

BEFORE THE ARKANSAS RACING COMMISSION
IN THE MATTER OF THE POPE COUNTY CASINO LICENSE

NOTICE OF APPEAL AND REQUEST FOR HEARING
TO THE ARKANSAS RACING COMMISSION

Now comes Legends Resort and Casino, LLC (“Legends”), by and through undersigned counsel, pursuant to Casino Gaming Rules 2.13.12(c) and 2.13.18(a)(i) and Ark. Code Ann. § 23-110-205, and for its appeal of the Arkansas Racing Commission’s denial of a casino license and request for a hearing, states and alleges as follows:

INTRODUCTION

1. Legends brings this appeal to request the Arkansas Racing Commission (“ARC”) reverse its decision denying Legends a license to operate a casino in Pope County, Arkansas. The ARC’s denial is arbitrary, capricious, and ultra vires. The ARC has erroneously relied upon biased scoring, failed to follow its own rules, accepted an application that does not meet the minimum requirements of Amendment 100 of the Arkansas Constitution, and is presumably going to award a license to an entity that made serious misrepresentations to the ARC.

2. Legends is an Arkansas limited liability company that is wholly owned by Cherokee Nation Businesses, LLC (“CNB”). Legends is the corporation through which CNB has applied for the casino license in Pope County, and it is the only applicant that meets the minimum qualifications set forth in Amendment 100 of the Arkansas Constitution.

3. The ARC is an agency of the state government of Arkansas charged by Amendment 100 with the oversight and regulation of casino gaming within the State of Arkansas and authorized to issue casino gaming licenses to qualified applicants.

4. “If the Commission denies an application for a casino license, the casino applicant is entitled to a hearing before the Commission by filing a written request no later than fifteen (15) days from receipt of the notice of denial from the Commission.” Casino Gaming Rule 2.13.18(a)(i). “A person or entity aggrieved by a decision made pursuant to this section is entitled to a hearing before the Commission and may appeal the Commission’s decision pursuant to this Rule.” Casino Gaming Rule 2.13.12(c). “In the event any franchise holder or person is aggrieved by any action of the Arkansas Racing Commission, he or she shall be entitled to a hearing by the commission.” Ark. Code Ann. § 23-110-205(a)(1).

5. On June 18, 2020, the ARC met, convened the Review Panel, interviewed the two applicants, and scored the two applications. The Review Panel awarded scores as follow: CNB/Legends 572 points; Gulfside Casino Partnership 637 points. The ARC then authorized the issuance of a letter informing the two applicants of the scores and stating the Commission’s intent that it “will issue the license to the highest scoring applicant pursuant to Rule 2.13(9)(d) and 2.13(10).” The Commission did not specifically authorize any other letters. However, the Director of the Racing Commission issued two letters that same day purporting to deny a license to counsel for CNB and informing counsel for Gulfside that the ARC “awards a license to operate a casino in Pope County.” It is not clear what the effect these two letters have,

particularly in light of the ARC's June 22, 2020, meeting finding that the scores of one Commissioner were the result of bias. Out of an abundance of caution, however, CNB lodges this appeal to preserve all rights under the Casino Gaming Rules, the statutes governing the ARC, the Administrative Procedures Act ("APA"), and Amendment 100.

6. Legends reserves the right to amend this Notice at any time prior to the hearing on denial and reserves the right to present additional information, documents, and testimony at any hearing on the denial of its application.

FACTUAL BACKGROUND

I. Amendment 100

7. Amendment 100 of the Arkansas Constitution, enacted by voters in the 2018 general election, mandates that the Arkansas Racing Commission shall issue four casino licenses, including one in Pope County, Arkansas.

8. Amendment 100 states that "[t]he Arkansas Racing Commission shall adopt rules necessary to carry out the purposes of this Amendment and perform its duties under this Amendment." Ark. Const. Amend. 100, § 4(c).

9. The ARC's rules are subject to the APA. Ark. Const. Amend. 100, § 4(d).

10. Amendment 100 requires the Arkansas Racing Commission ("ARC") to adopt rules governing "[t]he manner in which the Arkansas Racing Commission considers applications for issuance of casino licenses." Ark. Const. Amend. 100, § 4(e)(2).

11. Pursuant to the authority and requirement to promulgate rules set forth by Amendment 100, the ARC promulgated the Casino Gaming Rules.

II. Incumbent Support Required

12. Amendment 100 states that the ARC “shall require all casino applicants for a casino license in Pope County and Jefferson County to submit either a letter of support from the county judge or a resolution from the quorum court in the county where the proposed casino is to be located. . . .” Ark. Const. Amend. 100, § 4(n). “Casino applicant” is defined as “any individual, corporation, partnership, association, trust, or other entity **applying for a license** to conduct casino gaming at a casino.” Ark. Const. Amend. 100, § 2(b) (emphasis added).

13. Legends is the only casino applicant that has submitted a letter of support from the County Judge or a resolution of support from the Quorum Court in office at the time of submission of the casino application, which is the time that the entity by definition becomes a casino applicant as contemplated by Ark. Const. Amend. 100, § 2(b).

14. The ARC began accepting applications in May 2019 pursuant to Casino Gaming Rule 2.13.4(b). At that time, Gulfside Casino Partnership (“Gulfside”) tendered a letter from a former County Judge of Pope County. It did not offer any support from incumbent officials because the County Judge of Pope County at that time had specifically withdrawn any support that Gulfside previously enjoyed from the office of the Pope County Judge. The ARC rejected Gulfside’s application based on Gulfside not having support from the incumbent at the time the application was

submitted. Litigation ensued, and Gulfside ultimately prevailed on March 24, 2020 at the circuit court level (Case No. 60CV-19-5832). The State Defendants, specifically this Commission, chose not to appeal that ruling, therefore, Legends raises this issue to exhaust its administrative remedies and preserve its right to challenge this ruling up to and including at the Arkansas Supreme Court.

15. Although Case No. 60CV-19-5832 pertained to the wording of ARC's rule requiring incumbent support (which is required by the plain language of Amendment 100), Legends' owner Cherokee Nation Businesses, LLC was denied intervention in that case, and no party, including this Commission, submitted to the Circuit Court that incumbent County Judge Ben Cross had rescinded his office's support (by former County Judge Jim Ed Gibson) for Gulfside prior to Gulfside submitting its May 2019 application and becoming a "casino applicant" as defined above. Thus, the County Judge of Pope County effectively withdrew any support for Gulfside and Gulfside submitted its application without any actual support from the County Judge of Pope County. This Commission must deny Gulfside a license on the basis that support for Gulfside was rescinded prior to its filing an application.

16. In contrast, Legends has obtained multiple letters of support from incumbent County Judge Ben Cross (collectively attached as **Exhibit A**) and a resolution of support from the Quorum Court of Pope County (attached as **Exhibit B**). Legends is the only applicant with continuous support from incumbent county officials and the only applicant that has executed an economic development agreement (attached as **Exhibit C**) with Pope County. Legends' application has been

accepted by the ARC pursuant to Casino Gaming Rule 2.13.4(b). Because Legends is the only applicant that enjoys continuous support from the incumbent Pope County elected officials, it is the only qualified applicant under Amendment 100 and should be awarded the casino license in Pope County.

III. June 18, 2020 Presentations and Material Misrepresentations

17. On June 18, 2020, the ARC held a meeting to receive presentations from both applicants and determine scores for each application. Pursuant to the Casino Gaming Rules, the ARC designated all of the Commissioners as the Review Panel to review and score the applications. To be clear, the Casino Gaming Rules allow the ARC to appoint themselves as the Review Panel, but they do not require that each member of the Commission be on the Review Panel.

18. During the course of presentations on June 18, 2020, Gulfside owner Terry Green made several material misrepresentations to the ARC. *See* Affidavit of Misrepresentation and an Order from the Mississippi Supreme Court attached as **Exhibits D and E**. When asked if he or any owner of Gulfside had been involved in or filed for bankruptcy, he answered in the negative.

19. Not satisfied with the misrepresentation, Commissioner Landers later in the meeting showed Gulfside counsel the bankruptcy docket for Gulfside Casino, Inc. That docket is attached hereto as **Exhibit F**. Mr. Green attempted to justify his earlier answer by maintaining that he and Mr. Rick Carter (co-owner of Gulfside) were merely passive owners with no more than ten percent (10%) collective ownership in the company. Despite Mr. Green's inadequate explanation for failing to disclose a

relevant bankruptcy filing, Gulfside's owners, on their website and in their application, tout their gaming experience dating back during this time. *See Exhibit G.* They have represented to the Commission that they have continuous casino gaming experience from 1992 forward. That is apparently not the case because there was an extended period in the mid-1990s during which they were not involved or operating the casino as they have represented. Thus, Gulfside is at a minimum either misrepresenting its gaming experience or its past involvement in bankruptcies.

20. Further, Gulfside has not disclosed the bankruptcy matter pertaining to Carter, Green, & Redd, owned partially by Rick Carter and Terry Green, or the bankruptcy filed by Patrician, Inc. one of the partner companies in Gulfside Casino Partnership. *See Exhibits H and I.*

21. Additionally, Gulfside failed to disclose to this Commission that due to violations or alleged violations of law its owners, Green and Carter, were restricted from obtaining a gaming license in Mississippi. *See Exhibit E.* As is established by the Mississippi Supreme Court opinion attached hereto, the owners of Gulfside were unable or unqualified to receive a casino gaming license and failed to disclose that to this Commission.

22. When selecting a casino gaming partner, it is imperative that the ARC chose a company that provides full, complete, and truthful information to the Commission. Gulfside failed to do so when asked. Accordingly, it should be denied the casino license pursuant to Rule 2.13.12(a)(i) and (a)(iii) and Rule 2.13.5(c).

Legends should be awarded the Pope County casino license because it provided full, complete, and truthful information to the Commission.

23. Following the presentations of both applicants, the ARC Review Panel, without publicly receiving guidance or comments from the consultant hired by the ARC to assist in the process, began the process of scoring the applications based on the four merit criteria outlined by Casino Gaming Rule 2.13.9: (1) experience in gaming; (2) financial stability; (3) Pope County project specifications; and (3) timeline for opening. On the same date it issued the scores attached as **Exhibit J**, and pursuant to Casino Gaming Rule 2.13.9(d), the ARC issued letters to the applicants notifying them of their scores. *See Exhibit K*. Gulfside initially had a higher score, 637, to CNB's 572.

IV. Procedures Following Scoring

24. On the same day and immediately following the scoring of the applications, the executive director of the ARC, Mr. John C. "Smokey" Campbell issued letters to counsel for Legends and counsel for Gulfside in addition to the letter attached as **Exhibit K**.

25. Mr. Campbell's letter to Legends' Counsel states:

The Arkansas Racing Commission denies your application for a license to operate a casino in Pope County pursuant to amendment 100 and rule 2.13.12 (a)(iv), as you received the lower score of the applicants. You may ask for a hearing pursuant to rule 2.13.12(c) and rule 18 if you desire, within fifteen days of receipt of the denial letter.

See Exhibit L.

26. Legends' Counsel was not the applicant. Thus, it is not clear what effect this letter has.

27. Mr. Campbell's letter to Gulfside's counsel states:

The Arkansas Racing Commission awards a license to operate a casino in Pope County pursuant to amendment 100 and rule 2.13.10 (a). Please contact the Director of the Arkansas Racing Commission for instructions on how to commence operations.

See Exhibit M.

28. Gulfside's counsel was not the applicant. The letter does not state that Gulfside has been awarded the license. Thus, it is not clear what effect this letter has.

29. Casino Gaming Rule 2.13.10 (a) provides: "The Commission shall award and issue a casino license within 30 business days from the date the Commission announces that the application process has concluded."

30. The letter to Gulfside's counsel is thus unclear whether it awards Gulfside a license as of the date of the letter or thirty days later as provided in Rule 2.13.10(a).

31. At the June 18, 2020 meeting, the only letter that the Commission voted on and authorized was a letter notifying the applicants of their scores and expressing an intent to award the license to the highest scoring applicant. The Commission did not vote either to award a license to Gulfside or to deny a license to Legends. The Commission did not vote to authorize Director Campbell to issue either a letter of award or a letter of denial. Amendment 100 and the Casino Gaming Rules are clear that Director Campbell does not have authority to award or deny a license, only the Commission holds that authority. Therefore, the two letters from Director Campbell were issued without authority and the Commission should correct that error.

V. Biased Commissioner

32. On June 19, 2020, counsel for Legends filed an affidavit of bias pursuant to Ark. Code Ann. § 25-15-213. See **Exhibit N**.

33. The Attorney General's Office advised the ARC that the proper method to challenge bias of a Commissioner in scoring was through the affidavit of bias process set out in the Administrative Procedures Act. Ark. Code Ann. § 25-15-213(2)(C).

34. The ARC set and held a meeting on June 22, 2020, to determine whether Commissioner Rice's scoring was the product of personal bias. At the meeting, the ARC found, by three separate motions, that the Affidavit of Bias was (1) timely; (2) in good faith; and (3) sufficient.

35. The ARC found and established the following facts and conclusions of law:

- a. that the Arkansas Administrative Procedures Act requires that "[a]ll presiding officers and all officers participating in decisions shall conduct themselves in an impartial manner and may at any time withdraw if they deem themselves disqualified." Ark. Code Ann. § 25-15-213(a)(2)(B);
- b. that if a board member participating in decisions at a hearing fails to disclose his bias and fails to withdraw from a decision, a party may file an affidavit of bias and for disqualification, which "shall be granted if timely, sufficient, and filed in good faith." Ark. Code Ann. § 25-15-213(a)(2)(C);
- c. that the affidavit was timely, sufficient, and filed in good faith;

- d. that it became apparent at the June 18, 2020 presentations that Commissioner Butch Rice was personally biased and predisposed against CNB and in favor of Gulfside and should not have participated in the decisions in the hearing
- e. that Commissioner Rice gave a 71-point advantage to Gulfside on his scoresheet (29/100 vs 100/100);
- f. that in so doing, Mr. Rice deprived CNB of more than 10% of the total points available from the entire Review Panel (700);
- g. that this action is not defensible as a good faith scoring of the applicants; and
- h. that, rather, on its face, Commissioner Rice's scoring was designed to create mathematical impossibility of the defeat for his preferred applicant.

36. Moreover, at the meeting it was revealed that the ARC had been provided evidence that Commissioner Rice met multiple times with Gulfside alone throughout 2020.

37. Based upon this finding of bias and disqualification of Commissioner Rice's score, Legends has the highest application score. The APA and this Commission's Rules compel that Commissioner Rice's scores be disqualified and the remaining scores to be used to decide who was the highest scoring applicant. The scores of the Review Panel without Commissioner Rice's score should stand and Legends should be awarded the Pope County casino license. Legends is qualified

under all other merit criterion in the Casino Gaming Rules. Therefore, Legends is entitled to the Pope County casino license and requests that it be awarded the license.

CAUSES FOR REVERSAL

I. The ARC's Licensure Decision Is Erroneously Based Upon Biased Scoring

38. Legends incorporates paragraphs 1 - 37.

39. The ARC's licensure decisions, including denying Legends a casino license and awarding a license to Gulfside, are arbitrary, capricious, ultra vires, and not authorized by the Casino Gaming Rules.

40. The ARC's licensure decisions are based upon scoring that the ARC itself has found to be biased and not defensible as a good faith scoring of the applicants.

41. The Administrative Procedures Act requires that an affidavit of bias and for disqualification "shall be ruled on by the agency and granted if timely, sufficient, and filed in good faith." Ark. Code Ann. § 25-15-213(2)(C). Granting of the affidavit means that the Commissioner is disqualified from participating in decisions in which he is biased. Ark. Code Ann. § 25-15-213(2)(B).

42. Accordingly, Commissioner Rice's scores are now disqualified and cannot be used to determine which applicant to award a casino gaming license in Pope County, Arkansas.

43. The ARC's findings disqualify Mr. Rice's scores, and pursuant to the Casino Gaming Rules, specifically Casino Gaming Rule 2.13.9(d), the ARC is required to issue new scores to both applicants.

44. Without Commissioner Rice’s scores, Legends received a total score of 543 and Gulfside received a total score of 537.

45. Pursuant to Casino Gaming Rule 2.13.9(d), Legends now holds the highest score between the applicants.

46. Legends should be awarded the casino license for Pope County, Arkansas pursuant to the Casino Gaming Rules.

47. Both letters issued on June 18, 2020, to counsel for the two applicants, were issued without the authority of the Commission and should be withdrawn. They were also issued pursuant to the initial and biased scores detailed on **Exhibit J**, are in violation of the Casino Gaming Rules as the scores do not still stand.

48. For these reasons, this Commission should reverse its licensure decisions, its denial of Legends, and its intent to award a casino license to Gulfside, and award Legends a casino license.

II. Gulfside Fails To Meet The Minimum Qualifications As Prescribed By Amendment 100

49. Legends incorporates paragraphs 1 – 48.

50. Gulfside is not a qualified applicant pursuant to Amendment 100.

51. Specifically, Amendment 100 states that the ARC “shall require all casino applicants for a casino license in Pope County and Jefferson County to submit either a letter of support from **the** county judge or a resolution from **the** quorum court in the county where the proposed casino is to be located. . . .” Ark. Const. Amend. 100, § 4(n) (emphasis added). “Casino applicant” is defined as “any individual, corporation,

partnership, association, trust, or other entity **applying for a license** to conduct casino gaming at a casino.” Ark. Const. Amend. 100, § 2(b) (emphasis added).

52. Gulfside was not a “casino applicant” as defined by Amendment 100 until it filed its application in May 2019.

53. Amendment 100 specifically requires that the applicant submit a letter or resolution of support from **the** County Judge or Quorum Court.

54. At the time Gulfside became a “casino applicant,” Jim Ed Gibson, the only person to issue a letter of support for Gulfside, was no longer **the** County Judge.

55. Further, before Gulfside submitted its application in May 2019, Pope County Judge Ben Cross made it abundantly clear that the Office of County Judge no longer supported Gulfside. When Gulfside submitted its application, it had zero support from **the** county officials and the prior support that had been offered was withdrawn.

56. For these reasons, this Commission should find that Gulfside is not a qualified applicant, deny Gulfside’s application, and reverse its licensure decision and denial to Legends. Accepting an unqualified applicant and issuing a license to such an applicant is arbitrary, capricious, and ultra vires.

III. ARC’s Licensure Decision Is Arbitrary Based Upon Gulfside’s Material Misrepresentations

57. Legends incorporates paragraphs 1 through 56.

58. Casino Gaming Rule 2.13.5(d) states that “Casino applicants shall provide a complete application with responses for each required item.” Despite

former bankruptcy proceedings and licensure disqualification being directly relevant to financial stability and specifically requested by the ARC and ARC Review Panel in its evaluation, Gulfside failed to provide prior history of relevant bankruptcy filings and adverse licensure decisions.

59. Casino Gaming Rule 2.13.9(b)(iii) requires that the ARC consider the following in determining licensure: “Proof of financial stability and access to financial resources, including but not limited to legal sources of finances immediately available to begin operating a casino.” Despite this requirement, the ARC and ARC Review Panel did not consider all relevant bankruptcy filings or adverse licensure decisions of Gulfside and its owners due to Gulfside’s misrepresentations that neither it, nor its owners or affiliated companies, had ever filed for bankruptcy protection or received adverse decisions on licensure.

60. Casino Gaming Rule 2.13.12(a)(iii) authorizes the ARC to reject an applicant for “[p]roviding misleading, incorrect, false, or fraudulent information with the intent to deceive.” Gulfside intentionally mislead the ARC and the ARC Review Panel as to its owners’ history of bankruptcy and adverse licensure decisions in order to obtain a casino license. The ARC and ARC Review Panel relied upon these misrepresentations in scoring Gulfside’s and Legends’ applications.

61. Casino Gaming Rule 2.13.12(a)(i) authorizes the ARC to reject an applicant for “Failure to provide the information required in these Rules.” Gulfside was required by the rules to provide full and complete information regarding its “Experience conducting casino gaming;” its “Proof of financial stability and access to

financial resources.” Casino Gaming Rule 2.13.9(b)(i) & (iii). Moreover, casino applicants are required to “appear before the Commission and the Commission’s consultant for an interview regarding the casino applicant’s qualifications.” Casino Gaming Rule 2.13.9(a). One of the minimum qualifications for an applicant is that “the owners, shareholders, board members, or officers of the casino applicant . . . Shall not have previously had a casino license in any state revoked.” Casino Gaming Rule 2.13.5(c)(ii). Applicants are expected to provide full, complete, and truthful information to the Commission. As explained above, Gulfside did not do so. It never revealed the prior bankruptcies regarding its ownership group and it failed to reveal that two of its individual owners and officers had prior casino licenses revoked. At the June 18, 2020, meeting, Commissioner Landers directly asked Gulfside’s officer if the applicant had ever declared bankruptcy. Mr. Green provided an intentionally misleading answer. Accordingly, Gulfside’s application for the Pope County casino license should be denied.

62. For these reasons, denying Legends’ application, and granting a license to Gulfside, is arbitrary, capricious, and ultra vires. Legends requests this Commission reverse its licensure decision.

IV. ARC’s Scoring Of Applications Was Arbitrary And Capricious

63. Legends incorporates paragraphs 1 – 62.

64. Casino Gaming Rule 2.13.9(b) requires the ARC consider the following four criteria in scoring applications: (1) experience; (2) timeline; (3) financial stability; and (4) project proposal.

65. Based upon the presentations and applications of the applicants, CNB is objectively more qualified in each criteria than Gulfside.

66. Based upon the presentations and applications of the applicants, the ARC Review Panel, and the ARC, acted arbitrarily and capriciously in finding higher scores for Gulfside than Legends.

67. The ARC, and members of the Review Panel, acted arbitrarily and capriciously in scoring the applications pursuant to Casino Gaming Rule 2.13.9.

WHEREFORE, Legends requests this Commission reverse its decision to deny Legends a license to operate a casino in Pope County; to deny Gulfside a license to operate a casino; to issue an intent to award a casino license to Legends; and for all other appropriate relief.

RESPECTFULLY SUBMITTED,

BART CALHOUN
SCOTT RICHARDSON
DUSTIN McDANIEL
Attorneys for Legends

By:

/s/ Bart Calhoun
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BEN D. CROSS
POPE COUNTY JUDGE

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January 14, 2020

Arkansas Racing Commission
c/o Honorable Chairman, Mr. Alex Lieblong
1515 Building, 1515 West 7th Street, Suite 505
Little Rock, Arkansas 72201

Re: Letter of Support for Cherokee Nation Businesses, LLC/ Legends Resort and Casino, LLC

Dear Chairman Lieblong and Honorable Members of the Arkansas Racing Commission,

Please accept this updated letter of support as reaffirmation of the previously submitted letter dated November 12th, 2019 by this office. In recognition of recent actions by the commission in rejecting the second application period for casino applicants, and in recognition of the provisions of Arkansas Racing Commission Rule 2.13.4(b), in which the commission may accept applications "for good cause shown" beyond the initial (30) day application window; the intent of this updated correspondence is to meet said requirements.

In my capacity as County Judge of Pope County, Arkansas, I, Ben D. Cross, submit this letter to express my exclusive support for Cherokee Nation Businesses, LLC/Legends Resort and Casino, LLC ("Legends") to apply for a casino license in the currently unincorporated portions of Pope County. I have met with representatives from Legends and feel that Legends possesses the qualifications, experience and commitment to community support to successfully operate a casino in Pope County, Arkansas. This letter shall serve as the required letter of support to comply with Rule 2.13, Section 5 (b) of the Arkansas Racing Commission Casino Gaming Rules, ACT 371 of 2019, and pursuant to Amendment 100 to the Arkansas Constitution.

This letter is in addition to a resolution of support in favor of Legends issued by the Pope County Quorum Court on August 13, 2019, and is also being submitted under the advice of counsel to mitigate litigation exposure to our county and avert further expense to our local taxpayers in defending any such actions on a local level by relying upon the statutory requirements in question.

Respectfully submitted,


Ben D. Cross – Pope County Judge



BEN D. CROSS
POPE COUNTY JUDGE



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(479) 968-7487 Fax (479) 967-6874
pcjudge@suddenlinkmail.com

November 12, 2019

Arkansas Racing Commission
c/o Honorable Chairman, Mr. Alex Lieblong
1515 Building, 1515 West 7th Street, Suite 505
Little Rock, Arkansas 72201

Re: Letter of Support for Cherokee Nation Businesses, LLC/ Legends Resort and Casino, LLC

Dear Chairman Lieblong and Honorable Members of the Arkansas Racing Commission,

In my capacity as County Judge of Pope County, Arkansas, I, Ben D. Cross, submit this letter to express my exclusive support for Cherokee Nation Businesses, LLC/Legends Resort and Casino, LLC ("Legends") to apply for a casino license in the Pope County municipality of Dover. I have met with representatives from Legends and feel that Legends possesses the qualifications, experience and commitment to community support to successfully operate a casino in Pope County, Arkansas. This letter shall serve as the required letter of support to comply with Rule 2.13, Section 5 (b) of the Arkansas Racing Commission Casino Gaming Rules, ACT 371 of 2019, and pursuant to Amendment 100 to the Arkansas Constitution.

This letter is in addition to a resolution of support in favor of Legends issued by the Pope County Quorum Court on August 13, 2019, and is also being submitted under the advice of counsel to mitigate litigation exposure to our county and avert further expense to our local taxpayers in defending any such actions on a local level by relying upon the statutory requirements in question.

Respectfully submitted,

Ben D. Cross
Pope County Judge



BEN D. CROSS
POPE COUNTY JUDGE



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November 12, 2019

Arkansas Racing Commission
c/o Honorable Chairman, Mr. Alex Lieblong
1515 Building, 1515 West 7th Street, Suite 505
Little Rock, Arkansas 72201

Re: Letter of Support for Cherokee Nation Businesses, LLC/ Legends Resort and Casino, LLC

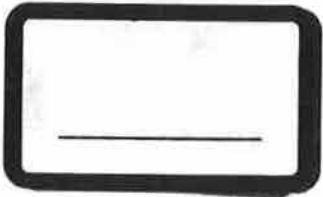
Dear Chairman Lieblong and Honorable Members of the Arkansas Racing Commission,

In my capacity as County Judge of Pope County, Arkansas, I, Ben D. Cross, submit this letter to express my exclusive support for Cherokee Nation Businesses, LLC/Legends Resort and Casino, LLC ("Legends") to apply for a casino license in the currently unincorporated portions of Pope County. I have met with representatives from Legends and feel that Legends possesses the qualifications, experience and commitment to community support to successfully operate a casino in Pope County, Arkansas. This letter shall serve as the required letter of support to comply with Rule 2.13, Section 5 (b) of the Arkansas Racing Commission Casino Gaming Rules, ACT 371 of 2019, and pursuant to Amendment 100 to the Arkansas Constitution.

This letter is in addition to a resolution of support in favor of Legends issued by the Pope County Quorum Court on August 13, 2019, and is also being submitted under the advice of counsel to mitigate litigation exposure to our county and avert further expense to our local taxpayers in defending any such actions on a local level by relying upon the statutory requirements in question.

