

**MINUTES  
MISSISSIPPI GAMING COMMISSION  
MONTHLY MEETING  
OCTOBER 21, 1993**

**BE IT REMEMBERED** that the Mississippi Gaming Commission met for its monthly meeting at 9:00 a.m. on Thursday, October 21, 1993, in the Ways and Means Committee Room in the State Capitol, Jackson, MS.

Staff in attendance:

Stuart C. Irby, Jr., Chairman, MS Gaming Commission  
W. W. Gresham, Jr., Commissioner, MS Gaming Commission  
Captain Robert Engram, Commissioner, MS Gaming Commission  
General Paul Harvey, Executive Director, MS Gaming Commission  
Chuck Patton, Deputy Director, MS Gaming Commission  
Gary McGee, Chief of Investigations, MS Gaming Commission  
Clara Wright-Spann, Secretary Confidential, MS Gaming Commission  
Bill Johnson, Bingo Director, MS Gaming Commission  
Montina Coleman, Administrative Assistant, MS Gaming Commission  
Carole Edds, Special Assistant, Attorney General's Office

The meeting was called to order by Chairman Irby at 9:00 a.m.

Commissioner W. W. Gresham delivered the Invocation.

For Agenda Item II, Appointment of Executive Director, Chairman Irby commended Chuck Patton for serving as the Interim Executive Director and stated that he would continue to work with the Commission in the capacity of Deputy Director.

Chairman Irby: Made a motion to appoint General Paul Harvey as the Executive Director of the Mississippi Gaming Commission.

Commissioner Gresham: Second.

RECORDED VOTE:	Chairman Irby	Yes
	Commissioner Gresham	Yes
	Commissioner Engram	Yes

Agenda Item III A, Gaming Issues, Financial Offerings.

Chairman Irby: Made a motion to close the meeting to determine if there was a need for Executive Session.

Commissioner Gresham: Second.

RECORDED VOTE:	Chairman Irby	Yes
	Commissioner Gresham	Yes
	Commissioner Engram	Yes

The meeting was opened to inform the public of the reason for Executive Session. Mr. Patton recommended that the Commission go into Executive Session for the purpose of discussing the terms of

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the financial offerings for Casino Magic, Casino America and Rainbow Casino. Mr. Patton stated that confidential information would be discussed that would prove to be injurious to the applicants if the information was made public.

Chairman Irby: Moved to accept the recommendation.

Commissioner Gresham: Second.

RECORDED VOTE:	Chairman Irby	Yes
	Commissioner Gresham	Yes

The meeting returned to Open Session and a five minute recess was called.

For Agenda Item III A 1, Financial Offering - Casino Magic, Carole Edds read the following recommendation: The Executive Director recommends that the Mississippi Gaming Commission exempt Casino Magic Corporation from the requirement to obtain prior approval of the precapitalization through the private placement and subsequent public offering, Casino Magic Finance Corporation of up to \$150,000,000 of first mortgage notes due 2001. With warrants to acquire of up to 5% of the company stock as submitted to the Commission in the amended application for approval of public offering and offering memorandum, conditioned on those net proceeds of sale exceeding \$105,000,000 being expending on non-casino improvements to its existing licensed property on the Mississippi Gulf Coast within two years. As part of the offering, the Commission approves the pledge of stock of the corporate licensee, Mardi Gras Casino Corporation and Biloxi Casino Corporation; however, any further recorded sales of stock, transfer or other disposition of such stock for the granting of an option to purchase such security is void unless approved in advance by the Commission.

This recommendation for exemption and waiver of the prior approval of compliance is conditioned on future 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 finding by the Mississippi Gaming Commission of the truth or accuracy of the statements contained in the documents submitted to the Mississippi Gaming Commission. The Mississippi Gaming Commission, its officers and employees disclaim any liabilities in respect thereto. This recommendation is consistent to state policy. Jim Warren, attorney for Casino Magic, suggested a modification to the recommendation regarding the condition of net proceeds. After much discussion, Commissioner Engram suggested that the Commission continue with the other agenda items and come back to the matter of Casino Magic's Financial Offering.

For Agenda Item III A 2, Financial Offering - Casino America, Carole Edds read the following recommendation: The Executive Director recommends that the Mississippi Gaming Commission exempt Casino America, Inc. from the requirements to obtain approval of the public offering of Casino America, Inc. of \$100,000,000 of first mortgage notes due 2000 with warrants to acquire up to 5% of the company stock as submitted in the application for approval of public offering in Form S-1 Registration Statement under the Security Act of 1933. This recommendation for exemption of prior approval requirement 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 the statements contained in the documents submitted to the Mississippi Gaming Commission. The Mississippi Gaming Commission, its officers, and employees disclaim any liability in respect thereto.

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Commissioner Gresham: Moved to accept the recommendation.  
 Commissioner Engram: Second.

RECORDED VOTE:	Chairman Irby	Yes
	Commissioner Gresham	Yes
	Commissioner Engram	Yes

For Agenda Item III A 3, Private Placement Offering - Rainbow Casino, MS, Ms. Edds read the following recommendation: The Executive Director recommends that the Mississippi Gaming Commission exempt the applicant, Rainbow Casino, Inc., from the requirement to obtain prior

approval of its private placement offering as described in its Summary of Private Placement Offering of common stock of Rainbow Entertainment, Inc. and private placement memorandum as submitted to the Commission.

This recommendation for exemption of the prior approval requirement is conditioned upon compliance with the laws of the State of Mississippi and 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 the statements contained in the documents submitted to the Mississippi Gaming Commission. The Mississippi Gaming Commission, its officers and employees disclaim any liability in respect thereto.

