mississippi and particularly the Mississippi Gaming Control Act;
- d) Licensee will comply with all the policies, rules and regulations adopted by the Mississippi Gaming Commission;
- e) 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;
- f) Licensee must comply with the definition of navigable waters in §2710901 of the Miss. Code of 1972, as amended; and
- g) 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

G. REQUEST FOR APPROVALS - MGC, Inc.

1. Continuous Approval of Public Offerings and/or Private Placements
2. Pledge of Equity Interests or Securities
3. Imposition of Stock Restrictions including Negative Stock Pledges
4. Guarantee of Securities and Hypothecation of Assets

Dan Hise, with Butler Snow, came forward to represent MGC, Inc.

EXECUTIVE DIRECTOR'S RECOMMENDATION: "The Executive Director recommends that:

1. The Mississippi Gaming commission exempt Mikohn Gaming Corporation, 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 with respect to any public offering and/or private placement by Mikohn Gaming Corporation. The Mississippi Gaming commission further grants the Executive Director the power, at any time and upon notice to Mikohn Gaming Corporation, to require that Mikohn Gaming Corporation 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 Mikohn Gaming Corporation, 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.
2. The Mississippi Gaming Commission grant approval, as otherwise required by the Mississippi Gaming Commission Regulations, to Mikohn Gaming Corporation and its affiliated companies and subsidiaries, current and hereafter acquired, for a period of two (2) years, 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 1 above.
3. The Mississippi Gaming Commission grant approval, as otherwise required by the Mississippi Gaming Commission Regulations, to Mikohn Gaming Corporation and its affiliated companies and subsidiaries, current and hereafter acquired, 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 such affiliated companies and subsidiaries pursuant to a public offering and/or private placement made under the approval granted by paragraph 1 above.
4. The Mississippi Gaming Commission grant approval, as otherwise required by the Mississippi Gaming Commission Regulations, to the Mississippi licensees, current and hereafter acquired, of Mikohn Gaming Corporation for a period of two (2) years, to guarantee the securities issued by Mikohn Gaming

Corporation pursuant to a public offering and/or private placement made under the approval granted pursuant to paragraph 1 above and to hypothecate their assets to secure the payment or performance of obligations evidenced by securities issued by Mikohn Gaming Corporation pursuant to a public offering and/or private placement made under the approval granted by paragraph 1 above.

5. Mikohn Gaming Corporation 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, Mikohn Gaming Corporation 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, Mikohn Gaming Corporation 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, Mikohn Gaming Corporation 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 Smith: Move to adopt recommendation

Commissioner Blackwell: Second

RECORDED VOTE: Chairman Gresham: YES

Commissioner Smith: YES

Commissioner Blackwell: YES

H. APPLICATION FOR FINDING OF SUITABILITY - Gulfside Casino Partnership d/b/a Copa Casino

I. Mr. Joel Richard Carter (Updated) Managing Partner

Dan McDaniel, with Phelps Dunbar, came forward to present Joel Richard Carter to the Commission. Also present was Kathy Beeding, in-house counsel for the Copa Casino.

EXECUTIVE DIRECTOR'S RECOMMENDATION: "Based upon the investigative reports, the Executive Director recommends that Mr. Joel Richard Carter 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. REQUEST FOR APPROVALS - WMS Gaming, Inc.

1. Continuous Approval of Public Offerings and/or Private Placements

2. Pledge of Equity Interests or Securities

3. Imposition of Stock Restrictions Including Negative Stock Pledges

4. Guarantee of Securities and Hypothecation of Assets

Dan McDaniel, with Phelps Dunbar, came forward to represent WMS Gaming.

EXECUTIVE DIRECTOR'S RECOMMENDATION: "The Executive Director recommends that:

1. The Mississippi Gaming Commission exempt WMS Industries 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 with respect to any public offering and/or private placement by WMS Industries Inc. The Mississippi Gaming Commission further grants the Executive Director the power, at any time and upon notice to WMS Industries [Inc. to](#) require that WMS Industries 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 WMS Industries 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.

2. The Mississippi Gaming Commission grant approval, as otherwise required by the Mississippi Gaming Commission Regulations, to WMS Industries Inc. and its affiliated companies and subsidiaries, current and hereafter acquired, for a period of two (2) years, 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 1 above.