Respectfully submitted,

Ben D. Cross
Pope County Judge



RESOLUTION NO. 2019-R- 014


“BE IT RESOLVED BY THE QUORUM COURT OF THE COUNTY OF POPE, STATE OF ARKANSAS THAT: A RESOLUTION IN SUPPORT OF CHEROKEE NATION BUSINESSES, LLC/LEGENDS RESORT AND CASINO, LLC (COLLECTIVELY “CNB”) CASINO LICENSE APPLICATION”


WHEREAS, we the Pope County Quorum Court have considered the qualifications and suitability of five potential casino operators to establish a facility in Pope County, giving specific attention to public safety, public benefit, business integrity, entertainment amenities and long-term commitment to community partnership; and

WHEREAS, The County Judge has executed an Economic Development Agreement with CNB that establishes significant commitments to the benefit of Pope County; We thank the County Judge for the leadership and judgment he has demonstrated in selecting the proposal and operator best suited for Pope County and negotiating the most favorable terms possible in the Agreement,

NOW THEREFORE BE IT RESOLVED that the Pope County Quorum Court grants and expresses its support for a casino license application to be submitted by the Cherokee Nation Businesses, LLC/Legends Resort and Casino, LLC to build and operate the Legends Resort and Casino in Pope County, Arkansas.

DATE: 8-13-19

APPROVED:

BEN D. CROSS, COUNTY JUDGE
DATE SIGNED: 8/13/2019
@ 7:25 P.M.

ATTEST:

PAM ENNIS, COUNTY CLERK

VOTES FOR: 8 VOTE AGAINST: 4
ABSTAIN: 1 PRESENT: 13 ABSENT: 0

A-335

FILED

2019 AUG 13 PM 7:45

PAM ENNIS
POPE COUNTY CLERK

PE

ECONOMIC DEVELOPMENT
AGREEMENT

This Economic Development Agreement (the "Agreement") is entered into as of August 13th, 2019 by and between the citizens of Pope County, Arkansas acting by and through the Pope County Judge Ben Cross (the "County") and Cherokee Nation Businesses, LLC, (the "Operator"). Capitalized terms used and defined elsewhere in this Agreement are defined in Section 1.

RECITALS

- A. Operator seeks to make application to the Arkansas Racing Commission (the "Commission") for the casino license established in Arkansas Constitutional Amendment 100 in Pope County, Arkansas (the "License").
- B. As a condition precedent to submission of such application, Operator is required by Amendment 100, the Rules of the Commission, and Arkansas Act 371 of 2019, to provide written evidence of the County's support of said application;
- C. The Pope County Judge has the authority, pursuant to Ark. Const. Amend 55 Sec 1(a) and Ark. Code Ann. Sections 14-14-801(a), 14-14-801(2), 14-14-1102(b)(7)(A), 14-164-201, *et seq.*, 14-170-205, and 14-176-103, to negotiate in good faith with the Operator, to enter into this Agreement, to perform all of the terms and conditions imposed upon the County hereunder, and to require performance by Operator of the terms and conditions upon it hereunder;
- D. Operator's development plans contemplate not only a Casino, but also ancillary facilities including recreational and entertainment components;
- E. The Project will result in hundreds of millions of dollars of capital investment by Operator, thousands of jobs, significant direct and indirect revenues and other economic benefits to the County and surrounding area; and
- F. This Agreement shall become effectuated, fully executed and enforceable upon endorsement signatures of representatives of both the County and Operator and the passage of a Resolution of Support by the Pope County Quorum Court for the Operator's casino license application to be submitted to the Commission.

NOW, THEREFORE, in consideration of their execution and delivery of this Agreement, the passage of a Resolution of Support for the Operator and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Operator and the County hereby agree to the following:

1. Definitions

The terms defined in this Section 1 shall have the meanings indicated for purposes of this

Agreement. Capitalized terms which are used primarily in a single Section of this Agreement are defined in that Section.

- (a) "Amendment 100" refers to Amendment 100 to the Arkansas Constitution, known as the Arkansas Casino Gaming Amendment of 2018.
- (b) "Casino" shall have the meaning given such term in Rule 1.065 of the Rules.
- (c) "Commission" means the Arkansas Racing Commission.
- (d) "Rules" means the Arkansas Casino Gaming Rules in effect from time to time as promulgated by the Commission pursuant to Amendment 100.

2. General Provisions

2.1 Purpose

The County has determined that the development, construction and operation of the Project will (i) be in the best interests of the citizens of Pope County and its municipalities; (ii) support and contribute to the economic growth within the County and the entire State of Arkansas; (iii) contribute to the provision and preservation of gainful employment opportunities for residents of the County; and (iv) support and promote tourism in Central Arkansas and the County. Accordingly, the County Judge has evaluated each potential operator for Pope County and the terms of a potential agreement prior to agreeing to the terms of this Agreement.

2.2 Application for License

Operator shall comply with the applicable rules and regulations adopted and/or prescribed by the Commission, presently or in the future, which govern the operation of Casino gaming at the Project, including the Rules. The parties agree that (i) the Rules are incorporated into this agreement, as and when adopted or prescribed, the same as if set forth fully herein, and (ii) in the event of a conflict between the provisions of this Agreement and the Rules, the Parties agree to take all reasonably necessary steps to amend or modify this Agreement to accommodate or reflect the Rules in a manner that preserves to the extent possible the economic benefits of the transactions contemplated hereby to each of the Parties.

2.3 Term

The term of this Agreement shall commence upon (i) execution of this Agreement by the County Judge, and the authorized representative of the Operator, and (ii) the passage of a Resolution of Support for the Operator's Casino License Application to be submitted to the Commission, and shall continue until the expiration of the term of the License, including any and all renewals or extensions thereof (the "Term").

3. Project

(a) Operator will pursue development of the Project, which will meet the following minimum commitments:

i. a minimum construction cost of Two Hundred Twenty Five Million DOLLARS (\$225,000,000), in addition to the Economic Development Fee referenced in 4.1(b) below;

ii. casino/gaming facilities constructed in compliance with the License and any rules or regulations imposed by the Commission;

iii. a hotel with a minimum of 200 rooms which shall, meet the construction and operational standards necessary to achieve the American Automobile Association's "Four Diamond" hotel rating, or substantial equivalent thereof;

iv. a mixed-use indoor conference and music venue capable of accommodating a minimum of one thousand (1,000) guests;

v. multiple price-point dining facilities, sports bar/communal areas;

vi. a sports book/simulcast parlor, subject to the Commission's Rules;

vii. a waterpark;

viii. a recreational vehicle park;

ix. an outdoor music venue capable of accommodating a minimum of five thousand (5,000) guests;

x. a medical air ambulance landing zone for use by medevac patients; and

xi. a separate, secure office space to be utilized as a sub-station by local law enforcement agencies.

(b) Operator shall use commercially reasonable efforts to promptly apply for, pursue and obtain the License, in the name of its wholly owned subsidiary, Legends Resort and Casino, LLC, an Arkansas LLC, and all other approvals necessary for the design, development, construction and operation of the Project (the "Approvals").

(c) Operator agrees to keep the County reasonably informed with respect to the progress of design and construction of the Project. The County acknowledges and agrees that the Operator may alter the Project and its components from time to time provided that said alterations shall remain in compliance with this Agreement.

3.1 Duty to Complete; Commencement of Operations

The Operator will use commercially reasonable efforts to commence and complete construction of the Project, and to commence operations of the Project, at the earliest dates reasonably practicable, taking into account, among other factors, (i) the process for obtaining the License and the Approvals, and the potential of regulatory delays and/or legal challenges, (ii) the typical time frames for design, development and construction of projects of this nature and magnitude, (iii) the process of recruiting and training the necessary skilled workforce and obtaining all necessary permits/licenses for operating the Project, and (iv) events or factors that are unforeseeable or outside the Operator's control, including any Force Majeure event.

3.2 Project Operations

Operator agrees to diligently operate and maintain the Project in accordance with the Rules and in compliance with this Agreement.

3.3 Maintenance; Transfer

(a) Operator agrees at all times during the term of this Agreement to use reasonable business judgment and diligence to maintain and/or upgrade the improvements comprising the Project, and to refrain from making transfers of any interest in the Project except as may be expressly authorized by the Commission and in consultation with the County Judge and Quorum Court of Pope County.

(b) The terms of this Agreement shall be binding and enforceable by the County against any successor in interest to the Operator.

4. Obligations of Operator

4.1 Economic Development Fee

(a) The Operator recognizes and acknowledges that the construction and operation of the Project will cause direct and indirect impacts and benefits within Pope County. The Operator also recognizes and acknowledges that the ultimate responsibility to mitigate the community impacts of the Project rests upon local governmental units.

(b) The Operator shall be obligated to pay Economic Development Fees in the total amount of Thirty-Eight Million Eight Hundred Thousand DOLLARS (\$38,800,000.00) (the "EDF"), to be distributed among certain municipalities and fire protection districts or associations within Pope County. Operator shall deliver to the Recipients within thirty (30) days of the successful resolution of all litigation or administrative challenges relating to the issuance of the License (the "Final Conditions") cashier's checks, as follows, to-wit:

- i. \$27,599,373 to Pope County, Arkansas;
- ii. \$3,361,608 to the City of Pottsville, Arkansas;
- iii. \$3,532,236 to the City of Atkins, Arkansas;
- iv. \$1,444,000 to the City of London, Arkansas;
- v. \$1,505,356 to the City of Dover, Arkansas;
- vi. \$242,427 to the City of Hector, Arkansas;
- vii. \$800,000 to the Crow Mountain Fire Protection District;
- viii. \$130,000 to the Pope County Fire Association;
- ix. \$30,000 to the Arkansas Tech University Foundation;
- x. \$25,000 to the Russellville Center For the Arts;
- xi. \$25,000 to the Dover Public Education Foundation;
- xii. \$25,000 to the Hector Public Education Foundation;
- xiii. \$25,000 to the Atkins Red Devil Foundation;
- xiv. \$25,000 to the Pottsville Community Scholarship Fund;
- xv. \$10,000 to the Dover Chamber of Commerce;
- xvi. \$10,000 to the Atkins People For a Better Atkins; and
- xvii. \$10,000 to the River Valley Arts Center.

(c) The EDF hereinabove provided is agreed to be appropriate and adequate and fairly and lawfully established. Any share of the EDF that is refused by a Recipient will be paid to Pope County.

4.2 Community Development Grants

(a) It is in the best interests of the County and the Operator to provide resources for continuing charitable contributions to the people of Pope County, Arkansas. Accordingly, beginning on the second anniversary date of the commencement of Casino gaming operations, and on each subsequent anniversary date during the term of this Agreement, Operator shall contribute the sum of Two Million DOLLARS (\$2,000,000) to a charitable foundation which is properly established and operating pursuant to state and federal law to be designated by the County prior to commencement of the payments described in this sub-section.

(b) The amount of the contributions provided in (a) above shall be adjusted every five (5) years during the term hereof to reflect the percentage increase in the Consumer Price Index for All Urban Consumers, U.S. City Average published by the Bureau of Labor Statistics of the United States Department of Labor ("CPI") over the previous five (5) years, calculated by using the most recently published CPI at the date of the adjustment, and the CPI on the same date five (5) years prior to the date of the adjustment.

4.3 Ongoing Research and Economic Development Support

(a) Operator shall contribute the sum of Twenty Five Thousand DOLLARS (\$25,000), every two (2) years during the term of this Agreement, to the Arkansas Tech University Foundation for purposes of study/research relating to the economic impact of the Project.

(b) Operator shall contribute the sum of One Hundred Thousand DOLLARS (\$100,000) annually to the Russellville Economic Development Alliance, or its successor or assigns.

(c) The amount of the contributions provided in (a) and (b) above shall be adjusted every five (5) years during the term hereof to reflect the percentage increase in the Consumer Price Index for All Urban Consumers, U.S. City Average published by the Bureau of Labor Statistics of the United States Department of Labor ("CPI") over the previous five (5) years, calculated by using the most recently published CPI at the date of the adjustment, and the CPI on the same date five (5) years prior to the date of the adjustment.

(d) The contributions provided in (a) and (b) above shall begin on the first anniversary date of the commencement of Casino gaming operations.

4.4 Certain Hiring Practices

(a) Operator agrees to use commercially reasonable efforts to create positions for and set a targeted goal of filling three percent (3%) of its workforce at the Project with individuals who have one or more "disabilities" (as that term is defined under the Americans with Disabilities Act).

(b) Operator agrees to hire a full time employee certified as an addiction counselor or contract with an appropriate Pope County non-profit organization to provide addiction counseling services.

(c) Operator agrees that upon commencement of operations, all employees who do not receive gratuities as part of their regular compensation will be subject to a \$13 per hour minimum wage.

4.5 Utility Services; Infrastructure

County agrees to fully cooperate with, utilize its best efforts, and actively assist Operator in the timely procurement of necessary utility and other public services, including, without limitation, electric, gas, water, sewer and sanitation services, as well as necessary infrastructure improvements, including, without limitation, street and highway improvements, access thoroughfares, curb cuts and signalized intersections, all at costs, assessments or rates generally available to other commercial users within Pope County, Arkansas. Operator agrees that it will

assume and pay all costs associated with the street and drainage infrastructure improvements and modifications upon county roadways and rights-of-way necessary for the development of the Project.

5. Covenants of Operator

The Operator covenants that throughout the Term, the Operator shall:

(a) Do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence, and refrain from making any organic changes to its legal form (including changing the legal status of its wholly owned subsidiary as an Arkansas LLC), or any changes in the status of the Project site that would have the effect of eliminating or changing any of its responsibilities regarding the payment of taxes, assessments, levies, permit fees, or the like, to the State of Arkansas or any subdivision or agency thereof, or to Pope County or any of its subdivisions, municipalities or agencies thereof

(b) Do or cause to be done all things necessary to preserve, renew and keep in full force and effect the rights, licenses, registrations, permits, certifications, approvals, consents, franchises, patents, copyrights, trade secrets, trademarks and trade names that are used in the conduct of its businesses and other activities, and comply with all governmental requirements applicable to the operation of its business and other activities, in all material respects, whether now in effect or hereafter enacted.

(c) Violation or breach of this Section shall result in liquidated damages equal to the then present value of the subsequent 15 years of tax losses to the state of Arkansas, Pope County and all municipalities within, as a direct result of such a breach or violation.

6. Default

6.1 Events of Default

The occurrence of any of the following shall constitute an "Event of Default" under this Agreement:

(a) If any material representation or warranty made by Operator hereunder shall prove to have been false or misleading in any material respect as of the time made or furnished.

(b) Subject to Force Majeure, if Operator shall materially default in the performance of any (i) governmental requirement; or (ii) commitment, agreement, covenant, term or condition (other than those specifically described in any other subparagraph of this Section 6.1) of this Agreement, and in such event if Operator shall fail to remedy any such default within one hundred eighty (180) days after receipt of written notice of default with respect thereto.

(c) If Operator fails to make any payments required to be made by Operator hereunder as and when due, and further fails to make any such payment within ninety (90) days after receiving written notice of default from the County; provided that if any such payment be the subject of a good faith dispute as to the amount thereof and Operator is proceeding with diligence to resolve such dispute, the time for making such payment shall be extended pending such resolution.

(d) If the County, either through letter from the County Judge's Office or Resolution of the Quorum Court, endorses or expresses support for any other casino license applicant during the term of this Agreement.

6.2 Remedies

(a) Upon an Event of Default, the County shall have the right if it so elects to: (i) institute and prosecute proceedings to enforce in whole or in part the specific performance of this Agreement by Operator, and/or to enjoin or restrain Operator from commencing or continuing said breach, and/or to cause by injunction Operator to correct and cure said breach or threatened breach; and/or (ii) exercise any and all other remedies available at law or in equity.

(b) Except as expressly stated otherwise, the rights and remedies of the County whether provided by law or by this Agreement, shall be cumulative, and the exercise by the County of any one or more of such remedies shall not preclude the exercise by it, at the same or different times, of any other such remedies for the same default or breach, to the extent permitted by law. No waiver made by the County shall apply to obligations beyond those expressly waived in writing.

(c) In the event that the County, either through letter from the County Judge's Office or Resolution of the Quorum Court endorses or expresses support for any other casino license applicant during the term of this Agreement, this Agreement shall become voidable, at the election of the Operator, after which Operator shall no longer be bound hereunder and may continue to pursue its casino license application utilizing the Resolution of Support before the Commission.

6.3 Termination

Except for the provisions that by their terms survive, this Agreement shall terminate upon the occurrence of any of the following, and upon notification of such occurrence by Operator to County:

(a) The Commission fails to issue the License or issues the same to someone other than Operator;

(b) Operator's License (i) is revoked by a final, non-appealable order; (ii) expires and is not renewed by the Commission and Operator has exhausted any rights it may have to appeal such

expiration or non-renewal; or (iii) subsequently terminates due to conditions the Commission imposes which are not satisfied within the time periods specified therein, subject to any cure periods or extension rights.

7. Miscellaneous

7.1 Applicable Law and Construction

The laws of the State of Arkansas shall govern the validity, performance and interpretation of this Agreement. This Agreement has been negotiated by the County and Operator, and the Agreement, shall not be deemed to have been drafted by the County or by the Operator, but by each of them.

7.2 Venue

The parties expressly agree that any actions or legal proceedings relating to this Agreement may be brought in the State of Arkansas and that any legal action or procedure of any nature which may be brought by any party relating to this Agreement may only be brought in the following venues, to wit: the Circuit Court sitting in Pope County, Arkansas, or the United States District Court sitting in Little Rock, Arkansas.

7.3 Complete Agreement

This Agreement constitutes the full and complete agreement between the parties with respect to the subject matter hereof, and supersedes and controls in its entirety over any and all prior agreements, understandings, representations and statements whether written or oral by each of the parties.

7.4 No Joint Venture

The County and the Operator agree that nothing contained in this Agreement or any other documents executed in connection herewith is intended or shall be construed to establish the County and Operator as joint venturers or partners.

7.5 Time of the Essence

All times, wherever specified herein for the performance by Operator of its obligations hereunder, are of the essence of this Agreement.

7.6 Captions

The captions of this Agreement are for convenience of reference only and in no way define, limit or describe the scope or intent of this Agreement or in any way affect this Agreement.

7.7 Force Majeure

(a) An event of "Force Majeure" shall mean the following events or circumstances, to the extent that they delay or otherwise adversely affect the performance beyond the reasonable control of Operator, or its agents and contractors, of their duties and obligations under this Agreement: (i) Strikes, lockouts, labor disputes, disputes arising from a failure to enter into a union or collective bargaining agreement, inability to procure materials on favorable terms due to market-wide shortages, failure of utilities, labor shortages or explosions; (ii) Acts of God, tornadoes, floods, sinkholes, fires and other casualties; (iii) Acts of a public enemy, acts of war, terrorism, effects of nuclear radiation, or national or international calamities; (iv) Concealed and unknown conditions of an unusual nature that are encountered below ground or in an existing structure; (v) Any litigation or administrative delay which impedes the ability of Operator to complete the Project, unless based in whole or in part on the actions or failure to act of Operator; (vi) The failure by, or unreasonable delay of, the County, the State of Arkansas or any other governmental authority or subdivision to issue any licenses, permits or approvals on terms Operator reasonably deems necessary to develop, construct, open or operate the Project, unless such failure or delay is based materially on the actions or failure to act of Operator, or its agents and contractors; or (vii) Any impacts to major modes of transportation to the Project Site, whether private or public, which adversely and materially impact access to the Project Site.

(b) Notwithstanding any other provision of this Agreement to the contrary, Operator shall be entitled to an adjustment in the time for, or excuse of the performance of, any duty or obligation of Operator under this Agreement for Force Majeure events, but only for the number of days due to and/or resulting as a consequence of such causes and only to the extent that such occurrences actually prevent or delay the performance of such duty or obligation or cause such performance to be commercially unreasonable.

7.8 Amendments

This Agreement may not be modified or amended except by a written instrument signed by the Parties; provided, however, that the parties acknowledge that the Commission may, subsequent to the date of this Agreement, promulgate additional rules or regulations, issue interpretations or adopt policies or evaluation criteria which rules, regulations, interpretations, policies or criteria may conflict with, or may not have been contemplated by, the express terms of this Agreement. In such event, the Parties agree to take all reasonably necessary steps to amend or modify this Agreement to accommodate or reflect the provisions of all such regulations, interpretations, policies or criteria, in a manner that preserves to the fullest extent possible the economic benefits of the transactions contemplated hereby to each of the Parties.

7.9 Further Assurances and Assistance

The County and Operator will cooperate and work together in good faith to the extent reasonably necessary and commercially reasonable to accomplish the mutual intent of the parties that the Project be successfully completed as expeditiously as is reasonably possible. The County also agrees to utilize its best efforts to assist Operator in its dealings with the City of Russellville, whether in obtaining required approvals, services, permits or permissions or addressing matters of concern or importance to its officials or citizens.

7.10 Severability

In the event one or more provisions of the Agreement shall be deemed unenforceable, the remaining provisions of this Agreement shall remain in full force and effect.


7.11 Exclusivity

County agrees that it shall not negotiate or enter into another economic development agreement, or any similar agreement to this Agreement, with any other party so long as this Agreement has not been terminated.

IN WITNESS WHEREOF, the Parties have set their hands and had their seals affixed on the dates set forth after their respective signatures below on this 13th day of August, 2019.

“COUNTY”

Counsel for Pope County, Arkansas


By: 
Ben D. Cross
Pope County Judge
8/13/2019
@ 7:18 P.M.


Clayton E. McCall
McCall Law Firm
1020 West Main St.
Russellville, AR 72801

“OPERATOR”

Counsel for Cherokee Nation Businesses,
LLC

By: 
Charles Garrett
Executive Vice President
Cherokee Nation Businesses, LLC


Dustin McDaniel
McDaniel, Richardson and Calhoun, PLLC
1020 West 4th St.
Suite 410
Little Rock, AR 72201

BEFORE THE ARKANSAS RACING COMMISSION

**IN THE MATTER OF
APPLICATION OF CHEROKEE NATION BUSINESSES, LLC
FOR A CASINO GAMING LICENSE IN POPE COUNTY, ARKANSAS**

AFFIDAVIT OF MISREPRESENTATION

Dustin McDaniel, upon oath, states for his Affidavit of Misrepresentation the following:

1. The following information is based on public records and is true and accurate to the knowledge of the Affiant.

2. Casino Gaming Rule 2.13.5(d) states that “Casino applicants shall provide a complete application with responses for each required item.”

3. Casino Gaming Rule 2.13.12(a)(iii) authorizes the ARC to reject an applicant for “[p]roviding misleading, incorrect, false, or fraudulent information with the intent to deceive.”

4. Gulfside representative Terry Green was asked directly more than once about whether he or his partners in any previous casino operation had ever defaulted on debts and filed bankruptcy.

5. Mr. Green responded that “I have never filed bankruptcy.” That is true if limited to his personal capacity, but it is an intentional misrepresentation of material facts relevant to the inquiry.

6. Mr. Green was an owner and operator of at least three casino companies that filed Bankruptcy:

- a. Carter-Green-Redd, Inc (Mississippi 1989) (attached as Exhibit A)
- b. Pride Cruise Lines, Ltd. (Texas 1992-1998) (attached as Exhibit B)
- c. Gulfside Casino, Inc. (Mississippi 1997) (attached as Exhibit C)

7. In the 1980's, Mr. Terry Green and Mr. Joel Carter were partners in Carter-Green-Redd, Inc. which operated a casino cruise ship known as the "Pride of Mississippi."

8. In 1989 Carter-Green-Redd, Inc. filed for Bankruptcy in Southern District of Mississippi.

9. Mr. Carter and Mr. Green appear to have lost their ability to hold a Mississippi Gaming license, which did not get restored until 1998, the same year that all bankruptcy proceedings finally resolved.

10. After leaving Mississippi, Mr. Carter and Mr. Green opened another casino cruise ship company in Texas, Pride Cruise Lines, Ltd. It owned a ship called "Pride of Galveston."

11. The Pride of Galveston was seized by US Marshalls on the order of a Federal Judge because US Attorney Ronald G. Woods filed an action alleging that they were violating federal gambling laws.

12. Terry Green commented to the local press at the time: "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)

13. Mr. Green and Mr. Carter returned to Mississippi from Texas, and they tried to reopen The Pride of Mississippi as The Copa Casino, their flagship property to this day.

14. According to the Commercial Appeal, Green and Carter sold all the stock in the Copa in 1993 to investors, a company called Sands Regent, which reorganized the Copa into Gulfside Casino, Inc.

15. That arrangement later resulted in litigation among the investors. The lawsuit alleged that 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).

16. It was the bankruptcy of Gulfside Casino, Inc. that Commissioner Landers asked Terry Green about at the meeting on June 18, 2020. Mr. Green said he was only a minor owner, but Gulfside Casino, Inc., Gulfside Casino Partners, LLC and Copa Casino all have their roots in the bankrupt origins of the casino operations of Pride of Mississippi and Pride of Galveston.

17. Mr. Green had a legal obligation to be completely forthcoming when asked about the history of bankruptcies in his gaming past. Mr. Green failed to disclose, much less explain, the three casino related bankruptcies he was involved in, even though one of which lasted for six years.

18. A search of the United States Securities and Exchange Commission’s (“SEC”) EDGAR database reveals that in 1998 Sands Regent filed a Form 10-K with the SEC disclosing the sale of its interest in the Copa Casino apparently being operated by Mr. Green and Mr. Carter to Gulfside Partnership. Paragraph 16 of the agreement discloses a “civil penalty” being levied against the Copa Casino by the Financial Crimes Enforcement Network (“FINCEN”) of the United States Department of the Treasury. The Agreement shown in the Form 10-K describes the matter as follows:

[FINCEN] has made a preliminary determination to impose a civil penalty upon Gulfside Partnership in the amount of \$1,321,622.00 for the alleged failure to timely file reportable currency transactions between the period September 1, 1993 through December 31, 1994 allegedly in violation of the Bank Secrecy Act of 1970, 31 U.S.C. '5311 et seq. as described in a letter from FINCEN dated June 24, 1998 and the schedule of alleged violations attached thereto.

19. Gulfside Partnership failed to disclose that it had been fined for money laundering.

20. These misrepresentations have not only negatively impacted CNB, but the integrity and purpose of this Commission.

21. CNB submits this affidavit into the record of the Arkansas Racing Commission.

IN WITNESS WHEREOF, I hereunto set my hand this ___ day of June, 2020

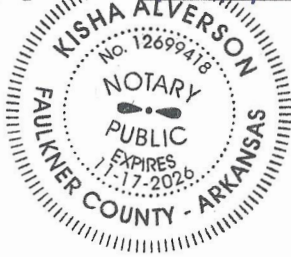

DUSTIN McDANIEL

SUBSCRIBED AND SWORN before me this 19th day of June, 2020.


Notary Public

My Commission Expires on

11/17/2026



U.S. Bankruptcy Court
Southern District of Mississippi (Gulfport-1 Divisional Office)
Bankruptcy Petition #: 89-09796-ERG

Date filed: 12/12/1989
Date terminated: 08/19/1991

Assigned to: Edward Gaines
Chapter 11
Previous chapter 11
Voluntary
Asset

Debtor
CARTER-GREEN-REDD, INC.
P. O. BOX 1539
GULFPORT,, MS 39502
HARRISON-MS
Tax ID / EIN: 88-0238672

represented by **Robert Alan Byrd**
P.O. Box 1939
Biloxi, MS 39533
228 432-8123
Fax : 228 432-7029
Email: rab@byrdwiser.com

Proceedings for case 89-09796-ERG are not available

PACER Service Center			
Transaction Receipt			
06/19/2020 09:08:09			
PACER Login:	scottrich	Client Code:	cherokee
Description:	Docket Report	Search Criteria:	89-09796-ERG Fil or Ent: filed Doc From: 0 Doc To: 99999999 Term: included Format: html Page counts for documents: included
Billable Pages:	1	Cost:	0.10

**U.S. District Court
SOUTHERN DISTRICT OF TEXAS (Houston)
CIVIL DOCKET FOR CASE #: 4:94-cv-00382**

In Re: Pride Cruise DB v.
Assigned to: Judge Kenneth M. Hoyt
Demand: \$0
Case in other court: Bkcy, 92-43954
Cause: 28:0158 Notice of Appeal re Bankruptcy Matter (BA)

Date Filed: 02/04/1994
Date Terminated: 04/04/1994
Jury Demand: None
Nature of Suit: 423 Bankruptcy Withdrawal
Jurisdiction: Federal Question

Appellant

White Petrov McHone

represented by **Louis K Bonham**
Osha Liang LLP
909 Fannin St.
#3500
Houston, TX 77010
713-228-8600
Fax: 713-228-8778
Email: lbonham@oshaliang.com
LEAD ATTORNEY
ATTORNEY TO BE NOTICED

V.

