

MINUTES OF THE MISSISSIPPI GAMING COMMISSION

Regular Monthly Meeting
February 25, 2010

The regular monthly meeting of the Mississippi Gaming Commission was held at 9:00 a.m., Thursday, February 25, 2010, at the Mississippi Gaming Commission located at 620 North Street, Suite 200, Jackson, Mississippi. Staff attending:

Jerry St. Pé, Chairman, MS Gaming Commission
Nolen Canon, Commissioner, MS Gaming Commission
John Hairston, Commissioner, MS Gaming Commission
Larry K. Gregory, Executive Director, MS Gaming Commission
Eddie Williams, Deputy Director, MS Gaming Commission
Allen Godfrey, Deputy Director, MS Gaming Commission
Sonny Weathersby, Director of Charitable Gaming, MS Gaming Commission
Emil Lyon, Director of Gaming Lab, MS Gaming Commission
Stephanie Sills, Director of Compliance, MS Gaming Commission
Thomas H. Mueller, Special Assistant Attorney General, Attorney General's Office
Becky Clark, Regulatory Staff Officer, MS Gaming Commission

ITEM I.

The meeting was called to order at 9:00 a.m. Sonny Weathersby, Director of Charitable Gaming, MS Gaming Commission, gave the invocation and Chairman St. Pé led the Pledge of Allegiance.

- A. Administrative Updates: Larry Gregory made the following administrative announcements:
1. The next regular meeting of the Mississippi Gaming Commission will be held on Thursday, March 25, 2010 beginning at 9:00 a.m. at the Mississippi Gaming Commission in Jackson, Mississippi. The deadline for submission of agenda items for this meeting is February 28, 2010.
 2. Scott Delano, Representative from the Gulf Coast, was recognized. He made a few brief comments regarding the gaming industry and gave a brief update of the current legislative session.

ITEM II.

APPROVAL OF MINUTES

A. APPROVAL OF MINUTES

1. December 18, 2009 Regular Monthly Meeting

EXECUTIVE DIRECTOR'S RECOMMENDATION: The Executive Director recommends approval of the Minutes of the December 18, 2009 Regular Monthly Meeting.

Chairman St. Pé: Motion to adopt recommendation
Commissioner Canon: Second

RECORDED VOTE:

Chairman St. Pé: YES
Commissioner Canon: YES

2. January 28, 2010 Regular Monthly Meeting

EXECUTIVE DIRECTOR'S RECOMMENDATION: The Executive Director recommends approval of the Minutes of the January 28, 2010 Regular Monthly Meeting.

Chairman St. Pé: Motion to adopt recommendation
Commissioner Hairston: Second

RECORDED VOTE:

Chairman St. Pé: YES
Commissioner Hairston: YES

ITEM III.

GAMING MATTERS

A. Recommendation for Licensure – Glory (U.S.A.) Inc.

Scott E. Andress, Esq., with Balch & Bingham LLP, presented this item to the Commission and introduced Mr. Charles Schroeffel, Regional Sales Manager, to the Commission. Mr. Schroeffel commented on the company's operations.

EXECUTIVE DIRECTOR'S RECOMMENDATION: With past Commission action, key principals of the company have been found suitable. The Executive Director recommends that Glory (U.S.A.) 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, effective March 15, 2010, through March 14, 2013;
- (2) Licensee will comply with all federal, state and local laws, including the laws of the State 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) The license is based on the licensee's ability to maintain satisfactory results for all investigations and agency checks.

Commissioner Canon: Motion to adopt recommendation
Commissioner Hairston: Second

RECORDED VOTE:

Chairman St. Pé: YES
Commissioner Canon: YES
Commissioner Hairston: YES

B. Request for Approvals – GLORY LTD.

1. Exemption from MGC Regulation II. H. Section 5(a) and (b) - Corporate Licensees
2. Recommendation for Licensure as a Manufacturer
3. Exemption from Mississippi Code Annotated §75-76-207(1) and (4) (1972)

Scott E. Address, Esq., with Balch & Bingham LLP, presented this item to the Commission and introduced Mr. Charles Schroeffel, Regional Sales Manager, to the Commission. Mr. Schroeffel commented on the company's operations.

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

1. The Mississippi Gaming Commission grant GLORY LTD., a registered publicly traded corporation, an exemption from MGC Regulation II. H. Section 5(a) and (b), so as to be eligible for licensure as a manufacturer and to issue publicly traded securities;
2. The Mississippi Gaming Commission grant GLORY LTD. a manufacturer'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, effective March 15, 2010, through March 14, 2013;
 - (b) Licensee shall maintain a compliance review and reporting system, which shall include a compliance committee. Licensee shall maintain a written compliance review and reporting plan that meets the requirements of Mississippi Gaming Commission Regulation II. A. Section 3(i) and such other conditions as may be required by the Executive Director;
 - (c) Licensee will comply with all federal, state and local laws, including the laws of the State 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; and
 - (f) The license is based on the licensee's ability to maintain satisfactory results for all investigations and agency checks.