3. The Mississippi Gaming Commission grant approval, as otherwise required by the Mississippi Gaming Commission Regulations, to WMS Industries Inc. and its affiliated companies and subsidiaries, current and hereafter acquired, 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 such affiliated companies and subsidiaries pursuant to a public offering and/or private placement made under the approval granted by paragraph 1 above.

4. The Mississippi Gaming Commission grant approval, as otherwise required by the Mississippi Gaming Commission Regulations, to the Mississippi licensees, current and hereafter acquired, of WMS Industries Inc. for a period of two (2) years, to guarantee the securities issued by WMS Industries Inc. pursuant to a public offering and/or private placement made under the approval granted pursuant to paragraph 1 above and to hypothecate their assets to secure the payment or performance of obligations evidenced by securities issued by WMS Industries Inc. pursuant to a public offering and/or private placement made under the approval granted by paragraph 1 above.

5. WMS Industries 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, WMS Industries 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, WMS Industries 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, WMS Industries 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 Smith: Move to adopt recommendation

Commissioner Blackwell: Second

RECORDED VOTE: Chairman Gresham: YES

Commissioner Smith: YES

Commissioner Blackwell: YES

J. REQUESTS FOR APPROVAL - Shuffle Master of Mississippi, Inc.

1. Continuous Approval of Public Offerings and/or Private Placement

2. Pledge of Equity Interests or Securities

3. Imposition of Stock Restrictions including Negative Stock Pledges

4. Guarantee of Securities and Hypothecation of Assets

Dan McDaniel, with Phelps Dunbar, was present to represent Shuffle Master of Mississippi, Inc.

EXECUTIVE DIRECTOR'S RECOMMENDATION: "the Executive Director recommends that:

1. The Mississippi Gaming Commission exempt Shuffle Master, 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 with respect to any public offering and/or private placement by Shuffle Master, Inc. The Mississippi Gaming Commission further grants the Executive Director the power, at any time and upon notice to Shuffle Master, Inc., to require that Shuffle Master, 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 Shuffle Master, 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 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 Mississippi Gaming Commission grant approval, as otherwise required by the Mississippi Gaming Commission Regulations, to Shuffle Master, Inc. and its affiliated companies and subsidiaries, current and hereafter acquired, for a period of two (2) years, 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 1 above.

3. The Mississippi Gaming Commission grant approval, as otherwise required by the Mississippi Gaming Commission Regulations, to Shuffle Master, Inc. and its affiliated companies and subsidiaries, current and hereafter acquired, 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 such affiliated companies and subsidiaries pursuant to a public offering and/or private placement made under the approval granted by paragraph 1 above.

4. The Mississippi Gaming Commission grant approval, as otherwise required by the Mississippi Gaming Commission Regulations, to the Mississippi licensees, current and hereafter acquired, of Shuffle Master, Inc. for a period of two (2) years, to guarantee the securities issued by Shuffle Master, Inc. pursuant to a public offering and/or private placement made under the approval granted pursuant to paragraph 1 above and to hypothecate their assets to secure the payment or performance of obligations evidenced by securities issued by Shuffle Master, Inc. pursuant to a public offering and/or private placement made under the approval granted by paragraph 1 above.

5. Shuffle Master, 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, Shuffle Master, 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, Shuffle Master, 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, Shuffle Master, 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 Blackwell: Move to adopt recommendation

Commissioner Smith: Second

RECORDED VOTE: Chairman Gresham: YES

Commissioner Smith: YES

Commissioner Blackwell: YES

K. REQUEST FOR APPROVALS - United States Playing Card Co.

1. Transfer of Equity Interest

2. Restriction on the Transfer of Stock

Dan McDaniel, with Phelps Dunbar, came forward to represent United States Playing Card Co.

EXECUTIVE DIRECTOR'S RECOMMENDATION: "The Executive Director recommends that the following request for approvals be granted.:

1. The transfer of equity interest of 5.437 shares (or approximately

.34%) of Bicycle Holding, Inc. from Stephens Group, Inc. to Charles R. Zunk; and

2. Restriction on the transfer of stock."

Commissioner Smith: Move to adopt recommendation

Commissioner Blackwell: Second

RECORDED VOTE: Chairman Gresham: YES

Commissioner Smith: YES

Commissioner Blackwell: YES

L. INFRASTRUCTURE UPDATE - BSL, Inc. d/b/a Casino Magic - Bay St. Louis

ITEM 11.1, WAS TABLED.