Appellee

Pride Cruise Lines, Limited

represented by **David Baron Foltz , Jr**
David B Foltz P C
1001 Fannin
37th Floor
Houston, TX 77002
713-754-6250
LEAD ATTORNEY
ATTORNEY TO BE NOTICED

V.

Debtor

Pride Cruise Lines, Limited

Amicus

U S Bankruptcy Clerk

represented by **U S Bankruptcy Clerk**
U S Bankruptcy Clerk's Office
515 Rusk
Houston, TX 77002
713/250-5115
PRO SE

Amicus

Date Filed	#	Docket Text
02/04/1994	1	NOTICE of docketing bankruptcy record on appeal (Bk# 92-43954 Adv#), filed. Appellant's brief due 2/19/94 for White Petrov McHone (fmrem) (Entered: 02/07/1994)
02/04/1994		BANKRUPTCY DESIGNATED RECORD on appeal (1 folder) rec'd. (fmrem) (Entered: 02/07/1994)
02/22/1994	2	Appellant's BRIEF by White Petrov McHone , filed. Appellee's brief due 3/9/94 for Pride Cruise Lines (fmrem) (Entered: 02/28/1994)
04/04/1994	3	ORDER to cause a copy of the Bankruptcy Ct findings in cause number 92-43954-H1-7 to be filed in the Ct as instrument of the appeal, cause number 94-CV-382 , entered; Parties notified. (signed by Judge Kenneth M. Hoyt) (fmrem) (Entered: 04/06/1994)
04/04/1994		Case closed (fmrem) (Entered: 04/06/1994)
02/28/2012		Archive Data: FRC Shipment id: 9720, Accession number: 021-97-0331, Location number: B2801143, Box number: 3/51, Type of documents sent to FRC: c, Date documents shipped to FRC: 08/04/1997, Disposal authority: IIA7b(4), Disposal date: 06/24/2017, Restriction code: N, Notes: U.S. District Court Civil cases closed before. Notes 2: Trial. Notes 3: 4:94cv0046 through 4:94cv1210, filed. (dkellyadi,) (Entered: 02/28/2012)
03/05/2012		Archive Data: FRC Shipment id: 9720, Accession number: 021-97-0331, Location number: B2801143, Box number: 3/51, Type of documents sent to FRC: c, Date documents shipped to FRC: 08/04/1997, Disposal authority: IIA7b(4), Disposal date: 06/24/2017, Restriction code: N, Notes: U.S. District Court Civil cases closed before. Notes 2: Trial. Notes 3: 4:94cv0046 through 4:94cv1210, filed. (dkellyadi,) (Entered: 03/05/2012)

PACER Service Center			
Transaction Receipt			
06/19/2020 12:39:00			
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Description:	Docket Report	Search Criteria:	4:94-cv-00382
Billable Pages:	2	Cost:	0.20

U.S. Bankruptcy Court
Southern District of Mississippi (Gulfport-1 Divisional Office)
Bankruptcy Petition #: 97-07499-ERG

Assigned to: Edward Gaines
Chapter 11
Previous chapter 11
Voluntary
Asset

Date filed: 01/31/1997
Date terminated: 03/15/1999
341 meeting: 03/20/1997

Debtor
GULFSIDE CASINO, INC.
345 N. ARLINGTON AVENUE
RENO, NV 89501
WASHOE-NV
Tax ID / EIN: 64-0818993

represented by **Luke Dove**
Dove & Chill
200 E Capitol St., Ste 1010
Jackson, MS 39201
601 352-0999
Fax : 601-352-0990
Email: lukedove@dovechill.com

Filing Date	#	Docket Text
01/31/1997	1	FRONT PAGE PETITION & Top 20 UCC f. [P sgn David R. Wood, President] cc IRS, SEC & USTMx f db, [BJM], ORIGINAL NIBS DOCKET ENTRY #1 (Entered: 02/03/1997)
01/31/1997	3	NOTICE of Bankruptcy and of Automatic Stay , [BJM], ORIGINAL NIBS DOCKET ENTRY #2 (Entered: 02/03/1997)
01/31/1997	4	ORDER to File Schedules and Statements due 2/20/97, 9:00 a.m. cc db, Dove & UST, [BJM], ORIGINAL NIBS DOCKET ENTRY #3 (Entered: 02/03/1997)
02/03/1997	5	REQ FOR DIP CH 11 CS cc db, Dove & UST, [BJM], ORIGINAL NIBS DOCKET ENTRY #4 (Entered: 02/03/1997)
02/03/1997	6	O CONCERNING OP REPORTS cc db, Dove & UST, [BJM], ORIGINAL NIBS DOCKET ENTRY #5 (Entered: 02/03/1997)
02/03/1997	7	O re Tax Order cc db, Dove, IRS, MSTC & UST, [BJM], ORIGINAL NIBS DOCKET ENTRY #6 (Entered: 02/03/1997)
02/14/1997	8	ENTRY OF APP & reqt doc office Aty General, State MS on bhf MS Gaming Commission f C. Brand bhf Office Aty General Gaming Control Division w/ COS. , [BJM], ORIGINAL NIBS DOCKET ENTRY #7 (Entered: 02/14/1997)
02/14/1997	9	M FOR EXT OF TM TO F SCH db reqt until 2/27/97 f sch & stmts f Dove bhf db. Re: Item # 4, [BJM], ORIGINAL NIBS DOCKET ENTRY #8 (Entered: 02/14/1997)
02/18/1997	10	O db gr ext 2/27/97 f sch & stmts. Mx must be f by 2/21/97. cc db, Dove

Exhibit C

		& UST Re: Item # 9, [BJM], ORIGINAL NIBS DOCKET ENTRY #9 (Entered: 02/18/1997)
02/19/1997	11	M RELF AUTO STAY #M197-00147 re personal injury suit/cos f by Samuel Johnson, aty bhf Jessie Whiteman, [HTC], ORIGINAL NIBS DOCKET ENTRY #10 (Entered: 02/21/1997)
02/19/1997	12	NOTICE of Hearing m relf auto stay #M197-00147 Jessie Whiteman cc: Gulfside, Dove, Johnson, Brand, UST on 03/12/97 at 1:30 p.m. Re: Item # 11, [HTC], ORIGINAL NIBS DOCKET ENTRY #11 (Entered: 02/21/1997)
02/21/1997	13	NOTICE of Hearing RESET m relf auto stay #M197-00147 J. Whiteman cc: Gulfside, Dove, Johnson, Brand, UST on 03/11/97 at 2:30 p.m. Re: Item # 11, [HTC], ORIGINAL NIBS DOCKET ENTRY #12 (Entered: 02/21/1997)
02/24/1997	14	NOTICE of 341 meeting with Certificate of Service on 03/20/97 at 11:00 a.m. at Lopez-Quave Public Safety Center, Municipal Court Room, 170 Porter Avenue, Biloxi, MS 39530, [BJM], ORIGINAL NIBS DOCKET ENTRY #13 (Entered: 02/24/1997)
02/27/1997	2	SMY SCH, Full Sch, Discl Fees f Dove bhf db. cc IRS, SEC & UST[Discl states retainer \$25,500.00 w/ \$800.00 f fee pd from this], [BJM], ORIGINAL NIBS DOCKET ENTRY #1A (Entered: 02/27/1997)
03/21/1997	15	O LIFTING STAY M197-00147 Jessie Whiteman's M relf auto stay sustained. cc db, Dove, Johnson & UST. Re: Item # 11, [BJM], ORIGINAL NIBS DOCKET ENTRY #14 (Entered: 03/21/1997)
03/21/1997	16	NTC OF APP & REQT FOR SVC OF PAPERS pur Bk Rule 2002 William W. Abbott, Jr. & William P. Wessler, atys Hancock Bank reqt ntc, & papers f Wessler w/ COS., [BJM], ORIGINAL NIBS DOCKET ENTRY #15 (Entered: 03/25/1997)
04/01/1997	17	CH 11 PROCEEDING MEMO & MINUTES 341 MEETING f McAlpin bhf UST. Re: Item # 14, [BJM], ORIGINAL NIBS DOCKET ENTRY #16 (Entered: 04/03/1997)
04/04/1997	18	NTC OF APP & REQT FOR SVC OF NTC, DISCL STMT & OTHER PLE Michael McConnell firm McConnell, Goodrich & Lenox, Houston, TX & Richard A. Schwartz firm Schwartz, Junell, Campbell & Oathout, Fort Worth, TX reqt ntc pur Fed. R. Bk P. 9010 & Section 1109[b] Bk Code bhf Terry W. Green & Joel R. Carter, Sr. f McConnell w/ COS., [BJM], ORIGINAL NIBS DOCKET ENTRY #17 (Entered: 04/08/1997)
05/07/1997	19	APLC OF DB TO EMP CNSL db reqt emp Luke Dove & Marlane Chill, rate \$125.00 hr f Dove w/ COS., [BJM], ORIGINAL NIBS DOCKET ENTRY #18 (Entered: 05/08/1997)
05/08/1997	20	OPERATING REPORT - Chapter 11 2/97 f db, [BJM], ORIGINAL NIBS DOCKET ENTRY #19 (Entered: 05/08/1997)

05/08/1997	21	OPERATING REPORT - Chapter 11 3/97 f db, [BJM], ORIGINAL NIBS DOCKET ENTRY #20 (Entered: 05/08/1997)
05/12/1997	22	APLC FOR EMPLOYMENT OF SPECIAL CNSL db reqt emp Nicholas Wisner, law firm Byrd & Wisner, Special Cnsl for purpose prosecution apl civil cs & gr w/o prej Byrd & Wisner to participate as non-insider, unsecured cr. Byrd & Wisner holds pre-p clm for aty fees due & owing by db \$2,817.99 f Dove w/ COS & AFDT OF ATY N. Wisner., [BJM], ORIGINAL NIBS DOCKET ENTRY #21 (Entered: 05/13/1997)
05/23/1997	23	OPERATING REPORT - Chapter 11 4/97 f db, [BJM], ORIGINAL NIBS DOCKET ENTRY #22 (Entered: 05/27/1997)
05/23/1997	24	NTC OF M db's Aplc emp Special Cnsl Nicholas Wisner rate \$125.00 hr to prosecute civil action suit, ntc crs & prts int w/ obj 6/10/97 f Dove w/ COS. Re: Item # 22, [BJM], ORIGINAL NIBS DOCKET ENTRY #23 (Entered: 05/27/1997)
05/23/1997	25	M FOR CITATION OF CONTEMPT & FOR AWARD OF EXP & DAMAGES db moves Ct for citation contempt & award expenses & damages agn Terry W. Green & Joel R. Carter, Sr & their atys Wm. L. Guice, III & Richard A. Schwartz for willful violation auto stay f Dove bhf db w/ COS., [BJM], ORIGINAL NIBS DOCKET ENTRY #24 (Entered: 05/27/1997)
05/28/1997	26	NOTICE of Hearing DIP m citation of contempt and award of exp and damages cite Terry Green et al cc: Gulfside Casino, Dove, Guice, Schwartz, UST on 06/25/97 at 10:00 a.m. Re: Item # 25, [HTC], ORIGINAL NIBS DOCKET ENTRY #25 (Entered: 05/28/1997)
05/28/1997	27	O AUTH DB TO EMP CNSL db auth emp Luke Dove & Marlane Chill subject U.S. Bk Rules & procedures. cc db, Dove & UST Re: Item # 19, [BJM], ORIGINAL NIBS DOCKET ENTRY #26 (Entered: 05/29/1997)
06/03/1997	28	NTC & STIPULATION OF REALLOCATION OF PARTNERSHIP INT db & Gulfside Casino Partnership pur terms attached hereto f Ntc & Stipulation of Reallocation Partnership int & stipulate remaining terms & conditions set forth Partnership Agr shall otherwise remain full force & effect, & said Partnership reallocation accomplished w/ provisions "Unanimous Consent to Action in Lieu Special Called Meeting of Board of Gulfside Casino Partnership" attached Exh "A" f Dove bhf db w/ COS., [BJM], ORIGINAL NIBS DOCKET ENTRY # 27 (Entered: 06/03/1997)
06/03/1997	29	M FOR AN EXT OF THE DB'S EXCLUSIVE PERIOD W/N WHICH TO F A PL OF REORGANIZATION db reqt exclusive tm 6/20/97 f Pl Reorganization or Liquidation utilitizing 60% partnership int f Dove w/ COS. & &, [BJM], ORIGINAL NIBS DOCKET ENTRY #28 (Entered: 06/03/1997)
06/09/1997	30	RESP TO DB'S M FOR AN EXT OF THE DB'S EXCLUSIVE PERIOD W/N WHICH TO F A PL OF REOGANIZATION f Guice III bhf Terry

		W. Green & Joel R. Carter, Sr. w/ COS. Re: Item # 29, [BJM], ORIGINAL NIBS DOCKET ENTRY #29 (Entered: 06/10/1997)
06/10/1997	31	TERRY W. GREEN AND JOEL R. CARTER'S M RELF ST #M197-00488 cs pending Chancery Ct, Harrison Co., MS/cos f by William Guice, aty and Richard Schwartz, aty, [HTC], ORIGINAL NIBS DOCKET ENTRY #30 (Entered: 06/11/1997)
06/11/1997	32	NOTICE of Hearing m relf st #M197-00488 Terry Green & Joel Carter cc: Gulfside Casino, Dove, Guice Schwartz, UST, McConnell, Abbott, Wessler, MS Gaming Commission on 06/27/97 at 2:30 p.m. Re: Item # 31, [HTC], ORIGINAL NIBS DOCKET ENTRY #31 (Entered: 06/11/1997)
06/12/1997	33	O db auth emp special cnsl Nicholas Wisner subject Federal Rules Bk Procedure. cc db, Dove, Wisner & UST. Re: Item # 22, [BJM], ORIGINAL NIBS DOCKET ENTRY #32 (Entered: 06/12/1997)
06/17/1997	34	OPERATING REPORT - Chapter 11 5/97 f db, [BJM], ORIGINAL NIBS DOCKET ENTRY #33 (Entered: 06/18/1997)
06/17/1997	35	RESP TO DB'S M FOR CITATION OF CONTEMPT & FOR AWARD OF EXP & DAMAGES f Wm Guice III bhf Terry W. Green & Joel R. Carter, Sr. w/ COS. Re: Item # 25, [BJM], ORIGINAL NIBS DOCKET ENTRY #34 (Entered: 06/18/1997)
06/19/1997	36	NOTICE of Hearing RESET db m citation contempt etc against T. Green & J. Carter and their aty, W. Guice and R. Schwartz cc: Gulfside Casino, Dove, Guice, Schwartz, UST, Wisner, McConnell, Abbott, Wessler, Brand on 06/27/97 at 2:30 p.m. Re: Item # 25, [HTC], ORIGINAL NIBS DOCKET ENTRY #35 (Entered: 06/19/1997)
06/20/1997	37	NTC OF M ntc db's M ext exclusive period f discl stmt & pl reorganization crs & prts int w/ obj 7/8/97 f Dove w/ COS. Re: Item # 29, [BJM], ORIGINAL NIBS DOCKET ENTRY #36 (Entered: 06/20/1997)
06/25/1997	38	NTC OF APP pur Bk Rules 2002 & 9010 Derek A. Henderson & co-cnsl Hugh D. Keating f entry app bhf Gulfside Casino Partnership d/b/a The Copa Casino f Henderson w/ COS., [BJM], ORIGINAL NIBS DOCKET ENTRY #37 (Entered: 06/25/1997)
06/25/1997	39	OBJ TO M FOR RELF FROM STAY M197-00488 of Terry W. Green & Joel R. Carter f Henderson bhf Gulfside Casino Partnership d/b/a The Copa Casino w/ COS. Re: Item # 31, [BJM], ORIGINAL NIBS DOCKET ENTRY #38 (Entered: 06/25/1997)
06/25/1997	40	RESP TO M FOR RELF FROM STAY M197-00488 f Dove bhf db w/ COS. Re: Item # 31, [BJM], ORIGINAL NIBS DOCKET ENTRY #39 (Entered: 06/26/1997)
06/26/1997	41	PL OF REORGANIZATION OF GULFSIDE CASINO, INC. f D. Wood, Vice President & Treasurer & Dove, db's aty., [BJM], ORIGINAL NIBS DOCKET ENTRY #40 (Entered: 06/26/1997)

07/01/1997	42	CONSENT O - M Lift Stay M197-0488 f by Terry W. Green & Joel R. Carter consent prts hrg req contained 11 U.S.C. 362[d] & [e] wv & ext until conclusion fnl hrg M & determination by Ct. cc db, Dove, Guice III & UST. Re: Item # 31, [BJM], ORIGINAL NIBS DOCK ET ENTRY #41 (Entered: 07/01/1997)
07/01/1997	43	NTC OF HRG & HRG REQ - Terry W. Green & Joel R. Carter's M Relf Stay M197-0488 set trial 9/4/97, 9:30 a.m. w/ pla's brf due 7/11/97, reply brf due 7/25/97 & rebuttal brf, if any, 8/1/97. cc db, Dove, Guice III & UST. Re: Item # 31, [BJM], ORIGINAL NIBS DO CKET ENTRY #42 (Entered: 07/01/1997)
07/02/1997	44	O m db Citation Contempt & M Relf From Stay M197-00488 f Terry W. Green & Joel R. Carter O auto say continue in effect pending conclusion fnl hrg & prts consent to wv 30 day period provided by 11 U.S.C. 362[e]. Carter & Green [Movants] shall f Brf Reply by 7/11/97. Db f Brf Reply 7/25/97. Movants f Rebuttal Brf 8/1/97. M Lift Stay set prlm & fnl hrg 9/4/97, 9:30 a.m. Db's M Citation & Contempt & Award Exp held in abey pending fnl hrg & trial M Lift Stay. cc db, Dove, Guice III, UST & reqt list. & Re: Ite m # 25, [BJM], ORIGINAL NIBS DOCKET ENTRY #43 (Entered: 07/02/1997)
07/11/1997	45	See File #2 , [BJM], ORIGINAL NIBS DOCKET ENTRY #44 (Entered: 07/14/1997)
07/11/1997	46	MOVANT/PLA'S BRF IN SUPPORT OF THEIR M FOR RELF FROM STAY M197-0488 f Guice III bhf Terry W. Green & Joel R. Carter, Sr. w/ COS. Re: Item # 31, [BJM], ORIGINAL NIBS DOCKET ENTRY #45 (Entered: 07/14/1997)
07/14/1997	47	M FOR PROTEC O f D. Henderson bhf Gulfside Casino Partnership w/ COS., [BJM], ORIGINAL NIBS DOCKET ENTRY #46 (Entered: 07/14/1997)
07/15/1997	48	PROTEC O - M protec O f Gulfside Casino Partnership d/b/a The Copa Casino [GCP] gr. O any & all doc or other information any kind pertaining to GCP that is produced or submitted to any prt through a proceeding this Ct or to this Ct shall be kept confidential by all prts & shall not be disclosed any other persons or entities. All papers & doc f & all docket entries made this case w/ resp to any financial or commercial information of GCP shall be kept confidential & under seal by Clerk of Ct. Cnsl all prts & crs shall not disclose any matters related to any financial or commercial information of GCP to any person, including any officer, director or representative or such prts or crs w/o first obtaining signature of such officer, director or representative on cc this Protec O & returning sign cc this Protec O to D. Henderson, aty GCP. cc db, Dove, Henderson & UST. Re: Item # 47, [BJM], ORIGINAL NIBS DOCKET ENTRY #47 (Entered: 07/15/1997)
07/21/1997	49	COS mlg cc Protec O crs & prts int f Henderson bhf Gulfside Casino Partnership d/b/a The Copa Casino Re: Item # 48, [BJM], ORIGINAL

		NIBS DOCKET ENTRY #48 (Entered: 07/22/1997)
07/24/1997	50	OPERATING REPORT - Chapter 11 6/97 f db, [BJM], ORIGINAL NIBS DOCKET ENTRY #49 (Entered: 07/25/1997)
07/25/1997	51	BRF OF GULFSIDE CASINO PARTNERSHIP IN SUPPORT OF OBJ TO M FOR RELF FROM STAY - M197-00488 f D. Henderson bhf Gulfside Casino Partnership d/b/a The Copa Casino w/ COS. Re: Item # 31, [BJM], ORIGINAL NIBS DOCKET ENTRY #50 (Entered: 07/25/1997)
07/25/1997	53	BRF OF GULFSIDE CASINO, INC. IN OPPOSITION TO M FOR RELF FROM STAY M197-00488 f Dove bhf db w/ COS. Re: Item # 31, [BJM], ORIGINAL NIBS DOCKET ENTRY #52 (Entered: 07/28/1997)
07/28/1997	52	NOTICE of Hearing db m ext exclusive period f pl cc: Dove, Gulfside, Guice, UST on 08/13/97 at 3:15 p.m. Re: Item # 29, [HTC], ORIGINAL NIBS DOCKET ENTRY #51 (Entered: 07/28/1997)
08/01/1997	54	TERRY GREEN & RICK CARTER'S [MOVANTS/PLA] BRF & REPLY TO BRF OF GULFSIDE CASINO, INC. & GULFSIDE CASINO PARTNERSHIP, INC. IN OPPOSITION TO M FOR RELF FROM STAY M197-00488 f W. Guice III & R. A. Schwartz w/ COS. Re: Item # 31, [BJM], ORIGINAL NIBS DOCKET E NTRY #53 (Entered: 08/01/1997)
08/18/1997	55	M TO CONTINUE HRG & REQT FOR TELEPHONIC HRG - M197-00488 - Gulfside Casino Partnership d/b/a The Copa Casino ["GCP"] reqt continuance of trial set 9/4/97 until after deposition of Ms Emily Suarez & reqt telephonic conference to settle continuance f Hender son w/ COS. Re: Item # 31, [BJM], ORIGINAL NIBS DOCKET ENTRY #54 (Entered: 08/18/1997)
08/26/1997	56	O GR M TO CONTINUE HRG M197-00488 Gulfside Casino Partnership d/b/a The Copa Casino ["GCP"]'s M continue hrg Green & Carter's M for Relf from auto stay gr. Hrg Terry W. Green & Joel R. Carter's M is continued & resch for 9:30 a.m., Wed., 10/1/097. cc db, Dove, Henderson, UST & reqt list. Re: Item # 31, [BJM], ORIGINAL NIBS DOCKET ENTRY #55 (Entered: 08/26/1997)
08/28/1997	57	O TO APP FOR STATUS CONFERENCE & TO SHOW CAUSE set 10/14/97, 1:00 p.m. failure f discl stmt. cc Mx, [BJM], ORIGINAL NIBS DOCKET ENTRY #56 (Entered: 08/28/1997)
09/03/1997	58	SUBP IN A CS UNDER THE BK CODE iss & served on Emily Suares f H. Keating w/ Proof Svc by McKenna, Jr., [BJM], ORIGINAL NIBS DOCKET ENTRY #57 (Entered: 09/03/1997)
09/03/1997	59	NTC OF DEPOSITION Gulfside Casino Partnership d/b/a Copa Casino will take oral exam Emily Suares before a Ct reporter on Thurs., 9/4/97, 1:30 p.m. at offices Dukes, Dukes, Keating & Faneca, Gulfport, MS f Keating w/ COS., [BJM], ORIGINAL NIBS DOCKET ENTRY #58 (Entered: 09/03/1997)

09/05/1997	60	OPERATING REPORT - Chapter 11 7/97 f db, [BJM], ORIGINAL NIBS DOCKET ENTRY #59 (Entered: 09/08/1997)
09/17/1997	61	NTC OF PROCEDURAL GUIDELINES on 7/15/97, Protec O pertaining to Gulfside Casino Partnership d/b/a The Copa Casino ["GCP"] was entered req "any & all papers & doc f & all dk entries made this cs w/ respect any financial or commercial information of GCP sha ll be kept confidential & under seal by Clerk Ct". Following procedural guidelines should be strictly observed when f any paper or doc pertaining to any financial or commercial information of GCP: 1] all doc, papers, etc. must be presented to Office Clerk in sealed envelope clearly displaying the words "RECORD UNDER SEAL"; 2] envelope should be identified w/ case name & number; 3] envelope should bear brf designation of nature of contents, i.e., financial information or commercial information. In order to ensure proper handling any financial or commercial information pertaining to GCP, it shall be responsibility of party submitting doc, papers, etc. to adhere to guidelines set out. cc Dove, Henderson & UST. Re: Item # 48, [BJM], ORIGINAL NIBS DOCKET ENTR Y #60 (Entered: 09/17/1997)
09/22/1997	62	COS mld Ntc to Cr & Other Prt Int of Procedural Guidelines re: Record Under Seal. cc Mx Re: Item # 61, [BJM], ORIGINAL NIBS DOCKET ENTRY #61 (Entered: 09/22/1997)
09/24/1997	63	OPERATING REPORT - Chapter 11 8/97 f db, [BJM], ORIGINAL NIBS DOCKET ENTRY #62 (Entered: 09/26/1997)
09/24/1997	64	See File #3 , [BJM], ORIGINAL NIBS DOCKET ENTRY #63 (Entered: 09/26/1997)
09/24/1997	65	MOVANT/PLA'S AMD BRF IN SUPPORT OF THEIR M FOR RELF FROM STAY M197-00488 f Guice bhf Terry W. Green & Joel R. Carter, Sr. w/ COS. Re: Item # 31, [BJM], ORIGINAL NIBS DOCKET ENTRY #64 (Entered: 09/26/1997)
09/26/1997	66	DISCL STMT OF GULFSIDE CASINO, INC. f D. R. Wood, Vice President & L. Dove, aty db., [BJM], ORIGINAL NIBS DOCKET ENTRY #65 (Entered: 09/26/1997)
10/01/1997	67	O FIXING TM FOR PRLM HRG ON DISCL STMT COMBINED W/ PRELM HRG NTC THEREOF hrg set 11/12/97, 1:00 p.m. w/ obj 11/5/97, 4:00 p.m. cc handed L. Dove w/ cc Mx to ntc. Re: Item # 66, [BJM], ORIGINAL NIBS DOCKET ENTRY #66 (Entered: 10/01/1997)
10/06/1997	68	CERTIFICATE of Service mlg O fixing tm Prlm Hrg on Dscl Stmt, Dscl Stmt & Pl Liquidation f Dove bhf db. Re: Item # 67, [BJM], ORIGINAL NIBS DOCKET ENTRY #67 (Entered: 10/08/1997)
10/21/1997	69	OPINION - M Relf from Stay f bhf Terry W. Green & Joel R. Carter M197-00488 seeking determination from Ct that auto stay does not stay pending Chancery Ct proceeding by Green & Carter as to Gulfside Casino Partnership & Patrician, Inc. The partnership int of db, GCI, in Gulfside