3. The Mississippi Gaming Commission grant GLORY LTD., a registered publicly traded corporation, an exemption from Mississippi Code Annotated §75-76-207(1) and (4) (1972), relative to the disposition of securities.

Commissioner Hairston: Motion to adopt recommendation
Commissioner Canon: Second

RECORDED VOTE:

Chairman St. Pé: YES
Commissioner Canon: YES
Commissioner Hairston: YES

C. Request for Approvals – GLORY LTD. and Glory (U.S.A.) Inc.

1. (a) Continuous Approval of Public Offerings and/or Private Placements
- (b) Pledges of Equity Interests or Securities
- (c) Imposition of Equity Restrictions including Negative Equity Pledges
- (d) Guarantee of Securities and Hypothecation of Assets

Scott E. Andress, Esq., with Balch & Bingham LLP, presented this item to the Commission and introduced Mr. Charles Schroeffel, Regional Sales Manager, to the Commission. Mr. Schroeffel commented on the company's operations.

EXECUTIVE DIRECTOR'S RECOMMENDATION: The Executive Director recommends for a three-year period, effective March 15, 2010, through March 14, 2013, that:

- (a) The Mississippi Gaming Commission exempt GLORY LTD., a publicly traded corporation, from the requirement to obtain prior approval of continuous public offerings and/or private placements of its securities. 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 GLORY LTD. The Mississippi Gaming Commission further grants the Executive Director the power, at any time and upon notice to GLORY LTD., to require that GLORY LTD. 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 GLORY LTD., 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;

- (b) The Mississippi Gaming Commission grant approval, as otherwise required by the Mississippi Gaming Commission Regulations, to GLORY LTD. and its affiliated companies and subsidiaries, current and hereafter acquired, 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 7(a), above;
- (c) The Mississippi Gaming Commission grant approval, as otherwise required by the Mississippi Gaming Commission Regulations, to GLORY LTD. and its affiliated companies and subsidiaries, current and hereafter acquired, to place restrictions, including negative equity 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 7(a), above;
- (d) The Mississippi Gaming Commission grant approval, as otherwise required by the Mississippi Gaming Commission Regulations, to the Mississippi licensees, current and hereafter acquired, of GLORY LTD., to guarantee the securities issued by GLORY LTD., pursuant to a public offering and/or private placement made under the approval granted, pursuant to paragraph 7(a), above, and to hypothecate their assets to secure the payment or performance of obligations evidenced by securities issued by GLORY LTD., pursuant to a public offering and/or private placement made under the approval granted by paragraph 7(a), above; and
- (e) GLORY LTD. 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 Japanese Ministry of Finance. If the proposed transaction is not

required to be filed/reported to the Japanese Ministry of Finance, GLORY LTD. 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, GLORY LTD. 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, GLORY LTD. 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 Canon: Motion to adopt recommendation
Commissioner Hairston: Second

RECORDED VOTE:

Chairman St. Pé: YES
Commissioner Canon: YES
Commissioner Hairston: YES

D. Application for Findings of Suitability - New Palace Casino, LLC d/b/a Palace Casino Resort

1. Mr. Robert Low, Greater than 5% Shareholder
2. Mrs. Lawana Low, Greater than 5% Shareholder

Keith Crosby, General Manager of Palace Casino Resort, introduced Mr. Robert Low, Greater than 5% Shareholder, and Mrs. Lawana Low, Greater than 5% Shareholder, to the Commission. Mr. Low gave a brief personal history and commented on the casino's operations.

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

- (1) The findings of suitability are valid for a period of nine (9) years, beginning February 25, 2010;

- (2) Applicants shall file an annual report as required by Mississippi Gaming Commission Regulation II. A. 3;
- (3) Applicants will comply with all federal and state laws, including the laws of Mississippi and particularly the Mississippi Gaming Control Act;
- (4) Applicants will comply with all the policies, rules and regulations adopted by the Mississippi Gaming Commission;
- (5) Applicants will comply with and do 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
- (6) The findings of suitability are based on the applicant's ability to maintain satisfactory results for all investigations and agency checks.

