



# Omissions

Pertinent gaming industry history not included in Gulfside's application

Michael Goad  
12-5-2023

# Gulfside's Omissions

Following an October 26 decision by the Arkansas Supreme Court, an attorney for Gulfside Casino Partnership (Gulfside)<sup>1</sup>, Kenneth "Casey" Castleberry, released a statement that said:

Just as the Racing Commission selected our superior application in 2020 in a head-to-head with Legends, we look forward to demonstrating again to county leaders and residents how our proposed world-class resort will benefit them and the entire state.

Gulfside's 2020 casino license application presentation had numerous instances of omission in the gaming experience of Joel "Rick" Carter and Terry Green, the owners.

The omissions in their application eclipse the proposed investment details and elements of their proposal.

Gulfside hopes for a resolution of support from the Pope County Quorum Court.

As far as I can see, that will not happen.

On the highly unlikely chance that members of the quorum court might decide to consider a resolution of support for Gulfside, I have compiled this document to provide information on the bankruptcies, federal investigations, debts, and other problematic issues that were left out of the gaming history of Mr. Carter and Mr. Green.

Michael Goad  
December 5, 2023

---

<sup>1</sup> Gulfside Casino Partnership of Gulfport, Mississippi, owned by Joel "Rick" Carter and Terry Green.

## Gulfside's Misrepresentation of Gaming Experience

There is no question that Rick Carter and Terry Green have experience in the gaming industry. However, they have failed to convey their actual experience, instead depending on vague descriptions apparently in the hopes that no one would dig deeper.

Gulfside's application presentation to the Arkansas Racing Commission included at least six incorrect, incomplete, disingenuous, or wrong statements. It doesn't mention two bankruptcies that occurred because of problems that arose while they were the senior officials in Pride Cruise Lines, Inc., even though one of the bankruptcies occurred just days after they surrendered their shares. It doesn't mention that Copa Casino couldn't get licensed while they were part of the company nor that, later, they acquired Gulfside Casino Partnership, and with it, the Copa, through a bankruptcy settlement.

The statements (in bold), each with additional relevant details:

**1. "Rick Carter and Terry Green purchased the cruise-liner "Atlas" (now known as Copa) in 1988 and opened the Pride of Mississippi." (from the application presentation)**

This statement overlooks some critical financial details. In the late 1980s, William "Si" Redd provided the financial support to establish Carter-Green-Red, Inc. Initially, Redd had a 70% stake in the company. Although Green and Carter were minority shareholders, they made the critical business decisions. In 1988, Pride Cruise Lines, Inc., a new company formed by the three partners, purchased the Atlas. The vessel was intended to be operated as a casino ship with daily cruises. Renamed the Pride of Mississippi and working out of Gulfport, its inaugural cruise was on January 14, 1989. However, it left Gulfport on Wednesday, November 22, 1989, at 6 a.m., nine months after the inaugural cruise, heading for a new home port in Texas

In Mississippi, inexperienced management made costly errors, and the partnership faced challenges like higher-than-expected costs, attendant problems, and failed health inspections. The ship's capacity of 900 passengers exceeded the coast's potential demand, and its 28-foot draft was too deep to routinely navigate the silt collecting at the bottom of the 30-foot deep-water channel across the Mississippi Sound. In a press conference, Rick Carter revealed that Pride Cruise Lines was facing severe financial difficulties and that the only way for the ship to survive was to move to Galveston, where a larger potential market with Houston was only an hour away.

**2. "The vessel was subsequently moved and renamed the Pride of Galveston (Texas)." (from the application presentation)**

The ship operated out of Galveston as the Pride of Mississippi for over a year before the name was changed.

Shortly after leaving Gulfport, Pride Cruise Lines and Carter Green Redd filed for Chapter 11 bankruptcy protection in Mississippi after the company was unexpectedly assessed a \$1 million use tax, and Mississippi threatened seizure of the ship. Green and Carter were both company vice presidents, responsible for many of the company's decisions at the time of the filing. The company left significant debt in their wake, which they promised to pay. These debts would adversely impact Carter and Green years later, even after they had been fully paid.

Pride Cruise Lines had planned to purchase another smaller ship for the Gulfport casino day cruise business. One of the company's attorneys said that moving the Pride without a replacement "would be suicidal" because it could cost the company the market it had worked so hard to get. The purchase of another vessel never happened.

**3. "As managing partner of the Pride of Galveston, Terry Green operated this casino-cruise operation successfully, amassing several million dollars in the first year, which was used for major remodeling and repairs to the ship." (from the application presentation)**

While there were some successful periods, others saw significant financial, maintenance, and legal problems.

Business in Texas was "good" except for legal and tax complications and more issues with the aging vessel, as well as the threat of seizure of the vessel after Pride failed to pay more than \$557,000 in back taxes that crippled the business. Recurring boiler problems resulted in many cancellations. Over 24,000 reservations had to be canceled at one point when the ship was out of service for more than a month due to electrical issues.

While most of these problems were probably not insurmountable, the company encountered significant legal obstacles. The main block was a legal interpretation by U.S. Attorney General Richard Thornburg that a 1947 law stipulated that a casino ship must remain at sea for at least 24 hours, provide food and lodging to passengers, or dock at a foreign port during every trip. In November 1991, a federal judge said the Justice Department could pursue criminal charges against Pride Cruise lines and its officers.

Justice Department officials later confirmed that a criminal investigation had been initiated, Pride was in dispute with Galveston County over \$500,000 in unpaid taxes, and a Houston grand jury was investigating their potential violations of federal laws regulating gambling ships

In mid-October 1991, Pride suffered another significant boiler failure—one it never recovered from. In December, the Pride of Galveston sat crewless at its Galveston dock, the victim of litigation, a federal investigation, and a disabled boiler, and the Federal judge had ordered the Pride to stay put because of an undetermined number of creditors.

In early May 1992, Terry Green, the President of Pride Cruise Lines, and Rick Carter, the Vice President, announced their decision to transfer their minority shares in the company to Marilyn Redd, the wife of Nevada's slot-machine magnate William "Si" Redd. Shortly after that, Pride Cruise Lines and Carter-Green-Redd Inc., due to legal, financial, and mechanical issues, filed for Chapter 7 bankruptcy, which led to the liquidation of the company's assets, including the ship.

**4. "After moving the vessel back to Gulfport in 1992, Mr. Carter was instrumental in remodeling and upgrading the casino facilities on board the ship, now renamed Copa Casino." (from the application presentation)**

To move the ship to Gulfport, it first had to be acquired from the bankruptcy court, where it was set to be sold by sealed bid in August 1992. After the auction, it was purchased for approximately \$1.5 million by Stan McDonald, one of the founders of Princess Cruise Lines. Towards the end of 1992, McDonald partnered with Pete Cladianos of Sand Regent, a Nevada-

based company, to invest in a new dockside casino called the Copa Casino, which would be housed in the old Pride vessel. McDonald and Cladianos provided the financing for the project, and Terry Green and Rick Carter were brought on board as minority investors to run it.

**5. “The business was sold in 1993 and continued operating.” (from the application presentation)**

This vague statement neglects the actual facts of the 1993 sale. What actually happened was that Green and Carter had to sell their shares to enable the Copa to be licensed.

Gulfside Casino, Inc. faced significant issues because Carter and Green could not obtain the necessary approval from the Mississippi Gaming Commission to hold an interest in a gaming license. The Pride of Mississippi's bankruptcy in 1989 generated enough complaints that it would have taken the understaffed commission months to complete the investigation required for Carter and Green, even though they and their partner, William Redd, paid off all the Pride's debts on Christmas Eve 1990, according to sources from the Gaming Commission. Carter and Green's inability to be licensed posed a severe threat to the opening of the Copa.

To enable the licensing of the Copa, the McDonald family bought Carter and Green out for \$3.5 million each. Both got an initial payment of \$500,000, with a promise of \$50,000 a year until the debt was paid off.

**6. “In 1998, Mr. Carter and his partner, Terry Green, regained ownership of Copa Casino in a negotiated settlement.”**

Unfortunately, for many reasons, Copa didn't generate enough extra revenue and, when Gulfside didn't pay the first annual installment, Green and Carter sued in December 1994 in an attempt to recover the \$6 million the company still owed them.

Earlier in 1994, Sands Regent, 40 % owner of Copa, had acquired the remaining 60%, which included full ownership of Gulfside Casino, Inc.

After four years of litigation, Carter and Green acquired Gulfside Casino Partnership and its partners from Sands Regent of Reno, Nevada, through a bankruptcy settlement in November 1998 for \$8.5 million. The partnership partners were Patrician, Inc., Gulfside Casino, Inc., and Artemis, Inc.

Gulfside Casino Partnership owned Copa Casino.

The Mississippi Gaming Commission approved the sale on November 19, and, somehow, Carter and Green were able to be licensed.

## **Back to the future.**

Pope County, it probably seems to many, is now back to where we were before the Quorum Court provided a resolution of support to Cherokee Nation Businesses in August 2019.

Nothing is further from the truth. Many of us now know some players much better than we did back then.

We've seen the ethics, honesty, integrity, and steadfastness of Cherokee Nation Businesses (CNB) and Legends Resort and Casino.

To be sure, they are a business and are here to build a casino eventually and make a profit they can take back home. They will buy locally and hire locally. In fact, they already have.

**Given the Economic Development Agreement (EDA) between CNB and Pope County that both parties still adhere to, a resolution of support should NOT be considered for any other casino operator.** Such a document could void the EDA, and since they have a letter of support from Judge Cross, CNB could continue their efforts to obtain the license without any obligations under the EDA.

## **The others**

The two other players that we've seen here are familiar former applicants: Choctaw and Gulfside.

Choctaw has spent over \$4 million trying to keep a casino out of Pope County. Given that, they obviously should not be considered for a resolution. At this point, they want to delay as long as possible.

Gulfside has kept the Pope County license tied up in litigation for years in the hopes that, maybe, Pope County would support it.<sup>2</sup>

Gulfside's attorney, Casey Castleberry, recently said in a press release, "**When given the opportunity, we will prove to members of the Quorum Court why Gulfside's superior proposal is a better way to win for Russellville, Pope County and the entire state, just as we did in 2020 in our head-to-head presentation to the Arkansas Racing Commission.**"<sup>3</sup>

### **Gulfside should not be given that opportunity.**

While they say their proposal is a better way to win, they don't mention the gaming history they failed to present in their application and that June 2020 "head-to-head presentation" to the Racing Commission meeting.

### **The casino license must be granted to a financially sound and ethical company.**

Terry Green and Rick Carter own Gulfside Casino Partnership. They have been shareholders and top officials in Carter-Green-Rett, Inc., Pride Cruise Lines, Inc., Gulfside Casinos, Inc., and the Copa Casino, all of which had significant financial and legal problems, including bankruptcy.

---

<sup>2</sup> Arkansas Supreme Court. CV-23-50. CNB, Legends & ARC v Gulfside & Choctaw. Appellant's (CNB & Legends) brief. February 24, 2023.

<sup>3</sup> Tilley, Michael (October 30, 2023). "[Pope County judge endorses Cherokee Nation for casino license](#)". *Talk Business and Politics*.

In front of the Arkansas Racing Commission, Terry Green declared that he never filed for bankruptcy.

Gulfside has said Green and Carter were just minor shareholders in the companies that declared bankruptcy.

While that is true, they were the top operators in those companies. They made decisions that impacted the financial health and stability of the companies. The history of those bankruptcies is a history that should have been shared in their application.

The problem is not that they had bankruptcy and licensing issues. The problem is that they glossed over their history to hide them.

Carter and Green have failed to disclose their history of bankruptcies, federal investigations, delinquent taxes, currency transaction penalties, gaming license difficulties, debts, and layoffs of employees.<sup>4</sup>

The failure to disclose this history disqualifies them from any consideration by Pope County.

## **Casino Gaming Rules**

Under the Casino Gaming Rules of the Arkansas Racing Commission, the commission may deny a casino application if the applicant provides misleading, incorrect, false, or fraudulent information with the intent to deceive.<sup>5</sup>

Gulfside Casino Partnership's 2020 application to operate a casino in Pope County, Arkansas, was misleading.