		<p>Casino Partnership, GCP, is prop of est & auto stay Section 362 is applicable to actions agn partnership int. The GCP partnership is a separate legal entity for Bk purposes & assets held by partnership are not included in bk est of one of the partners, GCI, & auto stay is not extended to assets of GCP partnership. As of commencement bk proceeding 1/31/97, GCI owned .006% int in GCP partnership pur to amd to partnership agr & amd judmt of Chancery Ct. Ct concludes that auto stay is a plicable to .006% ownership int of GCI in GCP partnership & Chancery Ct action is stayed to ext it is proceeding agn said .006% int. Ct concludes that post-p doc designated as Ntc & Stipulation of Reallocation of Partnership int, & Unanimous Consent agr do not effectuate change in ownership of partnership int from the allocation as of commencement cs. Consent agr indicates partnership agr shall be amd & no amd partnership agr was presented to Ct. Ct concludes that even if consent agr were proper agr under state law to effectuate change in ownership in partnership, it would not result in an effective transfer of prop to bk est in absence of ct aprv, & ct would not have aprv such transfer partly because increase in potential liability to est would not be best int of est or cr. Ct concludes auto stay applies db's .006% pnership int in GCP & to that ext M Relf from Stay is denied. Stay does not apply to Chancery Ct action to ext it is not an action agn db's .006% partnership int in GCP. Judmt will be enter ed consistent w/ these finding & conclusions pur Fed R Bk Procedure 9021 & Fed R Civil Procedure 58. This opinion shall constitute findings & conclusions pur Fed R Bk Procedure 7052 & Fed R Civil Procedure 52. cc db, Dove, Guice III, UST & reqt list. Re: Item # 31, [BJM], ORIGINAL NIBS DOCKET ENTRY #68 (Entered: 10/21/1997)</p>
10/21/1997	70	<p>JUDMT - M Relf from Stay f bhf Terry W. Green & Joel R. Carter M197-00488 & opposition thereto by db, pur findings fact & conclusions law set forth Ct's opinion rendered this date, Ct concludes said M should be dn to limited ext set forth Opinion. cc db, Dove, Guice III, UST & reqt list. Re: Item # 69, [BJM], ORIGINAL NIBS DOCKET ENTRY #69 (Entered: 10/21/1997)</p>
10/31/1997	71	<p>M FOR LEAVE TO W/D NTC OF REALLOCATION OF PARTNERSHIP INT & TO RESCIND UNANIMOUS CONSENT f Dove bhf db w/ COS. Re: Item # 28, [BJM], ORIGINAL NIBS DOCKET ENTRY #70 (Entered: 11/03/1997)</p>
11/05/1997	72	<p>OBJ TO DB'S DISCL STMT f W. Guice III bhf Terry W. Green & Joel R. Carter, Sr. w/ COS Re: Item # 66, [BJM], ORIGINAL NIBS DOCKET ENTRY #71 (Entered: 11/05/1997)</p>
11/13/1997	73	<p>O ALW LV TO W/D NTC OF REALLOCATION OF PARTNERSHIP INT & TO RESCIND UNANIMOUS CONSENT the M is sustained. The ownership of the db, is hereby restored to the ownership int which it held prior to the Consent Agr dated 5/30/97 being .006% cc: db, Dove, Keating, Guice, Schwartz, UST & Trcc reqt list Re: Item # 71, [AMB], ORIGINAL NIBS DOCKET ENTRY #72 (Entered: 11/13/1997)</p>
12/03/1997	74	<p>OPERATING REPORT - Chapter 11 9/97 f db, [BJM], ORIGINAL NIBS DOCKET ENTRY #73 (Entered: 12/03/1997)</p>

12/03/1997	75	OPERATING REPORT - Chapter 11 10/97 f db, [BJM], ORIGINAL NIBS DOCKET ENTRY #74 (Entered: 12/03/1997)
12/03/1997	76	O Terry W. Green & Joel R. Carter, Sr.'s obj db's discl stmt sustained. Db f new Discl Stmt 1/7/98, fail f such, bk be dsms. cc db, Dovd, Guice, UST & reqt list. Re: Item # 66, [BJM], ORIGINAL NIBS DOCKET ENTRY #75 (Entered: 12/03/1997)
01/05/1998	77	APLC FOR INTR ALW OF CMP & REIM OF EXP db's cnsl reqt fees \$39,600.00 & exp \$3,485.82 period 1/29/97 thru 12/31/97 less retainer \$25,500.00 net fee aplc \$17,585.82 f L. Dove w/ AFDT IN SUPPORT OF REQT FOR CMP FOR LEGAL SVC., [BJM], ORIGINAL NIBS DOCKET EN TRY #76 (Entered: 01/06/1998)
01/05/1998	78	NTC OF M ntc crs & prt int aplc fees w/ obj 1/22/98 f L. Dove. Re: Item # 77, [BJM], ORIGINAL NIBS DOCKET ENTRY #77 (Entered: 01/06/1998)
01/07/1998	79	FIRST AMD DISCL STMT OF GULFSIDE CASINO, INC. f D. Wood, Vice President & L. Dove, db's aty. Re: Item # 66, [BJM], ORIGINAL NIBS DOCKET ENTRY #78 (Entered: 01/09/1998)
01/08/1998	80	CERTIFICATE of Service & Ntc Aplc Intr Cmp & Reim Exp Dove & Chill to UST & Mx f L. Dove bhf db Re: Item # 77, [BJM], ORIGINAL NIBS DOCKET ENTRY #79 (Entered: 01/09/1998)
01/12/1998	81	CERTIFICATE of Mailing ntc Aplc Intr Cmp & exp Dove & Chill cr & prt int f Dove. Re: Item # 77, [BJM], ORIGINAL NIBS DOCKET ENTRY #80 (Entered: 01/12/1998)
01/14/1998	82	OPERATING REPORT - Chapter 11 11/97 f db, [BJM], ORIGINAL NIBS DOCKET ENTRY #81 (Entered: 01/14/1998)
01/29/1998	83	O - db's ore tenus M ext tm 2/6/98 f Second Amd Discl Stmt & First Amd Pl gr. cc db, Dove, Guice, UST & reqt list. , [BJM], ORIGINAL NIBS DOCKET ENTRY #82 (Entered: 01/29/1998)
02/05/1998	84	O db's aty gr fees & exp total \$43,085.82 w/ retainer \$25,000.00 applied agn said alw, net \$17,585.82. cc db, Dove, UST & reqt list. Re: Item # 77, [BJM], ORIGINAL NIBS DOCKET ENTRY #83 (Entered: 02/06/1998)
02/06/1998	85	SECOND AMD DISCL STMT OF GULFSIDE CASINO, INC. f D. Wood & L. Dove bhf db. Re: Item # 66, [BJM], ORIGINAL NIBS DOCKET ENTRY #84 (Entered: 02/06/1998)
02/06/1998	86	FIRST AMD PL OF REORGANIZATION OF GULFSIDE CASINO, INC. f D. Wood, Vice President & Treasurer & L. Dove bhf db. Re: Item # 41, [BJM], ORIGINAL NIBS DOCKET ENTRY #85 (Entered: 02/06/1998)
02/06/1998	87	COS Second Amd Discl Stmt & First Amd Pl to UST, W. Guice & R.

		Schwartz f L. Dove bhf db. & Re: Item # 85, [BJM], ORIGINAL NIBS DOCKET ENTRY #86 (Entered: 02/06/1998)
02/06/1998	88	OPERATING REPORT - Chapter 11 12/97 f db, [BJM], ORIGINAL NIBS DOCKET ENTRY #87 (Entered: 02/06/1998)
02/06/1998	89	O FIXING TM FOR PRLM HRG ON DB'S SECOND AMD DISCL STMT COMBINED W/ PRLM HRG NTC THEREOF set 4/14/98, 1:00 p.m., obj 4/7/98. cc L. Dove w/ cc Mx ntc. Re: Item # 66, [BJM], ORIGINAL NIBS DOCKET ENTRY #88 (Entered: 02/06/1998)
02/10/1998	90	CERTIFICATE of Mailing O fixing tm prlm hrg db's Second Amd Discl, Second Amd Discl & First Amd Pl f L. Dove bhf db. Re: Item # 89, [BJM], ORIGINAL NIBS DOCKET ENTRY #89 (Entered: 02/10/1998)
04/02/1998	91	OPERATING REPORT - Chapter 11 1/98 f db, [BJM], ORIGINAL NIBS DOCKET ENTRY #90 (Entered: 04/02/1998)
04/02/1998	92	OPERATING REPORT - Chapter 11 2/98 f db, [BJM], ORIGINAL NIBS DOCKET ENTRY #91 (Entered: 04/02/1998)
04/07/1998	93	CRS' OBJ TO DB'S SECOND AMD DISCL STMT f W. Guice, III bhf Joel R. Carter, Sr. & Terry W. Green w/ COS. Re: Item # 85, [BJM], ORIGINAL NIBS DOCKET ENTRY #92 (Entered: 04/08/1998)
04/24/1998	94	CORRESPONDENCE w/d obj Terry W. Green & Joel R. Carter, Sr. to db's Second Amd Discl Stmt f W. Guice III. Re: Item # 66, [BJM], ORIGINAL NIBS DOCKET ENTRY #93 (Entered: 04/27/1998)
04/30/1998	95	CRT OF NTC FEES & BILL FOR COLL \$31.00 due. cc mld L. Dove, [BJM], ORIGINAL NIBS DOCKET ENTRY #94 (Entered: 04/30/1998)
04/30/1998	96	O APRV SECOND AMD DISCL STMT & FIXING TM FOR F ACCEPTANCES OR REJT OF FIRST AMD PL W/ A NTC OF PRLM HRG set 7/14/98, 1:00 p.m., w/ obj 6/30/98. cc L. Dove w/ cc Mx ntc. & Re: Item # 41, [BJM], ORIGINAL NIBS DOCKET ENTRY #95 (Entered: 04/30/1998)
06/02/1998	97	OPERATING REPORT - Chapter 11 3/98 f db, [BJM], ORIGINAL NIBS DOCKET ENTRY #96 (Entered: 06/02/1998)
06/02/1998	98	OPERATING REPORT - Chapter 11 4/98 f db, [BJM], ORIGINAL NIBS DOCKET ENTRY #97 (Entered: 06/02/1998)
06/02/1998	99	CERTIFICATE of Mailing O aprv Second Amd Discl Stmt & setting tm hrg First Amd Pl f L. Dove bhf db. &, [BJM], ORIGINAL NIBS DOCKET ENTRY #98 (Entered: 06/02/1998)
06/05/1998	100	RECEIPT #0534171 pmt \$31.00 crt ntc fees pd L. Dove bhf db. Re: Item # 95, [BJM], ORIGINAL NIBS DOCKET ENTRY #99 (Entered: 06/09/1998)

06/30/1998	101	CRS' REJT OF FIRST AMD PL f W. Guice bhf Terry W. Green w/ COS. Re: Item # 86, [BJM], ORIGINAL NIBS DOCKET ENTRY #100 (Entered: 06/30/1998)
06/30/1998	102	CRS' REJT OF FIRST AMD PL f W. Guice bhf Joel R. Carter w/ COS. Re: Item # 86, [BJM], ORIGINAL NIBS DOCKET ENTRY #101 (Entered: 06/30/1998)
07/07/1998	103	M TO CONTINUE & RESET PRLM HRG ON CNF OF DB'S FIRST AMD PL OF REORGANIZATION db & principal cr, Joel R. Carter, Sr. & Terry W. Green, reqt hold all pending litigation & court proceeding abey for period 30 days to finalize & complete stlmt & to resch plrm hrg cnf db's First Amd Pl Reorganization f L. Dove bhf db w/ COS. Re: Item # 96, [BJM], ORIGINAL NIBS DOCKET ENTRY #102 (Entered: 07/08/1998)
07/08/1998	104	TALLY OF BALLOTS f L. Dove bhf db. Re: Item # 86, [BJM], ORIGINAL NIBS DOCKET ENTRY #103 (Entered: 07/08/1998)
07/08/1998	105	O db's M continue, hold abey & reset prlm hrg cnf db's First Amd Pl Reorganization gr & prlm hrg cnf First Amd Pl will be resch later date. cc Mx. Re: Item # 103, [BJM], ORIGINAL NIBS DOCKET ENTRY #104 (Entered: 07/08/1998)
07/08/1998	106	OPERATING REPORT - Chapter 11 5/98 f db, [BJM], ORIGINAL NIBS DOCKET ENTRY #105 (Entered: 07/09/1998)
10/01/1998	107	UTS'S M TO CNV cs Ch 7 f R. McAlpin w/ COS., [BJM], ORIGINAL NIBS DOCKET ENTRY #106 (Entered: 10/06/1998)
10/05/1998	108	DB'S RESP TO UST'S M TO CNV f L. Dove w/ COS. Re: Item # 107, [BJM], ORIGINAL NIBS DOCKET ENTRY #107 (Entered: 10/06/1998)
10/06/1998	109	OPERATING REPORT - Chapter 11 6/98 f db, [BJM], ORIGINAL NIBS DOCKET ENTRY #108 (Entered: 10/06/1998)
10/06/1998	110	OPERATING REPORT - Chapter 11 7/98 f db, [BJM], ORIGINAL NIBS DOCKET ENTRY #109 (Entered: 10/06/1998)
10/06/1998	111	OPERATING REPORT - Chapter 11 8/98 f db, [BJM], ORIGINAL NIBS DOCKET ENTRY #110 (Entered: 10/06/1998)
10/09/1998	112	NTC TO CR & OTHER PRT IN INT ntc cr & prt int UST's M Cnv Cs Ch 7 set 11/10/98, 1:30 p.m. w/ obj 11/2/98. cc Mx Re: Item # 107, [BJM], ORIGINAL NIBS DOCKET ENTRY #111 (Entered: 10/13/1998)
11/02/1998	113	OPERATING REPORT - Chapter 11 9/98 f db , [BJM], ORIGINAL NIBS DOCKET ENTRY #112 (Entered: 11/05/1998)
11/09/1998	114	JT M FOR AUTH TO SETTLE & COMPROMISE DISPUTED CLM db, Terry W. Green & Joel R. Carter, Sr, reach Agr that provides in part Green

		& Carter will purchase stock db, Patrician & Artemis pur Royalty Agr & related doc; & clm & rights will be compromised, settled & released, including indebtedness owed by db to Carter & Green or any rights under Amd Judmt; Carter & Green will release all clm agn db, its affiliates, officers & directors f L. Dove bhf db & W. Guice III bhf T. Green & J. Carter, Sr. w/ COS., [BJM], ORIGINAL NIBS DOCKET ENTRY #113 (Entered: 11/09/1998)
11/10/1998	115	NTC OF M ntc cr & prt int db, Terry W. Green & Joel R. Carter, Sr.'s Jt M Auth Settle & Compromise Disputed Clm w/ obj 11/30/98 f L. Dove bhf db w/ COS. Re: Item # 114, [BJM], ORIGINAL NIBS DOCKET ENTRY #114 (Entered: 11/10/1998)
12/08/1998	116	OPERATING REPORT - Chapter 11 10/98 f db , [BJM], ORIGINAL NIBS DOCKET ENTRY #115 (Entered: 12/08/1998)
12/14/1998	117	O Jt M settle & compromise disputed clm f db, T. W. Green & Joel R. Carter, Sr. sustained & aprv & prt auth enter into & perform Agr made between prt 11/6/98. cc db, L. Dove, W. Guice, R. Schwartz & UST. Re: Item # 114, [BJM], ORIGINAL NIBS DOCKET ENTRY #116 (Entered: 12/15/1998)
01/07/1999	118	DB'S M FOR DSMS OF CH 11 CS f L. Dove w/ COS. , [BJM], ORIGINAL NIBS DOCKET ENTRY #117 (Entered: 01/07/1999)
01/07/1999	119	NTC OF M ntc cr & prt int db's M dsms cs w/ obj 1/25/98 f L. Dove w/ COS. Re: Item # 118, [BJM], ORIGINAL NIBS DOCKET ENTRY #118 (Entered: 01/07/1999)
01/15/1999	120	UST'S RESP TO DB'S M TO DSMS f R. McAlpin w/ COS. Re: Item # 118, [BJM], ORIGINAL NIBS DOCKET ENTRY #119 (Entered: 01/20/1999)
02/03/1999	121	CRT OF NTC FEES & BILL FOR COLL amt \$20.00 cc mld db & L. Dove Fees paid 2/8/99, Receipt #0539804 , [BJM], ORIGINAL NIBS DOCKET ENTRY #120 (Entered: 02/03/1999)
02/05/1999	122	O OF DSMS w/n five days date this O, db pay all outstanding quarterly fees due UST & be finally dsms conditioned upon pmt said fees. cc db, L. Dove, UST & reqt list. Re: Item # 118, [BJM], ORIGINAL NIBS DOCKET ENTRY #121 (Entered: 02/05/1999)
03/15/1999	123	CS CLOSED Re: Item # 122, [BJM], ORIGINAL NIBS DOCKET ENTRY #122 (Entered: 03/15/1999)
03/18/1999	124	NTC CR & OTHER PRT INT cs dsms & clo. cc Mx , [BJM], ORIGINAL NIBS DOCKET ENTRY #123 (Entered: 03/19/1999)

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1. [Gulfside Casino, Inc. v. Carter, 1998 Miss. LEXIS 514](#)

Client/Matter: -None-

Search Terms: Gulfside Casino, Inc. v. Carter, 1998 Miss. LEXIS 514

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Content Type
Cases

Narrowed by
-None-

Gulfside Casino, Inc. v. Carter

Supreme Court of Mississippi

October 1, 1998, Decided

NO. 97-CA-00133-SCT

Reporter

1998 Miss. LEXIS 514 *

GULFSIDE CASINO, INC., PATRICIAN, INC. AND
GULFSIDE CASINO PARTNERSHIP, A MISSISSIPPI
PARTNERSHIP v. TERRY W. GREEN AND JOEL R.
CARTER, SR.

Procedural Posture

Defendant casino corporation appealed an order from the Harrison County Chancery Court (Mississippi) granting plaintiff claimants partial summary judgment in an action for payment on a promissory note.

Notice: [*1] NOT DESIGNATED FOR PUBLICATION

Prior History: COURT FROM WHICH APPEALED:
HARRISON COUNTY CHANCERY COURT. DATE OF
JUDGMENT: 01/13/97. TRIAL JUDGE: HON. THOMAS
WRIGHT TEEL.

Disposition: REVERSED AND REMANDED.

Core Terms

Casino, partnership, loans, partnership agreement, partnership interest, partner, security interest, court erred, sixty percent, entity, partnership property, shareholders, stock, contributions, percent, pledge agreement, receiver, borrow, operational expenses, funds, corporate officer, present case, procured, default, pledged, gaming, site, charge an order, corporate veil, provisions

Case Summary

Overview

Plaintiff claimants filed a lawsuit against defendant casino corporation, one of three partners in a partnership. Plaintiffs filed a motion for summary judgment and a motion to appoint a receiver. The chancery court granted plaintiffs partial summary judgment awarding each plaintiff \$ 3,000,000 plus interest and costs on promissory notes. Subsequently, the chancellor entered a judgment holding that plaintiff's lien extended to a 60 percent interest in the general partnership, repayments of loans to partners were prohibited, and that efforts be exhausted to satisfy the judgment under the terms of the charging order. On appeal, the court held that the chancery court did err in holding that partners aligned like these could be liable for the acts of another. The court remanded this case to determine whether defendants were required to pay plaintiffs 60 percent of the monies not designated for normal operational expenses and for further development of the facts and authorities for the chancellor's ruling that defendant's debt to the partners was subordinate to plaintiff's lien.

Outcome

The court reversed and remanded the order from the chancery court granting plaintiff claimants partial

summary judgment in an action for payment on a promissory note. The chancery court erred in holding that partners aligned like these could be liable for the acts of another.

LexisNexis® Headnotes

Civil Procedure > Appeals > Standards of Review > Clearly Erroneous Review

[HN1](#) **Standards of Review, Clearly Erroneous Review**

When reviewing a chancellor's decision, the court will accept a chancellor's findings of fact as long as the evidence in the record reasonably supports those findings. In other words, the court will not disturb the findings of a chancellor unless those findings are clearly erroneous or an erroneous legal standard was applied.

Business & Corporate Law > General Partnerships > Management Duties & Liabilities > General Overview

[HN2](#) **General Partnerships, Management Duties & Liabilities**

See Miss. Code Ann. § 79-12-49 (1996).

Business & Corporate Law > ... > Management Duties & Liabilities > Rights of Partners > Losses & Profits

Business & Corporate Law > General Partnerships > Management Duties & Liabilities > General Overview

Business & Corporate Law > ... > Management Duties & Liabilities > Rights of Partners > General Overview

Business & Corporate Law > ... > Management Duties & Liabilities > Rights of

Partners > Partnership Property

[HN3](#) **Rights of Partners, Losses & Profits**

A partnership interest is the partner's right to profits and surplus of a partnership which constitutes personal property. Miss. Code Ann. § 79-12-51 (1996).

Business & Corporate
Compliance > ... > Default > Foreclosure & Repossession > Dispositions of Collateral

Commercial Law (UCC) > Secured Transactions (Article 9) > Attachment, Effectiveness & Rights > General Overview

Commercial Law (UCC) > Secured Transactions (Article 9) > General Overview

Commercial Law (UCC) > ... > Perfection & Priority > Perfection > General Overview

[HN4](#) **Foreclosure & Repossession, Dispositions of Collateral**

A security interest in personal property generally continues in the collateral notwithstanding a sale or transfer unless the creditor authorizes a modification. [Miss. Code Ann. § 75-9-306](#) (Supp. 1997).

Business & Corporate Law > ... > Management Duties & Liabilities > Causes of Action > Partnership Liabilities

Business & Corporate Law > General Partnerships > Management Duties & Liabilities > General Overview

[HN5](#) **Causes of Action, Partnership Liabilities**

See Miss. Code Ann. § 79-12-29(1) (1996).

Business & Corporate Law > ... > Management Duties & Liabilities > Causes of Action > Partnership Liabilities

Business & Corporate Law > General Partnerships > General Overview

Business & Corporate Law > General Partnerships > Management Duties & Liabilities > General Overview

Business & Corporate Law > ... > Management Duties & Liabilities > Causes of Action > General Overview

[HN6](#) **Causes of Action, Partnership Liabilities**

When analyzing partnership loans it is significant to distinguish whether the loan was borrowed in the partnership's name or in the name of a partner individually. If the debt is incurred in the partner's own name then the partnership and the other partners are not liable even if the money is used for partnership purposes.

Governments > Courts > Authority to Adjudicate

[HN7](#) **Courts, Authority to Adjudicate**

A court may not unilaterally raise issues that were not raised in the pleadings.

Business & Corporate Law > ... > Shareholder Duties & Liabilities > Piercing the Corporate Veil > Illegal Purposes & Interests of Justice

Contracts Law > ... > Affirmative Defenses > Fraud & Misrepresentation > General Overview

Business & Corporate Law > ... > Shareholder Duties & Liabilities > Piercing the Corporate Veil > General Overview

[HN8](#) **Piercing the Corporate Veil, Illegal Purposes & Interests of Justice**

Before the court will pierce the corporate veil, the plaintiff must show that the factual circumstances are so extraordinary that to do otherwise would subvert the ends of justice. Further, the court will only pierce the veil of a subsidiary corporation in order to deal with its parent corporation in extreme circumstances. The only situations which warrant piercing the corporate veil are situations in which a party has abused the corporate entity to perpetrate fraud and evade contractual and tort responsibility.

Civil Procedure > Preliminary Considerations > Equity > Relief

Governments > Courts > Authority to Adjudicate

[HN9](#) **Equity, Relief**

A chancellor may award relief for which there is no precedent if equity dictates that such relief be granted. The remedial powers of chancellors are sufficient to vindicate the claims and interests of all litigants. Those powers are as broad as equity and justice require. Those powers have always been marked by flexibility and expansiveness so that appropriate remedies may be decreed to satisfy the needs of the particular case. The chancellor's remedial powers are marked by plasticity. Equity jurisdiction permits innovation that justice may be done.

Governments > Courts > Authority to Adjudicate

[HN10](#) **Courts, Authority to Adjudicate**

The court will not allow a party to add facts to his brief that were not in the record.

Counsel: ATTORNEYS FOR APPELLANTS: WYNN CLARK, NICHOLAS VAN WISER, HUGH KEATING.

ATTORNEYS FOR APPELLEES: WILLIAM LEE GUICE, III, RANDALL SCOTT WELLS.

Judges: MILLS, JUSTICE, PRATHER, C.J., SULLIVAN AND PITTMAN, P.JJ., BANKS, ROBERTS, SMITH AND WALLER, JJ., CONCUR. McRAE, J., CONCURS IN RESULT ONLY.

Opinion by: MILLS

Opinion

NATURE OF THE CASE: CIVIL - OTHER

BEFORE PRATHER, C.J., ROBERTS AND MILLS, JJ.

MILLS, JUSTICE, FOR THE COURT:

STATEMENT OF THE CASE

On December 16, 1994, Joel R. Carter and Terry W. Green filed suit against Gulfside Casino, Inc. in the Harrison County Chancery Court. Subsequently, Carter and Green filed a motion for summary judgment and a motion to appoint a receiver. On March 15, 1995, the Chancellor granted Carter and Green partial summary judgment awarding each plaintiff \$ 3,000,000 plus interest and costs on promissory notes.

In May 1995, Carter and Green filed their amended complaint and renewed their motion to appoint a receiver. Following responsive [*2] pleadings from Gulfside Casino, Carter and Green filed an amended motion for special execution, for judicial foreclosure and/or for a charging order appointing a receiver. The chancellor entered a charging order on August 25, 1995.

The trial was conducted on July 16, 17 and 19, 1996. On July 26, 1996, the chancellor entered his judgment, holding that the lien of Carter and Green extended to a 59.994% interest in the general partnership held by Patrician, that repayments of loans to partners were prohibited, and that efforts be exhausted to satisfy the judgment under the terms of the charging order. Further, the chancellor ordered that the issue of additional relief and appointment of a receiver be set for a hearing in December 1996. Aggrieved, Gulfside Casino Partnership brings this appeal assigning the following issues as error:

I. WHETHER THE COURT ERRED IN ITS ANALYSIS OF THE NATURE OF A PARTNERSHIP INTEREST;

A. WHETHER THE COURT ERRED IN ITS ANALYSIS OF THE NATURE OF A LIEN, PLEDGE, OR SECURITY INTEREST UPON A

PARTNERSHIP INTEREST;

B. WHETHER THE COURT ERRED IN FINDING THAT "A PARTNER ESPECIALLY ALIGNED AS THESE, CAN CERTAINLY BE LIABLE

FOR THE ACTS OF ANOTHER."

II. [*3] WHETHER THE COURT ERRED IN ITS APPLICATION OF *GIBSON V. STATE*, A CASE CONCERNING THE "LOOTING" OF CORPORATE ASSETS, TO THE CASE AT BAR AND SPECIFICALLY IN FINDING THAT THERE EXISTED A FIDUCIARY DUTY ON THE PART OF OFFICERS AND DIRECTORS OF GULFSIDE CASINO TO CARTER/GREEN.

III. WHETHER THE COURT ERRED IN FINDING THAT WHEN THE SANDS REGENT ACQUIRED GULFSIDE CASINO FROM THE McDONALD FAMILY, THE SANDS REGENT, PATRICIAN AND GULFSIDE CASINO INCORPORATED BECAME "ONE ENTITY WITH THREE FACADES."

IV. WHETHER THE COURT ERRED IN RULING THAT PURSUANT TO THE CHARGING ORDER, GULFSIDE CASINO PARTNERSHIP IS REQUIRED TO PAY CARTER AND GREEN SIXTY PERCENT OF MONIES NOT DESIGNATED FOR NORMAL OPERATIONAL EXPENSES.

V. WHETHER THE COURT ERRED IN RULING THAT THE REPAYMENT BY THE PARTNERSHIP OF LOANS TO THE PARTNERSHIP BY PARTNERS DID NOT CONSTITUTE NORMAL OPERATIONAL EXPENSES.