Commissioner Hairston: Motion to adopt recommendation
Commissioner Canon: Second

RECORDED VOTE:

Chairman St. Pé: YES
Commissioner Canon: YES
Commissioner Hairston: YES

E. Application for Findings of Suitability - Bally Gaming, Inc.

1. Mr. Michael G. Isaacs, Chief Operating Officer
2. Mr. Mark D. Lerner, Attorney/Secretary

Thomas B. Shepherd, III, Esq., with Watkins, Ludlam, Winter & Stennis, P.A. presented this to the Commission. Mr. Michael G. Isaacs, Chief Operating Officer, and Mr. Mark D. Lerner, Attorney/Secretary, were present and available to answer questions. Each applicant gave a brief personal history.

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

- (1) The findings of suitability are valid for a period of nine (9) years, beginning April 27, 2010;
- (2) Applicants shall file an annual report as required by Mississippi Gaming Commission Regulation II. A. 3;
- (3) Applicants will comply with all federal and state laws, including the laws of Mississippi and particularly the Mississippi Gaming Control Act;
- (4) Applicants will comply with all the policies, rules and regulations adopted by the Mississippi Gaming Commission;
- (5) Applicants will comply with and do 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
- (6) The findings of suitability are based on the applicant's ability to maintain satisfactory results for all investigations and agency checks.

Commissioner Canon: Motion to adopt recommendation
Commissioner Hairston: Second

RECORDED VOTE:

Chairman St. Pé: YES
Commissioner Canon: YES
Commissioner Hairston: YES

F. Recommendation for Licensure - Lakes Game Development, LLC

Thomas B. Shepherd, III, Esq., with Watkins, Ludlam, Winter & Stennis, P.A. presented this to the Commission. Mr. Lyle Berman, Chairman and Chief Executive Officer, was present and available to answer questions.

EXECUTIVE DIRECTOR'S RECOMMENDATION: With past Commission action, key principals of the company have been found suitable. The Executive Director recommends that Lakes Game Development, LLC 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, effective March 16, 2010, through March 15, 2013;

- (2) Licensee will comply with all federal, state and local laws, including the laws of the State 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) The license is based on the licensee's ability to maintain satisfactory results for all investigations and agency checks.

Commissioner Hairston: Motion to adopt recommendation
Commissioner Canon: Second

RECORDED VOTE:

Chairman St. Pé: YES
Commissioner Canon: YES
Commissioner Hairston: YES

G. Request for Approvals – Lakes Game Development, LLC

1. (a) Continuous Approval of Public Offerings and/or Private Placements
- (b) Pledges of Equity Interests or Securities
- (c) Imposition of Equity Restrictions including Negative Equity Pledges
- (d) Guarantee of Securities and Hypothecation of Assets

Thomas B. Shepherd, III, Esq., with Watkins, Ludlam, Winter & Stennis, P.A. presented this to the Commission. Mr. Lyle Berman, Chairman and Chief Executive Officer, was present and available to answer questions.

EXECUTIVE DIRECTOR'S RECOMMENDATION: The Executive Director recommends for a three-year period, effective March 16, 2010, through March 15, 2013, that:

- (a) The Mississippi Gaming Commission exempt Lakes Entertainment, Inc., a publicly traded corporation, from the requirement to obtain prior approval of continuous public offerings and/or private placements of its securities. 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 Lakes Entertainment, Inc. The Mississippi Gaming Commission further grants the Executive Director the power, at any time and upon notice to Lakes Entertainment, Inc., to require that Lakes Entertainment, 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 Lakes Entertainment, 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;
- (b) The Mississippi Gaming Commission grant approval, as otherwise required by the Mississippi Gaming Commission Regulations, to Lakes Entertainment, Inc. and its affiliated companies and subsidiaries, current and hereafter acquired, 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(a), above;
- (c) The Mississippi Gaming Commission grant approval, as otherwise required by the Mississippi Gaming Commission Regulations, to Lakes Entertainment, Inc. and its affiliated companies and subsidiaries, current and hereafter acquired, 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(a), above;

- (d) The Mississippi Gaming Commission grant approval, as otherwise required by the Mississippi Gaming Commission Regulations, to the Mississippi licensees, current and hereafter acquired, of Lakes Entertainment, Inc., to guarantee the securities issued by Lakes Entertainment, Inc., pursuant to a public offering and/or private placement made under the approval granted, pursuant to paragraph 1(a), above, and to hypothecate their assets to secure the payment or performance of obligations evidenced by securities issued by Lakes Entertainment, Inc., pursuant to a public offering and/or private placement made under the approval granted by paragraph 1(a), above; and
- (e) Lakes Entertainment, 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, Lakes Entertainment, 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, Lakes Entertainment, 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, Lakes Entertainment, 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 Canon: Motion to adopt recommendation
Commissioner Hairston: Second

RECORDED VOTE:

Chairman St. Pé: YES
Commissioner Canon: YES
Commissioner Hairston: YES

- H. Request for Continuous Approval for Involvement in Foreign Gaming (Internet Gaming)
– Spielo Manufacturing ULC

Chris Pace, Esq., with Watkins, Ludlam, Winter & Stennis, P.A., presented this item to the Commission, and Eric Batslof, Director of Compliance, was available to answer any questions.