The application omitted essential facts regarding Joel "Rick" Carter<sup>6</sup> and Terry Green's<sup>7</sup> casino experience, including previous bankruptcies and the inability to obtain a Mississippi casino license, which delayed Copa Casino's projected opening and placed the entire project in jeopardy of collapse.

During a meeting held by the Racing Commission on June 18, 2020, Terry Green, a Gulfside Casino Partnership co-owner, was asked multiple times whether he or any of his partners in any prior casino venture had ever defaulted on debts or filed for bankruptcy.<sup>8</sup>

---

<sup>4</sup> Akin, Thomas (April 13, 2020). Letter from a former member of the Arkansas Racing Commission to Russellville, Arkansas, Councilman Chris Olson. "RE: Resolution of Welcome for Gulfside Casino Partnership, LLC, a subsidiary of Copa Casino of Mississippi, LLC"

<sup>5</sup> Rules of the Arkansas Racing Commission—Casino Gaming. Rule 2.13.12(a)(iii)

<sup>6</sup> Joel R. Carter, Sr., Principal—Rick Carter and Terry Green purchased the cruise-liner "Atlas" (now known as Copa) in 1988, and opened the Pride of Mississippi. The vessel was subsequently moved and renamed the Pride of Galveston (Texas). After moving the vessel back to Gulfport in 1992, Mr. Carter was instrumental in remodeling and upgrading the casino facilities on board the ship, now renamed Copa Casino. The business was sold in 1993, and continued operating. In 1998, Mr. Carter and his partner, Terry Green, regained ownership of Copa Casino in a negotiated settlement. (from the application presentation)

<sup>7</sup> Terry W. Green, Principal—As managing partner of the Pride of Galveston, he operated this casino-cruise operation successfully, amassing several million dollars in the first year, which was used for major remodeling and repairs to the ship. After regaining ownership of Copa Casino in 1998, the bottom line improved significantly over that of previous owners. (from the application presentation)

<sup>8</sup> McDaniel, Dustin. (2020, June 17). "Affidavit of Misrepresentation submitted to the Arkansas Racing Commission."

Mr. Green claimed that he never filed for bankruptcy. While this statement may be technically accurate regarding his personal capacity, it misrepresented facts relevant to the inquiry. Mr. Green was an owner and operator at least two times when his companies filed for bankruptcy: Carter-Green-Redd, Inc. (Mississippi 1989) and Pride Cruise Lines, Ltd. (Texas 1992-1998).<sup>9</sup>

Also, Gulfside failed to disclose to the Commission that its owners, Green and Carter, were restricted for a time from obtaining a gaming license in Mississippi,<sup>10</sup> which led to the sale of their shares in Copa Casino in 1993.

One of the criteria for selecting a licensee in the Casino Gaming Rules is "Experience in conducting casino gaming."

Mr. Carter and Mr. Green were responsible for the gaming operations in casino gaming cruise ventures in Mississippi and Texas, both of which involved bankruptcy. However, this aspect of their casino gaming experience was not included in their application, presented to the Commission, or considered by the Commission.<sup>11</sup>

The Racing Commission failed to investigate the gaming industry history of Mr. Green and Mr. Carter. This resulted in the licensing of Gulfside Casino Partnership for the Pope County casino without considering their prior bankruptcy filings and adverse licensure decisions. The oversight could have been avoided if a proper investigation had been conducted.<sup>12</sup>

## **History**

### **A Ship**

In the late 1980s, William "Si" Redd, known as the "king of slot machines," teamed up with two up-and-coming restaurateurs from the Gulf Coast named Terry Green and Joel "Rick" Carter. They formed a partnership, named Carter-Green-Redd Inc., to establish a shipborne casino that would operate off the coast of Mississippi in international waters, where gambling was legal. Redd was the majority shareholder with 70%, while Green and Carter held the remaining 30% through sweat equity. Hugh Keating, a corporate and commercial attorney from Gulfport, had introduced Green and Carter to Redd and served as their general counsel, providing legal guidance to navigate challenges.<sup>13</sup>

---

<sup>9</sup> McDaniel

<sup>10</sup> Calhoun, Bart W.; Richardson, Scott; McDaniel, Dustin (2020). In The Matter of the Pope County License—Notice of Appeal and Request for Hearing to the Racing Commission.

<sup>11</sup> Rules of the Arkansas Racing Commission—Casino Gaming. Rule 2.13.9(b)(i)

<sup>12</sup> Calhoun.

<sup>13</sup> Harpster, Jack (May 5, 2010). *King of the Slots: William "Si" Redd*. New York, NY: Bloomsbury Publishing USA. p. 193-199.



In 1988, Pride Cruise Lines, a new company established by Carter-Green-Redd, bought the passenger ship Atlas<sup>14</sup> from Epirotiki Lines to operate one-day cruises from Gulfport, Mississippi. The ship was renamed Pride of Mississippi and reflagged from Greek to Bahamian registry.<sup>15</sup>

The firm had also acquired a letter of intent on November 18, 1988, from the Galveston, Texas, Wharves trustees to develop an exclusive contract to operate day-trip "cruise to nowhere" voyages out of Galveston featuring entertainment and casino gambling.<sup>16</sup>

After arriving at Gulfport on January 14, 1989,<sup>17</sup> the Pride embarked on its inaugural cruise from Gulfport on February 19, 1989.<sup>18</sup> Green and Carter quickly realized that the venture would be unprofitable unless gambling could commence shortly after departing the dock.<sup>19</sup> Initially, about 50% of each eight-hour "cruise to nowhere" was spent traveling to and from international waters, leaving limited time for gambling.<sup>20</sup>

In March 1989, a new law, lobbied for by Pride Cruise Lines,<sup>21</sup> went into effect in Mississippi, allowing gambling on large vessels to commence about 1,500 yards from shore when journeying to or from international waters.<sup>22 23</sup> The law was designed to accommodate the Pride of Mississippi and other similar vessels, and it ensured that restrictions were in place to prevent a multitude of small floating

---

<sup>14</sup> First named Ryndam II, the ship was a passenger ocean liner whose construction, started in 1942 was delayed by war, was launched in December 1950 and built in the Netherlands. It was the first trans-Atlantic liner with air conditioning and allocated 90% of its cabin space to tourist class passengers. It was transferred to HAL's German subsidiary in 1966, and after being sold to Epirotiki Lines in 1972, it was renamed Atlas. (Originally intended for service out of Galveston) in 1989, after its purchase by Pride Cruise Lines, it began sailing day cruises from Gulfport, Mississippi, as Pride of Mississippi, later from Galveston, Texas, as Pride of Galveston. In 1993, it was towed back to Gulfport, where it served as a stationary casino ship, Copa Casino, until 2002. It was sold to a Louisiana company for \$190,000 in December 2002 and then to a New York company for \$500,000 for scrap in 2003 and sank while under tow to India near the Dominican Republic. ([more details](#))

<sup>15</sup> "[Pride Cruises to Begin One-Day Operations](#)". Cruise Industry News. New York, NY. January 17, 1989. The company purchased the 38-year-old, 16,000-ton Atlas after another ship, the Jupiter, on which they had placed a deposit and planned for use out of Gulfport, sank after being hit by an Italian cargo ship. In early 1989, the company said it was searching for a second vessel to be based in Galveston.

<sup>16</sup> Kirkpatrick, Joel (November 23, 1988). "**Pride cruises - Firm wins pact for gambling ship**". *The Galveston Daily News*. No. 227 Vol 146. Galveston, Texas: Galveston Newspapers, Inc. pp. 1, 11.

<sup>17</sup> "**Cruise ship will offer gambling**". *The Commercial Appeal*. No. 22, 150th year. Memphis, Tennessee: Memphis Publishing Company. AP. January 16, 1989. p. A8.

<sup>18</sup> Lammons, George (February 11, 1989). "**Pride of Mississippi to set out on day cruises Feb. 19**". *The Sun Herald*. No. 134 Vol 105. Biloxi, Mississippi: Gulf Publishing Company. p. C1. "Having gained approval from the Federal Maritime Commission this week, the Gulfport-based ship needs only Coast Guard certification to be ready to sail. And both Coast Guard and Pride of Mississippi officials say they don't expect any problems."

<sup>19</sup> Nash, Jere; Taggart, Andy (2006). *Mississippi Politics: The Struggle for Power, 1976-2006*. Jackson, Mississippi: Univ. Press of Mississippi. p. 216.

<sup>20</sup> Harpster.

<sup>21</sup> Harpster. "Their goal was to promote legislation that would allow gambling to commence aboard a cruise ship as quickly as possible after departure from the dock."

<sup>22</sup> Taylor, Louis (March 25, 1989). "**Coast reaction ranges from gleeful to glum**". *Sun Herald*. No. 176 Vol 105. Biloxi, Mississippi: Gulf Publishing Company. p. A4.

<sup>23</sup> Branson, Reed (March 29, 1989). "**Miss. Gulf gamblers get rolling right away**". *The Commercial Appeal*. No. 112 150th year. Memphis, Tennessee: Memphis Publishing Company. p. 1.

casinos from cluttering up the Gulf. The law stipulated that such cruises must begin at either Gulfport or Pascagoula.<sup>24</sup>

When it operated in the Gulf of Mexico, the Pride was the world's largest day cruise vessel, providing "up to 1,000 passengers with six decks of entertainment and amenities."<sup>25</sup> However, the business was continually plagued with issues.

The ship's engine had mechanical problems due to silt and advanced age. It sailed under a foreign flag, mandating a monthly voyage to a foreign port, incurring additional costs. Licensed harbor pilots daily navigated the ship out past barrier islands and back at steep fees. The ship needed a larger crew for its daily gaming cruises, many from foreign countries, with resultant language difficulties.

The first week-long cruise of Pride in April 1989 to Cozumel, Mexico, was a disaster, according to Darby Trovato, a sales representative. The ship didn't have enough potable water, among other issues.<sup>26</sup>

The inexperienced management team made costly errors. During the first few months of operation, there was no surveillance system for the casino, and the partnership faced numerous challenges, such as higher than anticipated costs, attendant problems, and other unforeseen issues, such as failed health inspections,<sup>27</sup> all of which led to significant challenges.<sup>28</sup>

According to the Gulfport Pilot's Association and, later, Pride Cruise Lines, the company's issues were largely due to the size of its ship. The Pride of Mississippi was too big for Gulfport, with a capacity of 900 passengers that exceeded the coast's potential demand. Additionally, the ship's 28-foot draft was too deep to navigate through the silt that collected at the bottom of the 30-foot deep-water channel across the Mississippi Sound.<sup>29</sup>

---

<sup>24</sup> Reel, Guy (April 3, 1989). "Cruise line critical of Miss. restrictions". *The Commercial Appeal*. No. 117 150th year. Memphis, Tennessee: Memphis Publishing Company. pp. B1, B2. "The 'unbelievable' restrictions in the law give the cruise ship Pride of Mississippi a virtual lock on the gambling trade in state waters off the Mississippi coast, said Europa Cruise Line president Peter Booth."

<sup>25</sup> "Pride pays fee, set to sail Friday night". *Galveston Daily News*. No. 241 Vol. 147. Galveston, Texas: Galveston Newspapers, Inc. December 7, 1989. p. 13.

<sup>26</sup> Gholson, Melinda (May 28, 1989). "Ship's pride is mini cruises for the masses". *Hattiesburg American*. Hattiesburg, Mississippi: Gannett. p. 3E.

<sup>27</sup> Wilson, D.V. (December 22, 1989). "Pride of Mississippi fails federal health inspection once again". *The Galveston Daily News*. No. 256 Vol 147. Galveston, Texas: Galveston Newspapers, Inc. p. 1. "Many of the violations are technical and do not include those that might jeopardize passenger safety"

<sup>28</sup> Harpster. Redd's management team made costly mistakes in their inexperience with gambling ships and the financial drain on the venture. The casino operated for the first four to five months without a surveillance system, which is essential in the casino business. "We would fill the boat up and have a thousand people on the cruise," Carter stated, "and when the boat returned, no one could tell me if we had made any profit or not." "If we had the correct management and checks and balances, we would have succeeded in Mississippi," Carter added. Despite attracting the expected number of passengers, the partnership encountered various challenges, such as higher than anticipated costs, attendant problems, and other unforeseen issues, leading to significant complications.

