

THOMAS AKIN
3103 Hilltop Place
Russellville, AR 72802

April 13, 2020

Hon. Chris Olson
colson@rsvlar.org
Russellville City Hall
203 S. Commerce Ave
Russellville, AR 72801

***Re: Resolution of Welcome for Gulfside Casino
Partnership, LLC, a subsidiary of Copa Casino of
Mississippi, LLC***

Dear Councilman Olson,

I write to you today to ask you to reconsider your sponsorship of a Resolution to Welcome for Gulfside Casino Partnership, LLC, a subsidiary of Copa Casino of Mississippi, LLC, which is owned by Mr. Terry Green and his partner Mr. Rick Carter (“Gulfside”). Mr. Green and Mr. Carter have hired lobbyists in Arkansas to try to influence our city, county and state officials. I’m sure they love the idea of this Resolution, but I believe our elected representatives should not extend an official welcome to these men and Gulfside. Their extensive record of bankruptcies, endless litigation, federal investigations, delinquent taxes, a money laundering fine, gaming license forfeiture, debt and mass employee layoffs (including their current mass layoff), in my opinion, disqualify them for an official welcome into our city.

As you know my wife and I have lived in Russellville for almost 24 years. We built our lives and our business in the River Valley. I am a longtime member of the board of directors at Chambers Bank and I have tried to serve my community whenever I could. I was appointed to Russellville Intermodal Board and was appointed by Governor Beebe to serve the State on both The UACCM Board of Visitors and on the Arkansas Racing Commission.

I love horseracing and the business of gaming. I learned a lot about it when I was on the Racing Commission. I learned especially about the difficulties other states have had in regulating casino operators. It is critical that this particular privilege license be granted only to companies with adequate liquidity and capitalization to run a casino ethically over the long haul. The best indicator of a company’s worthiness to be granted such trust by the state (or local government) is to look at that company’s track record.

I have had the opportunity to get to know Commissioners in other states, including Texas, Oklahoma, Iowa, Mississippi, and all over the United States. Given my background and the fact that I was personally approached early in 2019 about supporting Gulfside’s bid to come to Pope County, I looked into their history. I never bothered to discuss what I learned because the Racing Commission Rules barred their application. However, I now feel that it is important because Judge

Fox said that Jim Ed Gibson's letter makes Gulfside a valid license applicant and because you have sponsored a Resolution to officially welcome Gulfside to Russellville.

One does not have to know gaming insiders to find enough information to know these men and their companies have problems. The Houston Chronicle, The Commercial Appeal, The Biloxi Sun Herald and the AP have all been reporting on Gulfside and their operations for a very long time.

Gulfside's first attempt at operating a casino was in the late 1980's when they formed Carter-Green-Redd, Inc., doing business as Pride Cruise Lines. They had a boat they called "Pride of Mississippi" that ran gambling day-cruises in the Gulf of Mexico. Amid legal and financial problems, they laid off their entire work force. This tactic would become a habit in years to come. Carter-Green-Redd filed for Bankruptcy in the Southern District of Mississippi in 1989. Court records and newspaper accounts say they walked out on debts that included \$1 Million in unpaid use taxes to the Mississippi State Tax Commission, \$1.2 Million to a local bank, \$80,000 to the Mississippi State Port Authority and all monies owed to their subcontractors.

Mr. Green and Mr. Carter left the State of Mississippi and tried to start again in Texas. They started another casino day cruise operation on a boat they called "Pride of Galveston" within a week of filing for bankruptcy in Mississippi. This venture really did not end well.

The Houston Chronicle reported that Pride Cruise Lines was constantly mismanaged and in trouble with federal and state officials. US Attorney Ronald G. Woods said Pride Cruise Lines was violating the federal gambling-ship law. A Federal Judge ordered US Marshalls to seize the ship, and Mr. Green and Mr. Carter never got it back.

According to the Houston Chronical, Mr. Green and Mr. Carter were also at the same time delinquent in over \$550,000 in local taxes including \$92,000 to the county, \$117,000 to the City of Galveston, \$298,000 to the school district, the local college, the Port, etc. Texas State Judge Roy Engekle issued additional warrants to seize more of their assets.

Mr. Green and Mr. Carter again laid off hundreds of employees and again filed bankruptcy, this time in the Southern District of Texas. However, this time, bankruptcy was not enough, because federal indictments were in the works. Mr. Green was even quoted in the paper:

"The cruise line was under investigation by the US attorney's office, which threatened to indict Pride officials for breaking federal shipping [and casino] laws," but Terry "Green said they avoided indictments by signing an agreement with the Government to cease gambling operations in Texas and in international waters." (Houston Chronicle 3/13/92)

Even if that was the end of the story, it would be a bad idea to welcome a business banned forever from the State of Texas and Federal Jurisdictions into our city. But there is more. After being run out of Texas, they went back to Mississippi. They tried to reopen The Pride of Mississippi as The Copa Casino. *The problem was that neither of them could legally operate a casino in Mississippi at the time.* So they had to find backers and partners who could help them get restarted and hold licenses.

According to the Commercial Appeal, Green and Carter sold all the stock in the Copa in 1993 to investors (Sands Regent) who reorganized the Copa into Gulfside Casino, Inc. According to the litigation that later got filed, Mr. Green and Mr. Carter had no choice because they “could not directly or indirectly hold any interest in any entity holding a gaming license from the Mississippi Gaming Commission.” (*Gulfside Casino, Inc. v. Carter*, 1998 LEXIS 514).