EXECUTIVE DIRECTOR'S RECOMMENDATION: Internet gaming is not legal in the State of Mississippi. The Mississippi Gaming Commission recognizes that other foreign jurisdictions allow Internet gaming. Those Mississippi licensees who choose to engage in Internet gaming in those jurisdictions where it is legal are expected to implement and maintain strict controls to ensure that Internet gaming does not occur in the State of Mississippi, by Mississippi residents or, in any other way, violate Mississippi laws. Since Internet gaming is a new venture with issues unlike any brick and mortar casino, the Mississippi Gaming Commission has determined that close monitoring of Internet gaming activity by Mississippi licensees is necessary.

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 Spielo Manufacturing ULC and any related "licensee", as defined in section §75-76-269(b), to be involved in foreign gaming in the jurisdictions of Gibraltar and Italy. The waiver with respect to Gibraltar and Italy shall be: (i) for conducting business in those jurisdictions in which Internet gaming is legal; (ii) for a period of one (1) year, effective March 26, 2010, through March 25, 2011; and (iii) subject to revocation at any time as deemed appropriate by the Mississippi Gaming Commission. Notwithstanding this waiver, the Mississippi Gaming Commission reserves the right to request such information as it deems necessary to monitor Internet gaming activity.

Commissioner Hairston: Motion to adopt recommendation
Commissioner Canon: Second

RECORDED VOTE:

Chairman St. Pé: YES
Commissioner Canon: YES
Commissioner Hairston: YES

I. Application for Finding of Suitability - Aruze Gaming America, Inc. and Aruze Corp.

1. Mr. Kent B. Young, Executive Vice President and General Manager

Dan M. McDaniel, Jr., Esq., with Baker, Donelson, Bearman, Caldwell & Berkowitz, PC, presented this item to the Commission. Mr. Kent B. Young gave a brief personal history and was available to answer questions.

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

- (1) The finding of suitability is valid for a period of nine (9) years, beginning February 25, 2010;
- (2) Applicant shall file an annual report as required by Mississippi Gaming Commission Regulation II. A. 3;
- (3) Applicant will comply with all federal and state laws, including the laws of Mississippi and particularly the Mississippi Gaming Control Act;
- (4) Applicant will comply with all the policies, rules and regulations adopted by the Mississippi Gaming Commission;
- (5) Applicant 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
- (6) The finding of suitability is based on the applicant's ability to maintain satisfactory results for all investigations and agency checks.

Commissioner Canon: Motion to adopt recommendation
Commissioner Hairston: Second

RECORDED VOTE:

Chairman St. Pé: YES
Commissioner Canon: YES
Commissioner Hairston: YES

J. Recommendation for Licensure as a Manufacturer and Distributor – WMS Gaming Inc.

Dan M. McDaniel, Jr., Esq., with Baker, Donelson, Bearman, Caldwell & Berkowitz, PC, presented this item to the Commission. Mr. Brian R. Gamache, Chief Executive Officer & Chairman, was available to answer questions.

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

recommends that WMS Gaming 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, effective March 17, 2010, through March 16, 2013;
- (2) Licensee will comply with all federal, state and local laws, including the laws of the State 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) The license is based on the licensee's ability to maintain satisfactory results for all investigations and agency checks.

Commissioner Hairston: Motion to adopt recommendation
Commissioner Canon: Second

RECORDED VOTE:

Chairman St. Pé: YES
Commissioner Canon: YES
Commissioner Hairston: YES

K. Recommendation for Licensure as a Multi-Site Wide Area Progressive Operator – WMS Gaming Inc.

Dan M. McDaniel, Jr., Esq., with Baker, Donelson, Bearman, Caldwell & Berkowitz, PC, presented this item to the Commission. Mr. Brian R. Gamache, Chief Executive Officer & Chairman, was available to answer questions.

EXECUTIVE DIRECTOR'S RECOMMENDATION: With past Commission action, key principals of the company have been found suitable. The Executive Director recommends that WMS Gaming Inc. be granted a multi-site wide area progressive operator'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, effective March 17, 2010, through March 16, 2013;
- (2) Licensee shall maintain a compliance review and reporting system, which shall include a compliance committee. Licensee shall maintain a written compliance review and reporting plan that meets the requirements of Mississippi Gaming Commission Regulation II. A. Section 3(i) and such other conditions as may be required by the Executive Director;
- (3) Licensee will comply with all federal, state and local laws, including the laws of the State 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) The software program(s) utilized by WMS Gaming Inc. must remain available for review and inspection for the Mississippi Gaming Commission, upon request; and
- (7) The license is based on the licensee's ability to maintain satisfactory results for all investigations and agency checks.