<sup>29</sup> "Good fortune failed to follow floating casino". *The Clarion-Ledger*. Jackson, Mississippi. AP. December 15, 1989. p. 3B.

News reports and rumors swirled for months that the Pride of Mississippi would leave Gulfport. In October, Rick Carter reiterated that the cruise line would not move the vessel until the company found another ship for Gulfport. "There are so many rumors... it's embarrassing," he said from Texas.<sup>30</sup>

However, without a replacement ship, the Pride of Mississippi left Gulfport on Wednesday, November 22, 1989, at 6 a.m., nine months after its inaugural cruise, heading for a new port to cruise out of—Galveston, Texas.<sup>31</sup>

During a press conference held on the 21st, Rick Carter revealed that Pride Cruise Lines was facing severe financial difficulties and that the only way for the ship to survive was to move to Galveston. He stated that the operation had been incurring a cost of \$52,000 per day and had been losing over \$200,000 every week for the past two months. Due to a damaged gear, cruises had been cancelled in September. Since then, there had been an average of only 100 passengers daily. The company estimated that it needed at least 450 passengers, which is half the ship's capacity, on each trip to break even.<sup>32 33</sup>

Pride wasn't remembered as a particularly good neighbor in the Gulfport business community. The ship abandoned Mississippi, with the company owing money to many people and firms,<sup>34</sup> a situation that would complicate licensing when the ship returned a few years later to become the dockside Copa Casino, even though all debts had been settled.

Pride, though, said it planned to replace its casino cruise vessel out of Gulfport with a smaller one.<sup>35</sup>

---

<sup>30</sup> Drown, Stuart (October 14, 1989). "Owners say Pride won't go before new ship comes in". *The Sun Herald*. No. 14 Vol 106. Biloxi, Mississippi: Gulf Publishing Company. p. C1.

<sup>31</sup> "Gulfport says gambling ship owners broke contract". *Laurel Leader-Call*. No. 279, 78th year. Laurel, Mississippi. AP. November 24, 1989. p. 3. "The State Port at Gulfport has notified the owners of the Pride of Mississippi cruise ship that the company has breached its five-year contract."

"The Pride's lease obligates it to operate a cruise ship from Gulfport nine months of the year. To meet that condition Pride Cruise Lines must have a gambling ship in Gulfport by March 1."

<sup>32</sup> "Gambling ship is on way to Galveston". *Laurel Leader-Call*. No. 278, 78th year. Laurel, Mississippi. November 23, 1989. p. 3. "And following a hastily called Tuesday meeting in an unlighted parking lot at the State Port at Gulfport, attorneys for the Pride of Mississippi and an unnamed party said a dispute, which they wouldn't discuss, was resolved."

<sup>33</sup> Morris, Robert (December 10, 1989). "Ship owners hope everything's bigger in Texas—including profit—The Pride of Mississippi, which offers dining and gambling, operated at a loss in Gulfport". *The Clarion-Ledger*. Jackson, Mississippi. p. 1B. "The company is counting on the vast population difference to salvage its \$20 million investment in the 504-foot ship, which lost \$6 million in seven months working out of Gulfport."

<sup>34</sup> Haisten, Bill (December 9, 1989). "Mississippi watches as Pride bets on Texas success". *The Galveston Daily News*. No. 243 Vol 147. Galveston, Texas: Galveston Newspapers, Inc. pp. 1, 17. "' But Pride owes a lot of people money. We'd like to be paid that money, but I don't think too many people were surprised or upset when Pride left. I've been told our payments are totally contingent on how they do in Galveston. Based on that, I hope Pride does well in Texas.' (Jim Miller, Adventure Advertising)"

<sup>35</sup> "Missing the boat—Gulfport may get smaller ship when Pride Cruise Lines expands to isle". *The Galveston Daily News*. No. 233 Vol 147. Galveston, Texas: Galveston Newspapers, Inc. August 13, 1989. p. 16. "Pride Cruise Lines has committed to keeping a day-cruise vessel on the Mississippi Gulf Coast. But by all indications the 503-foot Pride of Mississippi will undergo an identity change by February, becoming the Pride of Texas."

"In its place, the company will likely bring in a smaller ship to offset the \$52,000 per day operating costs of the Pride."

With the ship's departure, some workers lost their jobs. At least one, promised his job would continue, drove all the way to Galveston only to be fired.<sup>36</sup>

In December 1989, Pride Cruise Lines, after only ten months of operation, filed for reorganization under Chapter 11 bankruptcy<sup>37</sup> when the company was assessed a \$1 million use tax, and seizure of the ship was threatened by Mississippi<sup>38 39</sup> after the ship was relocated to Galveston, Texas.<sup>40 41</sup>

The bankruptcy made buying a second ship for the Mississippi market more difficult.<sup>42 43</sup>

Earlier, in June, the firm's lawyer, Hugh Keating, had said that moving the Pride without a replacement "would be suicidal" because it could cost the company the market it had worked so hard to get.<sup>44 45</sup>

Even after the bankruptcy, the company tried to obtain the second ship. In January 1990, Pride Vice President Rick Carter said the company was negotiating with a Greek company to buy a vessel to be

---

"(The bankruptcy) is intended to protect the Pride of Mississippi from seizure for an unpaid \$1 million use tax levied by the state of Mississippi."

<sup>36</sup> Lott, Bruce (December 1, 1989). "**Pride's departure is end of line for some workers**". *Sun Herald*. No. 62 Vol 106. Biloxi, Mississippi: Gulf Publishing Company. p. B1. "At least 25 Coast residents are losing their jobs as the Pride of Mississippi moves to Galveston, Texas."

"Another 75 will move with the cruise and casino ship."

<sup>37</sup> Wilson, D.V. (December 14, 1989). "**Pride files for bankruptcy - Reorganization stems from unpaid tax in Mississippi**". *The Galveston Daily News*. No. 147 Vol. 147. Galveston, Texas: Galveston Newspapers, Inc. pp. 1, 15. "...The Pride of Mississippi began to have financial problems when the engine failed because of port conditions in Gulfport... The engine's breakdown forced the vessel to remain in port during the potentially lucrative Labor Day weekend and the company never recovered..."

<sup>38</sup> Harpster

<sup>39</sup> U.S. Bankruptcy Court, Southern District of Mississippi, Bankruptcy Petition # 89-09796-ERG, Carter-Green-Redd, Inc. Date Filed 12/12/1989. Date Terminated 8/9/1991

<sup>40</sup> "**Days after the Pride of Mississippi set sail as Galveston's first casino ship, its parent firm filed for federal bankruptcy protection in Biloxi, Miss**". *Port Arthur News*. No. 275 Vol 93. Cox Enterprises, Inc. AP. December 16, 1989. p. 22. "Officials said the Galveston operations won't be affected by the filing."

<sup>41</sup> "[Southern Elegance to Gulfport](#)". *Cruise Industry News*. New York, NY. March 12, 1990. "Sources in the company claimed that the move was partly because the ship, which had a capacity of 1,190 passengers, was too large for the Gulfport market."

<sup>42</sup> "**Cruise line files bankruptcy petition**". *Laurel Leader-Call*. No. 295, 78<sup>th</sup> year. AP. Laurel, Miss. December 13, 1989. p. 5. "... (the filing) cast doubt on the company's ability to obtain a second, promised ship for Gulfport, where the company has a five-year contract with the Mississippi State Port Authority. On the day the Pride left for Galveston, the port authority ruled that Pride Cruise Lines had breached its contract. The port gave the company 30 days to find another ship and pay \$75,500 in back rent or face court action."

<sup>43</sup> "**Cruise ship to call Galveston home**". *Orange Leader*. Orange, Texas. AP. June 25, 1989. p. 5. "The owners of the Pride of Mississippi say they plan to buy a 465-foot cruise ship, allowing them to operate out of Galveston as well as Gulfport."

<sup>44</sup> "**Gambling ship owners consider move to Texas**". *Laurel Leader-Call*. No. 141 78<sup>th</sup> year. Laurel, Mississippi: Thomson Newspapers. June 14, 1989. p. 3.

<sup>45</sup> Lamons, George (June 14, 1989). "**Ship shuffle: Pride may go, smaller ship move here**". *The Sun Herald*. No. 257 Vol 105. Biloxi, Mississippi: Gulf Publishing Company. p. A1. "Galveston is an attractive port for the ship because it is an hour's drive from Houston. Terry Green, one of the partners in Pride Cruise Lines, lives in Houston."

used in Mississippi. Keating said, "The prospects look very strong," adding that the cruise line had alternate ships in mind.<sup>46</sup>

As late as May 1990, Pride Cruises said it would bring a cruise ship back to Mississippi. Owner Rick Carter said, "We will be returning soon. The future looks bright."<sup>47</sup>

Having invested \$20 million in the company, Sy Redd ensured all creditors were paid a year after the bankruptcy filing.<sup>48 49</sup> Due to failing health, doctors advised Redd to get out of the gambling ship business.<sup>50</sup> As a result, he transferred all his stock in the venture to his wife, Marilyn. When questioned, Redd clarified that he could not influence her.<sup>51</sup>

For a time, the company intended to run two casino ships, one based in Gulfport and the other in Galveston.<sup>52</sup> In April 1989, early in their search for a second ship, they entered into an exclusive agreement with the Port of Galveston to operate a 500-foot-long vessel from Pier 21<sup>53 54</sup> They also explored the possibility of operating a ship out of Corpus Christi.<sup>55</sup>

The Galveston City Council passed an ordinance on August 15, 1989, regulating cruise ships operating out of Galveston more than 12 times a year.<sup>56</sup>

---

<sup>46</sup> "Cruise Line may bring new ship to Gulf Coast". *Playground Daily News*. No. 340 44th year. Fort Walton Beach, Florida: Northwest Florida Daily News. January 19, 1990. p. 18.

<sup>47</sup> "Cruise line bringing ship back to Mississippi coast". *Laurel Leader-Call*. No. 130, 79th year. Laurel, Mississippi. AP. May 31, 1990. p. 3.

<sup>48</sup> "Cruise line to pay Gulf Coast creditors". *Port Arthur News*. Port Arthur, Texas: Cox Enterprises. AP. December 13, 1990. p. 24. "Pride Cruise Lines will pay bills totaling \$1.2 million that it owes Gulf Coast creditors under a bankruptcy agreement signed Tuesday."

<sup>49</sup> "Pride agrees to pay back \$1.2 million". *The Galveston Daily News*. No. 247 Vol 148. Galveston, Texas: Galveston Newspapers, Inc. AP. December 13, 1990. pp. 1, 10. "Keating said the company's profitability in Texas allowed the 100 percent repayment."

<sup>50</sup> Harpster. "Those close to the situation said she was ineffective, confrontational, and counterproductive, accomplishing little good for the enterprise that continued to falter despite the new gaming law."

"(They appointed their son-in-law) attorney Alan Green, to step in as president of the company. It had become obvious that Pride of Mississippi had failed, and bankruptcy was the only viable option."

<sup>51</sup> "Principal investor quits Pride". *The Galveston Daily News*. No. 277 Vol. 147. Galveston, Texas: Galveston Newspapers, Inc. AP. January 12, 1990. pp. 1, 15. "Pride Cruise Lines filed for Chapter 11 reorganization bankruptcy Dec. 13 in U.S. Bankruptcy Court in Biloxi, Miss."

"The filing was done to protect the vessel from seizure for an unpaid \$1 million in use tax levied after the Pride of Mississippi had moved from Gulfport to Galveston for operations."

<sup>52</sup> Mitchell, Larry (June 24, 1989). "Mississippi won't miss the boat". *The Clarion-Leger*. Jackson, Mississippi. p. B1. "This ship or a better ship will be here, and it'll be here for 18 years," said William 'Si' Redd, one of the three partners in the cruise line."

"Redd made the comment... during a news conference to answer public speculation that the company will leave Gulfport for Galveston, Texas."