M. REQUEST FOR APPROVALS - Bally's Olympia Limited Partnership d/b/a Bally's Saloon and Gambling Hall, Grand Casinos of Mississippi, LLC-Gulfport d/b/a Grand Casino Gulfport, Grand Casinos of Mississippi, Inc.-Biloxi d/b/a Grand Casino Biloxi, BL Development Corp. d/b/a Grand Casino Tunica, Sheraton Tunica Corporation d/b/a Sheraton Tunica Casino & Hotel and Consolidated Supplies, Services and Systems

1. Continuous Approval of Public Offerings and/or Private Placements
2. Pledge of Equity Interests or Securities
3. Imposition of Stock Restrictions Including Negative Stock Pledges
4. Guarantee of Securities and Hypothecation of Assets

Tommy Shepherd, with Watkins, Ludlam, Winter, and Stennis, came forward to represent Park Place Entertainment, the publicly traded holding company of the above listed Mississippi licensees.

EXECUTIVE DIRECTOR'S RECOMMENDATION: "The Executive Director recommends that:

1. The Mississippi Gaming Commission exempt Park Place Entertainment Corporation, 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 with respect to any public offering and/or private placement by Park Place Entertainment Corporation. The Mississippi Gaming Commission further grants the Executive Director the power, at any time and upon notice to Park Place Entertainment Corporation to require that Park Placement Entertainment Corporation submit any proposed public offerings and/or private placements of it's 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 Park Place Entertainment Corporation, 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 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 Mississippi Gaming Commission grant approval, as otherwise required by the Mississippi Gaming Commission Regulations, to Park Place Entertainment Corporation and its affiliated companies and subsidiaries, current and hereafter acquired, for a period of two (2) years, 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 1 above.
3. The Mississippi Gaming Commission grant approval, as otherwise required by the Mississippi Gaming Commission Regulations, to Park Place Entertainment Corporation and its affiliated companies and subsidiaries, current and hereafter acquired, 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 such affiliated companies and subsidiaries pursuant to a public offering and/or private placement made under the approval granted by paragraph 1 above.
4. The Mississippi Gaming Commission grant approval, as otherwise required by the Mississippi Gaming Commission Regulations, to the Mississippi licensees, current and hereafter acquired, of Park Place Entertainment Corporation for a period of two (2) years, to guarantee the securities issued by Park Place Entertainment Corporation pursuant to a public offering and/or private placement made under the approval granted pursuant to paragraph 1 above and to hypothecate their assets to secure the payment or performance of obligations evidenced by securities issued by Park Place Entertainment Corporation pursuant to a public offering and/or private placement made under the approval granted by paragraph 1 above.
5. Park Place Entertainment Corporation 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, Park Place Entertainment Corporation 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, Park Place Entertainment Corporation 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, Park Place Entertainment Corporation 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 Blackwell: Move to adopt recommendation

Commissioner Smith: Second

RECORDED VOTE: Chairman Gresham: YES

Commissioner Smith YES

Commissioner Blackwell: YES

N. REQUEST FOR APPROVAL OF PUBLIC OFFERING AND/OR PRIVATE PLACEMENT -

Konami Corporation and Konami Gaming, Inc.

Britt Singletary, with Singletary and Thrash, came forward to represent Konami

Corporation and Konami Gaming, Inc. Also present were Major General Paul A. Harvey, Ret., and Robert Taylor, a Nevada attorney who represents Konami Corporation and Konami Gaming, Inc.

EXECUTIVE DIRECTOR'S RECOMMENDATION: "The Executive Director recommends that the Mississippi Gaming Commission approve the request of Konami Corporation for a public bond offering of approximately Forty Five Billion Yen (¥45,000,000,000) which is the equivalent of Three Hundred Eighty Five Million United States Dollars (\$385,000,000).

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 bond offering."

Commissioner Smith: Move to adopt recommendation

Commissioner Blackwell: Second

RECORDED VOTE: Chairman Gresham: YES

Commissioner Smith YES

Commissioner Blackwell: YES

O. REQUEST FOR APPROVALS - Robinson Property Group, L.P. d/b/a Horseshoe Casino and Hotel

1. Registration as a Publicly Traded Corporation
2. Continuous Approval of Public Offerings and/or Private Placements
3. Pledge of Equity Interests or Securities
4. Imposition of Stock Restrictions Including Negative Stock Pledges
5. Guarantee of Securities and Hypothecation of Assets

Scott Andress, of Balch and Bingham, came forward to represent Robinson Property Group, L.P.