Commissioner Canon: Motion to adopt recommendation
Commissioner Hairston: Second

RECORDED VOTE:

Chairman St. Pé: YES
Commissioner Canon: YES
Commissioner Hairston: YES

- L. Request for Approvals – WMS Gaming Inc.
- 1a. Continuous Approval of Public Offerings and/or Private Placements
 - b. Pledges of Equity Interests or Securities
 - c. Imposition of Equity Restrictions including Negative Equity Pledges

d. Guarantee of Securities and Hypothecation of Assets

Dan M. McDaniel, Jr., Esq., with Baker, Donelson, Bearman, Caldwell & Berkowitz, PC, presented this item to the Commission. Mr. Brian R. Gamache, Chief Executive Officer & Chairman, was available to answer questions.

EXECUTIVE DIRECTOR'S RECOMMENDATION: The Executive Director recommends for a three-year period, effective March 17, 2010, through March 16, 2013, that:

- (a) 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. 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;
- (b) 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, 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(a), above;

- (c) 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, 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(a), above;
- (d) 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., 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(a), 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(a), above; and
- (e) 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 Hairston: Motion to adopt recommendation
Commissioner Canon: Second

RECORDED VOTE:

Chairman St. Pé: YES
Commissioner Canon: YES
Commissioner Hairston: YES

M. Request for Approvals – SW Gaming LLC d/b/a Harlow’s Casino Resort

1. Pledges of Equity Interest or Securities
2. Imposition of Equity Restrictions including Negative Stock Pledges and Agreements not to Encumber

Dan M. McDaniel, Jr., Esq., with Baker, Donelson, Bearman, Caldwell & Berkowitz, PC, presented this item to the Commission. Mr. Joe Billhimer, a Member of The Jay Daniel Company, LLC, was available to answer questions.

EXECUTIVE DIRECTOR’S RECOMMENDATION: The Executive Director recommends, effective only from and after February 25, 2010, that:

1. The Mississippi Gaming Commission grant approval for the pledge of the equity interests or securities of SW Gaming LLC pursuant to the new senior secured credit facility, with Banc of America Securities LLC acting as lead arranger and Bank of America, N.A. acting as administrative agent, and the New Parent Notes, and
2. The Mississippi Gaming Commission grant approval to SW Gaming LLC and SWG Holdings, LLC to (1) enter into negative stock pledges and (2) place restrictions upon the transfer of, and agree not to encumber, the equity interests or securities of SW Gaming LLC and SWG Holdings, LLC pursuant to the new senior secured credit facility, with Banc of America Securities LLC acting as lead arranger and Bank of America, N.A. acting as administrative agent, and the New Parent Notes.

Commissioner Canon: Motion to adopt recommendation
Commissioner Hairston: Second

RECORDED VOTE:

Chairman St. Pé: YES
Commissioner Canon: YES
Commissioner Hairston: YES

N. Request for Approval – CanCan Casino Resort & Spa, LLC

1. Gaming Site

(Documentation attached as Composite Exhibit "1")

Dan M. McDaniel, Jr., Esq. and Amy Elder, Esq. with Baker, Donelson, Bearman, Caldwell & Berkowitz, PC, along with Michael F. Cavanaugh, Esq., presented this item and introduced Mr. Joseph V. Mano, Chief Executive Officer of CanCan Development, LLC. Also present were Mr. Frank Dumont with Leo Daly Architects of Las Vegas, Nevada and Mr. Donald Scharr with Thompson Engineering. Details of the project were discussed. Those present spoke about the project and were available to answer questions. In addition, Mr. Rusty Quave, mayor of D'Iberville, and Mr. Michael Janus, city manager for D'Iberville, were present, and Mr. Quave spoke briefly regarding the possible positive impact of the project on D'Iberville.