<sup>53</sup> Kirkpatrick, Joel (April 26, 1989). "Cruise line pact gets nod from Wharves". *The Galveston Daily News*. No. 16 Vol 147. Galveston, Texas: Galveston Newspapers, Inc. pp. 1, 11.

<sup>54</sup> Morris, Robert (July 21, 1989). "Second cruise line hopes to give Pride a run for its money". *The Galveston Daily News*. No. 234 Vol 147. Galveston, Texas: Galveston Newspapers, Inc. p. 1.

<sup>55</sup> "1 firm meets deadline - Company wants to operate gambling cruise ship". *Port Arthur News*. Port Arthur, Texas: Cox Enterprises. AP. September 19, 1989. p. 6.

<sup>56</sup> Stengle, Jack (August 18, 1989). "Council OKs cruise ship regulations". *The Galveston Daily News*. No. 130 Vol 147. Galveston, Texas: Galveston Newspapers, Inc. p. 1.

While Carter-Green-Redd<sup>57</sup> moved their casino day cruise operation venture to Texas, with a maiden cruise out of Galveston on December 8, 1989,<sup>58 59</sup> the endeavor was doomed.<sup>60</sup>

Even before moving the ship to Texas, the company was under investigation for violating the 1948 federal Gambling Ship Act, an act initially designed to prevent gambling barges from operating along the California coast.<sup>61 62</sup> In December 1989, Terry Green said, "If we can't make it in Galveston, we can't make it anywhere. We'll shut the doors and sell the ship. But we don't expect that to happen. All I'm asking for is a chance. We'll make it work."<sup>63</sup>

When another ship managed to get a license from the city of Galveston, Pride scrambled to get its ship into the city two or three months ahead of its original planned start of operations date.<sup>64 65</sup>

In January 1990, Pride Cruise Lines and Carter-Green-Redd threatened to file a lawsuit opposing the Galveston Park Board's agreement to allow Europa Cruise Line Ltd. to operate day cruises from Seawolf Park. They argued that such an agreement would breach their contract with the Galveston Wharves, which granted them the exclusive right to operate day cruises from the Port of Galveston.<sup>66 67</sup> Despite

---

<sup>57</sup> "Notice of Application for a mixed beverage permit for a location in Galveston". *The Galveston Daily News*. No. 234 Vol 147. Galveston, Texas: Galveston Newspapers, Inc. November 30, 1989. p. 26. "...that Carter-Green Investments, Inc. d/b/a Pride Cruise Lines, Terry Wayne Green, Pres., Sec., Treas., has made application for a mixed beverage permit..."

<sup>58</sup> Kirkpatrick, Joel (December 10, 1989). "Maiden voyage mood is jubilant". *The Galveston Daily News*. No. 244 Vol 147. Galveston, Texas: Galveston Newspapers, Inc. pp. 1, 13..

<sup>59</sup> "Gambling ship proves big hit in Galveston". *Port Arthur News*. No. 269 Vol 93. Cox Enterprises, Inc. AP. December 10, 1989. p. 6. "The Pride, the 40-year-old vessel registered in the Bahamas, barely wavered as it pushed through rough seas whipped up by cold winds that swept into Texas Thursday."

<sup>60</sup> Akin. Pride Cruise Lines was constantly mismanaged and violated federal and state regulations. A federal judge ordered US Marshals to seize the ship.... They were also delinquent in over \$550,000 in local taxes and filed for bankruptcy again in the Southern District of Texas. However, bankruptcy was not enough this time, as federal indictments were also in the works. Hundreds of employees were laid off.

<sup>61</sup> Wilson, D.V. (October 12, 1989). "Pride Lines under federal investigation". *The Galveston Daily News*. No. 185 Vol 147. Galveston, Texas: Galveston Newspapers, Inc. pp. 1, 15.

<sup>62</sup> "Pride of Mississippi under investigation". *The Sun Herald*. No. 358 Vol 105. Biloxi, Mississippi: Gulf Publishing Company. September 23, 1989. p. 18. "The federal Gambling Ship Act makes it illegal for American flagged or owned vessels to operate in international waters for the 'principal' purpose of gambling."

"Lawyer Hugh Keating said the ship's operator strongly believes the (vessel) is operating within the law. The ship is Bahamian-flagged but has American owners."

"Violation of the Gambling Ship Act carries a maximum penalty of two years in jail and a \$10,000 fine"

<sup>63</sup> Haisten, Bill (December 9, 1989). "Mississippi watches as Pride bets on Texas success". *The Galveston Daily News*. No. 243 Vol 147. Galveston, Texas: Galveston Newspaper, Inc. pp. 1, 17.

<sup>64</sup> Stengler, Jack (January 15, 1990). "Are certain decisions greed or good business". *The Galveston Daily News*. No. 280, Vol 147. Galveston, Texas: Galveston Newspapers, Inc. p. 10.

<sup>65</sup> "Ordinance No. 89-130, granting a city of Galveston Cruise Vessel License to Pride Cruise Lines...16th day of November 1989". *Galveston Daily News*. No. 229 Vol. 147. Galveston, Texas: Galveston Newspapers, Inc. November 25, 1989. p. 26.

<sup>66</sup> Stengler, Jack (January 10, 1990). "Pride Lines vows lawsuit over Europa". *The Galveston Daily News*. No. 275 Vol 147. Galveston, Texas: Galveston Newspapers, Inc. pp. 1, 11. "The Park Board of Trustees has been threatened with a lawsuit if it approves an agreement with Europa Cruise Lines Ltd. to operate a day-cruise ship from Seawolf Park."

<sup>67</sup> Stengler, Jack (January 11, 1990). "Park Board lawyer calls Pride-Carter threat 'frivolous'". *The Galveston Daily News*. No. 276 Vol 147. Galveston, Texas: Galveston Newspapers, Inc. p. 10.

the threat, Europa was given a five-year agreement.<sup>68</sup> Europa Jet,<sup>69</sup> a day-cruise ship, operated out of Galveston for several months in 1990 but eventually left to operate out of Gulfport, Mississippi, in September. It never returned.

After just a few months of operations in Galveston, Terry Green saw a promising future for day and multi-day cruises out of Galveston despite a rough start. Their operation there opened just before one of the worst cold spells in Galveston's history, plus several days of dense fog. The fog forced the cancellation of several cruises.<sup>70</sup> Green said, "As far as the day cruise business, there are a lot of things that are positive, but there are some negative things, too."<sup>71</sup>

A December 7, 1990, report revealed that the Galveston operation of the Pride of Mississippi exceeded expectations in its first year of operation. The total revenue generated and paid to the state, county, and city amounted to \$19.49 million. According to Terry Green, the president of Pride Cruise Lines, the company had initially estimated that approximately 170,000 passengers would be carried in the first year. However, the actual number was 188,247 passengers. Green stated that the total economic contribution to the state, county, and city was estimated to be between \$50 million and \$60 million.<sup>72</sup>

Not long after that rosy report, issues with the aging ship's boilers in December 1990 led Pride of Mississippi to cancel its cruises, including New Year's Eve.<sup>73 74</sup>

When the ship was relocated to Galveston, Terry Green, vice president of Pride's Texas operation, had discussed a potential name change. He, Carter, and Redd had contemplated changing it to "Pride of

---

<sup>68</sup> Stengler, Jack (January 18, 1990). "Europa gets lease for Seawolf Park". *The Galveston Daily News*. No. 283 Vol 147. Galveston, Texas: Galveston Newspapers, Inc. pp. 1, 13. "Terry Green..., said his firm will take whatever steps necessary to protect its interests."

<sup>69</sup> Europa Jet is currently Italian flagged and operating in the Mediterranean

<sup>70</sup> Stengler, Jack (December 30, 1989). "Fog strands casino ship on high seas—Day cruise turns into all-nighter". *The Galveston Daily News*. No. 264 Vol 147. Galveston, Texas: Galveston Newspapers, Inc. pp. 1, 13. "More than 750 passengers... got more of a day cruise than they expected when they left about... 1 p.m. Thursday..." "(the) ship became fog-bound Thursday evening before it could return to port and it was just before 5 p.m. Friday when tugs eased the Pride back into its berth..."

"Reports... indicated the unexpected extra time at sea required extra effort from the Pride crew and patience from Pride's customers..."

"About 100 passengers who didn't have enough of their medications saw the ship's physician."

<sup>71</sup> Stengler, Jack (March 4, 1990). "Galveston proud—Pride Cruise Line sees promising future for day cruises". *The Galveston Daily News*. No. 328 Vol 147. Galveston, Texas: Galveston Newspapers, Inc. p. 120. "One big problem, as Green sees it, is the regulation that all foreign flag vessels entering Galveston must have a pilot aboard entering and leaving port"

"What other ship goes in and out 32 times a month? Other foreign ships come in here once or once every other month, so they can afford to pay a tug boat \$1,000 to come in and \$1,000 to go out. Well, we come in 32 times so we are spending \$35,000-40,000 a month."

<sup>72</sup> Stengler, Jack (December 21, 1990). "Pride Line exceeds first year estimates". *The Galveston Daily News*. No. 255 Vol 148. Galveston, Texas: Galveston Newspapers, Inc. p. 10.

<sup>73</sup> "Pride Docked". *Del Rio News Herald*. Del Rio, Texas. December 27, 1990. p. 2.

<sup>74</sup> Stengler, Jack (December 22, 1990). "Broken steam boiler sidelines Pride vessel". *The Galveston Daily News*. No. 246 Vol 148. Galveston, Texas: Galveston Newspapers, Inc. p. 8. "Renovation of the boilers was one of the things we have planned all along to do when the Pride goes into a 60-day drydock period beginning Jan. 6."

Texas.<sup>75</sup> However, at that time, they decided against it, being proud natives of Mississippi, and considered the \$100,000 cost of renaming the vessel too steep.<sup>76</sup>

Early in 1991, the ship underwent a \$4 million renovation in Port Arthur, Texas, and Freeport, Bahamas, to expand capacity and upgrade facilities.<sup>77</sup> In March, the vessel returned to Galveston as the Pride of Galveston.<sup>78 79</sup>

The company's future remained under a cloud of uncertainty. U.S. Attorney General Richard Thornburgh had interpreted that the federal gambling ship law required any ship with casinos and bars on board had to either spend 24 hours in international waters and provide food and lodging for its passengers or dock at a foreign port. Pride Cruise Lines was notified on April 15 by the Justice Department that it had until July 22 to comply with Thornburgh's opinion.<sup>80 81</sup>

---

<sup>75</sup> Kirkpatrick, Joel (December 11, 1989). "**Understanding cruise ship business**". *The Galveston Daily News*. No. 245 Vol 147. Galveston, Texas: Galveston Newspapers, Inc. p. 6. "The Pride of Mississippi, which will eventually be re-named the Pride of Texas, according to Terry Green, is expected to have 320,000 passengers a year in its nine-a-week cruises."

<sup>76</sup> Wilson, D.V. (November 29, 1989). "**Gambling ship finally docks - Ready to begin cruises Dec.8**". *The Galveston Daily News*. No. 233 Vol 147. Galveston, Texas: Galveston Newspapers, Inc. p. 1.

<sup>77</sup> Stengler, Jack (January 18, 1991). "**Refurbished Pride of Galveston will return in March**". *The Galveston Daily News*. No. 238 Vol 148. Galveston, Texas: Galveston Newspapers, Inc. p. 5B. "Terry Green, president of the company...said that the vessel completed its dry dock period in... Port Arthur and was due to sail... for Freeport, Bahamas, for more repairs and renovation... The vessel is to undergo a \$4 million repair, renovation and expansion program before returning to Galveston to resume its cruise schedule."

<sup>78</sup> Gartman, Don (March 3, 1991). "**Port going after grain, cruise ships, capital improvements**". *The Galveston Daily News*. No. 327 Vol 148. Galveston, Texas: Galveston Newspapers, Inc. p. 54.

<sup>79</sup> "**It's back—Pride of Galveston returns to its island home port**". *The Galveston Daily News*. No. 143 Vol 149. Galveston, Texas: Galveston Newspapers, Inc. March 29, 1991. p. 6. "The gambling cruise ship had been in drydock in the Bahamas for most of the winter, undergoing repairs and refurbishing. It's back now, sporting a new name—The Pride of Galveston—and a sporty new paint job."