It’s not clear what Mr. Green and Mr. Carter’s roles were with Copa for the next five years. What is clear is that Gulfside had more problems following the law. So, again, there were Federal investigations. Gulfside’s Copa Casino was fined \$101,000 in penalties for multiple violations of the Bank Secrecy Act, (*Sands Regent Press Release 11/18/97*). As a longtime bank board member, I know that money laundering violations should be taken very seriously, especially in the casino business.

Yet, somehow, in 1998, Mr. Green and Mr. Carter were again approved by the State of Mississippi to go into the casino business after more litigation, The Sands Regent of Reno sold the Copa Casino to Green and Carter for a reported \$8.5 Million. There is little public information about where they borrowed that much money. Mr. Green has made clear in his visits to Russellville that they still have significant debt positions and they would be borrowing the money to build and operate their proposed Pope County Casino.

The Associated Press reported that in 2002, Gulfside replaced the 500 foot cruise ship that was the Copa Casino with a 150,000 square foot barge. The barge was destroyed in Hurricane Katrina in 2005. It was of course not their fault that it was destroyed. However, as they did with *Pride of Mississippi* and with the *Pride of Galveston*, they handed down mass layoffs. Every casino on the Gulf suffered damage and shut downs. But, according to the *Biloxi Sun Herald*, instead of receiving three month’s pay and benefits like other displaced casino workers on the Mississippi Gulf Coast, employees of the Copa Casino said they got a final paycheck and a termination letter the same day Hurricane Katrina made landfall.

Instead of rebuilding when the water receded, Gulfside purchased a damaged casino hotel and formed the *Island View Casino*. This is the casino they operate today. This venture has operated longer than any of their previous attempts to run casinos. Nonetheless, they remained entangled in litigation year after year on cases ranging from sexual and racial discrimination to tax obligations.

Despite their debt and bankruptcies, they have lived well, enjoying race horses, yachts and jets. Mr. Green has airplanes he owns under a Texas company he calls *Jackpot Jet, LLC*. He has been in multiple disputes with Harris County trying to avoid paying taxes on his airplanes. Mr. Carter owned a “92 foot mega-yacht” that has been investigated by the US Coast Guard for federal environmental violations.

Just as they did with *Pride of Mississippi*, *Pride of Galveston* and *Copa Casino*, Mr. Greene and Mr. Carter have now laid off all of their *Island View Casino* employees. All Casinos are closed due to the COVID19 pandemic, but companies like *Oaklawn* and *Cherokee Nation Businesses, LLC* are keeping their employees on the payroll because those companies have adequate capital and liquidity to do so. Principal Chief Chuck Hoskin of the *Cherokee Nation* and

CNB CEO Chuck Garrett continue to assure their 8,000+ employees that paychecks will continue to come, along with retirement contributions, health insurance, college scholarships, etc. throughout the crisis. The attached memo to Island View Casino employees told them their fates the day after the state temporarily closed casinos for the pandemic.

In their past, when the mass lay-offs came, bankruptcies soon followed. Only time will tell whether Island View Casino will follow the same path this time. I do not wish any ill on these men or their companies, but they have never successfully managed a casino before Island View. I have zero confidence in their qualifications to try again in Pope County.

In short, I call on you and your fellow council members to table your Resolution of Welcome and do your own research on these men, their histories, and their companies. I believe that you will come to the same conclusion that the US Government, the State of Texas and I have: they should not be welcomed to operate a licensed casino here.

Respectfully,



Thomas Akin

Cc: Mayor Richard Harris
Russellville City Council Members
County Judge Ben Cross
Ark. Racing Comm. Chair Alex Lieblong

[See Enclosed Attachment]

Dear Island View Team Members,

As all of you know, yesterday, March 16, 2020, at approximately 4 PM, the Mississippi Gaming Commission issued an **Emergency Order of Closure** for all casinos operating in the State of Mississippi. In compliance with this Order, Island View Casino Resort temporarily closed at midnight March 16, 2020.

Beginning tomorrow, March 18, 2020, Island View will offer all of its employees:

- ✓ Hourly (non-exempt) employees -
 - 1 week of full pay; accrued PTO will be used thereafter **
- ✓ Salaried (exempt) employees*
 - 2 weeks of full pay; accrued PTO will be used thereafter**
- ✓ Health Insurance (while closed - up to 90 days)
- ✓ Other Benefits you may have elected (while closed - up to 90 days)

As we advised yesterday, we are doing everything we can to restore operations as quickly as possible. Some of you may be asked to work to help in this effort. We hope the gaming commission will allow us to reopen soon, but we don't know when.

**Be sure that you have provided your most current contact information to your manager/department. The Employee Emergency Hotline [REDACTED]
Please monitor the Island View website [REDACTED]**

Once we are in a better position to determine the likely duration of the situation, we will communicate our plans moving forward. We want to thank you in advance for your patience and understanding. We are all hoping that this COVID-19 storm will pass as swiftly as possible and we can re-open our doors. Thank you for your support during this challenging time. We are asking that everyone stay home as much as possible; and, please, follow the recommendations that Federal and State officials have issued. If we all abide by the guidelines, it will help minimize the time period we are closed.

Once again, we will get through this together.

[REDACTED]

* includes hourly employees who were salaried before law changed increasing salary exemption
** if you do not want to use accrued PTO call your department manager; provide your name & employee ID #