EXECUTIVE DIRECTOR'S RECOMMENDATION: Based upon the review of various submissions related to the application from CanCan Casino Resort & Spa, LLC ("CanCan") the Executive Director recommends that the Mississippi Gaming Commission (the "Commission") adopt the following findings of fact with respect to the application for gaming site approval:

1. CanCan intends to develop and operate a casino gaming establishment at a site located at 9382 Central Avenue and 0 St. Charles Avenue, D'Iberville, Harrison County, Mississippi. The site borders the Back Bay of Biloxi. The site will contain a land-based gaming establishment, which will not make excursions. CanCan has submitted to the Commission Exhibit "A" of Composite Exhibit 1, a survey prepared by Johnny E. Holley of Thompson Engineering, dated November 30, 2009, (the "Boundary Survey") indicating the specific location of the site, including a metes and bounds legal description of the site. The site will contain approximately 4.71 Acres.
2. CanCan has provided documentation to the Commission establishing CanCan's current control and right to use the subject property.
3. The Boundary Survey contains a description of the location and distance from the gaming establishment to the nearest church, school and residential development, and includes a vicinity map with the location of the nearest residential area, church and school marked thereon. CanCan has submitted to the Commission Exhibit "B" of Composite Exhibit 1, a description of the current use of all adjacent property.
4. The site is located within the City of D'Iberville, Mississippi, and is subject to the City of D'Iberville zoning ordinances. CanCan has submitted to the Commission

Exhibit "C" of Composite Exhibit 1, a letter from D'Iberville City Manager Michael Janus, dated November 30, 2009, confirming the site's zoning classification which specifically allows gaming at the site under the City of D'Iberville Comprehensive Zoning Ordinance.

5. CanCan has submitted to the Commission a survey prepared by Johnny E. Holley of Thompson Engineering, dated November 30, 2009, (the "On-Shore Gaming Line Survey"), indicating the footprint of the CanCan project, identifying the location the mean high water line, the location of a line located eight hundred (800) feet from the mean high water line (the "On-Shore Gaming Line"), and showing that the site is wholly within 800 feet of the mean high water line, Exhibit "D" of Composite Exhibit 1. A narrative describing the methodology used by the surveyor in conducting the On-Shore Gaming Line Survey has been submitted to the Commission as Exhibit "E" of Composite Exhibit 1.
6. By election on March 10, 1992, the citizens of Harrison County, Mississippi, voted to authorize the conduct of legal gaming in Harrison County. Following Hurricane Katrina, the Mississippi Legislature passed House Bill 45 in 2005, which authorizes land-based gaming within 800 feet of the mean high water line. The On-Shore Gaming Line Survey establishes that no point in the site is located more than 800 feet from the mean high water line in Harrison County, Mississippi, therefore the site is a site where gaming may be legally conducted pursuant to applicable Mississippi law, including Miss. Code Ann. §97-33-1 and Commission Regulation II. B., Section 2(a).
7. CanCan's Notice of Intent to Apply for a Gaming License was approved by the Commission and properly published, pursuant to Commission Regulation II. B., Section 5. CanCan filed its Notice of Intent to Apply for a Gaming License (the "Notice") with the Commission on December 11, 2009, describing the proposed gaming establishment, including its size, the number and types of games to be operated, and that the land-based establishment would not make excursions. The legal description of the property is contained in the Notice. The Notice was approved on December 16, 2009. CanCan's legal Notice was published in *The Sun Herald* newspaper, a newspaper published in the City of Gulfport, Mississippi, having a general circulation on the Mississippi Gulf Coast, including Harrison County, on February 4, 11, and 18, 2010. *The Sun Herald's* proof of publication confirming that the Notice was published therein on the dates stated above is attached as Exhibit "F" of Composite Exhibit 1.
8. By letter dated January 29, 2010, CanCan applied to the Commission for gaming site approval and requested that said approval be considered and granted at the Commission's regular monthly meeting on February 25, 2010 (Exhibit "G" of

Composite Exhibit 1). A Tentative Agenda Request form seeking to add CanCan's site approval to those matters to be considered at the Commission's February 25, 2010, meeting is attached as Exhibit "H" of Composite Exhibit 1.

The Executive Director recommends that the Commission adopt the following conclusions with respect to the application of CanCan for Gaming Site Approval:

1. In accordance with the Mississippi Gaming Control Act of 1990, codified as *Miss. Code Ann. § 75-76-1 et seq.*, *Miss. Code Ann. § 19-3-79*, and *Miss. Code Ann. § 97-33-1*, as amended, the citizens of Harrison County, Mississippi, voted to authorize gaming in Harrison County, and thus gaming is legal at qualifying locations within Harrison County, Mississippi.
2. Pursuant to Commission Regulation II. B., Section 5, CanCan's Legal Notice of Intent for Site Approval was approved by the Commission and properly published.
3. CanCan's proposed gaming area is within 800 feet of the mean high water line of the Back Bay of Biloxi and is thus a legal gaming site under the Mississippi Gaming Control Act, as amended, and Commission Regulation II. B. Sections 2(a)(1) and (3).
4. CanCan has provided the Commission with all information required for Gaming Site Approval. The CanCan Site's location relative to the nearest residential area, church and school is satisfactory. The CanCan Site is properly zoned for gaming.