<sup>80</sup> Luque, Sulipsa (April 28, 1991). "**Public shows support for Pride—Passengers say operations should be left the way they are**". *The Galveston Daily News*. No. 18 Vol 149. Galveston, Texas: Galveston Newspapers, Inc. p. 9B. "Keep the Pride of Galveston here. That's the reaction from most of the passengers to an attorney general's opinion that could put the day cruise ship out of business."

<sup>81</sup> "**Feds throw snake eyes into casino ship plans**". *Abilene Reporter News*. Abilene, Texas: Harte-Hanks. AP. April 17, 1991. p. 5D. "Cruise ship operators offering gambling aboard short trips have three months to comply with a 1947 federal law or risk stiff fines, jail terms, and even losing their vessels, two U.S. Attorneys said Tuesday." "We're giving them a reasonable time ... to look at their operations and bring their operations into compliance said U.S. Attorney Ron Wood of Texas' Southern District who made the announcement Tuesday with U.S. Attorney Bob Wortham of Texas' Eastern District."



Business in Texas would have been good except for the legal and tax complications and more issues with the aging vessel.<sup>82 83</sup> Tax issues and the threat of seizure of the ship after Pride failed to pay more than \$557,000 in back taxes crippled the business.<sup>84</sup>

In August 1991, Terry Green, president of Pride Cruise Lines, said, "We're going to make it."<sup>85</sup>

While last-minute negotiations kept the ship afloat,<sup>86 87</sup> Green's statement was overly optimistic, with the license to operate the ship from the Port of Galveston expiring on September 1.<sup>88</sup>

During August, lawmakers in Texas tried to pass a bill that would have allowed casino ships to operate within state waters. However, their efforts were unsuccessful. Earlier, in May, Ronald G. Woods, the U.S. Attorney for the Southern District of Texas, had said he would wait to see the outcome of the legislative

---

<sup>82</sup> Stengler, Jack (July 10, 1991). "**Cruise ship expected to be operating by weekend**". *The Galveston Daily News*. No. 91 Vol 149. Galveston, Texas: Galveston Newspapers, Inc. p. 9A. "Problems with the electrical system have kept the ship at its Pier 21 berth for several days."

<sup>83</sup> Stengler, Jack (September 16, 1991). "**The Pride resumes operations**". *The Galveston Daily News*. No. 122 Vol 149. Galveston, Texas: Galveston Newspapers, Inc. p. 10A. "The Pride of Galveston resumed operation Friday (August 9, 1991)."

"...has been moored at Pier 21 since July 3 undergoing repairs."

"...the company has had to cancel more than 24,000 reservations since the Pride has been unable to sail."

<sup>84</sup> Maynard, Roy (September 29, 1991). "**Pride says bad publicity keeping customers away**". *The Galveston Daily News*. No. 172, Vol 149. Galveston, Texas: Galveston Newspapers, Inc. "Pride Cruise Lines officials told a state district judge... that the threat of seizure of the... casino ship has nearly crippled the business. 'With the bad publicity we're getting in the press, a lot of people are concerned about buying tickets. They're afraid we're going to go out of business.'"

"... the future of the cruise line is undecided. U.S. Attorney Dick Thornburgh interpreted a 1947 law to mean that a casino ship must remain at sea for at least 24 hours, offer food and lodging to passengers or dock at a foreign port at every trip."

<sup>85</sup> Maynard, Roy (September 1, 1991). "**Pride worth all the fuss? Ship hasn't had much good luck**". *The Galveston Daily News*. No. 144 Vol 149. Galveston, Texas: Galveston Newspapers, Inc. p. 1, 13. "The Pride of Galveston owes more than \$500,000 in back taxes, has left passengers standing on the dock when mechanical problems prevented sailing and more than once has kept patrons at sea overnight..."

"the more than 40-year-old cruise ship limped into port under the cloud of bankruptcy, failed several health inspections, and threatened to leave Galveston over a dispute with the city council... (The county tax assessor) was ready to seek a tax warrant that would have allowed him to seize the ship and its contents; the school district and city (on August 27) had already gotten one signed by a state district judge."

"And mechanical problems that plagued the ship during July and August brought in complaints from tourists who traveled to Galveston, booked hotel rooms and blocked off a day to sail on the Pride. They claimed the Pride refused to book them on the next cruise."

<sup>86</sup> Maynard, Roy (August 31, 1991). "**Pride stays afloat in a sea of debt**". *The Galveston Daily News*. No. 143 Vol 149. Galveston, Texas: Galveston Newspapers, Inc. p. 1.

<sup>87</sup> Tillotson, Dolph (August 24, 1991). "**Pride to keep cruising while seeking ruling**". *The Galveston Daily News*. No. 136 Vol 149. Galveston, Texas: Galveston Newspapers, Inc. pp. 1, 9. "State Rep. James Hury, who attended the Friday meeting on Pride's behalf, said the company had 'in essence received permission to continue operating during the pendency of civil action.' But if it appears an indictment is to be rendered, Hury said, Woods promised to give Pride a chance to stop operations."

<sup>88</sup> Stengler, Jack (August 31, 1991). "**Cruise ship's license runs out Sunday**". *The Galveston Daily News*. No. 143 Vol 149. Galveston, Texas: Galveston Newspapers, Inc. p. 1. "According to the ordinance governing the issuance and renewal of the license, applicants must pay an application fee of \$5,000 per cruise vessel for each renewal and \$25,000 to defray the expense of investigating the applicant, holding a hearing, and investigating complaints against the licensee."

session before taking action against the Pride under the 1948 federal Gambling Ship Act.<sup>89 90</sup> Woods later enforced the Act.<sup>91</sup> Houston attorney Brian Ettinger stated that the owners and operators of the Pride of Galveston might decide to shut down the ship rather than face criminal charges at the federal level.<sup>92</sup>

On September 26, 1991, a state district court ruling favored Pride Cruise Lines, giving Terry Green, the company's President, hope for a winning streak.

Judge Roy Engelke ruled that the Galveston Central Appraisal District violated Pride officials' right to due process by not allowing them to contest the \$15 million valuation on the ship. Additionally, Engelke issued an injunction, preventing the taxing authorities from seizing the Pride for back taxes. Green expressed his gratitude, saying, "This will enable us to stay in business."<sup>93</sup>

Pride achieved a minor win in the court ruling despite the challenges it faced in a federal civil case, a federal grand jury investigation,<sup>94</sup> and a pending ad valorem tax inquiry. During the two-day courtroom proceedings, Green had four lawyers with him, which he estimated to cost him over \$50,000. Additionally, the firm had 20 lawyers on standby as of the last count.<sup>95</sup>

The company ran into more trouble in October, laying off over 100 employees, primarily foreign nationals. A November 1 headline blared, "Cruise ship again in trouble waters—Pride lays off 100; some call operation a 'slave boat.'"<sup>96</sup> That same day the boat was temporarily seized by U.S. marshals.

---

<sup>89</sup> Stengler, Jack (April 26, 1991). "**Council questions AG interpretation**". *Galveston Daily News*. No. 16 Vol. 149. Galveston, Texas: Galveston Newspapers, Inc. p. 1. "Pride Cruise Lines Ltd., operator of the Pride of Galveston was notified April 15 by the federal agency that it has until July 22 to comply with Thornburgh's opinion."

<sup>90</sup> "**Lawmakers nod needed to save Pride**". *Galveston Daily News*. No. 51 Vol. 149. Galveston, Texas: Galveston Newspapers, Inc. May 31, 1991. pp. 1, 15. "However, for the Pride (of Galveston) to get the extension, the Legislature must consider a bill that would grant the state's approval to offshore gambling."

<sup>91</sup> "**Galveston residents working together to save cruise ship**". *The Galveston Daily News*. No. 137 Vol 149. Galveston, Texas: Galveston Newspapers, Inc. August 25, 1991. p. 42. "The Pride of Galveston... is threatened with closure... by former U. S. Attorney General Richard Thornburgh's ruling that gambling ships must dock at a foreign port or remain at sea for a minimum of 24 hours and provide meals and lodging to all passengers."

<sup>92</sup> Thomas, Kathy (August 8, 1991). "**Hury: Pride bill passage a long shot**". *The Galveston Daily News*. No. 120 Vol 149. Galveston, Texas: Galveston Newspapers, Inc. pp. 1, 15. "Owners and operators of the ship may be slapped with felony charges and heavy fines for violating the U.S. attorney general's ruling in April stating that gambling ships must dock at a foreign port or that cruises must be at sea for a minimum of 24 hours and provide meals and lodging to all passengers."

<sup>93</sup> Maynard, Roy (October 1, 1991). "**Judge boosts Pride**". *The Galveston Daily News*. No. 174 Vol 149. Galveston, Texas: Galveston Newspapers, Inc. p. 1. "... attorneys for the city, county, college, school district, and navigation district argued that the Pride made a conscious decision to avoid taxes."

<sup>94</sup> "**Federal grand jury investigating Pride**". *The Galveston Daily News*. No. 159 Vol 149. Galveston, Texas: Galveston Newspapers, Inc. AP. September 16, 1991. pp. 1A, 13A. "A federal grand jury is investigating a cruise line's casino operation because of possible gambling violations and other crimes." "Assistant U.S. Attorney Michael Shelby said the grand jury probe has nothing to do with a federal lawsuit filed by the firm."

<sup>95</sup> Maynard, Roy (October 2, 1991). "**Pride president feeling better**". *The Galveston Daily News*. No. 174 Vol 149. Galveston, Texas: Galveston Newspapers, Inc. p. 3.

<sup>96</sup> Maynard, Roy (November 1, 1991). "**Cruise ship again in troubled waters—Pride lays off 100; some call operation 'slave boat'**". *The Galveston Daily News*. No. 205 Vol 149. Galveston, Texas: Galveston Newspapers, Inc. pp. 1, 13. "'I've worked for other companies,' said Leroy Clark of Jamaica. 'This is by far the worst.'"

An attorney representing the employees, Lawrence Tylka, was worried that the ship might attempt to leave the state, similar to what the Europa Jet did the previous year, without paying employees. However, Spokesman Sam Clark denied the possibility of the ship leaving the waters of Galveston. According to him, even if they wanted to, there was no way they could leave as the boiler had broken down.

The federal marshals had seized the ship after Tylka, representing about 60 of the 160 crew members, told a judge he feared it might flee Texas waters.<sup>97 98 99</sup>

During the week the federal government was responsible for the Pride, they paid \$1,625 in daily dockage fees. This was nearly 12 times more than Pride Cruise Lines, which had a flat annual rate, was charged.<sup>100</sup>

Pride was still in dispute with Galveston County over \$500,000 in unpaid taxes, and a Houston grand jury was investigating their potential violations of federal laws regulating gambling ships.<sup>101</sup>

Federal Judge Sam Kent ruled on November 8, 1991, that the U.S. Justice Department could pursue criminal charges against Pride Cruise Lines for the Gambling Ship Act of 1948 violations. While seeking legal redress from Attorney General Thornburgh's earlier opinion, Pride had continued to operate. Because of that continued operation, the Pride's owners could face indictment.

Justice Department officials confirmed that a criminal investigation was initiated.<sup>102</sup> Pride officials asked Judge Kent to go ahead and sell the beleaguered vessel. Kent declined their offer and lifted the seizure

---

"Clark and others say the firm is holding their passports and work visas hostage. They said Pride officials have told them they won't give their papers back until they get onto a plane to their home countries. Apparently, the Pride will pay their plane fares."

"Harold Rowlin Bush of Honduras said, 'I thought slavery was illegal, but this is a slave boat. We work 16 hours a day, seven days a week. The last time it broke down, we had no air conditioning, no warm meals. Most of us had to sleep outside because of the heat.'"

<sup>97</sup> Maynard, Roy (November 2, 1991). "**Fed seize cruise ship—Fear Pride might flee prompts order**". *The Galveston Daily News*. No. 206 Vol 149. Galveston, Texas: Galveston Newspapers, Inc. p. 1.