EXECUTIVE DIRECTOR'S RECOMMENDATION: "The Executive Director

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recommends that:

1. The Mississippi Gaming Commission grant approval to Horseshoe Gaming Holding Corp. for finding of suitability and registration as a publicly traded corporation.
2. The Mississippi Gaming Commission exempt Horseshoe Gaming Holding Corp., 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 with respect to any public offering and/or private placement by Horseshoe Gaming Holding Corp. The Mississippi Gaming Commission further grants the Executive Director the power, at any time and upon notice to Horseshoe Gaming Holding Corp., to require that Horseshoe Gaming Holding Corp. 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 Horseshoe Gaming Holding Corp., 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 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.

3. The Mississippi Gaming Commission grant approval, as otherwise required by the Mississippi Gaming Commission Regulations, to Horseshoe Gaming Holding Corp. and its affiliated companies and subsidiaries, current and hereafter acquired, for a period of two (2) years, 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 2 above.

4. The Mississippi Gaming Commission grant approval, as otherwise required by the Mississippi Gaming Commission Regulations, to Horseshoe Gaming Holding Corp. and its affiliated companies and subsidiaries, current and hereafter acquired, 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 such affiliated companies and subsidiaries pursuant to a public offering and/or private placement made under the approval granted by paragraph 2 above.

5. The Mississippi Gaming Commission grant approval, as otherwise required by the Mississippi Gaming Commission Regulations, to the Mississippi licensees, current and hereafter acquired, of Horseshoe Gaming Holding Corp. for a period of two (2) years, to guarantee the securities issued by Horseshoe Gaming Holding Corp. pursuant to a public offering and/or private placement made under the approval granted pursuant to paragraph 2 above and to hypothecate their assets to secure the payment or performance of obligations evidenced by securities issued by Horseshoe Gaming Holding Corp. pursuant to a public offering and/or private placement made under the approval granted by paragraph 2 above.

6. Horseshoe Gaming Holding Corp. 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, Horseshoe Gaming Holding Corp. 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, Horseshoe Gaming Holding Corp. 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, Horseshoe Gaming Holding Corp. 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 Blackwell: Move to adopt recommendation

Commissioner Smith: Second

RECORDED VOTE: Chairman Gresham: YES

Commissioner Smith: YES

Commissioner Blackwell: YES

P. REQUEST FOR APPROVALS - HWCC-Tunica d/b/a Hollywood Casino

1. Application for Finding of Suitability as a Greater than 5% Shareholder

2. Recommendation for Licensure

Sam Begley, with the Begley law firm, came forward to represent Hollywood Casino Corporation. Also present was John Osborn, the general manager of Hollywood Casino.

EXECUTIVE DIRECTOR'S RECOMMENDATION: "With past Commission action, key principals for the company have been found suitable. The Executive Director recommends:

1. That C.A. Pratt Partners, Ltd. Be granted a finding of suitability as a greater than 5% shareholder of Hollywood Casino Corporation; and

2. That HWCC-Tunica d/b/a Hollywood Casino be granted an operator'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 October 20, 2001;

b) Licensee shall implement a compliance review and reporting system, which shall include a compliance committee. No later than November 20, 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;

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

d) Licensee will comply with all the policies, rules and regulations adopted by the Mississippi Gaming Commission;

e) 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;

f) Licensee must comply with the definition of navigable waters in §27109-1 of the Miss. Code of 1972, as amended; and

g) 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

PROPOSED AMENDMENT - Public Notice

1. MGC Regulation VII. Internal Controls for Gaming Establishments, P. Procedure for Filling Payout Reserve Containers of slot Machines (2)

This regulation was presented for public notice.

EXECUTIVE DIRECTOR'S RECOMMENDATION: "The Executive Director recommends to the Commission that the proposed amendment to MGC Regulation VII. Internal Controls for Gaming Establishments, P. Procedure for Filling Payout Reserve Containers of Slot Machines (2) 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. RECOMMENDATION REGARDING WORK PERMIT HEARINGS HELD AND DECISIONS RENDERED ON JULY 10 - 11, 2001 AND AUGUST 14 - 15, 2001

(Copies attached to the record as Exhibit "I").