Commissioner Gresham: Moved to accept the recommendation.  
Commissioner Ingram: Second.

RECORDED VOTE:	Chairman Irby	Yes
	Commissioner Gresham	Yes
	Commissioner Ingram	Yes

The Commission went back to Agenda Item III A 1. After discussion the matter, Ms. Edds read the following amendment to the recommendation: After first mortgage notes due 2001, warrants to acquire stock in the company as submitted to the Commission in the amended application for approval of public offering and offering memorandum, conditioned on expending an amount equal to those net proceeds of sale exceeding \$105,000,000 of non-casino improvements to its existing licensed properties on the Mississippi Gulf Coast within two years.

Commissioner Ingram: Moved to accept the amended recommendation.  
Commissioner Gresham: Second.

RECORDED VOTE:	Chairman Irby	Yes
	Commissioner Gresham	Yes
	Commissioner Ingram	Yes

For Agenda Item III B, Hearing Officer Appointment, Mr. Patton recommended that Giles Bryant be appointed as the hearing officer for Gerald Gordon vs. Isle of Capri - Biloxi and Carl Ison v.s. Isle of Capri - Biloxi.

Commissioner Ingram: Moved to accept the recommendation.  
Commissioner Gresham: Second.

RECORDED VOTE:	Chairman Irby	Yes
	Commissioner Gresham	Yes
	Commissioner Ingram	Yes

For Agenda Item III C, Request for Reconsideration of Work Permit Denial, Edward Marion Lee was present to address the Commission regarding the circumstances surrounding his work permit denial. The Commission took no formal action, but decided to take the

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matter under advisement and request clarification from the Attorney General's Office before notifying Mr. Lee of a decision.

For Agenda Item III D, Policy, Mr. Patton stated that the Investigation Division currently has an unwritten policy that all investigations are done completely in-house without regard to other jurisdictions' investigations. Mr. Patton recommended that the Commission grant approval to modify that policy to allow the Investigation Division to use their discretion regarding the usage of other jurisdictions' findings.

Commissioner Gresham: Moved to accept the recommendation.  
Commissioner Engram: Second.

RECORDED VOTE:	Chairman Irby	Yes
	Commissioner Gresham	Yes
	Commissioner Engram	Yes

For Agenda Item IV A, Bingo Matters, Recommendation for Licensure, Bill Johnson stated that applicants for a Charitable Bingo License have been investigated in accordance with the Charitable Bingo Regulations. The information obtained through the background investigation and other inquiries made by the gaming agent were found suitable. Based on this information, staff has no objections to a permanent license being issued to the following applicants: Missing Children International of Sidon, MS; W.H.E., Limited in Leland, MS; Knights of Columbus #2134 in Greenville, MS; Amvets Post #355 in Tupelo, MS; Dillard Enterprises, Inc. in Tupelo, MS; American Legion Post #33 in Biloxi, MS; World Wide Press, Inc. in Great Falls, MT; Instant Ticket Factory, Inc. in Great Falls, MT; VFW Post #1983 in Kosciusko, MS; D.A.V. Chapter #5 in Gulfport, MS; VFW Post #4488 in Grenada, MS; VFW Post #4970 in Carthage, MS; VFW Post #4272 in Columbus, MS; Moose Lodge #1946 in Kosciusko, MS; and Malone Sales, Inc. in Jackson, MS. Mr. Johnson said that the applicants met the requirements and the staff recommended approval.

Commissioner Gresham: Moved to accept the recommendation.  
Commissioner Engram: Second.

RECORDED VOTE:	Chairman Irby	Yes
	Commissioner Gresham	Yes
	Commissioner Engram	Yes

For Agenda Item IV B, Bingo Matters, Recommendation for Denial of Licensure, Mr. Johnson stated that the applicants for a Charitable Bingo License have been investigated in accordance with the Charitable Bingo Regulations. The information obtained through the background investigation and other inquiries made by the gaming agent were not found to be suitable. Based on this information provided by the investigation, the staff does object to a permanent license being issued to the following applicants. Mr. Johnson proposed denial and an appointment of a hearing officer for the following applicants: ARC MS (Charity) in Jackson, MS; Dead Tiger Hunting Club (Charity) in Picayune, MS; American Legion Post #134 (Charity) in Hornlake, MS; VFW Post #6285 (Charity) in Kiln, MS; Kilgore Leasing (Commercial Lessor) in Hattiesburg, MS; James Stockstill (Commercial Lessor) in Picayune, MS; Knights of Columbus #1605 (Charity) in Pascagoula, MS; Peoples' Shelter, Inc. (Charity) in Jackson, MS; Peoples' for Progress (Charity) in Jackson, MS; B&S Enterprises (Commercial Lessor) in Biloxi, MS; D'Iberville Recreation League (Charity) in D'Iberville, MS; CAMP, Inc. (Charity) in Hattiesburg, MS. Staff recommended that the applications for licensure be denied and Larry Clark with the Attorney General's Office be appointed as the hearing officer. Carole Edds also recommended that Larry Stroud also be appointed as a hearing officer in addition to Mr. Clark, because of the case load.

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Commissioner Engram: Moved to accept the recommendation.  
Commissioner Gresham: Second.

RECORDED VOTE:	Chairman Irby	Yes
	Commissioner Gresham	Yes
	Commissioner Engram	Yes

For Agenda Item V, Public Comment, no matters were brought before the Commission.

There being no further business, the meeting was adjourned at 11:40 a.m.

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**CHAIRMAN**

Stuart C. Irby, Jr.

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**COMMISSIONER**

W. W. Gresham, Jr.

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**COMMISSIONER**

Robert C. Engram

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**Executive Director**

Paul A. Harvey