<sup>98</sup> Castello, James (January 8, 1992). "**Galveston's riverboat gambling dead in water**". *Port Neches Community Post*. p. 5. "The Texas Pride went out of business owing Galveston County about \$500,000 in taxes... The ship declared bankruptcy and was seized Nov. 1 after an attorney representing crew members sued the ship and Prided Cruise Lines In., claiming that the crew went unpaid and unfed., according to an Associated Press report. The crew members also allegedly suffered injuries on the vessel...."

"The Pride Cruise Lines promised to bring jobs to the Galveston area, but in reality, most of the cruise ship employees were not from Galveston and weren't even from Texas... Many of the employees hired were from foreign countries."

<sup>99</sup> Maynard, Roy (November 2, 1991). "**Seizure latest wave to break over troubled ship's bow**". *The Galveston Daily News*. No. 206 Vol 149. Galveston, Texas: Galveston Newspapers, Inc. p. 11.

<sup>100</sup> Whitby, Bob (November 8, 1991). "**Pride dock fee more now that it's seized**". *The Galveston Daily News*. No. 212 Vol 149. Galveston, Texas: Galveston Newspapers, Inc. p. 8.

<sup>101</sup> "**U.S. marshals seize casino cruise ship**". *The Orange Leader*. No. 308 Vol 116. Orange, Texas. AP. November 3, 1991. p. 11. "(U.S. District Judge Sam) Kent has scheduled an April 9 trial at which lawyers from the Houston U.S. attorney's office and the cruise line's lawyers will argue the proper definition of a gambling ship under federal law."

<sup>102</sup> Maynard, Roy (November 9, 1991). "**Judge: Feds can prosecute Pride**". *The Galveston Daily News*. No. 213 Vol 149. Galveston, Texas: Galveston Newspapers, Inc. pp. 1, 11. "Pride owner Terry Green said criminal prosecution would be the determining factor on whether Pride sinks or swims."

order he had issued a week earlier, returning control of the ship to Pride Cruise Lines. "I've got the vessel back, but big deal," owner Terry Green said. The ship had been laid up due to a blown boiler since mid-October. "I don't know what this means."<sup>103</sup>

A spokesman for Pride, Sam Clark, said, "That ship will never sail again. We aren't planning to fix it."<sup>104</sup>

In December, the Pride of Galveston sat crewless at its Galveston dock, the victim of litigation, a federal investigation, and a disabled boiler.<sup>105</sup> Terry Green, president of Pride Cruise Lines, claimed insurance money they were owed had not been paid. The owners were considering moving the vessel back to Mississippi, pending the legalization of dockside gambling in Harrison County.<sup>106 107</sup> However, with an undetermined number of creditors "lined up at the dock,"<sup>108</sup> U.S. District Judge Sam Kent had ordered the Pride to stay put for now.<sup>109</sup>

---

<sup>103</sup> Maynard, Roy (August 17, 1991). "**Cruise line brass offers to abandon ship for sale**". *The Galveston Daily News*. No. 213 Vol 149. Galveston, Texas: Galveston Newspapers, Inc. p. 1.

<sup>104</sup> Maynard, Roy (January 2, 1992). "**Casino ship faces rough seas in new year**". *The Galveston Daily News*. No. 267 Vol 149. Galveston, Texas: Galveston Newspapers, Inc. p. 10.

<sup>105</sup> Maynard, Roy (December 17, 1991). "**Pride of Galveston moved from Pier 21**". *The Galveston Daily News*. No. 251 Vol 149. Galveston, Texas: Galveston Newspapers, Inc. p. 11. "The casino ship, now crippled and in financial straits, is docked at Pier 12."

"... It's a dead ship at this point."

"The Pride, which has been plagued by mechanical problems, hasn't sailed since October. Pride owes nearly \$500,000 in disputed back taxes; by the end of the month, it will owe twice that when the 1991 tax bill hits.

"A federal judge briefly seized the ship... The judge later gave the ship back... with the stipulation that they notify the court and claimant before the ship leaves Galveston waters"

"Pride officials have discussed the possibility of towing the ship to its former home port of Gulfport, Miss. A local option election in Gulfport and Harrison County, Miss., could make dockside gambling legal there."

"Should that happen, the Pride could operate without worrying about the 40-year-old ship's history of mechanical problems."

<sup>106</sup> "**Pride of Galveston - Gambling Ship may move to Mississippi**". *Port Arthur News*. Port Arthur, Texas: Cox Enterprises. AP. December 17, 1991. p. 16. "The decision whether to move hinges on the outcome of a possible election in Mississippi to decide the future of dockside gambling in Harrison County, home county of Gulfport, Miss."

<sup>107</sup> "**Ship may be towed**". *The Orange Leader*. No. 74 Vol 117. Orange, Texas. AP. March 14, 1992. p. 8. "Terry Green, Pride Cruise Lines Ltd. president, said insurance money the company is entitled to has not been paid... Our major goal is to get everybody paid off and to move the vessel."

<sup>108</sup> Maynard, Roy (November 23, 1991). "**Sea of debt separates Pride from Miss. port**". *The Galveston Daily News*. No. 227 Vol 149. Galveston, Texas: Galveston Newspapers, Inc. pp. 1, 10. "But creditors aren't so sure they want to let the Pride out of their sights."

"They will have to get through a whole line of tacklers,' said attorney Larry Tylka, who represents more than 120 former crew members in wage claims and personal injury cases against Pride Cruise Lines. 'I think something could be worked out, but if they moved the vessel I'd want my clients protected. I'd want them to leave enough in security to satisfy these claims.'"

<sup>109</sup> Maynard, Roy (November 22, 1991). "**Pride eyes Miss. vote on casinos**". *The Galveston Daily News*. No. 226 Vol 149. Galveston, Texas: Galveston Newspapers, Inc. p. 1. "Pride officials now expect criminal indictments to be handed down by a grand jury."

The loss of the gaming ship cruises resulted in a significant economic loss for Galveston. Pride Cruise Lines had spent \$33,360,356 on various expenses such as salaries, food, fuel, liquor, valet parking help from the longshoreman's union, and more in about 20 months of operation.<sup>110</sup>

When dockside gambling was approved by voters in Harrison County, Mississippi, on March 10, 1992, Pride Cruise Lines already had a tentative agreement to rent space at the port in Gulfport and planned to bring the ship back to Gulfport, according to the company president, Terry Green. He also said that they would apply for a license "soon."<sup>111</sup>

Pride Cruise Lines and Carter-Green-Redd Inc., due to legal, financial, and mechanical issues, filed for Chapter 7 bankruptcy on May 4, 1992,<sup>112</sup> which led to the liquidation of the company's assets.<sup>113 114</sup>

Just before the bankruptcy, Terry Green, the President of Pride Cruise Lines, and Rick Carter, the Vice President, announced their decision to transfer their shares in the company to Marilyn Redd, the wife of Nevada's slot-machine magnate William "Si" Redd. At that time, Redd already possessed most of the company's stock.<sup>115</sup>

---

<sup>110</sup> Tillotson, Dolph (April 5, 1992). "**Galveston needs gambling cruise ships**". *The Galveston Daily News*. No. 360 Vol 149. Galveston, Texas: Galveston Newspapers, Inc. p. 42.

<sup>111</sup> Taylor, Louise (March 22, 1992). "**Miss. county places bet on gambling—Voters' wager on dockside casinos carries hope for jobs, investments**". *The News & Observer*. No. 82 Vol CCXLVII (247). Raleigh, North Carolina: The News and Observer Publishing Company. Knight-Ridder News Service. p. 2G.

<sup>112</sup> "**Pride Cruise Lines files for Chapter 7**". *Odessa American*. Odessa, Texas: Ray M. Stafford. AP. May 6, 1992. p. 34.

<sup>113</sup> Harpster. The Pride of Mississippi, renamed Pride of Galveston, was moved to Galveston, Texas, to save the troubled venture. The casino cruise ship had almost succeeded in its new location, "When we got to Galveston, we were doing fine," Rick Carter recalled. "We were making a lot of money." However, things took an unexpected turn when the U.S. attorney in Galveston decided to apply the 1948 Gaming Ship Act that had been created to stop gambling barges from operating off the coast of California. Despite obtaining legal opinions indicating that The Slot King was not breaking this law, Pride Cruise Lines received a target letter from the U.S. attorney stating that the lawsuit would proceed. This was the last straw for Carter and Green, who resigned from their 30% stake in the business. As a result, Redd had to file for Chapter 7 bankruptcy, which led to liquidating the company's assets.

<sup>114</sup> U.S. District Court, Southern District of Texas (Houston). Bankruptcy Withdrawal, Case #: 4:94-cv-00382, Date Filed 2/4/1994, Date Terminated 4/4/1994

<sup>115</sup> "**Dockside Developments: The Pride as bruised as before—After halting plans for Coast return, casino ship again declared bankruptcy**". *The Sun Herald*. No. 219 Vol 108. Biloxi, Mississippi: Gulf Publishing Company. May 6, 1992. pp. E6.

By declaring bankruptcy and ceasing gambling operations, Pride avoided Federal indictments.<sup>116</sup> The owners planned to tow the vessel back to Gulfport, Mississippi,<sup>117</sup> but it was still in Galveston after bankruptcy was declared and was to be sold at auction by sealed bids on August 12, 1992.<sup>118 119</sup>

One of the bidders was Stan McDonald, one of the founders of the Princess Cruise Lines. However, his bid didn't win the auction.

The highest bidder at the bankruptcy auction subsequently made it available, and McDonald's company, Stellar International, Inc., bought it for about \$1.5 million, outbidding Nevada casino operator Don Laughlin, among others.<sup>120</sup> In the process, McDonald also bought Laughlin's Gulfport company.<sup>121 122</sup> That company, Gulfside Casinos, had a lease at the port, and with the purchase, McDonald gained control of the lease.<sup>123</sup>

---

<sup>116</sup> ["Casino ship venture files Chapter 7"](#). Galveston, Texas. *United Press International*. May 5, 1992. "Pride's liabilities ranged from \$10M to \$99.9M and assets from \$1M to \$9.9M. Carter-Green-Redd reported liabilities ranging from \$1M to \$9.9M and assets of \$500K to \$999K. Creditors threatened to put liens on the ship, and the company faced a federal investigation for breaking laws regulating casinos aboard cruise ships."

<sup>117</sup> Whitby, Bob (March 12, 1992). **"Pride heading back to Gulfport under tow"**. *The Galveston Daily News*. No. 337 Vol 149. Galveston, Texas: Galveston Newspapers, Inc. p. 7. "...a re-occurring boiler malady and a host of legal problems docked the ship permanently."

<sup>118</sup> Brigance, Jim (July 28, 1992). **"Pride will be sold on Aug. 12"**. *The Galveston Daily News*. No. 109 Vol 150. Galveston, Texas: Galveston Newspapers, Inc. p. 1. "'It was a combination of things that did them in,' said Brian Ettinger, Houston attorney for Pride Cruise Lines, the ship's owner. 'They had a fire last July, then the principals were threatened with indictment, plus the bankruptcy and the inoperative boilers. They couldn't see any light at the end of the tunnel. They just decided to throw in the towel.'"

<sup>119</sup> **"Pier-bound Pride of Galveston to go on block"**. San Angelo Standard-Times. San Angelo, Texas: Harte-Hanks Communications, Inc. July 31, 1992. p. 8A "The Pride of Galveston gambling ship will be sold at sealed-bid auction Aug. 12, after sitting hobbled by bankruptcy and an inoperative main engine... for months." "The 503-foot ship, which needs at least \$2 million in repairs to the main engine's boilers, will be sold 'as is where is.'"

<sup>120</sup> Brigance, Jim (September 11, 1992). **"Pride sold for \$1.5 million, bound for Mississippi dock"**. *The Galveston Daily News*. No. 154 Vol 150. Galveston, Texas: Galveston Newspapers, Inc. p. 10. "The ship has engine problems, so it will just remain tied up permanently at the dock..."