STATEMENT OF THE FACTS

The Copa Casino, located in Gulfport, Mississippi, is the subject of the present litigation. The Copa Casino is owned by Gulfside Casino Partnership, a Mississippi Partnership. The partners in this partnership are: Gulfside Casino, Inc.; Patrician, Inc.; and Artemis, Inc.¹

[*4] Initially, Gulfside Casino, Inc. was principally owned by the McDonald family of Seattle, Washington, with a minority interest held by Carter and Green. On December 31, 1992, Patrician, Inc., a Nevada corporation owned by the Sands Regent, and Gulfside

¹Artemis was created for the purpose of maintaining a functionally viable second partner in the event of the bankruptcy or other dissolution of GCI. The gaming license and the Mississippi State Port Lease for the Copa Casino is in the partnership name, and the collapse of the partnership through the loss of viability of one of only two partners could conceivably jeopardize the license.

Casino, Inc., entered into a General Partnership Agreement for the construction, operation and ownership of the Copa Casino. Under the provisions of the original Partnership Agreement between Patrician and Gulfside Casino, Inc., Patrician held a 40% ownership interest in the partnership and Gulfside Casino, Inc. held a 60% ownership interest in the partnership. Although Patrician held only a 40% interest in the Partnership, it is the managing partner, and as such may not be removed without its consent. The partnership was to be funded primarily through loans which were to be procured by the partners for the partnership. The amounts and timing of these loans are all set forth in the partnership agreement. The amounts of the loans contemplated by the partnership agreement were as follows: in initial loans Gulfside Casino, Inc. would borrow \$ 2,000,000 and Patrician would borrow \$ 8,000,000; in additional partnership loans, Gulfside Casino, [*5] Inc. would borrow \$ 1,000,000 and Patrician would borrow \$ 1,000,000; additionally, Patrician would borrow \$ 3,000,000 in supplemental partnership loans; and finally, in final partner startup loans Gulfside Casino agreed to borrow 60% of the remaining funds required and Patrician agreed to borrow 40% of the funds. The partnership agreement also outlined specific provisions for repayment of these loans.² All of these provisions have been in effect from the inception of the original partnership.

[*6] Carter and Green facilitated the McDonalds' acquisition of the casino vessel and port lease and were minority shareholders of Gulfside Casino, Inc. at the time of the formation of the partnership of Gulfside Casino, Inc. and Patrician. Carter and Green had paid

little or nothing for their interest in Gulfside Casino, Inc., and had never put any money into the partnership itself. Instead, they obtained an interest in the casino through their work and conceptualization.

Problems arose within Gulfside Casino, Inc. between Carter and Green and the McDonalds when Carter and Green failed to obtain the required approval from the Mississippi Gaming Commission to directly or indirectly hold an interest in a gaming license. The inability of Carter and Green to obtain the necessary approval delayed the Copa's projected opening and placed the entire project in jeopardy of collapse. In order to secure Gaming Commission approval for the entire project, the McDonald family, through Gulfside Casino, Inc., purchased all the interest of Carter and Green in Gulfside Casino, Inc. As a result, the McDonald family owned all outstanding stock in Gulfside Casino, Inc.

In consideration for the sale of their [*7] stock Carter and Green received \$ 3,500,000 each, \$ 500,000 each in cash and \$ 3,000,000 each in the form of promissory notes. The notes were secured by a pledge agreement, whereby Gulfside Casino, Inc. pledged its partnership interest in the Gulfside Casino Partnership. This pledge agreement was executed August 27, 1993, nearly eight months after the creation of the partnership itself. Neither Patrician, the Sands Regent (Patrician's parent company), nor Gulfside Casino Partnership were parties to this pledge agreement. However, these entities were parties to an agreement and mutual release entered into on August 27, 1993, where they acknowledged and recognized Carter and Green's transactions with Gulfside Casino, Inc.

As Carter and Green could not directly or indirectly hold any interest in any entity holding a gaming license, the pledge agreement provided that in the event of default, Carter and Green would be entitled, if necessary, to seek to have a receiver appointed to take possession of Gulfside Casino, Inc.'s "partnership interest" in the partnership. Any such receiver would require prior approval of the Gaming Commission.

The pledge agreement read as follows:

For any good [*8] and valuable consideration, receipt of which is hereby acknowledged, the undersigned, Gulfside Casino, Inc., a Mississippi corporation, ("Debtor") herewith pledges, assigns for collateral and grants a security interest in and to the following described collateral to and for the benefit of Joel R. Carter, Sr. and Terry Wayne Green, individuals residing in Gulfport, Mississippi (collectively referred to herein as

²The partnership agreement mandated that the loans be paid in the following manner:

1. First, interest was to be paid on all outstanding partner loans;
2. Second, sixty percent to Gulfside and forty percent to Patrician for their respective final partner start-up loans to the extent made pursuant to subsection 10.2.5 herein;
3. Third, one hundred percent to Patrician for its Patrician additional partner loans to the extent made pursuant to subsection 10.2.4 herein; and
4. Fourth, equally to Gulfside and Patrician for their respective additional partner loans, to the extent made pursuant to subsection 10.2.3 herein; and
5. Fifth, twenty percent to Gulfside and eighty percent to Patrician for their respective initial loans pursuant to Subsection 10.2.2 herein.

"Secured Party"):

All of Debtor's partnership interest in Gulfside Casino Partnership, a Mississippi general partnership (the partnership").

to have and to hold the same to secure the due and timely satisfaction for the obligations of Debtor to Secured Party, as set out in those Promissory Notes, dated August 27, 1993, issued by Debtor to Secured Party (the "Notes").

The Pledge Agreement also provided that Gulfside Casino Inc. would retain all rights to exercise any and all actions with reference to the partnership management and operations as set forth in the partnership agreement, and to sell and encumber its interest.³ Further, the pledge agreement contained a subordination clause which stated that the Carter/Green debt was subordinate to "any security interest [*9] granted by the debtor in connection with future financing provided to the partnership by commercial lenders or financial institutions in support of the partnership's operations or capital acquisitions, and not for distribution to the debtor, its shareholders or any entity controlled by the debtor or its shareholders."

In November, 1993, serious partnership disputes arose between Gulfside Casino, Inc., still owned by the McDonald family, and Patrician. The subject of the dispute was, among other things, that the site for the Copa Casino had been moved to another site, the "Horseshoe Site," which prompted heavy construction costs which the McDonalds did not want to fund. Specifically, the McDonalds refused to allow Gulfside Casino, Inc. to honor its funding obligations for the construction contract entered into with [*10] Tilley Constructors ("Tilley") as required by the lease agreement between Gulfside Casino Partnership and the Port Authority.

On November 16, 1993, Stanley McDonald, on behalf of Gulfside Casino, Inc., wrote to Pete Cladianos, Jr. ("Cladianos") of Patrician, advising him that Gulfside Casino, Inc. was unwilling to continue funding operational cash shortages of the Copa. On November 22, 1993, Kirby McDonald of Gulfside Casino Inc. advised Cladianos that Gulfside Casino, Inc. would

consider additional investments in the partnership if Patrician relinquished its role as operations manager of the partnership. McDonald suggested three options, one of which involved a buy-out by one partner.

On November 22, Patrician responded, advising Gulfside Casino, Inc. that the failure to fund Tilley's construction contract could cause construction to stop at the "Horseshoe Site" and possibly jeopardize the partnership's lease with the Mississippi State Port Authority.

On November 24, Cladianos again wrote Gulfside Casino Inc. to advise them that Gulfside Casino, Inc.'s failure to make additional partnership loans constituted a breach of the partnership agreement. Subsequently, a series of letters [*11] was exchanged which detailed the serious dispute between Gulfside Casino, Inc. and Patrician, a dispute which eventually resulted in the initiation of litigation against the partnership by Tilley and Patrician and litigation against Kirby McDonald, one of the principals of Gulfside Casino, Inc.

In a letter to Patrician dated November 29, 1993, Gulfside Casino, Inc. stated that it was not in the best interest of the partnership to proceed with the Tilley contract, and declined to contribute to the partnership the amounts requested by Patrician. On December 6, 1993, Gulfside Casino Inc. stated its contention that it had no obligation to make additional partner loans to the partnership. Patrician responded on December 10, 14, and 22, stating that Gulfside Casino, Inc.'s failure to fund the partnership was a material breach of the partnership agreement, and that Patrician would not continue to fund the partnership. Gulfside Casino, Inc. responded on December 23 claiming that it had no obligation to loan additional funds to the partnership, and conceded that the partnership was in a "serious situation."

On that same day, December 23, 1993, Carter and Green initiated suit against Gulfside [*12] Casino, Inc. in chancery court for Gulfside Casino's failure to make the required interest payments required under the terms of the notes which had been given in consideration for the acquisition of Carter and Green's stock in Gulfside Casino, Inc.

On February 3 and 9, 1994, Patrician objected in writing to Gulfside Casino, Inc.'s alleged unauthorized distribution of partnership financial data and information to third parties.

The failures of Gulfside Casino, Inc. resulted in a default

³This language is superfluous as the right to management is not assignable, according to the terms and provisions of the Mississippi Uniform Partnership Act. Miss. Code Ann. § 79-12-53 (Rev. 1996).

in payments to Tilley Construction. Tilley discontinued construction and filed construction liens against the partnership and the site. The port authority then notified the partnership of a default under the partnership's lease agreement with the port and required the partnership to cure the defaults or face termination of the lease and eviction proceedings.

The climate at the height of the dispute between Patrician/The Sands Regent and Gulfside Casino Inc./McDonalds must be fully appreciated in order to understand the various reasons for the structure of the final deal between the two. At this point, relations between Patrician/Sands Regent and Gulfside Casino/McDonalds were extremely poor. Tilley [*13] Construction had sued the partnership for failure to make payments under the construction contract for leasehold improvements. Carter and Green had sued Gulfside Casino, Inc. for failing to make payments under the note from Gulfside Casino, Inc. to Carter and Green. The partnership had sued the McDonalds individually and Gulfside Casino, Inc. corporately for breach of the partnership agreement. While all of this litigation was pending, Gulfside Casino, Inc. was not contributing funds to the project.

On February 9, 1994, Gulfside Casino, Inc. offered to sell the Sands Regent its interest in the partnership. This offer resulted in negotiations between the partners and the offer was ultimately accepted. The settlement/purchase was consummated by the Sands Regent purchasing Gulfside Casino, Inc.'s stock from the McDonalds, effectively ending the dispute between Gulfside Casino, Inc. and Patrician. As a part of this settlement, the Sands Regent also purchased the McDonald, Ltd, notes receivable due from Gulfside Casino Partnership, which were in fact the loans procured by Gulfside Casino, Inc. in accordance with the partnership agreement.

On February 25, 1994, the three McDonald shareholders [*14] of Gulfside Casino, Inc. executed a "Consent in Lieu of Special Meeting" which reflected that the shareholders of Gulfside Casino, Inc. had entered into a sale agreement for Gulfside Casino, Inc.'s stock. On that same date, all three McDonalds resigned their positions with the corporation and the partnership. Later that day, the Sands Regent, the new sole shareholder of Gulfside Casino, Inc., executed a "Unanimous Consent To Action" and elected Pete Cladianos, Jon Bengtson, and David Wood as directors. Simultaneously, a "Unanimous Consent to Action" was executed by the new directors of Gulfside Casino, Inc.

naming Cladianos president and chairman of the board and Wood vice-president. A separate consent also named Cladianos, Bengtson, and Wood as representatives of Gulfside Casino, Inc. on the partnership board.

Following the consummation of the settlement, Gulfside Casino Partnership began an analysis of the books of the partnership and the partners focusing particularly on the respective investments in the partnership of each of the partners of Gulfside Casino Partnership.⁴ As evidenced by the exchange between Gulfside Casino, Inc. and Patrician which preceded the acquisition of [*15] Gulfside Casino, Inc.'s stock, the disparity in contributions was the critical factor at the core of the dispute between Patrician and the McDonalds.

The respective investments by Gulfside Casino, Inc. and Patrician were not reflected in the allocation of partnership interests between the partners, and in fact constituted a breach of the partnership agreement. Rather than pursue remedies of dissolution for Gulfside Casino, Inc.'s breach of the agreement, it was determined that the partnership agreement should reflect the economic realities [*16] of the partner's investments, in accordance with, inter alia, the provisions of the "Definitions" of the partnership agreement. This disparity, resulting from and reflecting the refusal of Gulfside Casino, Inc. while owned by the McDonalds, to comply with its obligations under the partnership agreement, constituted a breach. As a result of this determination on April 15, 1994, Patrician and Gulfside Casino, Inc. entered into an agreement amending the partnership agreement whereby the partners readjusted partnership equities to reflect the economic contributions of each partner. Patrician's percentage interest in the partnership was reallocated from forty percent to eighty percent and Gulfside Casino, Inc.'s interest was reallocated from sixty percent to twenty percent. The identical action is reflected in both Patrician's corporate records and the partnership's records as agreed to by the parties. The first amendment was agreed to by the partners, Gulfside Casino, Inc., the Sands Regent, and Patrician, in order

⁴ Article X, § 10 of the partnership agreement ("partner loans") specifies the loan amounts each partner was required to procure to finance the development, construction and start up of operations of the partnership. Gulfside Casino, Inc. did not adhere to this contractual requirement despite repeated demands and requests by Patrician. The initial partnership agreement was breached by Gulfside Casino, Inc., while still owned by the McDonald family beginning in November, 1993.

to cure what would otherwise have constituted a breach of the partnership agreement existing since the McDonald dispute, as well as to reflect the actual economic contributions [*17] and risks of Patrician and Gulfside Casino, Inc.

Additional funds of approximately \$ 5.5 million, were needed by the partnership following November 1993 in order to finance construction of the new gaming site, the "Horseshoe Site".

Among other things, the first amendment to the partnership agreement reflected Patrician's increased financial contribution and risks, and Gulfside Casino, Inc.'s reduced financial contributions and risks which were not contemplated in the original partnership agreement. The revised 80/20 partnership interests for Patrician and Gulfside Casino, Inc., respectively, were calculated from the ratio of amounts due from the partnership to Patrician and Gulfside Casino, Inc. on February 28, 1994, immediately after The Sands Regent purchased Gulfside Casino, Inc.'s common stock. At that time the partnership owed loans procured by Patrician and Gulfside Casino Inc. in the total amount of \$ 19,036,458.00. Of this amount \$ 3,692,347.00 or 19.4% had been caused to be loaned by Gulfside Casino, Inc. and \$ 15,344,111.00 or 80.6% was due Patrician.⁵ These percentages were rounded to 20% and 80% for Gulfside Casino Inc. and Patrician, respectively, which incidentally, [*18] was to the benefit of Gulfside Casino, Inc.

Under the terms of the notes from Gulfside Casino, Inc. to Carter and Green, interest payments were first due on May 27, 1994. This payment was made by Gulfside Casino, Inc. with money borrowed from The Sands Regent, its parent corporation. The payments due on November 27, 1994, were not made and Carter and Green sent notice of default to Gulfside Casino, Inc. When no payments were forthcoming, Carter and Green filed the present action.

On December 9, 1994, Patrician and [*19] Gulfside Casino, Inc. submitted a second amendment to the

⁵The loans procured by Gulfside Casino, Inc. were not in actuality "loaned" by Gulfside Casino, Inc." They were in fact "loaned" by another McDonald entity called "McDonald, Ltd". As a part of the overall settlement agreement with the McDonalds, the Sands Regent purchased this note from McDonald, Ltd. Therefore, in actuality there are no sums due to Gulfside Casino, Inc. This fact, in and of itself, did not constitute a breach, as the loans were originally contemplated as coming from the McDonalds.

partnership agreement in which they reduced Gulfside Casino, Inc.'s interest in the partnership to less than one percent. At the time of this amendment, the Sands Regent owned and controlled all of the partners. Carter and Green submit that this amendment was enacted to thwart their security agreement. They filed suit on December 16, 1994.⁶

STANDARD OF REVIEW

HN1 [↑] When reviewing a chancellor's decision, [*20] we will accept a chancellor's findings of fact as long as the evidence in the record reasonably supports those findings. *Perkins v. Thompson*, 609 So. 2d 390, 393 (Miss. 1992). In other words, we will not disturb the findings of a chancellor unless those findings are clearly erroneous or an erroneous legal standard was applied. *Hill v. Southeastern Floor Covering Co.*, 596 So. 2d 874, 877 (Miss. 1992).

ANALYSIS

I. WHETHER THE COURT ERRED IN IT ANALYSIS OF THE NATURE OF A PARTNERSHIP INTEREST;

A. WHETHER THE COURT ERRED IN ITS ANALYSIS OF THE NATURE OF A LIEN, PLEDGE, OR SECURITY INTEREST UPON A

PARTNERSHIP INTEREST;

Carter and Green are asserting a lien, either consensual or non consensual, on the partnership interest in Gulfside Casino, Inc.⁷ The appellants maintain that

⁶In addition to the facts stated here, Carter and Green attached evidence in their brief that Gulfside Casino, Inc. filed for bankruptcy. These matters are outside the record. It is well settled that this Court will not allow a party to go outside the record by adding facts in briefs. *Commercial Credit Equip. Corp. v. Kilgore*, 221 So. 2d 363, 367 (Miss. 1969); *Dillon v. State*, 641 So. 2d 1223, 1225 (Miss. 1994). Therefore, this writer has omitted any information regarding Gulfside Casino Inc.'s bankruptcy from the statement of the facts.

⁷ **A consensual lien is asserted via the pledge agreement. A non-consensual lien is asserted by way of the charging**

Carter and Green can only assert their lien rights upon the profits and surplus to which Gulfside Casino, Inc. is entitled under the partnership agreement.

[*21] In discussing the lien, one of the appellants' assertions is that a partner cannot assign his interest in partnership property and thus Carter and Green have no interest in the partnership property. This is correct under the Uniform Partnership Act which this state adopted in 1976. The Act provides:

HN2^[↑] Nature of a partner's right in specific partnership property.

(1) A partner is co-owner with his partners of specific partnership property holding as a tenant in partnership.

(2) The incidents of this tenancy are such that:

(a) A partner, subject to the provisions of this chapter and to any agreement between the partners, has an equal right with his partners to possess specific partnership property for partnership purposes; but he has no right to possess such property for any other purpose without the consent of his partners.

(b) A partner's right in specific partnership property is not assignable except in connection with the assignment of rights of all the partners in the same property.

(c) A partner's right in specific partnership property is not subject to attachment or execution, except on a claim against the partnership. When partnership property is attached for a partnership **[*22]** debt the partners, or any of them, or the representatives of a deceased partner, cannot claim any right under the homestead or exemption laws.

Miss. Code Ann. § 79-12-49 (1996). Appellants maintain that as an assignee, Carter and Green only have the rights to the Gulfside Casino, Inc.'s profits and surplus. They argue that to allow Carter and Green to have more than this would be to allow them to have a lien on the partnership property and note that a lien is limited to the rights to receive profits and surplus and a lienor has no right to take possession of the partnership property. See *Bohonus v. Amerco*, 124 Ariz. 88, 602 P.2d 469 (Ariz. 1979). The appellants are correct in their assertion that Carter and Green are not entitled to a lien on the property of the partnership. However, Carter and Green can have a lien on Gulfside Casino, Inc.'s partnership interest without having any lien on partnership property,

and the trial court held that Carter and Green possessed a lien on Gulfside Casino, Inc.'s interest in the partnership when that interest was sixty percent. Thus, the issue is whether Carter and Green may have a lien on Gulfside Casino, Inc.'s partnership interest **[*23]** when that interest constituted sixty percent of the partnership.

HN3^[↑] A partnership interest is the partner's right to profits and surplus of a partnership which constitutes personal property. Miss. Code Ann. § 79-12-51 (1996).

HN4^[↑] A security interest in personal property generally continues in the collateral notwithstanding a sale or transfer unless the creditor authorizes a modification. *Miss. Code Ann. § 75-9-306* (Supp. 1997); *Memphis Bank & Trust Co. v. Pate*, 362 So. 2d 1245 (Miss. 1978). Although the defendants were entitled to change the structure of the partnership these changes were after Carter and Green's security interest was perfected. Further, the defendants maintain that when they reduced Gulfside Casino, Inc.'s partnership interest from 60% to 20% and later to 0.006% that they did so to reflect Gulfside Casino, Inc.'s financial contributions to the partnership. However, Gulfside Casino, Inc. had procured loans in excess of three and one half million dollars for the partnership. Thus, if the defendants were accurately attempting to reflect each corporation's financial contributions then in order to reduce Gulfside Casino, Inc.'s interest to 0.006%, Patricia **[*24]** would have had to have contributed over one trillion dollars to the partnership. Therefore, the defendant's partnership amendments do not modify the partnership interests in a manner that accurately reflects each partner's contributions to the partnership.

While the defendants have every right to amend the partnership agreement in whatever way they choose, the Mississippi Partnership Act mandates that situations not governed by the Act be governed by the rules of law and equity. Miss. Code Ann. § 79-12-9. Carter and Green were granted a security interest in Gulfside Casino, Inc.'s partnership interest when that interest was 60%. The chancellor found that it was unequitable to allow the Sands Regent, who now owns all partners in the partnership, to reduce that security interest so that Carter and Green only have a secured interest in 0.006% of the partnership. We find that the chancellor did not err in this decision.


B. WHETHER THE COURT ERRED IN FINDING THAT "A PARTNER ESPECIALLY ALIGNED AS THESE, CAN CERTAINLY BE LIABLE

order issued subsequent to the entry of judgment for breach of the promissory notes.

FOR THE ACTS OF ANOTHER."

[HN5](#) 

The Mississippi General Partnership Act provides that "...all partners are liable jointly and severally for all debts [*25] and obligations of the **partnership**." Miss. Code Ann. § 79-12-29(1) (1996) (emphasis added). The defendants assert that the debt to Carter and Green was an individual debt and was incurred for the corporate purposes of Gulfside Casino, Inc. not for the partnership.

Indeed, it is undisputed that the debt to Carter and Green was incurred by Gulfside Casino, Inc. in its own name. [HN6](#)  When analyzing partnership loans it is significant to distinguish whether the loan was borrowed in the partnership's name or in the name of a partner individually. [Burns v. Gonzalez, 439 S.W.2d 128, 133 \(Tex. Civ. App. 1969\)](#). If the debt is incurred in the partner's own name then the partnership and the other partners are not liable even if the money is used for partnership purposes.⁸ See [Kaback v. Schweickart & Co., 415 F. Supp. 646 \(S.D.N.Y. 1976\)](#); [Gay's Jewelry, Inc. v. Goldberg, 129 Ind. App. 356, 156 N.E.2d 637 \(Ind. Ct. App. 1959\)](#). Thus, in the case *sub judice*, it is Gulfside Casino who is liable to Carter and Green not the partnership and the chancellor erred in holding that partners aligned as these could be liable for the acts of another. [*26]

II. WHETHER THE COURT ERRED IN ITS APPLICATION OF *GIBSON V. STATE*, A CASE CONCERNING THE "LOOTING" OF CORPORATE ASSETS, TO THE CASE AT BAR AND SPECIFICALLY IN FINDING THAT THERE EXISTED A FIDUCIARY DUTY ON THE PART OF OFFICERS AND DIRECTORS OF GULFSIDE CASINO TO CARTER/GREEN.

Next, the Defendants assert that the trial court erred in applying [Gibson v. Manuel, 534 So. 2d 199 \(Miss.](#)

[1988\)](#), to the present case and holding that there existed a fiduciary duty between the directors of Gulfside Casino, Inc. and Carter and Green.

In *Gibson*, John T. Gibson was the owner of CBC corporation, a broadcasting company that operated radio station WDDT. [Gibson, 534 So. 2d at 199](#). Gibson sold CBC's outstanding [*27] shares to Donald G. Manuel and in exchange for Gibson's transfer of the stock, Manuel executed an installment note in Gibson's favor. [Id. at 200](#). As collateral for the note Manuel pledged his newly acquired shares of stock in CBC. *Id.* Manuel was owner of all of the outstanding shares of CBC and assumed complete control of the corporation electing himself president and treasurer. *Id.* After making two installment payments to Gibson, Manuel defaulted on his payments to Gibson. *Id.* Subsequently, Manuel effectively stripped CBC of all of its assets and formed a new corporation CCC, which assumed ownership and operation of WDDT. *Id.* Gibson filed a preliminary injunction to prevent the sale of a license to CCC and to restore the assets to CBC. *Id.* In *Gibson*, we noted that a corporate officer who participates in illegal diversions of corporate assets is liable for those assets. We also opined that corporate officers not only have a fiduciary duty to shareholders, but to the pledgees of corporate shares. [Id. at 202](#). We stated:

There is no reason on principle why a corporate officer's duties of care and loyalty [*28] should not extend to pledgees of corporate shares as well as to shareholders. Beneficial and legal holders would seem similarly situated. A pledgee holding a security interest in corporate shares is a potential shareholder. He has the same interest and concern as a shareholder that the corporate affairs be managed properly. If the officers default, the pledgee suffers harm generically not unlike that experienced by the shareholder....

* * *

Close examination makes clear that the sales agreement in no way empowers Manuel to loot the corporation with impunity. Paragraph 4 merely spells out the meaning of the stock pledge as the security interest of choice. Manuel was given no authority to impair the value of that collateral.

⁸ In the case *sub judice* it would be services rendered not money. So it is irrelevant if the services rendered by Carter and Green were in furtherance of the partnership. The bottom line is that Carter and Green's agreement was with Gulfside Casino, Inc.

[534 So. 2d at 202-03.](#)

The chancellor found that the rules and principles in **Gibson** could be applied to the case *sub judice* and that both the partnership and the officers and directors of Gulfside Casino Inc. owed the Plaintiffs a duty of care and loyalty. The defendants argue that the present case is wholly distinguishable from **Gibson** because no assets of the partnership have been "looted" or mishandled.

While the facts in [*29] the present case and **Gibson** are not exactly the same, we do not find that the chancellor erred in applying some of the principles set forth in **Gibson** to the present case. The Gulfside Casino Partnership does not owe Carter and Green a fiduciary duty of care and loyalty because it was Gulfside Casino, Inc. not Gulfside Casino Partnership that bought their stock and entered into the pledge agreement with them. However, like the corporate officers in **Gibson**, the corporate officers of Gulfside Casino, Inc. do owe Carter and Green a duty of loyalty and care. Gulfside Casino, Inc.'s partnership interest was pledged as a security for promissory notes that Gulfside Casino, Inc. owed Carter and Green. This is very similar to **Gibson** whose note was secured by shares of CBC held by Manuel. [Gibson, 534 So. 2d at 200](#). The officers of Gulfside Casino, Inc.⁹ allowed the Partnership to reduce Gulfside Casino Inc.'s partnership interest from sixty percent to less one tenth of one percent. As pledgees of the partnership interest, Carter and Green have a definite stake in that interest. Similar to the corporate officer in **Gibson**, who allowed CBC to [*30] be stripped of its assets, the corporate officers of Gulfside Casino, Inc. allowed its partnership interest to be reduced to a negligible amount. According to this Court's holding in **Gibson**, corporate officers owe pledgees a duty of care and loyalty. This Court finds that the chancellor was correct in applying **Gibson** to the present case and that Gulfside Casino, Inc. breached its duty of care and loyalty to Carter and Green by allowing the Partnership to reduce Gulfside Casino, Inc.'s interest to infinitesimal amount.

III. WHETHER THE COURT ERRED IN FINDING THAT WHEN THE SANDS REGENT ACQUIRED GULFSIDE CASINO FROM THE McDONALD FAMILY, THE

⁹ The officers of Gulfside Casino Inc. after the Sands Regent bought the McDonalds out were also the officers of Patrician.

SANDS REGENT, PATRICIAN AND GULFSIDE CASINO INCORPORATED BECAME "ONE ENTITY WITH THREE FACADES."