Having determined that the site approval request meets all statutory and regulatory requirements, the Executive Director recommends that the site approval request be approved, subject to the following conditions:

1. The gaming site approval will expire three (3) years from the date approval to proceed with development is granted unless the Commission grants an extension;
2. The holder of the gaming site approval will comply with all federal, state and local laws, including the laws of Mississippi and particularly the Mississippi Gaming Control Act, *Miss. Code Ann. §75-76-1 et seq.* (the "Gaming Control Act");
3. The holder of the gaming site approval will comply with all the policies, rules and regulations adopted by the Mississippi Gaming Commission;

4. The holder of the gaming site approval agrees to adjudicate all legal proceedings (both state and federal) relative to said site approval, in the courts located in the State of Mississippi; and
5. The holder of the gaming site approval will conduct gaming within 800 feet of the mean high water line, as prescribed by Miss. Code Ann. §97-33-1.
6. With respect to gaming site approval, approval constitutes only the Commission's finding that the location complies with applicable gaming laws and regulations. Gaming sit approval does not entitle the recipient to approval to proceed with development, nor does it constitute a license to engage in gaming or a right to a gaming license.

Commissioner Hairston: Motion to adopt recommendation
Commissioner Canon: Second

RECORDED VOTE:

Chairman St. Pé: YES
Commissioner Canon: YES
Commissioner Hairston: YES

O. Request for Approval – Abston-McKay Ventures, LLC

1. Gaming Site

(Documentation attached as Composite Exhibit "2")

Wilson Carroll of Wyatt Tarrant & Combs, LLP appeared on behalf of Abston-Mckay Ventures, LLC. and introduced Mr. Kevin Hunter and Mr. Norfleet Abston, principals in Abston-McKay Ventures, LLC. Also present were Mr. Bruce Rayburn; Mr. Chris Conary, project contractor; Mr. Bobby Leatherman, landowner; and Mr. Lyle Berman, contract manager and consultant. Details of the project were discussed. Those present spoke about the project and were available to answer questions.

EXECUTIVE DIRECTOR'S RECOMMENDATION: Based upon the review of various submissions related to the application of Abston-Mckay Ventures, LLC ("Abston-McKay") for Gaming Site Approval for its proposed gaming site (the "Abston-McKay Site"), the Executive Director recommends that the Mississippi Gaming Commission (the "Commission") adopt the following findings of fact:

1. Tunica County, Mississippi, adopted gaming in Tunica County on November 11, 1991, and thus gaming is legal at qualifying locations within Tunica County, Mississippi.
2. Abston-McKay's Legal Notice of Intent for Site Approval, was published in the *Tunica Times* newspaper on January 28, February 4, and February 11, 2010, thereby satisfying the requirements of Miss. Code Ann. § 19-3-79(1). The *Tunica Times* is a newspaper published in Tunica County, Mississippi. Attached collectively hereto as Exhibit A of Composite Exhibit 2 are the Legal Notice of Intent as approved by the Executive Director on February 11, 2010 and the Proof of Publication.
3. The Abston-McKay Site is located on the unprotected side of the Mississippi River levee, below bank full elevation, at 1600 Isel of Capri Boulevard, Robinsonville, Tunica County, Mississippi, consisting of approximately 120 acres. Attached as Exhibit B of Composite Exhibit 2 is a copy of a survey of the Abston-McKay Site dated December 17, 2009, prepared by Allen & Hoshall. A legal description of the property comprising the Abston-McKay Site is attached to the survey.
4. Abston-McKay currently owns an option to purchase the Abston-McKay Site. The Option Agreement has been provided to the Commission and establishes Abston-McKay's's current control of and right to acquire the Abston-McKay Site.
5. The current use of property adjacent to the proposed site is as follows:

The Abston-McKay Site is bordered on the South and West by casino operations and on the Southeast, East and North by the Mississippi River and levee.
6. The nearest residential area is 1.3 miles from the Abston-McKay Site. The nearest church to the Abston-McKay Site is Commerce Baptist Church located at 1.3 miles from the site. The nearest school is Robinsonville Elementary located 5.9 miles away from the site.
7. Enclosed collectively as Exhibit C of Composite Exhibit 2 are color copies of maps depicting the locations of the above described residential area, church and school relative to the Abston-McKay site.
8. The Abston-McKay site is located in Tunica County and is subject to the Tunica County Zoning Ordinance. The Tunica County zoning map and the pertinent

portions of the Tunica County Zoning Ordinance are attached collectively hereto as Exhibit D of Composite Exhibit 2. The site is zoned appropriately for casino development.