<sup>121</sup> **"Mississippi rolls the dice—gambling license applicants"**. *The Clarion-Leger*. Jackson, Mississippi. July 26, 1992. p. 13 A. "Harrison County—Don Laughlin's Gulfside Casino, Gulfport" "Operators (Laughlin) are considering buying either the Queen Mary, docked in Long Beach, Calif., or Pride of Galveston, formerly known as the Pride of Mississippi." "Sealed bids on the 525-foot Pride of Galveston, now in bankruptcy in Galveston, will be opened Aug 12. If Laughlin obtains it, projected opening date is November."

<sup>122</sup> Taylor, Louise (June 19, 1992). **"Laughlin want's Pride, but so far it's a no-go"**. *The Sun Herald*. No. 263 Vol 108. Biloxi, Mississippi: Gulf Publishing Company. p. B9. "Gaming magnate Don Laughlin has made several bids to buy the former Pride of Mississippi but says the court seems unwilling to deal."

"This week, he filed an application for a dockside license with the Mississippi Gaming Commission. He said he was mystified about why the federal bankruptcy court was unwilling to accept his undisclosed offer for the Pride."

<sup>123</sup> Langford, Tammie Cessna (September 12, 1992). **"Seattle man buys Pride and Laughlin's lease"**. *The Sun Herald*. No. 348 Vol 108. Biloxi, Mississippi: Gulf Publishing Company. p. A7. "The ship is scheduled to arrive at the port Friday (September 18, 1992)."

It would turn out that Terry Green and Rick Carter were also part of the group that purchased the ship and would be general managers of the casino. The *Pride of Galveston* was towed back to Gulfport, arriving in September 1992, where it would become the dockside Copa Casino.

Issues related to the Mississippi bankruptcy remained even two years later.<sup>124</sup>

In February 1993, as he left office, the Southern District of Texas federal prosecutor, Ronald Woods, who had previously enforced it, asked the Justice Department to lift its ban on gambling ships.<sup>125</sup>

### **At The Copa**

Docked at the State Port in Gulfport, Mississippi, the new Copa Casino opened in September 1993 on the former "*Pride of Galveston*," which had been towed back to Mississippi from Texas.<sup>126</sup>

Joel "Rick" Carter has claimed the ship was purchased out of bankruptcy by Green and Carter with help from some financial partners and that a legal brawl with those same partners lasted over five years. He has also said that they turned the Copa's \$1.5M annual losses into a \$1.5M profit the first year after finally acquiring "its keys" in 1998.<sup>127 128</sup>

Carter's version of the story doesn't match with the actual events.

Late in 1992, The Sands Regent, a Nevada company led by Pete Cladianos, was approached by the owners of the Copa, Stanley and Kirby McDonald, inviting Sands to invest in their new Mississippi dockside casino.<sup>129</sup> Rick Carter and Terry Green were to be the operators.<sup>130</sup> The resulting partnership

---

<sup>124</sup> Simon, Janice (August 17, 1993). "**GISD hoping to resolve delinquent taxes today**". *The Galveston Daily News*. No. 144 Vol 149. Galveston, Texas: Galveston Newspapers, Inc. p. 10. "Galveston Independent School District... has been trying to get its share of \$130,000, which has been in an escrow account since the *Pride Cruise Line* declared bankruptcy nearly two years ago."

<sup>125</sup> Seiger, Maggie (February 25, 1993). "**Ex-official's about-face may bring back gambling ships**". *The Galveston Daily News*. No. 321 Vol 150. Galveston, Texas: Galveston Newspapers, Inc. p. 1.

<sup>126</sup> "[As Rick's Place, Copa Casino users local connection](#)". Mississippi Business Journal. Flowood, Mississippi. April 19, 2004. "In September 2002, one of the Coast's first casinos became one of the newest when the Copa moved into a much bigger facility, a barge that tripled the Copa's gaming space to make it also one of the largest casinos."

<sup>127</sup> Boyer, Peter J. (September 18, 2005). "[Gone With the Surge](#)". *The New Yorker*. Condé Nast.

<sup>128</sup> Dement, Polly (June 17, 2014). "**Rick Carter—Overcoming Serial Bad Luck to Create Winning Casino Resort**." Mississippi Entrepreneurs. Jackson, Mississippi: Univ. Press of Mississippi.

<sup>129</sup> Cladianos, Pete Jr. (2002). [My Father's Son: A Gaming Memoir of Pete Cladianos](#). University of Nevada Oral History Program. "Then, late in 1992, we were approached by Stanley McDonald. He and his son owned the Copa, a dockside casino in Gulfport, Mississippi. (Mississippi permitted that kind of gambling.) The Copa was a converted cruise ship that no longer had power and had been towed to Gulfport and moored at the dock as a floating casino. Si Redd had once unsuccessfully operated the ship as an offshore casino."

<sup>130</sup> Cladianos. "Rick Carter and Terry Green were to be his operators. They'd been born in Mississippi. They'd had experience operating an offshore gaming ship. Although there wasn't any licensing procedure for that, there was every reason in the world to believe that those folks could get licensed in Mississippi."

deal was signed on December 31, 1992, without anticipating the difficulties just over the horizon in licensing the casino.<sup>131 132</sup>

The opening of Copa Casino was initially scheduled for April 1993. However, because of the past financial troubles of Rick Carter and Terry Green when they operated the vessel as the Pride of Mississippi from the state port in Gulfport, Carter and Green could not obtain the required approval from the Mississippi Gaming Commission to directly or indirectly hold an interest in a gaming license.<sup>133</sup>

According to sources from the Gaming Commission, the bankruptcy of the Pride of Mississippi in 1989 resulted in numerous complaints. Due to the lack of staff at the commission, it would have taken several months for the commission to complete the required background investigation of Carter and Green.

It became obvious at that point that for the Copa to get licensed, Carter and Green had to go. However, according to Cladianos, they were very difficult to deal with.<sup>134</sup>

---

<sup>131</sup> Cladianos. "We made our deal with McDonald, and we actually signed it on New Year's Eve, 1992. Our conversations with Gaming down there led us to believe that there wasn't going to be any difficulty at all with licensing for anyone concerned, especially Carter and Green, because they were born in Mississippi, and as far as we knew, had never been involved in any activity that would warrant them not being licensed. It never occurred to us that they could not get licensed."

<sup>132</sup> Dickerson, Steve (January 12, 1993). "**Reno company joins Pride operation**". *The Sun Herald*. No. 104 Vol 109. Biloxi, Mississippi: Gulf Publishing Company. p. C2. "The owner of the Sands Regency Hotel plans to use the former Pride of Mississippi cruise ship to become the first Nevada-based company to open a dockside casino on the Coast."

"The Sands Regent Corp. of Reno, Nev., will be the managing partner in venture with the ship's owner, Gulfside Casino Partnership, Gulfside shareholders and co-managers Rick Carter and Terry Green, both of Gulfport."

"The former Pride, which went bankrupt and moved to Texas as the Pride of Galveston, will dock at the state port and operate as the Copa Casino. The opening is scheduled for early April."

<sup>133</sup> Cladianos. "They wound up using some ex-Mississippi state troopers for investigators, and, unfortunately, our investigations fell to one, a man named North. He or some member of his family had had some difficulty with Carter and Green, and I think it had something to do with a bankruptcy. North made it his business to do whatever he could to keep Carter and Green from getting licensed."

"By that time, it was June, and Carter and Green still hadn't gotten licensed. There had been another change in the directorship of the Gaming Commission. We eventually got a sit-down meeting with this new man, and he told us that it appeared highly unlikely that Carter and Green were going to get licensed; or, if they did get licensed, the procedure was going to take another eighteen months. That was a disaster, of course."

<sup>134</sup> Cladianos. "Carter and Green were in the driver's seat. They had stopped our whole operation, and they were very difficult to deal with, but the McDonalds just didn't want to pay them what they wanted."

"The negotiations between the McDonalds and Carter and Green took the whole summer. It wasn't until sometime in September (August) that the McDonalds and Carter and Green reached an agreement that allowed the McDonalds to buy them out for some cash and a series of notes that were to be paid off over a few years. No matter how hard we argued and how much we pleaded with the McDonalds, we couldn't get them to do it any faster. I'm still puzzled as to why it took them so long. They were really penny-wise and pound-foolish. I know that Carter and Green were irresponsible in their demands, but the five casinos that were in operation at this time were doing so well that the McDonalds would have made it up, even if they would have had to pay them a little extra money. But it was just not in their nature to give in. They cost us millions and millions of dollars . . . and themselves, too, as far as that goes."



Carter and Green's interests in the Copa were bought out to secure Gaming Commission approval in August 1993,<sup>135</sup> <sup>136</sup> with the Mississippi Gaming Commission finally granting the casino license<sup>137</sup> to the Copa soon after. <sup>138</sup> It was the 11<sup>th</sup> gaming license issued by the Mississippi Gaming Commission.<sup>139</sup>

Unfortunately, the casino's permission to operate was delayed due to final inspections and tests, which included a ship stability test. This test was further delayed due to a faulty valve in the ballast system, making it challenging to balance the ship. Additionally, Mississippi mandated that each casino opening

---

<sup>135</sup> **Gulfside Casino, Inc. v. Carter, Supreme Court of Mississippi, October 1, 1998.** "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."

"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."

<sup>136</sup> Dickerson, Steve (September 12, 1992). "**Sooner, not later—Copa officials near agreement**". *The Sun Herald*. No. 304 Vol 109. Biloxi, Mississippi: Gulf Publishing Company. p. A8. "Copa General Manager Joe Bengtson said Friday that the casino company was near an agreement to buy out Rick Carter and Terry Green, a step they said would clear the way for the state Gaming Commission to license the casino."

<sup>137</sup> Dickerson, Steve (August 25, 1993). "**Copa Casino ready to roll—License approval expected Monday**". *The Sun Herald*. No. 328 Vol 109. Biloxi, Mississippi: Gulf Publishing Company. p. A1. "Casino officials say an agreement to buy out Rick Carter and Terry Green cleared the way for the commission's approval."

"The prior licensing concerns of the Mississippi Gaming Commission appear to be resolved," said Pete Cladianos, president of the Sands Regent Casino and Hotel in Reno, Nev."

"The Sands Regent is 40 percent owner and managing partner in the Copa Casino. Former Princess Cruise Line principal Stan McDonald of Seattle and his family own the other 60 percent."

"Gaming Commission sources say the Pride of Mississippi's 1989 bankruptcy generated enough complaints that it would have taken the understaffed commission month to complete the required background investigation of Carter and Green, even though they and then partner William Redd paid off all the Pride's debts on Christmas Eve 1990"

<sup>138</sup> "**Casino hopes to open tonight**". *Laurel Leader-Call*. No. 215, 82nd year. Laurel, Mississippi. AP. September 10, 1993. p. 5. "First scheduled to open in April, the Copa's opening was delayed by questions about the past financial troubles of two former partners—Rick Carter and Terry Green of Gulfport—who operated the Pride of Mississippi gambling cruise ship out of the state port."

"Carter and Green sold their stock in the company last month, which prompted the Gaming Commission to issue the license."

<sup>139</sup> Campbell, Sarah C. (August 31, 1993). "**Miss. grants 11th license for a casino at Gulfport**". *The Commercial Appeal*. No. 243 154th year. Memphis, Tennessee: Memphis Publishing Company. p. B1. "Gulfside Casino Partnership received a conditional license."

"Gulfside's license is conditional on positive reports from a gaming Commission inspection of Copa Casino's boat and a Federal Bureau of Investigation background check on Pete Cladianos Jr., a director of Partrician Inc., the managing partner in Gulfside Partnership."