The Defendants also assert that the court erred in holding that the Sands Regent, Patrician, and Gulfside Casino, Inc., [*31] became one entity with three facades when the Sands Regent acquired Gulfside Casino, Inc. First, the defendant maintains that treating these three corporations as one entity pierces the corporate veil and was egregious because neither party requested this relief in the pleadings. The defendant cites [Rankin v. Brokman, 502 So. 2d 644 \(Miss. 1987\)](#) for the proposition that issues which are not raised in the pleadings nor tried by the consent of the parties may not be addressed unilaterally by the Court.

The defendant is correct in the assertion that [HN7](#) a court may not unilaterally raise issues that were not raised in the pleadings. [Rankin, 502 So. 2d at 646](#). However, in the complaint Carter and Green ask the Court to appoint a receiver to take control of all revenues of the Gulfside Casino Partnership and to have that receiver pay them sixty percent of all revenues derived from that enterprise. Subsequent to the second partnership amendment Gulfside Casino, Inc., the corporation indebted to Carter and Green, only owned 0.006% of the partnership. Thus, by asking for sixty percent of the partnership's revenues, Carter and Green were essentially asking the chancellor to [*32] treat the Sands Regent, Gulfside Casino, Inc., and Patrician as one entity. In Mississippi, we have general rules of pleading which means that the claim may be stated in general terms so that the rights of the client are not lost by poor draftsmanship of counsel. [M.R.C.P. 8](#). Thus, the relief sought in Carter and Green's complaint was sufficient to justify the chancellor's finding that the Sands Regent, Gulfside Casino, Inc., and Patrician were one entity with three facades.

The defendant also claims that by finding an identity including a parent corporation (The Sands Regent) and its subsidiaries, the chancellor pierced the corporate veil. Indeed, by holding that the Sands Regent and its subsidiaries were one entity with three facades the trial court did pierce the corporate veil.

[HN8](#) Before this Court will pierce the corporate veil, the plaintiff must show that the factual circumstances are so extraordinary that "to do otherwise would 'subvert the ends of justice.'" [Gray v. Edgewater Landing, Inc., 541 So. 2d 1044, 1046 \(Miss. 1989\)](#) (quoting [Johnson &](#)

Higgins of Mississippi, Inc. v. Commissioner of Ins., 321 So. 2d 281, 284 (Miss. 1975). Further, we will only pierce [*33] the veil of a subsidiary corporation in order to deal with its parent corporation in extreme circumstances. **Johnson**, 321 So. 2d at 285. The only situations which warrant piercing the corporate veil are situations in which a party has abused the corporate entity to perpetrate fraud and evade contractual and tort responsibility. [Hogan v. Mayor & Aldermen of Savannah](#), 171 Ga. App. 671, 320 S.E.2d 555, 558 (Ga. Ct. App. 1984) (citing [Kelley v. Austell Bldg. Supply](#), 164 Ga. App. 322, 297 S.E.2d 292 (Ga. Ct. App. 1982)). We find that the present case presents such a situation.

In the present case, the Sands Regent owned both corporations in the Gulfside Casino Partnership. The Sands Regent shifted the partnership interest among its subsidiary corporations in such a way as to greatly reduce the security interest Carter and Green held in Gulfside Casino, Inc. When the Sands Regent and Gulfside Casino, Inc. embarked on this course of action they were attempting to evade contractual responsibility. Therefore, the chancellor was justified in piercing the corporate veil.

IV. WHETHER THE COURT ERRED IN RULING THAT PURSUANT TO THE CHARGING ORDER, GULFSIDE CASINO [*34] INCORPORATED IS REQUIRED TO PAY CARTER AND GREEN SIXTY PERCENT OF MONIES NOT DESIGNATED FOR NORMAL OPERATIONAL EXPENSES.

Next, the defendants contend that the chancellor erred in ordering Gulfside Casino Partnership to pay Carter and Green sixty percent of monies that the partnership makes that are not designated for normal operational expenses. The defendants argue that Gulfside Casino, Inc.'s rights to receive money is governed by the partnership agreement and that Gulfside Casino, Inc. is not entitled to receive sixty percent of the monies made by the partnership. They note that Carter and Green's lien rights cannot exceed the rights of the debtor who granted them their lien. [Crocker Nat'l Bank v. Perroton](#), 208 Cal. App. 3d 1, 255 Cal. Rptr. 794, 799 (Cal.Ct.App. 1989). The defendants insist that by awarding Carter and Green this money the chancellor has essentially rewritten their partnership agreement and that this was an abuse of discretion. The defendants note that courts do not have the authority to make contracts where none exist or to modify existing contracts. [Citizens Nat'l Bank of Meridian v. L.L. Glascock, Inc.](#), 243 So. 2d 67, 70 (Miss. 1971).

Likewise, [*35] the defendants claim that Courts should not be allowed to modify partnership agreements.

Indeed, the way in which the chancellor awarded damages is unprecedented in this state. However, this court has previously held that [HN9](#) [↑] chancellor may award relief for which there is no precedent if equity dictates that such relief be granted. [Hall v. Wood](#), 443 So. 2d 834, 842-43 (Miss. 1983). In [Hall](#), we opined:

The remedial powers of our chancellors are sufficient to vindicate the claims and interests of all litigants. Those powers are as broad as equity and justice require. Those powers have always been marked by flexibility and expansiveness so that appropriate remedies may be decreed to satisfy the needs of the particular case. The chancellor's remedial powers are marked by plasticity. Equity jurisdiction permits innovation that justice may be done.

[Hall](#), 443 So. 2d at 842-43 (citing [Higginbottom v. Short](#), 25 Miss. 160 (1852)). The chancellor in the case *sub judice* realized that if the Sands Regent and its subsidiaries were allowed to reduce Carter and Green's security interest in Gulfside Casino Partnership from 60% to 0.006% that a grave injustice [*36] would result. Thus, the chancellor used the powers of equity vested in him and prevented the Sands Regent from reducing Carter and Green's interest to a negligible amount.

However, while reducing Carter and Green's security interest to 0.006% is certainly unequitable, awarding Carter and Green sixty percent of all monies after operational expenses are paid seems a bit extreme. Gulfside Casino, Inc. has procured more than three and a half million dollars in loans for Gulfside Partnership and was instrumental in working on opening the casino at the beginning of the partnership. Thus, Gulfside Casino, Inc. is certainly entitled to more than a 0.006% interest in the partnership. However, Gulfside Casino, Inc. has not contributed the time or money to the partnership that was originally contemplated by the partnership agreement. The first partnership amendment in which Gulfside Casino, Inc. interest was reduced to twenty percent is probably a more accurate assessment of Gulfside Casino, Inc.'s investment of time and money. We remand this case with instructions to the chancellor to award Carter and Green a percentage of monies made after operational expenses that more accurately reflects [*37] what Gulfside Casino, Inc.'s interest should be based on its investment

of time and money to the project.

V. WHETHER THE COURT ERRED IN RULING THAT THE REPAYMENT BY THE PARTNERSHIP OF LOANS TO THE PARTNERSHIP BY PARTNERS DID NOT CONSTITUTE NORMAL OPERATIONAL EXPENSES.

The final issue is the status of the partner loans. These are sums of money loaned to the partnership which are described in the original partnership agreement. The Chancellor held that the repayment of these loans was not a normal operating expense and subordinated these debts to the lien held by Carter and Green. The defendants now object to this holding and note that most of the partner loans were in existence at the time Carter and Green took their security interest in Gulfside Casino, Inc.'s partnership interest. We are unable to determine the basis for the Chancellor's ruling on this issue and request further development of the facts and authorities relied on by him on remand.

OPEN MOTION

In addition to the merits raised in this case there was a motion filed on November 14, 1997, to strike part of the appellees' brief. In an order dated December 18th 1997, Justice Roberts ordered [*38] that this motion be passed for consideration with the merits of the appeal.

The appellants moved to strike the part of the appellees' brief which referred to the bankruptcy of Gulfside Casino, Inc. The appellants note that the bankruptcy occurred after the appellants had filed their notice of appeal and after the designation of the record was filed. The appellants also point out that the appellees made no attempt to supplement the record. As stated in footnote number 6 of this opinion, it is well settled that [HN10](#) this Court will not allow a party to add facts to his brief that were not in the record. **Commercial Credit Equip. Corp. v. Kilgore**, 221 So. 2d 363, 367 (Miss. 1969); [Robinson v. State](#), 662 So. 2d 1100, 1104 (Miss. 1995); [Dillon v. State](#), 641 So. 2d 1223, 1225 (Miss. 1994). We grant the appellants' motion to strike the portions of the appellees' brief which are not in the record.

CONCLUSION

We find that the chancellor did not err in finding that Carter and Green have a security interest in Gulfside Casino, Inc.'s partnership interest in Gulfside Casino Partnership. However, we do hold that the trial court did

err in holding [*39] that partners aligned as these can be liable for the acts of another.

The trial court did not err in applying *Gibson v. Manuel* to the case *sub judice* or in holding that when the Sands Regent acquired Gulfside Casino Inc. that Sands Regent, Gulfside Casino, Inc. and Patrician became one entity with three facades.

We remand this case to determine whether Gulfside Casino Partnership is required to pay Carter and Green sixty percent of the monies not designated for normal operational expenses and for further development of the facts and authorities for the Chancellor's ruling that the Partnership debt to the partners was subordinate to Carter and Green's lien.

REVERSED AND REMANDED.

PRATHER, C.J., SULLIVAN AND PITTMAN, P.JJ., BANKS, ROBERTS, SMITH AND WALLER, JJ., CONCUR. McRAE, J., CONCURS IN RESULT ONLY.

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U.S. Bankruptcy Court
Southern District of Mississippi (Gulfport-1 Divisional Office)
Bankruptcy Petition #: 97-07499-ERG

Assigned to: Edward Gaines
Chapter 11
Previous chapter 11
Voluntary
Asset

Date filed: 01/31/1997
Date terminated: 03/15/1999
341 meeting: 03/20/1997

Debtor
GULFSIDE CASINO, INC.
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Filing Date	#	Docket Text
01/31/1997	1	FRONT PAGE PETITION & Top 20 UCC f. [P sgn David R. Wood, President] cc IRS, SEC & USTMx f db, [BJM], ORIGINAL NIBS DOCKET ENTRY #1 (Entered: 02/03/1997)
01/31/1997	3	NOTICE of Bankruptcy and of Automatic Stay , [BJM], ORIGINAL NIBS DOCKET ENTRY #2 (Entered: 02/03/1997)
01/31/1997	4	ORDER to File Schedules and Statements due 2/20/97, 9:00 a.m. cc db, Dove & UST, [BJM], ORIGINAL NIBS DOCKET ENTRY #3 (Entered: 02/03/1997)
02/03/1997	5	REQ FOR DIP CH 11 CS cc db, Dove & UST, [BJM], ORIGINAL NIBS DOCKET ENTRY #4 (Entered: 02/03/1997)
02/03/1997	6	O CONCERNING OP REPORTS cc db, Dove & UST, [BJM], ORIGINAL NIBS DOCKET ENTRY #5 (Entered: 02/03/1997)
02/03/1997	7	O re Tax Order cc db, Dove, IRS, MSTC & UST, [BJM], ORIGINAL NIBS DOCKET ENTRY #6 (Entered: 02/03/1997)
02/14/1997	8	ENTRY OF APP & reqt doc office Aty General, State MS on bhf MS Gaming Commission f C. Brand bhf Office Aty General Gaming Control Division w/ COS. , [BJM], ORIGINAL NIBS DOCKET ENTRY #7 (Entered: 02/14/1997)
02/14/1997	9	M FOR EXT OF TM TO F SCH db reqt until 2/27/97 f sch & stmts f Dove bhf db. Re: Item # 4, [BJM], ORIGINAL NIBS DOCKET ENTRY #8 (Entered: 02/14/1997)
02/18/1997	10	O db gr ext 2/27/97 f sch & stmts. Mx must be f by 2/21/97. cc db, Dove

		& UST Re: Item # 9, [BJM], ORIGINAL NIBS DOCKET ENTRY #9 (Entered: 02/18/1997)
02/19/1997	11	M RELF AUTO STAY #M197-00147 re personal injury suit/cos f by Samuel Johnson, aty bhf Jessie Whiteman, [HTC], ORIGINAL NIBS DOCKET ENTRY #10 (Entered: 02/21/1997)
02/19/1997	12	NOTICE of Hearing m relf auto stay #M197-00147 Jessie Whiteman cc: Gulfside, Dove, Johnson, Brand, UST on 03/12/97 at 1:30 p.m. Re: Item # 11, [HTC], ORIGINAL NIBS DOCKET ENTRY #11 (Entered: 02/21/1997)
02/21/1997	13	NOTICE of Hearing RESET m relf auto stay #M197-00147 J. Whiteman cc: Gulfside, Dove, Johnson, Brand, UST on 03/11/97 at 2:30 p.m. Re: Item # 11, [HTC], ORIGINAL NIBS DOCKET ENTRY #12 (Entered: 02/21/1997)
02/24/1997	14	NOTICE of 341 meeting with Certificate of Service on 03/20/97 at 11:00 a.m. at Lopez-Quave Public Safety Center, Municipal Court Room, 170 Porter Avenue, Biloxi, MS 39530, [BJM], ORIGINAL NIBS DOCKET ENTRY #13 (Entered: 02/24/1997)
02/27/1997	2	SMY SCH, Full Sch, Discl Fees f Dove bhf db. cc IRS, SEC & UST[Discl states retainer \$25,500.00 w/ \$800.00 f fee pd from this], [BJM], ORIGINAL NIBS DOCKET ENTRY #1A (Entered: 02/27/1997)
03/21/1997	15	O LIFTING STAY M197-00147 Jessie Whiteman's M relf auto stay sustained. cc db, Dove, Johnson & UST. Re: Item # 11, [BJM], ORIGINAL NIBS DOCKET ENTRY #14 (Entered: 03/21/1997)
03/21/1997	16	NTC OF APP & REQT FOR SVC OF PAPERS pur Bk Rule 2002 William W. Abbott, Jr. & William P. Wessler, atys Hancock Bank reqt ntc, & papers f Wessler w/ COS., [BJM], ORIGINAL NIBS DOCKET ENTRY #15 (Entered: 03/25/1997)
04/01/1997	17	CH 11 PROCEEDING MEMO & MINUTES 341 MEETING f McAlpin bhf UST. Re: Item # 14, [BJM], ORIGINAL NIBS DOCKET ENTRY #16 (Entered: 04/03/1997)
04/04/1997	18	NTC OF APP & REQT FOR SVC OF NTC, DISCL STMT & OTHER PLE Michael McConnell firm McConnell, Goodrich & Lenox, Houston, TX & Richard A. Schwartz firm Schwartz, Junell, Campbell & Oathout, Fort Worth, TX reqt ntc pur Fed. R. Bk P. 9010 & Section 1109[b] Bk Code bhf Terry W. Green & Joel R. Carter, Sr. f McConnell w/ COS., [BJM], ORIGINAL NIBS DOCKET ENTRY #17 (Entered: 04/08/1997)
05/07/1997	19	APLC OF DB TO EMP CNSL db reqt emp Luke Dove & Marlane Chill, rate \$125.00 hr f Dove w/ COS., [BJM], ORIGINAL NIBS DOCKET ENTRY #18 (Entered: 05/08/1997)
05/08/1997	20	OPERATING REPORT - Chapter 11 2/97 f db, [BJM], ORIGINAL NIBS DOCKET ENTRY #19 (Entered: 05/08/1997)

05/08/1997	21	OPERATING REPORT - Chapter 11 3/97 f db, [BJM], ORIGINAL NIBS DOCKET ENTRY #20 (Entered: 05/08/1997)
05/12/1997	22	APLC FOR EMPLOYMENT OF SPECIAL CNSL db reqt emp Nicholas Wisner, law firm Byrd & Wisner, Special Cnsl for purpose prosecution apl civil cs & gr w/o prej Byrd & Wisner to participate as non-insider, unsecured cr. Byrd & Wisner holds pre-p clm for aty fees due & owing by db \$2,817.99 f Dove w/ COS & AFDT OF ATY N. Wisner., [BJM], ORIGINAL NIBS DOCKET ENTRY #21 (Entered: 05/13/1997)
05/23/1997	23	OPERATING REPORT - Chapter 11 4/97 f db, [BJM], ORIGINAL NIBS DOCKET ENTRY #22 (Entered: 05/27/1997)
05/23/1997	24	NTC OF M db's Aplc emp Special Cnsl Nicholas Wisner rate \$125.00 hr to prosecute civil action suit, ntc crs & prts int w/ obj 6/10/97 f Dove w/ COS. Re: Item # 22, [BJM], ORIGINAL NIBS DOCKET ENTRY #23 (Entered: 05/27/1997)
05/23/1997	25	M FOR CITATION OF CONTEMPT & FOR AWARD OF EXP & DAMAGES db moves Ct for citation contempt & award expenses & damages agn Terry W. Green & Joel R. Carter, Sr & their atys Wm. L. Guice, III & Richard A. Schwartz for willful violation auto stay f Dove bhf db w/ COS., [BJM], ORIGINAL NIBS DOCKET ENTRY #24 (Entered: 05/27/1997)
05/28/1997	26	NOTICE of Hearing DIP m citation of contempt and award of exp and damages cite Terry Green et al cc: Gulfside Casino, Dove, Guice, Schwartz, UST on 06/25/97 at 10:00 a.m. Re: Item # 25, [HTC], ORIGINAL NIBS DOCKET ENTRY #25 (Entered: 05/28/1997)
05/28/1997	27	O AUTH DB TO EMP CNSL db auth emp Luke Dove & Marlane Chill subject U.S. Bk Rules & procedures. cc db, Dove & UST Re: Item # 19, [BJM], ORIGINAL NIBS DOCKET ENTRY #26 (Entered: 05/29/1997)
06/03/1997	28	NTC & STIPULATION OF REALLOCATION OF PARTNERSHIP INT db & Gulfside Casino Partnership pur terms attached hereto f Ntc & Stipulation of Reallocation Partnership int & stipulate remaining terms & conditions set forth Partnership Agr shall otherwise remain full force & effect, & said Partnership reallocation accomplished w/ provisions "Unanimous Consent to Action in Lieu Special Called Meeting of Board of Gulfside Casino Partnership" attached Exh "A" f Dove bhf db w/ COS., [BJM], ORIGINAL NIBS DOCKET ENTRY # 27 (Entered: 06/03/1997)
06/03/1997	29	M FOR AN EXT OF THE DB'S EXCLUSIVE PERIOD W/N WHICH TO F A PL OF REORGANIZATION db reqt exclusive tm 6/20/97 f Pl Reorganization or Liquidation utilitizing 60% partnership int f Dove w/ COS. & &, [BJM], ORIGINAL NIBS DOCKET ENTRY #28 (Entered: 06/03/1997)
06/09/1997	30	RESP TO DB'S M FOR AN EXT OF THE DB'S EXCLUSIVE PERIOD W/N WHICH TO F A PL OF REOGANIZATION f Guice III bhf Terry

		W. Green & Joel R. Carter, Sr. w/ COS. Re: Item # 29, [BJM], ORIGINAL NIBS DOCKET ENTRY #29 (Entered: 06/10/1997)
06/10/1997	31	TERRY W. GREEN AND JOEL R. CARTER'S M RELF ST #M197-00488 cs pending Chancery Ct, Harrison Co., MS/cos f by William Guice, aty and Richard Schwartz, aty, [HTC], ORIGINAL NIBS DOCKET ENTRY #30 (Entered: 06/11/1997)
06/11/1997	32	NOTICE of Hearing m relf st #M197-00488 Terry Green & Joel Carter cc: Gulfside Casino, Dove, Guice Schwartz, UST, McConnell, Abbott, Wessler, MS Gaming Commission on 06/27/97 at 2:30 p.m. Re: Item # 31, [HTC], ORIGINAL NIBS DOCKET ENTRY #31 (Entered: 06/11/1997)
06/12/1997	33	O db auth emp special cnsl Nicholas Wisner subject Federal Rules Bk Procedure. cc db, Dove, Wisner & UST. Re: Item # 22, [BJM], ORIGINAL NIBS DOCKET ENTRY #32 (Entered: 06/12/1997)
06/17/1997	34	OPERATING REPORT - Chapter 11 5/97 f db, [BJM], ORIGINAL NIBS DOCKET ENTRY #33 (Entered: 06/18/1997)
06/17/1997	35	RESP TO DB'S M FOR CITATION OF CONTEMPT & FOR AWARD OF EXP & DAMAGES f Wm Guice III bhf Terry W. Green & Joel R. Carter, Sr. w/ COS. Re: Item # 25, [BJM], ORIGINAL NIBS DOCKET ENTRY #34 (Entered: 06/18/1997)
06/19/1997	36	NOTICE of Hearing RESET db m citation contempt etc against T. Green & J. Carter and their aty, W. Guice and R. Schwartz cc: Gulfside Casino, Dove, Guice, Schwartz, UST, Wisner, McConnell, Abbott, Wessler, Brand on 06/27/97 at 2:30 p.m. Re: Item # 25, [HTC], ORIGINAL NIBS DOCKET ENTRY #35 (Entered: 06/19/1997)
06/20/1997	37	NTC OF M ntc db's M ext exclusive period f discl stmt & pl reorganization crs & prts int w/ obj 7/8/97 f Dove w/ COS. Re: Item # 29, [BJM], ORIGINAL NIBS DOCKET ENTRY #36 (Entered: 06/20/1997)
06/25/1997	38	NTC OF APP pur Bk Rules 2002 & 9010 Derek A. Henderson & co-cnsl Hugh D. Keating f entry app bhf Gulfside Casino Partnership d/b/a The Copa Casino f Henderson w/ COS., [BJM], ORIGINAL NIBS DOCKET ENTRY #37 (Entered: 06/25/1997)
06/25/1997	39	OBJ TO M FOR RELF FROM STAY M197-00488 of Terry W. Green & Joel R. Carter f Henderson bhf Gulfside Casino Partnership d/b/a The Copa Casino w/ COS. Re: Item # 31, [BJM], ORIGINAL NIBS DOCKET ENTRY #38 (Entered: 06/25/1997)
06/25/1997	40	RESP TO M FOR RELF FROM STAY M197-00488 f Dove bhf db w/ COS. Re: Item # 31, [BJM], ORIGINAL NIBS DOCKET ENTRY #39 (Entered: 06/26/1997)
06/26/1997	41	PL OF REORGANIZATION OF GULFSIDE CASINO, INC. f D. Wood, Vice President & Treasurer & Dove, db's aty., [BJM], ORIGINAL NIBS DOCKET ENTRY #40 (Entered: 06/26/1997)

07/01/1997	42	CONSENT O - M Lift Stay M197-0488 f by Terry W. Green & Joel R. Carter consent prts hrg req contained 11 U.S.C. 362[d] & [e] wv & ext until conclusion fnl hrg M & determination by Ct. cc db, Dove, Guice III & UST. Re: Item # 31, [BJM], ORIGINAL NIBS DOCK ET ENTRY #41 (Entered: 07/01/1997)
07/01/1997	43	NTC OF HRG & HRG REQ - Terry W. Green & Joel R. Carter's M Relf Stay M197-0488 set trial 9/4/97, 9:30 a.m. w/ pla's brf due 7/11/97, reply brf due 7/25/97 & rebuttal brf, if any, 8/1/97. cc db, Dove, Guice III & UST. Re: Item # 31, [BJM], ORIGINAL NIBS DO CKET ENTRY #42 (Entered: 07/01/1997)
07/02/1997	44	O m db Citation Contempt & M Relf From Stay M197-00488 f Terry W. Green & Joel R. Carter O auto say continue in effect pending conclusion fnl hrg & prts consent to wv 30 day period provided by 11 U.S.C. 362[e]. Carter & Green [Movants] shall f Brf Reply by 7/11/97. Db f Brf Reply 7/25/97. Movants f Rebuttal Brf 8/1/97. M Lift Stay set prlm & fnl hrg 9/4/97, 9:30 a.m. Db's M Citation & Contempt & Award Exp held in abey pending fnl hrg & trial M Lift Stay. cc db, Dove, Guice III, UST & reqt list. & Re: Ite m # 25, [BJM], ORIGINAL NIBS DOCKET ENTRY #43 (Entered: 07/02/1997)
07/11/1997	45	See File #2 , [BJM], ORIGINAL NIBS DOCKET ENTRY #44 (Entered: 07/14/1997)
07/11/1997	46	MOVANT/PLA'S BRF IN SUPPORT OF THEIR M FOR RELF FROM STAY M197-0488 f Guice III bhf Terry W. Green & Joel R. Carter, Sr. w/ COS. Re: Item # 31, [BJM], ORIGINAL NIBS DOCKET ENTRY #45 (Entered: 07/14/1997)
07/14/1997	47	M FOR PROTEC O f D. Henderson bhf Gulfside Casino Partnership w/ COS., [BJM], ORIGINAL NIBS DOCKET ENTRY #46 (Entered: 07/14/1997)
07/15/1997	48	PROTEC O - M protec O f Gulfside Casino Partnership d/b/a The Copa Casino [GCP] gr. O any & all doc or other information any kind pertaining to GCP that is produced or submitted to any prt through a proceeding this Ct or to this Ct shall be kept confidential by all prts & shall not be disclosed any other persons or entities. All papers & doc f & all docket entries made this case w/ resp to any financial or commercial information of GCP shall be kept confidential & under seal by Clerk of Ct. Cnsl all prts & crs shall not disclose any matters related to any financial or commercial information of GCP to any person, including any officer, director or representative or such prts or crs w/o first obtaining signature of such officer, director or representative on cc this Protec O & returning sign cc this Protec O to D. Henderson, aty GCP. cc db, Dove, Henderson & UST. Re: Item # 47, [BJM], ORIGINAL NIBS DOCKET ENTRY #47 (Entered: 07/15/1997)
07/21/1997	49	COS mlg cc Protec O crs & prts int f Henderson bhf Gulfside Casino Partnership d/b/a The Copa Casino Re: Item # 48, [BJM], ORIGINAL