HEARING EXAMINER'S DECISIONS:

The following work permits were revoked: Danielle Bew

Cynthia Gail Brooks Derrick D. Winters Aronica Evans

The following work permits were not revoked but remain in place on conditions: Harold F. Julian
Patricia P. Julian

The following work permit denials were affirmed: Averil Smith

Patricia Wallace Dana K. Hennis

The following work permits were expired and of no force and effect: Anthony L. Jones

Rachel M. Dedeaux Ronnie J. Percy

EXECUTIVE DIRECTOR'S RECOMMENDATION: "The 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

S. MOTION FOR REVIEW OF HEARING EXAMINER'S DECISION (Copy attached to the record as Exhibit "2").

1. Adam T. Lovato, Case No. 01-00457

EXECUTIVE DIRECTOR'S RECOMMENDATION: "The Executive Director recommends that the Commission order a hearing to review the decision of the Hearing Examiner in the case of Adam T. Lovato."

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 - REVOCATION OF WORK PERMITS

1. Russell L. Baker, Jr., Case No. 01-00350

2. Frank E. Butler, Jr., Case No. 01-00203

3. Thomas E. Hysmith, Case No. 01-00227

4. Kenneth H. Kinne, Case No. 01-00278

5. David A. Vickers, Case No. 01-00194

6. Kimberly L. Crain, Case No. 01-00430

EXECUTIVE DIRECTOR'S RECOMMENDATION: "The Executive Director recommends to the Commission that they reverse the decisions of the Hearing Examiner, Special Assistant Attorney General Larry A. Stroud."

Commissioner Blackwell: Move to enter an Order:

1. Reversing the Hearing Examiner's recommendations concerning the work permits of Russell L. Baker, Jr., Case No. 01-00350, Frank E. Butler, Jr., Case No. 01-00203, Kimberly L. Crain, Case No. 01-00430, and Thomas E. Hysmith, Case No. 01-00227, and to revoke these work permits based on the finding that the applicants failed to disclose, misstated or otherwise attempted to mislead the Mississippi Gaming Commission with respect to material facts contained in the work permit applications;

2. Modifying the Hearing Examiner's recommendation concerning the work permit of Kenneth H. Kinne, Case No. 01-00278, to find that Mr. Kinne's permit should not be revoked, but should be suspended for twelve months with all but the first thirty days of the suspension stayed upon certain specified conditions based on the fact that the offense committed by Mr. Kinne, simple assault, is a crime of violence; and

3. Sustaining the Hearing Examiner's recommendation concerning the work permit of David A. Vickers, Case No. 01-00194, based on mitigating circumstances.

Commissioner Smith: Second

RECORDED VOTE: Chairman Gresham: YES

Commissioner Smith: YES

Commissioner Blackwell: YES

ITEM III.

PUBLIC COMMENTS - GAMING

Chairman Gresham told those in attendance that it was a pleasure and privilege to serve the State of Mississippi as a member of the Gaming Commission and to serve with his fellow Commissioners, staff, and those members of the public who appeared before the Commission. Commissioner Blackwell stated that it had been a pleasure to serve with Chairman Gresham and noted his appreciation for the policies Chairman Gresham had implemented. Commissioner Smith 'seconded' Commissioner Blackwell's comments.

A short recess was taken at 10:36 a.m. Meeting reconvened at 10:55 a.m.

ITEM IV.

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, 11, 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

Leigh Ann Wilkins, Staff Officer 1, MS Gaming Commission

Joel R. Jones, Special Assistant Attorney General, Attorney General's Office Sonny Weathersby, Branch Director, Charitable Bingo, MS Gaming Commission

Rodney Smith, Agent, Charitable Bingo, MS Gaming Commission

A. APPROVALS FOR LICENSURE

(Copy attached to the record as Exhibit 'T').

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. DENIAL FOR LICENSURE

1. Inner Man Church of the Future

(Copy attached to the record as Exhibit "4".)

EXECUTIVE DIRECTOR'S RECOMMENDATION: "The Executive Director recommends that the Inner Man Church of the Future 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 V.

COMMENTS - CHARITABLE BINGO

NONE.