9. Allen & Hoshall Engineering provided a report noting that Site is below the top bank elevation of the Mississippi River and is thus under bank full. The Allen & Hoshall Engineering report determined bank full elevation to be 202.50 feet; and those areas of the Site at elevations under bank full are part of the Mississippi River and thus eligible for the conduct of legal gaming. Allen & Hoshall Engineering report is attached hereto as Exhibit E of Composite Exhibit 2.
10. Enclosed as Exhibit E of Composite Exhibit 2 is a letter from the Allen & Hoshall Engineering describing the methodology used in preparing a topographical survey of the Site. Also enclosed as Exhibit F of Composite Exhibit 2 is a topographical map prepared by the Allen & Hoshall Engineering showing the site is located under bank full, and thus is located on the Mississippi River.
11. Abston-McKay has applied to the Commission for Gaming Site Approval, and requested that the approval be considered and granted at the Commission's February 2010, regular monthly meeting. Tentative Agenda Request Forms for the Gaming Site Approval requested by Abston-McKay is attached hereto collectively as Exhibit G of Composite Exhibit 2.

The Executive Director recommends that the Commission adopt the following conclusions with respect to the applications of Abston-McKay for Gaming Site Approvals:

1. In accordance with the Mississippi Gaming Control Act of 1990, codified as Miss. Code Ann. §75-76-1 et seq. (1990), Miss. Code Ann. §19-3-79 (1997) and Miss. Code Ann. §97-33-1 (2005), Tunica County, Mississippi, authorized gaming in Tunica County, and thus gaming is legal at qualifying locations in Tunica County, Mississippi.
2. Pursuant to Commission Regulation II. B., Section 5, Abston-McKay's Notice of Intent to Apply for a Gaming License was approved by the Commission and properly published.
3. Abston-McKay's permanent structure or gaming vessel will be located on the Mississippi River in Tunica County, Mississippi, and, therefore, the site is a legal gaming site under Miss. Code Ann. §97-33-1(b) and Commission Regulation II. B., Section 2(a)(2).

4. Abston-McKay has provided the Commission with all information required for gaming site approval. The site's location relative to the nearest residential area, church and school is satisfactory. The site is properly zoned for gaming.

Having determined that the site meets all statutory and regulatory requirements, the Executive Director recommends that the Commission grant gaming site approval to Abston-McKay subject to the following conditions:

1. The gaming site approval will expire three (3) years from the date approval to proceed with development is granted unless the Commission grants an extension;
2. The holder of the gaming site approval will comply with all federal, state and local laws, including the laws of Mississippi and particularly the Mississippi Gaming Control Act; , Miss. Code Ann. §75-76-1 et seq. (the "Gaming Control Act");
3. The holder of the gaming site approval will comply with all the policies, rules and regulations adopted by the Mississippi Gaming Commission;
4. The holder of the gaming site approval agrees to adjudicate all legal proceedings (both state and federal) relative to said site approval, in the courts located in the State of Mississippi; and
5. With respect to gaming site approval, approval constitutes only the Commission's finding that the location complies with applicable gaming laws and regulations. Gaming site approval does not entitle the recipient to approval to proceed with development, nor does it constitute a license to engage in gaming or a right to a gaming license.

Commissioner Canon: Motion to adopt recommendation
Commissioner Hairston: Second

RECORDED VOTE:

Chairman St. Pé: YES
Commissioner Canon: YES
Commissioner Hairston: YES

ITEM IV.

PUBLIC COMMENT

None.

ITEM V.

CHARITABLE GAMING MATTERS

A. Recommendation for Approval of Licensure – Operator

(Documentation attached as Exhibit “3”)

1. Royce Amusement Company

EXECUTIVE DIRECTOR’S RECOMMENDATION: The Executive Director recommends that Royce Amusement Company be approved for licensure, subject to the following conditions:

1. The license will be issued for a one-year period effective March 1, 2010 through February 28, 2011;
2. Licensee will comply with all federal and state laws, including the laws of Mississippi and, particularly, the Mississippi Charitable Bingo Law;
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 Mississippi Charitable Bingo Law; 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.

Commissioner Hairston: Motion to adopt recommendation
Commissioner Canon: Second

RECORDED VOTE:

Chairman St. Pé: YES
Commissioner Canon: YES
Commissioner Hairston: YES

ITEM VI.

PUBLIC COMMENT

None.

ITEM VII.

ADJOURNMENT

There being no further business, the meeting was adjourned at 9:55 a.m.

JERRY ST. PÉ, CHAIRMAN

NOLEN CANON

JOHN HAIRSTON

LARRY K. GREGORY, EXECUTIVE DIRECTOR

ATTEST:

THOMAS H. MUELLER
SPECIAL ASSISTANT ATTORNEY GENERAL
MISSISSIPPI GAMING COMMISSION