		NIBS DOCKET ENTRY #48 (Entered: 07/22/1997)
07/24/1997	50	OPERATING REPORT - Chapter 11 6/97 f db, [BJM], ORIGINAL NIBS DOCKET ENTRY #49 (Entered: 07/25/1997)
07/25/1997	51	BRF OF GULFSIDE CASINO PARTNERSHIP IN SUPPORT OF OBJ TO M FOR RELF FROM STAY - M197-00488 f D. Henderson bhf Gulfside Casino Partnership d/b/a The Copa Casino w/ COS. Re: Item # 31, [BJM], ORIGINAL NIBS DOCKET ENTRY #50 (Entered: 07/25/1997)
07/25/1997	53	BRF OF GULFSIDE CASINO, INC. IN OPPOSITION TO M FOR RELF FROM STAY M197-00488 f Dove bhf db w/ COS. Re: Item # 31, [BJM], ORIGINAL NIBS DOCKET ENTRY #52 (Entered: 07/28/1997)
07/28/1997	52	NOTICE of Hearing db m ext exclusive period f pl cc: Dove, Gulfside, Guice, UST on 08/13/97 at 3:15 p.m. Re: Item # 29, [HTC], ORIGINAL NIBS DOCKET ENTRY #51 (Entered: 07/28/1997)
08/01/1997	54	TERRY GREEN & RICK CARTER'S [MOVANTS/PLA] BRF & REPLY TO BRF OF GULFSIDE CASINO, INC. & GULFSIDE CASINO PARTNERSHIP, INC. IN OPPOSITION TO M FOR RELF FROM STAY M197-00488 f W. Guice III & R. A. Schwartz w/ COS. Re: Item # 31, [BJM], ORIGINAL NIBS DOCKET E NTRY #53 (Entered: 08/01/1997)
08/18/1997	55	M TO CONTINUE HRG & REQT FOR TELEPHONIC HRG - M197-00488 - Gulfside Casino Partnership d/b/a The Copa Casino ["GCP"] reqt continuance of trial set 9/4/97 until after deposition of Ms Emily Suarez & reqt telephonic conference to settle continuance f Hender son w/ COS. Re: Item # 31, [BJM], ORIGINAL NIBS DOCKET ENTRY #54 (Entered: 08/18/1997)
08/26/1997	56	O GR M TO CONTINUE HRG M197-00488 Gulfside Casino Partnership d/b/a The Copa Casino ["GCP"]'s M continue hrg Green & Carter's M for Relf from auto stay gr. Hrg Terry W. Green & Joel R. Carter's M is continued & resch for 9:30 a.m., Wed., 10/1/097. cc db, Dove, Henderson, UST & reqt list. Re: Item # 31, [BJM], ORIGINAL NIBS DOCKET ENTRY #55 (Entered: 08/26/1997)
08/28/1997	57	O TO APP FOR STATUS CONFERENCE & TO SHOW CAUSE set 10/14/97, 1:00 p.m. failure f discl stmt. cc Mx, [BJM], ORIGINAL NIBS DOCKET ENTRY #56 (Entered: 08/28/1997)
09/03/1997	58	SUBP IN A CS UNDER THE BK CODE iss & served on Emily Suares f H. Keating w/ Proof Svc by McKenna, Jr., [BJM], ORIGINAL NIBS DOCKET ENTRY #57 (Entered: 09/03/1997)
09/03/1997	59	NTC OF DEPOSITION Gulfside Casino Partnership d/b/a Copa Casino will take oral exam Emily Suares before a Ct reporter on Thurs., 9/4/97, 1:30 p.m. at offices Dukes, Dukes, Keating & Faneca, Gulfport, MS f Keating w/ COS., [BJM], ORIGINAL NIBS DOCKET ENTRY #58 (Entered: 09/03/1997)

09/05/1997	60	OPERATING REPORT - Chapter 11 7/97 f db, [BJM], ORIGINAL NIBS DOCKET ENTRY #59 (Entered: 09/08/1997)
09/17/1997	61	NTC OF PROCEDURAL GUIDELINES on 7/15/97, Protec O pertaining to Gulfside Casino Partnership d/b/a The Copa Casino ["GCP"] was entered req "any & all papers & doc f & all dk entries made this cs w/ respect any financial or commercial information of GCP sha ll be kept confidential & under seal by Clerk Ct". Following procedural guidelines should be strictly observed when f any paper or doc pertaining to any financial or commercial information of GCP: 1] all doc, papers, etc. must be presented to Office Clerk in sealed envelope clearly displaying the words "RECORD UNDER SEAL"; 2] envelope should be identified w/ case name & number; 3] envelope should bear brf designation of nature of contents, i.e., financial information or commercial information. In order to ensure proper handling any financial or commercial information pertaining to GCP, it shall be responsibility of party submitting doc, papers, etc. to adhere to guidelines set out. cc Dove, Henderson & UST. Re: Item # 48, [BJM], ORIGINAL NIBS DOCKET ENTR Y #60 (Entered: 09/17/1997)
09/22/1997	62	COS mld Ntc to Cr & Other Prt Int of Procedural Guidelines re: Record Under Seal. cc Mx Re: Item # 61, [BJM], ORIGINAL NIBS DOCKET ENTRY #61 (Entered: 09/22/1997)
09/24/1997	63	OPERATING REPORT - Chapter 11 8/97 f db, [BJM], ORIGINAL NIBS DOCKET ENTRY #62 (Entered: 09/26/1997)
09/24/1997	64	See File #3 , [BJM], ORIGINAL NIBS DOCKET ENTRY #63 (Entered: 09/26/1997)
09/24/1997	65	MOVANT/PLA'S AMD BRF IN SUPPORT OF THEIR M FOR RELF FROM STAY M197-00488 f Guice bhf Terry W. Green & Joel R. Carter, Sr. w/ COS. Re: Item # 31, [BJM], ORIGINAL NIBS DOCKET ENTRY #64 (Entered: 09/26/1997)
09/26/1997	66	DISCL STMT OF GULFSIDE CASINO, INC. f D. R. Wood, Vice President & L. Dove, aty db., [BJM], ORIGINAL NIBS DOCKET ENTRY #65 (Entered: 09/26/1997)
10/01/1997	67	O FIXING TM FOR PRLM HRG ON DISCL STMT COMBINED W/ PRELM HRG NTC THEREOF hrg set 11/12/97, 1:00 p.m. w/ obj 11/5/97, 4:00 p.m. cc handed L. Dove w/ cc Mx to ntc. Re: Item # 66, [BJM], ORIGINAL NIBS DOCKET ENTRY #66 (Entered: 10/01/1997)
10/06/1997	68	CERTIFICATE of Service mlg O fixing tm Prlm Hrg on Dscl Stmt, Dscl Stmt & Pl Liquidation f Dove bhf db. Re: Item # 67, [BJM], ORIGINAL NIBS DOCKET ENTRY #67 (Entered: 10/08/1997)
10/21/1997	69	OPINION - M Relf from Stay f bhf Terry W. Green & Joel R. Carter M197-00488 seeking determination from Ct that auto stay does not stay pending Chancery Ct proceeding by Green & Carter as to Gulfside Casino Partnership & Patrician, Inc. The partnership int of db, GCI, in Gulfside

		<p>Casino Partnership, GCP, is prop of est & auto stay Section 362 is applicable to actions agn partnership int. The GCP partnership is a separate legal entity for Bk purposes & assets held by partnership are not included in bk est of one of the partners, GCI, & auto stay is not extended to assets of GCP partnership. As of commencement bk proceeding 1/31/97, GCI owned .006% int in GCP partnership pur to amd to partnership agr & amd judmt of Chancery Ct. Ct concludes that auto stay is a plicable to .006% ownership int of GCI in GCP partnership & Chancery Ct action is stayed to ext it is proceeding agn said .006% int. Ct concludes that post-p doc designated as Ntc & Stipulation of Reallocation of Partnership int, & Unanimous Consent agr do not effectuate change in ownership of partnership int from the allocation as of commencement cs. Consent agr indicates partnership agr shall be amd & no amd partnership agr was presented to Ct. Ct concludes that even if consent agr were proper agr under state law to effectuate change in ownership in partnership, it would not result in an effective transfer of prop to bk est in absence of ct aprv, & ct would not have aprv such transfer partly because increase in potential liability to est would not be best int of est or cr. Ct concludes auto stay applies db's .006% parnership int in GCP & to that ext M Relf from Stay is denied. Stay does not apply to Chancery Ct action to ext it is not an action agn db's .006% partnership int in GCP. Judmt will be enter ed consistent w/ these finding & conclusions pur Fed R Bk Procedure 9021 & Fed R Civil Procedure 58. This opinion shall constitute findings & conclusions pur Fed R Bk Procedure 7052 & Fed R Civial Procedure 52. cc db, Dove, Guice III, UST & reqt list. Re: Item # 31, [BJM], ORIGINAL NIBS DOCKET ENTRY #68 (Entered: 10/21/1997)</p>
10/21/1997	70	<p>JUDMT - M Relf from Stay f bhf Terry W. Green & Joel R. Carter M197-00488 & opposition thereto by db, pur findings fact & conclusions law set forth Ct's opinion rendered this date, Ct concludes said M should be dn to limited ext set forth Opinion. cc db, Dove, Guice III, UST & reqt list. Re: Item # 69, [BJM], ORIGINAL NIBS DOCKET ENTRY #69 (Entered: 10/21/1997)</p>
10/31/1997	71	<p>M FOR LEAVE TO W/D NTC OF REALLOCATION OF PARTNERSHIP INT & TO RESCIND UNANIMOUS CONSENT f Dove bhf db w/ COS. Re: Item # 28, [BJM], ORIGINAL NIBS DOCKET ENTRY #70 (Entered: 11/03/1997)</p>
11/05/1997	72	<p>OBJ TO DB'S DISCL STMT f W. Guice III bhf Terry W. Green & Joel R. Carter, Sr. w/ COS Re: Item # 66, [BJM], ORIGINAL NIBS DOCKET ENTRY #71 (Entered: 11/05/1997)</p>
11/13/1997	73	<p>O ALW LV TO W/D NTC OF REALLOCATION OF PARTNERSHIP INT & TO RESCIND UNANIMOUS CONSENT the M is sustained. The ownership of the db, is hereby restored to the ownership int which it held prior to the Consent Agr dated 5/30/97 being .006% cc: db, Dove, Keating, Guice, Schwartz, UST & Trcc reqt list Re: Item # 71, [AMB], ORIGINAL NIBS DOCKET ENTRY #72 (Entered: 11/13/1997)</p>
12/03/1997	74	<p>OPERATING REPORT - Chapter 11 9/97 f db, [BJM], ORIGINAL NIBS DOCKET ENTRY #73 (Entered: 12/03/1997)</p>

12/03/1997	75	OPERATING REPORT - Chapter 11 10/97 f db, [BJM], ORIGINAL NIBS DOCKET ENTRY #74 (Entered: 12/03/1997)
12/03/1997	76	O Terry W. Green & Joel R. Carter, Sr.'s obj db's discl stmt sustained. Db f new Discl Stmt 1/7/98, fail f such, bk be dsms. cc db, Dovd, Guice, UST & reqt list. Re: Item # 66, [BJM], ORIGINAL NIBS DOCKET ENTRY #75 (Entered: 12/03/1997)
01/05/1998	77	APLC FOR INTR ALW OF CMP & REIM OF EXP db's cnsl reqt fees \$39,600.00 & exp \$3,485.82 period 1/29/97 thru 12/31/97 less retainer \$25,500.00 net fee aplc \$17,585.82 f L. Dove w/ AFDT IN SUPPORT OF REQ T FOR CMP FOR LEGAL SVC., [BJM], ORIGINAL NIBS DOCKET EN TRY #76 (Entered: 01/06/1998)
01/05/1998	78	NTC OF M ntc crs & prt int aplc fees w/ obj 1/22/98 f L. Dove. Re: Item # 77, [BJM], ORIGINAL NIBS DOCKET ENTRY #77 (Entered: 01/06/1998)
01/07/1998	79	FIRST AMD DISCL STMT OF GULFSIDE CASINO, INC. f D. Wood, Vice President & L. Dove, db's aty. Re: Item # 66, [BJM], ORIGINAL NIBS DOCKET ENTRY #78 (Entered: 01/09/1998)
01/08/1998	80	CERTIFICATE of Service & Ntc Aplc Intr Cmp & Reim Exp Dove & Chill to UST & Mx f L. Dove bhf db Re: Item # 77, [BJM], ORIGINAL NIBS DOCKET ENTRY #79 (Entered: 01/09/1998)
01/12/1998	81	CERTIFICATE of Mailing ntc Aplc Intr Cmp & exp Dove & Chill cr & prt int f Dove. Re: Item # 77, [BJM], ORIGINAL NIBS DOCKET ENTRY #80 (Entered: 01/12/1998)
01/14/1998	82	OPERATING REPORT - Chapter 11 11/97 f db, [BJM], ORIGINAL NIBS DOCKET ENTRY #81 (Entered: 01/14/1998)
01/29/1998	83	O - db's ore tenus M ext tm 2/6/98 f Second Amd Discl Stmt & First Amd Pl gr. cc db, Dove, Guice, UST & reqt list. , [BJM], ORIGINAL NIBS DOCKET ENTRY #82 (Entered: 01/29/1998)
02/05/1998	84	O db's aty gr fees & exp total \$43,085.82 w/ retainer \$25,000.00 applied agn said alw, net \$17,585.82. cc db, Dove, UST & reqt list. Re: Item # 77, [BJM], ORIGINAL NIBS DOCKET ENTRY #83 (Entered: 02/06/1998)
02/06/1998	85	SECOND AMD DISCL STMT OF GULFSIDE CASINO, INC. f D. Wood & L. Dove bhf db. Re: Item # 66, [BJM], ORIGINAL NIBS DOCKET ENTRY #84 (Entered: 02/06/1998)
02/06/1998	86	FIRST AMD PL OF REORGANIZATION OF GULFSIDE CASINO, INC. f D. Wood, Vice President & Treasurer & L. Dove bhf db. Re: Item # 41, [BJM], ORIGINAL NIBS DOCKET ENTRY #85 (Entered: 02/06/1998)
02/06/1998	87	COS Second Amd Discl Stmt & First Amd Pl to UST, W. Guice & R.

		Schwartz f L. Dove bhf db. & Re: Item # 85, [BJM], ORIGINAL NIBS DOCKET ENTRY #86 (Entered: 02/06/1998)
02/06/1998	88	OPERATING REPORT - Chapter 11 12/97 f db, [BJM], ORIGINAL NIBS DOCKET ENTRY #87 (Entered: 02/06/1998)
02/06/1998	89	O FIXING TM FOR PRLM HRG ON DB'S SECOND AMD DISCL STMT COMBINED W/ PRLM HRG NTC THEREOF set 4/14/98, 1:00 p.m., obj 4/7/98. cc L. Dove w/ cc Mx ntc. Re: Item # 66, [BJM], ORIGINAL NIBS DOCKET ENTRY #88 (Entered: 02/06/1998)
02/10/1998	90	CERTIFICATE of Mailing O fixing tm prlm hrg db's Second Amd Discl, Second Amd Discl & First Amd Pl f L. Dove bhf db. Re: Item # 89, [BJM], ORIGINAL NIBS DOCKET ENTRY #89 (Entered: 02/10/1998)
04/02/1998	91	OPERATING REPORT - Chapter 11 1/98 f db, [BJM], ORIGINAL NIBS DOCKET ENTRY #90 (Entered: 04/02/1998)
04/02/1998	92	OPERATING REPORT - Chapter 11 2/98 f db, [BJM], ORIGINAL NIBS DOCKET ENTRY #91 (Entered: 04/02/1998)
04/07/1998	93	CRS' OBJ TO DB'S SECOND AMD DISCL STMT f W. Guice, III bhf Joel R. Carter, Sr. & Terry W. Green w/ COS. Re: Item # 85, [BJM], ORIGINAL NIBS DOCKET ENTRY #92 (Entered: 04/08/1998)
04/24/1998	94	CORRESPONDENCE w/d obj Terry W. Green & Joel R. Carter, Sr. to db's Second Amd Discl Stmt f W. Guice III. Re: Item # 66, [BJM], ORIGINAL NIBS DOCKET ENTRY #93 (Entered: 04/27/1998)
04/30/1998	95	CRT OF NTC FEES & BILL FOR COLL \$31.00 due. cc mld L. Dove, [BJM], ORIGINAL NIBS DOCKET ENTRY #94 (Entered: 04/30/1998)
04/30/1998	96	O APRV SECOND AMD DISCL STMT & FIXING TM FOR F ACCEPTANCES OR REJT OF FIRST AMD PL W/ A NTC OF PRLM HRG set 7/14/98, 1:00 p.m., w/ obj 6/30/98. cc L. Dove w/ cc Mx ntc. & Re: Item # 41, [BJM], ORIGINAL NIBS DOCKET ENTRY #95 (Entered: 04/30/1998)
06/02/1998	97	OPERATING REPORT - Chapter 11 3/98 f db, [BJM], ORIGINAL NIBS DOCKET ENTRY #96 (Entered: 06/02/1998)
06/02/1998	98	OPERATING REPORT - Chapter 11 4/98 f db, [BJM], ORIGINAL NIBS DOCKET ENTRY #97 (Entered: 06/02/1998)
06/02/1998	99	CERTIFICATE of Mailing O aprv Second Amd Discl Stmt & setting tm hrg First Amd Pl f L. Dove bhf db. &, [BJM], ORIGINAL NIBS DOCKET ENTRY #98 (Entered: 06/02/1998)
06/05/1998	100	RECEIPT #0534171 pmt \$31.00 crt ntc fees pd L. Dove bhf db. Re: Item # 95, [BJM], ORIGINAL NIBS DOCKET ENTRY #99 (Entered: 06/09/1998)

06/30/1998	101	CRS' REJT OF FIRST AMD PL f W. Guice bhf Terry W. Green w/ COS. Re: Item # 86, [BJM], ORIGINAL NIBS DOCKET ENTRY #100 (Entered: 06/30/1998)
06/30/1998	102	CRS' REJT OF FIRST AMD PL f W. Guice bhf Joel R. Carter w/ COS. Re: Item # 86, [BJM], ORIGINAL NIBS DOCKET ENTRY #101 (Entered: 06/30/1998)
07/07/1998	103	M TO CONTINUE & RESET PRLM HRG ON CNF OF DB'S FIRST AMD PL OF REORGANIZATION db & principal cr, Joel R. Carter, Sr. & Terry W. Green, reqt hold all pending litigation & court proceeding abey for period 30 days to finalize & complete stlmt & to resch plrm hrg cnf db's First Amd Pl Reorganization f L. Dove bhf db w/ COS. Re: Item # 96, [BJM], ORIGINAL NIBS DOCKET ENTRY #102 (Entered: 07/08/1998)
07/08/1998	104	TALLY OF BALLOTS f L. Dove bhf db. Re: Item # 86, [BJM], ORIGINAL NIBS DOCKET ENTRY #103 (Entered: 07/08/1998)
07/08/1998	105	O db's M continue, hold abey & reset prlm hrg cnf db's First Amd Pl Reorganization gr & prlm hrg cnf First Amd Pl will be resch later date. cc Mx. Re: Item # 103, [BJM], ORIGINAL NIBS DOCKET ENTRY #104 (Entered: 07/08/1998)
07/08/1998	106	OPERATING REPORT - Chapter 11 5/98 f db, [BJM], ORIGINAL NIBS DOCKET ENTRY #105 (Entered: 07/09/1998)
10/01/1998	107	UTS'S M TO CNV cs Ch 7 f R. McAlpin w/ COS., [BJM], ORIGINAL NIBS DOCKET ENTRY #106 (Entered: 10/06/1998)
10/05/1998	108	DB'S RESP TO UST'S M TO CNV f L. Dove w/ COS. Re: Item # 107, [BJM], ORIGINAL NIBS DOCKET ENTRY #107 (Entered: 10/06/1998)
10/06/1998	109	OPERATING REPORT - Chapter 11 6/98 f db, [BJM], ORIGINAL NIBS DOCKET ENTRY #108 (Entered: 10/06/1998)
10/06/1998	110	OPERATING REPORT - Chapter 11 7/98 f db, [BJM], ORIGINAL NIBS DOCKET ENTRY #109 (Entered: 10/06/1998)
10/06/1998	111	OPERATING REPORT - Chapter 11 8/98 f db, [BJM], ORIGINAL NIBS DOCKET ENTRY #110 (Entered: 10/06/1998)
10/09/1998	112	NTC TO CR & OTHER PRT IN INT ntc cr & prt int UST's M Cnv Cs Ch 7 set 11/10/98, 1:30 p.m. w/ obj 11/2/98. cc Mx Re: Item # 107, [BJM], ORIGINAL NIBS DOCKET ENTRY #111 (Entered: 10/13/1998)
11/02/1998	113	OPERATING REPORT - Chapter 11 9/98 f db , [BJM], ORIGINAL NIBS DOCKET ENTRY #112 (Entered: 11/05/1998)
11/09/1998	114	JT M FOR AUTH TO SETTLE & COMPROMISE DISPUTED CLM db, Terry W. Green & Joel R. Carter, Sr, reach Agr that provides in part Green

		& Carter will purchase stock db, Patrician & Artemis pur Royalty Agr & related doc; & clm & rights will be compromised, settled & released, including indebtedness owed by db to Carter & Green or any rights under Amd Judmt; Carter & Green will release all clm agn db, its affiliates, officers & directors f L. Dove bhf db & W. Guice III bhf T. Green & J. Carter, Sr. w/ COS., [BJM], ORIGINAL NIBS DOCKET ENTRY #113 (Entered: 11/09/1998)
11/10/1998	115	NTC OF M ntc cr & prt int db, Terry W. Green & Joel R. Carter, Sr.'s Jt M Auth Settle & Compromise Disputed Clm w/ obj 11/30/98 f L. Dove bhf db w/ COS. Re: Item # 114, [BJM], ORIGINAL NIBS DOCKET ENTRY #114 (Entered: 11/10/1998)
12/08/1998	116	OPERATING REPORT - Chapter 11 10/98 f db , [BJM], ORIGINAL NIBS DOCKET ENTRY #115 (Entered: 12/08/1998)
12/14/1998	117	O Jt M settle & compromise disputed clm f db, T. W. Green & Joel R. Carter, Sr. sustained & aprv & prt auth enter into & perform Agr made between prt 11/6/98. cc db, L. Dove, W. Guice, R. Schwartz & UST. Re: Item # 114, [BJM], ORIGINAL NIBS DOCKET ENTRY #116 (Entered: 12/15/1998)
01/07/1999	118	DB'S M FOR DSMS OF CH 11 CS f L. Dove w/ COS. , [BJM], ORIGINAL NIBS DOCKET ENTRY #117 (Entered: 01/07/1999)
01/07/1999	119	NTC OF M ntc cr & prt int db's M dsms cs w/ obj 1/25/98 f L. Dove w/ COS. Re: Item # 118, [BJM], ORIGINAL NIBS DOCKET ENTRY #118 (Entered: 01/07/1999)
01/15/1999	120	UST'S RESP TO DB'S M TO DSMS f R. McAlpin w/ COS. Re: Item # 118, [BJM], ORIGINAL NIBS DOCKET ENTRY #119 (Entered: 01/20/1999)
02/03/1999	121	CRT OF NTC FEES & BILL FOR COLL amt \$20.00 cc mld db & L. Dove Fees paid 2/8/99, Receipt #0539804 , [BJM], ORIGINAL NIBS DOCKET ENTRY #120 (Entered: 02/03/1999)
02/05/1999	122	O OF DSMS w/n five days date this O, db pay all outstanding quarterly fees due UST & be finally dsms conditioned upon pmt said fees. cc db, L. Dove, UST & reqt list. Re: Item # 118, [BJM], ORIGINAL NIBS DOCKET ENTRY #121 (Entered: 02/05/1999)
03/15/1999	123	CS CLOSED Re: Item # 122, [BJM], ORIGINAL NIBS DOCKET ENTRY #122 (Entered: 03/15/1999)
03/18/1999	124	NTC CR & OTHER PRT INT cs dsms & clo. cc Mx , [BJM], ORIGINAL NIBS DOCKET ENTRY #123 (Entered: 03/19/1999)

PACER Service Center

Transaction Receipt

06/19/2020 11:56:35

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Billable Pages:	7	Cost:	0.70

River Valley Casino

Co-Founders & Owners

Rick Carter and Terry Green, principals of Gulfside Casino Partnership, which operates Island View Casino Resort in Gulfport, are credited as pioneers of dockside gaming in Mississippi and were inducted in the Mississippi Gaming & Hospitality Association Inaugural Hall of Fame in May 2018. Rick and Terry operated the Copa Casino beginning in 1992. In the wake of 2005's Hurricane Katrina, which destroyed the Copa, the partners were at the forefront of lobbying for Mississippi bill 45 to allow land-based gaming. They purchased the former Grand Casino Gulfport and after reinvesting their personal capital, on September 16, 2006 opened the doors to Island View Casino Resort, the first new land-based casino on the Gulf Coast. In April 2015, Carter and Green opened the Beach Tower Hotel, a \$58 million expansion. A \$75 million expansion of a second (smoke-free) casino adjacent to Beach Tower opened in June 2018, making Island View Casino the largest casino in the state with respect to gaming square footage and total gaming positions. Sitting on 40 acres, with over 977,000 total square footage, including two casino floors and more than 2,700 gaming positions, the resort offers two hotel towers with 974 hotel rooms (including suites), 14 food outlets, a championship golf course, a spa, and beach side facilities. Island View Casino Resort is one of the largest employers in the area with approximately 1,900 employees.



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U.S. Bankruptcy Court
Southern District of Mississippi (Gulfport-1 Divisional Office)
Bankruptcy Petition #: 89-09796-ERG

Date filed: 12/12/1989
Date terminated: 08/19/1991

Assigned to: Edward Gaines
Chapter 11
Previous chapter 11
Voluntary
Asset

Debtor
CARTER-GREEN-REDD, INC.
P. O. BOX 1539
GULFPORT,, MS 39502
HARRISON-MS
Tax ID / EIN: 88-0238672

represented by **Robert Alan Byrd**
P.O. Box 1939
Biloxi, MS 39533
228 432-8123
Fax : 228 432-7029
Email: rab@byrdwiser.com

Proceedings for case 89-09796-ERG are not available

PACER Service Center			
Transaction Receipt			
06/19/2020 09:08:09			
PACER Login:	scottrich	Client Code:	cherokee
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Billable Pages:	1	Cost:	0.10

U.S. Bankruptcy Court
Southern District of Mississippi (Gulfport-1 Divisional Office)
Bankruptcy Petition #: 97-11882-ERG

Assigned to: Edward Gaines
Chapter 11
Previous chapter 11
Voluntary
Asset

Date filed: 11/14/1997
Date terminated: 03/15/1999
341 meeting: 01/22/1998 9:00 AM

Debtor
PATRICIAN, INC.
345 N. ARLINGTON
RENO, NV 89501
WASHOE-NV
Tax ID / EIN: 88-0293931

represented by **Luke Dove**
Dove & Chill
200 E Capitol St., Ste 1010
Jackson, MS 39201
601 352-0999
Fax : 601-352-0990
Email: lukedove@dovechill.com

Filing Date	#	Docket Text
11/14/1997	1	FRONT PAGE P only f Dove bhf db. [P signed David Wood, President]. cc IRS, SEC & UST, [BJM], ORIGINAL NIBS DOCKET ENTRY #1 (Entered: 11/14/1997)
11/14/1997	3	NOTICE of Bankruptcy and of Automatic Stay cc handed D. Henderson. cc mld UST, [BJM], ORIGINAL NIBS DOCKET ENTRY #2 (Entered: 11/14/1997)
11/17/1997	4	ORDER to File Schedules and Statements set 12/11/97, 9:00 a.m. cc db, Dove & UST., [BJM], ORIGINAL NIBS DOCKET ENTRY #3 (Entered: 11/17/1997)
11/17/1997	5	REQ FOR DIP CH 11 CS cc db, Dove & UST, [BJM], ORIGINAL NIBS DOCKET ENTRY #4 (Entered: 11/17/1997)
11/17/1997	6	O CONCERNING OP REPORTS cc db, Dove & UST, [BJM], ORIGINAL NIBS DOCKET ENTRY #5 (Entered: 11/17/1997)
11/17/1997	7	O re Tax O. cc db, Dove, IRS, MSTC & UST., [BJM], ORIGINAL NIBS DOCKET ENTRY #6 (Entered: 11/17/1997)
11/21/1997	8	APLC OF DB TO EMP CNSL db reqt emp Luke Dove & Marlane Chill, rate \$150.00 hr f Dove w/ COS & DECLARATION OF CNLS by Dove.DECLARATION OF CNSL by Chill, [BJM], ORIGINAL NIBS DOCKET ENTRY #7 (Entered: 11/25/1997)
12/01/1997	9	O AUTH DB TO EMP CNSL db auth emp Luke Dove & Marlane Chill subject Bk Rules & Procedures. cc db, Dove & UST. Re: Item # 8, [BJM], ORIGINAL NIBS DOCKET ENTRY #8 (Entered: 12/01/1997)

Exhibit I

12/02/1997	2	SMY SCH, Sch A thru J, Stmt Financial Affairs, Top 20 UCC, Discl Fees 6,500.00 pd], & Mx f db. cc IRS, SEC & UST. , [BJM], ORIGINAL NIBS DOCKET ENTRY #1A (Entered: 12/02/1997)
12/15/1997	10	NOTICE of 341 meeting with Certificate of Service on 01/22/98 at 9:00 a.m. at Lopez-Quave Public Safety Center, Municipal Court Room, 170 Porter Avenue, Biloxi, MS 39530, [BJM], ORIGINAL NIBS DOCKET ENTRY #9 (Entered: 12/18/1997)
01/13/1998	11	CHANGE TM ONLY, NTC OF RESCHEDULED MEETING OF CR meeting cr sch 1/22/98, 4:00 p.m., prt obtaining rescheduled req mail cc this ntc db, db's aty, & all prt int w/n 5 days date this ntc. Prt obtaining rescheduling req give ntc db, db's aty & all cr by telep hone if this ntc dated w/n 10 days original meeting date & f COS w/ Clerk U.S. Bk Ct & cc UST w/n 5 days date svc ntc f R. McAlpin bhf UST. Re: Item # 10, [BJM], ORIGINAL NIBS DOCKET ENTRY #10 (Entered: 01/13/1998)
01/13/1998	12	COS mlg NTC OF RESCHEDULED MEETING CR f L. Dove bhf db. Re: Item # 11, [BJM], ORIGINAL NIBS DOCKET ENTRY #11 (Entered: 01/13/1998)
01/14/1998	13	OPERATING REPORT - Chapter 11 11/97 f db, [BJM], ORIGINAL NIBS DOCKET ENTRY #12 (Entered: 01/14/1998)
01/14/1998	14	OPERATING REPORT - Chapter 11 12/97 f db, [BJM], ORIGINAL NIBS DOCKET ENTRY #13 (Entered: 01/14/1998)
01/20/1998	15	M TO EST CLM BAR DATE f L. Dove bhf db w/ COS. &, [BJM], ORIGINAL NIBS DOCKET ENTRY #14 (Entered: 01/22/1998)
01/23/1998	16	O SETTING THE FNL DATE FOR F P/C Ct fixes 4/29/98, 4:00 p.m. fnl date f p/c. Clerk Ct immediately give ntc tm fixed pur Federal Rules Bk Procedure 2002. cc db, Dove & UST. Re: Item # 15, [BJM], ORIGINAL NIBS DOCKET ENTRY #15 (Entered: 01/23/1998)
01/27/1998	17	NTC OF THE FNL DATE FOR F P/C ntc crs & prt int fnl date f p/c 4/29/98, 4:00 p.m. cc Mx Re: Item # 16, [BJM], ORIGINAL NIBS DOCKET ENTRY #16 (Entered: 01/27/1998)
01/28/1998	18	CH 11 PROCEEDING MEMO & MINUTES 341 MEETING f R. McAlpin bhf UST. Re: Item # 10, [BJM], ORIGINAL NIBS DOCKET ENTRY #17 (Entered: 01/29/1998)
02/06/1998	19	OPERATING REPORT - Chapter 11 12/97 f db, [BJM], ORIGINAL NIBS DOCKET ENTRY #18 (Entered: 02/09/1998)
04/02/1998	20	OPERATING REPORT - Chapter 11 1/98 f db, [BJM], ORIGINAL NIBS DOCKET ENTRY #19 (Entered: 04/02/1998)
04/02/1998	21	OPERATING REPORT - Chapter 11 2/98 f db, [BJM], ORIGINAL NIBS DOCKET ENTRY #20 (Entered: 04/02/1998)

06/02/1998	22	O TO APP FOR STATUS CONF & TO SHOW CAUSE fail db f Discl Stmt & Pl Reorganization set 7/14/98, 1:00 p.m. cc Mx , [BJM], ORIGINAL NIBS DOCKET ENTRY #21 (Entered: 06/02/1998)
06/02/1998	23	OPERATING REPORT - Chapter 11 3/98 f db, [BJM], ORIGINAL NIBS DOCKET ENTRY #22 (Entered: 06/02/1998)
06/02/1998	24	OPERATING REPORT - Chapter 11 4/98 f db, [BJM], ORIGINAL NIBS DOCKET ENTRY #23 (Entered: 06/02/1998)
07/07/1998	25	M TO CONTINUE & RESET THE O TO SHOW CAUSE db w/ principal cr, Joel R. Carter, Sr. & Terry W. Green, reqt all pending litigation & ct proceeding be held abey period 30 days to alw prt finalize & complete stlmt & Show Cause Hrg set for 7/14/98, 1:00 p.m. be resch f L. Dove bhf db w/ COS. Re: Item # 22, [BJM], ORIGINAL NIBS DOCKET ENTRY #24 (Entered: 07/08/1998)
07/08/1998	26	O db's M continue, hold abey & reset O Show Cause gr & O Show Cause will be resch later date. cc Mx Re: Item # 25, [BJM], ORIGINAL NIBS DOCKET ENTRY #25 (Entered: 07/08/1998)
07/08/1998	27	OPERATING REPORT - Chapter 11 5/98 f db, [BJM], ORIGINAL NIBS DOCKET ENTRY #26 (Entered: 07/09/1998)
10/01/1998	28	UST'S M TO CNV cs Ch 7 f R. McAlpin w/ COS., [BJM], ORIGINAL NIBS DOCKET ENTRY #27 (Entered: 10/06/1998)
10/05/1998	29	DB'S RESP TO UST'S M TO CNV f L. Dove w/ COS. Re: Item # 28, [BJM], ORIGINAL NIBS DOCKET ENTRY #28 (Entered: 10/06/1998)
10/06/1998	30	OPERATING REPORT - Chapter 11 6/98 f db, [BJM], ORIGINAL NIBS DOCKET ENTRY #29 (Entered: 10/06/1998)
10/06/1998	31	OPERATING REPORT - Chapter 11 7/98 f db, [BJM], ORIGINAL NIBS DOCKET ENTRY #30 (Entered: 10/06/1998)
10/06/1998	32	OPERATING REPORT - Chapter 11 8/98 f db, [BJM], ORIGINAL NIBS DOCKET ENTRY #31 (Entered: 10/06/1998)
10/09/1998	33	NTC TO CR & OTHER PRT IN INT ntc cr & prt int UST's M Cnv Cs Ch 7 set 11/10/98, 1:30 p.m. w/ obj 11/2/98. cc Mx Re: Item # 28, [BJM], ORIGINAL NIBS DOCKET ENTRY #32 (Entered: 10/13/1998)
11/02/1998	34	OPERATING REPORT - Chapter 11 9/98 f db , [BJM], ORIGINAL NIBS DOCKET ENTRY #33 (Entered: 11/06/1998)
11/09/1998	35	JT M FOR AUTH TO SETTLE & COMPROMISE DISPUTED CLM db & Terry W. Green & Joel R. Carter, Sr. reached agr provides in part Green & Carter will purchase stock db, Gulfside & Artemis pur to Royalty Agr & related doc & pur said Agr certain disputed clm will be compromised, settled & released, including indebtedness owed by Gulfside to Carter &

		Green f L. Dove bhf db & W. Guice, III bhf T. Green & J. Carter, Sr. w/ COS., [BJM], ORIGINAL NIBS DOCKET ENTRY #34 (Entered: 11/09/1998)
11/10/1998	36	NTC OF M ntc cr & prt int db, Terry W. Green & Joel R. Carter, Sr.'s Jt M Auth Settle & Compromise Diputed Clm w/ obj 11/30/98 f L. Dove bhf db w/ COS. Re: Item # 35, [BJM], ORIGINAL NIBS DOCKET ENTRY #35 (Entered: 11/10/1998)
12/08/1998	37	OPERATING REPORT - Chapter 11 10/98 f db , [BJM], ORIGINAL NIBS DOCKET ENTRY #36 (Entered: 12/08/1998)
12/14/1998	38	O Jt M settle & compromise disputed clm f db, T. W. Green & J. R. Carter, Sr. sustained & aprv & prt auth enter into & perform Agr made between them 11/6/98. cc db, L. Dove, W. Guice, R. Schwartz & UST. Re: Item # 35, [BJM], ORIGINAL NIBS DOCKET ENTRY # 37 (Entered: 12/15/1998)
01/07/1999	39	DB'S M FOR DSMS OF CH 11 CS f L. Dove w/ COS. , [BJM], ORIGINAL NIBS DOCKET ENTRY #38 (Entered: 01/07/1999)
01/07/1999	40	NTC OF M ntc cr & prt int db's m dsms cs w/ obj 1/25/98 f L. Dove w/ COS. Re: Item # 39, [BJM], ORIGINAL NIBS DOCKET ENTRY #39 (Entered: 01/07/1999)
01/15/1999	41	UST'S RESP TO DB'S M TO DSMS f R. McAlpin w/ COS. Re: Item # 39, [BJM], ORIGINAL NIBS DOCKET ENTRY #40 (Entered: 01/20/1999)
02/03/1999	42	CRT NTC FEES & BILL FOR COLLECTION amt \$5.00 mld db & L. Dove. Fee paid 2/8/99, Receipt #0539805 , [BJM], ORIGINAL NIBS DOCKET ENTRY #41 (Entered: 02/04/1999)
02/05/1999	43	O OF DSMS w/n five days date this O db pay all outstanding quarterly fees due UST & be finally dsms conditioned upon pmt said fees. cc db, L. Dove, UST. Re: Item # 39, [BJM], ORIGINAL NIBS DOCKET ENTRY #42 (Entered: 02/05/1999)
03/15/1999	44	CS CLOSED Re: Item # 43, [BJM], ORIGINAL NIBS DOCKET ENTRY #43 (Entered: 03/15/1999)
03/18/1999	45	NTC TO CR & OTHER PRT INT cs dsms & clos. cc Mx , [BJM], ORIGINAL NIBS DOCKET ENTRY #44 (Entered: 03/19/1999)

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Billable Pages:	3	Cost:	0.30

ARKANSAS RACING COMMISSION

June 18, 2020

Casino gaming license

Alex Nieble

NAME

Cherokee Nation

CASINO APPLICANT

- | | | |
|---|-----------|----------------------------------|
| 1. Experience conducting Casino gaming | 30 points | <u>28.00</u> |
| 2. Timeline for opening a casino | 10 points | 20.00
<u>10.00</u> |
| 3. Proof of financial stability and access to financial resources, including but not limited to legal sources of finances immediately available to begin operating a casino | 30 points | <u>29.00</u> |
| 4. Detailed summary of proposed casino including hotel, amenities, projected number of employees, and any other information the casino applicant deems relevant | 30 points | <u>28.00</u> |

TOTAL:

~~105.00~~
95.00

ARKANSAS RACING COMMISSION

June 18, 2020

Casino gaming license

Steve Landers
NAME

Cherokee CNB
CASINO APPLICANT

- | | | |
|---|-----------|-----------|
| 1. Experience conducting Casino gaming | 30 points | <u>30</u> |
| 2. Timeline for opening a casino | 10 points | <u>10</u> |
| 3. Proof of financial stability and access to financial resources, including but not limited to legal sources of finances immediately available to begin operating a casino | 30 points | <u>30</u> |
| 4. Detailed summary of proposed casino including hotel, amenities, projected number of employees, and any other information the casino applicant deems relevant | 30 points | <u>30</u> |

TOTAL: 100

ARKANSAS RACING COMMISSION

June 18, 2020

Casino gaming license

Denny East
NAME

CNB
CASINO APPLICANT

- | | | |
|---|-----------|-----------|
| 1. Experience conducting Casino gaming | 30 points | <u>30</u> |
| 2. Timeline for opening a casino | 10 points | <u>10</u> |
| 3. Proof of financial stability and access to financial resources, including but not limited to legal sources of finances immediately available to begin operating a casino | 30 points | <u>27</u> |
| 4. Detailed summary of proposed casino including hotel, amenities, projected number of employees, and any other information the casino applicant deems relevant | 30 points | <u>21</u> |
| | TOTAL: | <u>88</u> |

ARKANSAS RACING COMMISSION

June 18, 2020

Casino gaming license

Mark H. Lemberth
NAME

Cherokee N.B.
CASINO APPLICANT

- | | | |
|---|-----------|-----------|
| 1. Experience conducting Casino gaming | 30 points | <u>27</u> |
| 2. Timeline for opening a casino | 10 points | <u>10</u> |
| 3. Proof of financial stability and access to financial resources, including but not limited to legal sources of finances immediately available to begin operating a casino | 30 points | <u>28</u> |
| 4. Detailed summary of proposed casino including hotel, amenities, projected number of employees, and any other information the casino applicant deems relevant | 30 points | <u>26</u> |

TOTAL: 91

ARKANSAS RACING COMMISSION

June 18, 2020

Casino gaming license

Michael Post

NAME

Cherokee Nation Business

CASINO APPLICANT

- | | | |
|---|-----------|-----------|
| 1. Experience conducting Casino gaming | 30 points | <u>30</u> |
| 2. Timeline for opening a casino | 10 points | <u>10</u> |
| 3. Proof of financial stability and access to financial resources, including but not limited to legal sources of finances immediately available to begin operating a casino | 30 points | <u>30</u> |
| 4. Detailed summary of proposed casino including hotel, amenities, projected number of employees, and any other information the casino applicant deems relevant | 30 points | <u>20</u> |

TOTAL: 90

ARKANSAS RACING COMMISSION

June 18, 2020

Casino gaming license

Bo Hunter
NAME

CNB
CASINO APPLICANT

- | | | |
|---|-----------|-----------|
| 1. Experience conducting Casino gaming | 30 points | <u>23</u> |
| 2. Timeline for opening a casino | 10 points | <u>5</u> |
| 3. Proof of financial stability and access to financial resources, including but not limited to legal sources of finances immediately available to begin operating a casino | 30 points | <u>28</u> |
| 4. Detailed summary of proposed casino including hotel, amenities, projected number of employees, and any other information the casino applicant deems relevant | 30 points | <u>23</u> |

TOTAL: 79

ARKANSAS RACING COMMISSION

June 18, 2020

Casino gaming license

Butch Rice

NAME

Cherokee
Legends Casino

CASINO APPLICANT

1. Experience conducting Casino gaming 30 points 10

2. Timeline for opening a casino 10 points 4

3. Proof of financial stability and access to financial resources, including but not limited to legal sources of finances immediately available to begin operating a casino 30 points 5

4. Detailed summary of proposed casino including hotel, amenities, projected number of employees, and any other information the casino applicant deems relevant 30 points 10

TOTAL: 29

ARKANSAS RACING COMMISSION

June 18, 2020

Casino gaming license


NAME


CASINO APPLICANT

- | | | |
|---|-----------|---------------------------|
| 1. Experience conducting Casino gaming | 30 points | <u>23.00</u> |
| 2. Timeline for opening a casino | 10 points | 10.00
10.0 |
| 3. Proof of financial stability and access to financial resources, including but not limited to legal sources of finances immediately available to begin operating a casino | 30 points | 20.00 20.00 |
| 4. Detailed summary of proposed casino including hotel, amenities, projected number of employees, and any other information the casino applicant deems relevant | 30 points | <u>20.00</u> |
| | TOTAL: | 73.00
73.00 |

ARKANSAS RACING COMMISSION

June 18, 2020

Casino gaming license

Butch Rice

NAME

Gulfside
River Valley Casino

CASINO APPLICANT

- | | | |
|---|-----------|-----------|
| 1. Experience conducting Casino gaming | 30 points | <u>30</u> |
| 2. Timeline for opening a casino | 10 points | <u>10</u> |
| 3. Proof of financial stability and access to financial resources, including but not limited to legal sources of finances immediately available to begin operating a casino | 30 points | <u>30</u> |
| 4. Detailed summary of proposed casino including hotel, amenities, projected number of employees, and any other information the casino applicant deems relevant | 30 points | <u>30</u> |

TOTAL: 100

ARKANSAS RACING COMMISSION

June 18, 2020

Casino gaming license

Bo Hunter
NAME

Gulfside Casino Partners
CASINO APPLICANT

- | | | |
|---|-----------|-----------|
| 1. Experience conducting Casino gaming | 30 points | <u>28</u> |
| 2. Timeline for opening a casino | 10 points | <u>10</u> |
| 3. Proof of financial stability and access to financial resources, including but not limited to legal sources of finances immediately available to begin operating a casino | 30 points | <u>28</u> |
| 4. Detailed summary of proposed casino including hotel, amenities, projected number of employees, and any other information the casino applicant deems relevant | 30 points | <u>28</u> |

TOTAL: 94

ARKANSAS RACING COMMISSION

June 18, 2020

Casino gaming license

Michael Post

NAME

Gulfside Casino Partnership

CASINO APPLICANT

- | | | |
|---|-----------|-----------|
| 1. Experience conducting Casino gaming | 30 points | <u>30</u> |
| 2. Timeline for opening a casino | 10 points | <u>10</u> |
| 3. Proof of financial stability and access to financial resources, including but not limited to legal sources of finances immediately available to begin operating a casino | 30 points | <u>29</u> |
| 4. Detailed summary of proposed casino including hotel, amenities, projected number of employees, and any other information the casino applicant deems relevant | 30 points | <u>28</u> |

TOTAL: 97

ARKANSAS RACING COMMISSION

June 18, 2020

Casino gaming license

Mark H. Lambrecht
NAME

Gulfside
CASINO APPLICANT

- | | | |
|---|-----------|-----------|
| 1. Experience conducting Casino gaming | 30 points | <u>25</u> |
| 2. Timeline for opening a casino | 10 points | <u>10</u> |
| 3. Proof of financial stability and access to financial resources, including but not limited to legal sources of finances immediately available to begin operating a casino | 30 points | <u>26</u> |
| 4. Detailed summary of proposed casino including hotel, amenities, projected number of employees, and any other information the casino applicant deems relevant | 30 points | <u>28</u> |

TOTAL: 89

ARKANSAS RACING COMMISSION

June 18, 2020

Casino gaming license

Denny East
NAME

Gulfside Casino
CASINO APPLICANT

- | | | |
|---|-----------|-----------|
| 1. Experience conducting Casino gaming | 30 points | <u>30</u> |
| 2. Timeline for opening a casino | 10 points | <u>10</u> |
| 3. Proof of financial stability and access to financial resources, including but not limited to legal sources of finances immediately available to begin operating a casino | 30 points | <u>25</u> |
| 4. Detailed summary of proposed casino including hotel, amenities, projected number of employees, and any other information the casino applicant deems relevant | 30 points | <u>29</u> |

TOTAL: 94

ARKANSAS RACING COMMISSION

June 18, 2020

Casino gaming license

Steve LANDERS

NAME

Gulfside

CASINO APPLICANT

- | | | |
|---|-----------|-------------------------|
| 1. Experience conducting Casino gaming | 30 points | <u>30</u> |
| 2. Timeline for opening a casino | 10 points | <u>10</u> |
| 3. Proof of financial stability and access to financial resources, including but not limited to legal sources of finances immediately available to begin operating a casino | 30 points | 30 <u>20</u> |
| 4. Detailed summary of proposed casino including hotel, amenities, projected number of employees, and any other information the casino applicant deems relevant | 30 points | 30 <u>30</u> |

TOTAL:-

90



STATE OF ARKANSAS
**Department of Finance
and Administration**

Arkansas Racing Commission
1515 West Seventh Street, Suite 505
Little Rock, Arkansas, 72203
Phone: (501) 682-1467
Fax: (501) 682-5273
www.dfa.arkansas.gov/racing-commission

June 18, 2020

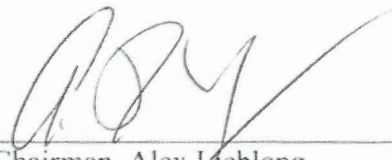
Dustin McDaniel
McDaniel, Wolff & Benca
Attorneys at Law (Cherokee Nation Businesses)
1307 W. Fourth Street
Little Rock, AR 72201

Lucas Rowan
Dodds, Kidd, Ryan & Brown
Attorneys at Law (Gulfside Casino Partnership)
313 W. Second Street
Little Rock, AR 72201

After an interview process and scoring of the applicants for a casino license in Pope County, Arkansas, these are the results of the scoring by the Arkansas Racing Commission:

Cherokee Nation Businesses 572
Gulfside Casino Partnership 637

The Commission will issue the license to the highest scoring applicant pursuant to Rule 2.13(9)(d) and 2.13(10).



Chairman, Alex Lieblong



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June 18, 2020

Dustin McDaniel
McDaniel, Wolff & Benca
Attorneys at Law (Cherokee Nations Business)
1307 W. Fourth Street
Little Rock, AR 72201

The Arkansas Racing Commission denies your application for a license to operate a casino in Pope County pursuant to amendment 100 and rule 2.13.12 (a) (iv), as you received the lower score of the applicants. You may ask for a hearing pursuant to rule 2.13.12 (c) and rule 18 if you desire, within fifteen days of receipt of the denial letter.

J.C. Campbell
Director



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**Department of Finance
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June 18, 2020

Lucas Rowan
Dodds, Kidd, Ryan & Brown
Attorneys at Law (Gulfside Casino Partnership)
313 W. Second Street
Little Rock, AR 72201

The Arkansas Racing Commission awards a license to operate a casino in Pope County pursuant to amendment 100 and rule 2.13.10 (a). Please contact the Director of the Arkansas Racing Commission for instructions on how to commence operations.

J.C. Campbell
Director

BEFORE THE ARKANSAS RACING COMMISSION

**IN THE MATTER OF
APPLICATION OF CHEROKEE NATION BUSINESSES, LLC
FOR A CASINO GAMING LICENSE IN POPE COUNTY, ARKANSAS**

AFFIDAVIT OF BIAS

Dustin McDaniel, Attorney for Cherokee Nation Businesses, LLC, upon oath, states for his Affidavit of Bias the following:

1. The Arkansas Administrative Procedures Act (“APA”) requires that “All presiding officers and all officers participating in decisions shall conduct themselves in an impartial manner and may at any time withdraw if they deem themselves disqualified.” Ark. Code Ann. § 25-15-213(a)(2)(B).

2. The APA also provides that if a board member participating in decisions at a hearing fails to disclose his bias and fails to withdraw from a decision in which they are impartial, “Any party may file an affidavit of personal bias or disqualification. The affidavit shall be ruled on by the agency and granted if timely, sufficient, and filed in good faith.” Ark. Code Ann. § 25-15-213(a)(2)(C).

3. On June 18, 2020, at the hearing on the applications of Cherokee Nation Businesses, LLC, (“CNB”) and Gulfside Casino Partnership for the casino license in Pope County Arkansas, it became apparent that Commissioner Butch Rice was personally biased and predisposed against CNB and in favor of Gulfside Casino Partnership and should not have participated in the decisions in the hearing.

4. Information has surface indicating that Mr. Rice has a personal relationship with Terry Green and has socialized and dined with him at Oaklawn during the application process.

5. At no time did Mr. Rice disclose his personal relationship nor his social engagements with an Applicant during the period in which the applications have been pending.

6. At no time since 2018 (or ever) has Affiant or any representative had dinner, drinks, coffee, or other social interaction any Member of the Commission, with the exception being that Mr. Garrett was introduced to Commissioner Landers at an Arkansas Children's Hospital charity function in 2019.

7. At the ARC Meeting on May 7, 2020, Mr. Rice read a litany of questions adverse to CNB that appeared at the time to have been prepared for him or in consultation with Gulfside or its counsel. These questions were not designed to discover relevant information but to discredit CNB in favor of Gulfside.

8. At the end of May 7, 2020, meeting Mr. Rice made a motion to deny the mere acceptance of CNB's Casino License Application. This motion's effect, had it been adopted, would have been to deprive the state of a \$250,000.00 application fee, the opportunity to review the merits of CNB's application, and deny even a cursory review of the application endorsed by every chief executive in Pope County, save one (Gulfside has the endorsement of zero). To do so would have granted Gulfside the license by default without any risk of losing to a superior operator. This motion died for lack of a second. The Chairman's motion to accept CNB's application for consideration passed with a vote of 6-1. Mr. Rice was the lone dissent.

9. At no time did Mr. Rice explain his apparent predisposition in favor of Gulfside nor disclose his history or relationship with Terry Green.

10. On May 16, 2020, Affiant sent a letter to Deputy AG Olan Reeves and called him to express concerns about the likelihood that Mr. Rice would intentionally skew his scorecard so

heavily as to “eat up” any point total advantage CNB may have earned from the other 6 members of the Review Panel.

11. Mr. Reeves assured the Affiant that individual Commissioners would be admonished not to attempt to thwart the will of the Review Panel.

12. At the beginning of the hearing on May 18, 2020, Deputy AG Reeves advised that Commissioners “be careful not to have a huge difference between the scores . . . if you give one Gulfside a 30 on one something and Cherokee a zero that makes in my mind and in the court’s mind your scoring arbitrary. You had your mind made up before you ever got here.”

13. Mr. Rice then asked the Deputy Attorney General “the first question is worth 30 points, is that zero to thirty? . . . you can give them a ten you can give them a twelve, whatever up to thirty points.” The Deputy AG confirmed “that’s right, I would just caution please don’t go too low, that could hurt you.”

14. Mr. Rice did exactly what the Deputy Attorney General warned him not to. He scored Gulfside full points on all four criteria, then scored CNB as follows: 1. 10/30, 2. 4/10, 3. 5/30, 4. 10/30 and awarded the exact number of points he telegraphed that he would award prior to the presentations beginning.

15. Mr. Rice’s scoring, as the Deputy Attorney General warned, was arbitrary and capricious and evidenced bias and prejudgment by Commissioner Rice. His scores cannot be explained by reference to the applications.

16. Mr. Rice gave a 71-point advantage to Gulfside on his scoresheet (29/100 vs 100/100). In so doing, Mr. Rice deprived CNB of more than 10% of the total points available from the entire Review Panel (700). This action is not defensible as a good faith scoring of the

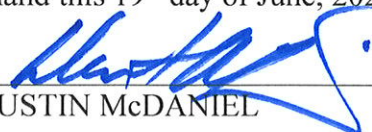
applicants. Rather, on its face it was designed create the mathematical impossibility of the defeat for his preferred applicant.

17. The most egregious example is in the category of “finance.” The ARC Rules require the ARC to evaluate “Proof of financial stability and access to financial resources, including but not limited to legal sources of finances immediately available to begin operating a casino.” ARC Casino Gaming Rule 13.9.(b)(iii). Among other things, CNB provided evidence that it had resources available to fully fund its casino project without any debt. Gulfside admitted that it would have to fund the project almost entirely through debt. Cash on hand is greater than debt to be owed. Yet, Commissioner Rice scored Gulfside a full 30 points for funding the project almost completely with debt and only 5 points for CNB funding the project out of available cash. This score is arbitrary and cannot be explained by anything other than personal bias and prejudice.

18. The Commission has the Authority and duty to call a Meeting and take the following actions:

- a. Reconvene the Review Panel;
- b. Consider this Affidavit of Bias and the attached score sheet as evidence;
- c. Vote to exclude the scoresheets submitted by Mr. Rice;
- d. Cast a vote to award points based on the scoresheets of the remaining six members of the Review Panel as submitted on June 18, 2020;
- e. Reconvene the Commission and issue new letters to advise the applicants of the corrected point totals.

IN WITNESS WHEREOF, I hereunto set my hand this 19th day of June, 2020.

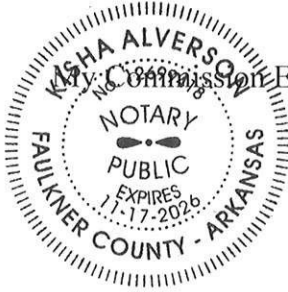


DUSTIN McDANIEL

SUBSCRIBED AND SWORN before me this 19th day of June, 2020.

Kisha Alverson

Notary Public



Expires on: 11.17.2026