"The commission must meet again before Copa Casino can open."

be monitored by state Gaming and Tax commissions' staff, but there wasn't enough staff to watch more than one casino opening at a time. In the monitoring process, an initial casino opening would take four days.<sup>140</sup>

The casino finally opened its doors in September.<sup>141</sup>

In January 1994, plans to relocate the Copa barge stopped due to a dispute over an unpaid bill of \$800,000. The local contractor halted construction when the casino failed to pay. At that point, Copa was owned by a partnership of Gulfside Casino, Inc. (the McDonalds) and Patrician, Inc., a subsidiary of Sands Regent Inc. of Reno, Nevada. Patrician was willing to pay its share only after Gulfside settled its debt. Gulfside also faced a potential lawsuit from Carter and Green, who had not been paid \$6.5 million as promised.<sup>142</sup>

Later that year, Sands Regent acquired the remaining 60% of Copa, including full ownership of Gulfside Casino, Inc.<sup>143 144</sup>

The rapid expansion of the casino industry in Mississippi led to over-saturation of the gaming market. "Gaming positions—the number of seats at table games and machines—increased from 3,750 in 1992 to 34,000 through May 1994" with thousands more scheduled to come on line. Hundreds of casino layoffs occurred throughout the state. Copa Casino had laid off about 40 people in December 1993. Its revenues for June and July, which had been expected to be good, only ran about the same as the bad fall months, according to Pete Cladianos III, who said he was "nervous as hell."<sup>145</sup>

---

<sup>140</sup> Campbell, Sarah C. (September 14, 1993). "Gulfport casino woes may delay Lady Luck". *The Commercial Appeal*. Memphis, Tennessee: Memphis Publishing Company. p. B8.

<sup>141</sup> Cassreino, Terry R. (August 31, 1993). "Copa gets license, may open next week". *The Sun Herald*. No. 334 Vol 109. Biloxi, Mississippi: Gulf Publishing Company. p. B2. "Copa Casino officials began preparing for a possible opening next week... after Gaming Commission rejected original plans for a Labor Day Weekend launch." "Commission Acting Director Chuck Patton said he won't approve an opening until shipping experts inspect the floating casino to make sure it is safe. Commission Chairman Ed Buelow said state auditors can't attend an opening until next week."

" 'We do not have a crew ready until Sept.7,' Buelow said."

<sup>142</sup> Taylor, Louise (January 8, 1994). "Bill dispute grounds Copa—Work halts at Gulfport casino's new home in state port". *The Sun Herald*. No. 100 Vol 110. Biloxi, Mississippi: Gulf Publishing Company. p. A4.

<sup>143</sup> Cladianos. "I was fully prepared to put the Copa into bankruptcy, and I hired two bankruptcy attorneys, one in Nevada, and one in Mississippi. I put the Chapter 11 reorganization papers through the bankruptcy attorneys and sent a copy to the McDonalds that told them that this was my answer to their actions, and it brought them around somewhat. We negotiated a deal where we would pay them \$3.5 million, which is the amount of money that they had in the deal, giving them \$1.5 million of stock in the Sands Regency as part of the purchase price. They also insisted that we buy their corporation, Gulfside Casino, Inc., and if we bought the corporation, we would obligate ourselves to make the payments to Carter and Green that they had negotiated in order to get Carter and Green bought out. So we would have that liability, as well. That was originally \$6 million, but probably down to five million by then—they'd made some payments.

<sup>144</sup> "Sands Regent completes deal to buy Copa". *The Clarion-Leger*. Jackson, Mississippi. March 3, 1994. p. 5B.

<sup>145</sup> Stearns, John (July 25, 1994). "Mississippi bursting". *Reno Gazette-Journal*. Reno, Nevada: Gannett. p. 1F.

Green and Carter sued Gulfside in December 1994 in an attempt to recover the \$6 million debt the company owed them from buying the pair out in 1993.<sup>146</sup> “Gulfside’s failure to pay the two former shareholders is unfortunate, but unavoidable,” said Sands President Pete Cladianos Jr. in a prepared statement. “Gulfside’s source of funding is the Copa Casino, which is currently not generating enough results nor cashflow that would allow for partner distributions,” he said.<sup>147</sup>

In August 1995, Copa Casino’s chairman said that if he wasn’t allowed to build a hotel next door, “it will be the death of the Copa.” Copa wanted to build a \$50 million, 350-room hotel and entertainment center next to its site at the State Port. It also wanted to replace the old cruise ship with a large barge. The Mississippi State Port Authority opposed the proposals due to potential shipping interference, despite the Gaming Commission's support for land-based development.<sup>148</sup>

On November 30, 1995, the Mississippi State Port Board of Commissioners refused to allow Copa to replace the ship used for a casino with a barge. In a letter addressed to the CEO of Copa, Pete Cladianos Jr., the reason for the denial was made clear—the lease agreement that was in place at the time specified the use of a particular vessel and did not permit any substitutions.<sup>149</sup>

Copa Casino’s CEO claimed it was near bankruptcy in June 1996<sup>150</sup> but later retracted the claim, saying, “... in the long run, if we are not permitted to be competitive with a long-term lease, a hotel, and a barge in a location that is viable for business, we could very well be forced out of business.”<sup>151</sup>

However, Gulfside Casino, Inc. (GCI), part of the company that owned Copa, filed for Chapter 11 bankruptcy in February 1997 after a Chancery Court ruled that it had to pay two former shareholders, Green and Carter, \$6.5 million.<sup>152</sup>

---

<sup>146</sup> Dement. “Unfortunately, the deal involved Carter and Green taking s down payment and financing the rest. ‘They paid us one interest note and then quit,’ said Carter. ‘...we fought them for five years, and it almost broke me.’”

<sup>147</sup> Robbins, James (December 22, 1994). “**Gulfside Casinos sued over debts**”. *Reno Gazette-Journal*. Reno, Nevada: Gannett. p. 6B. “...Gulfside bought out the stock of two major shareholders, who could not be licensed for gaming in Mississippi... Their shares were secured by promissory notes that Gulfside has not been able to repay because of dismal profits at the Copa, which opened in September.”

<sup>148</sup> Ragland, Lee (August 25, 1995). “**Port site a Catch 22 for Gulfport casino—While one state agency pushes for development, another opposes it**”. *The Clarion-Leger*. Jackson, Mississippi. p. 1B.

<sup>149</sup> Porreto, John (December 1, 1995). “**At the Copa—Port rejects casino request—Larger barge is not in the rules, commission rules**”. *The Sun Herald*. No. 62 Vol 112. Biloxi, Mississippi: Gulf Publishing Company. p. D7. “Cladianos was clear about one thing: Not allowing his company to bring in a larger, barge-based casino would be a major blow”

“‘Sure, we’re making a few dollars, but we can’t really compete until we have a large barge like the others do,’ Cladianos said. ‘(The board) sure could be more cooperative. It’s always no, no, no.’”

<sup>150</sup> **Copa Casino near bankruptcy**. *Laurel Leader-Call*. No. 169, 85th year. Laurel, Mississippi. AP. June 18, 1996. p. 1. “A Copa Casino official says the casino is near bankruptcy and a lawsuit is possible if the State Port Authority does not allow it to bring in a barge and build a hotel at its port site.”

<sup>151</sup> **Copa Casino CEO says he misspoke regarding possible bankruptcy**. *The Sun Herald*. No. 263 Vol 112. Biloxi, Mississippi: Gulf Publishing Company. June 19, 1996. p. A6. “He said he was trying to force home his point that the Copa couldn’t compete in the Coast casino market without a hotel and barge at its present site.”

<sup>152</sup> Monti, Lisa (February 7, 1997). “**Gulfside Casino files for bankruptcy**”. *The Sun Herald*. No. 130 Vol 113. Biloxi, Mississippi: Gulf Publishing Company. p. A6. “The bankruptcy does not affect the Copa Casino, which is owned and operated by Gulfside Casino Partnership. GCI is a partner in that organization.”

In October 1997, Copa and the state Port Authority presented their sides during a two-week hearing over issues that had them locked in a \$200 million legal battle after the port moved to cancel the casino's lease.<sup>153</sup>

A Chancery Court ruled in January 1998 that the Port Authority could not terminate Copa Casino's lease and that denying a new one was unjustified. The court also ruled that the port didn't have to approve a hotel or substitute gaming vessel at the site.<sup>154</sup>

In a Chapter 11 bankruptcy settlement, Sands Regent of Reno, Nevada, sold the Copa to Carter and Green for \$8.5 million<sup>155</sup> in November 1998, ending a lengthy legal battle.<sup>156</sup>

The Mississippi Gaming Commission approved the sale on November 19.<sup>157</sup>

The sale closed on December 31, 1998.<sup>158</sup>

Copa was one of seven Mississippi casinos assessed penalties by the U. S. Treasury Department for record-keeping and reporting violations. The casinos didn't file Currency Transaction Reports for various financial transactions.<sup>159</sup> Failure to file the reports violated the Bank Secrecy Act, also known as the Currency and Foreign Transactions Reporting Act, a U.S. law requiring financial institutions in the United States to assist U.S. government agencies in detecting and preventing money laundering.<sup>160</sup>

Rick Carter, the Managing Partner of Gulfside Casino Partnership, operating as Copa Casino, signed an agreement with the Treasury Department's Financial Crimes Enforcement Network on April 13, 1999. The agreement acknowledged that between September 24, 1993, and December 31, 1994, Copa Casino

---

"GClis not and has not been in a financial position to pay them,' said David Woods, a GCI vice president."

<sup>153</sup> Austin, Vivian (January 10, 1998). "**Judge denies Copa hotel plan, rules out eviction**". *The Sun Herald*. No. 103 Vol 114. Biloxi, Mississippi: Gulf Publishing Company. p. B2. "Chancery Court Judge Jason Floyd... ruled that the state Port Authority cannot evict the Copa Casino in 1999 from its port berth..."

"Because the Copa had asked for an extension, the ruling means the oceanliner's lease now runs through 2014."

"Judge Floyd denied Copa's request to turn its gambling ship into a barge casino and to build a hotel"

"... also denied damages the casino had sought for maintenance around the site."

<sup>154</sup> Stearns, John (January 14, 1998). "**Sands can keep Gulfside**". *Reno Gazette-Journal*. Reno, Nevada: Gannett. p. 5D.

<sup>155</sup> Cladianos. "So we sold the Copa to Carter and Green. They didn't have enough money to pay for it, but it was obvious to us, because of all the political problems that we had, that local people had to own that casino. They pay us 2 percent of the gross gaming revenues on a monthly basis. They have to send us the form that they file with the state of Mississippi, so that we can verify their gross gaming revenues. We have a minimum payment coming from them of about \$8.5 million, based on that 2 percent figure, with a maximum price of twenty million, depending on a certain number of factors. As long as they stay in business, they pay us. Ultimately, it would end once we got \$20 million, but it could end sooner."

<sup>156</sup> "**State News In Brief—Gulfport**". *Laurel Leader-Call*. No. 308, 87th year. Laurel, Mississippi. AP. November 9, 1998. p. 5.

<sup>157</sup> Palermo, Dave (November 20, 1998). "**Regulators approve Copa Sale**". *The Sun Herald*. No. 98 Vol 115. Biloxi, Mississippi: Gulf Publishing Company. pp. F1.

<sup>158</sup> Stearn, John (December 23, 1998). "**Mississippi OKs Copa Casino sale**". *Reno Gazette-Journal*. Gannett Co., Inc. p. 4D. "The payment... will take the form of a \$500,000 down payment and about \$500,000 a year or more in gaming revenues."

<sup>159</sup> "**Casinos assessed over \$1 million in penalties**". *Laurel Leader-Call*. No. 125 89th year. Laurel, Mississippi. AP. May 6, 2000. p. 3.

<sup>160</sup> "[Bank Secrecy Act](#)". Wikipedia.

failed to file at least 28 Currency Transactions Report by Casinos (CTRC) forms for currency transactions exceeding \$10,000 within the time required under the Bank Secrecy Act. A monetary penalty of \$101,000 was also included in the agreement.<sup>161</sup>

Interestingly, during the period covered by the agreement, Rick Carter and Terry Green were not associated with the Copa.

On March 30, 2000, The Mississippi Supreme Court affirmed the Harrison County Chancery court's 1998 ruling in the dispute between Copa Casino and the Port of Gulfport.<sup>162</sup>

In October 2001, the Port of Gulfport approved an amended lease agreement with Copa Casino, allowing them to replace their 47-year-old ship with a floating barge. The casino continued to pay \$60,000 a month to the port as part of the agreement. The new plans included the construction of a 350-room hotel and a parking garage.<sup>163</sup>

In November, Copa purchased a large barge that had once housed the Treasure Bay Tunica casino, which had closed in May 1995, for \$1.75 million.<sup>164</sup> The barge had been moored illegally for years just east of the Interstate 110 bridge in D'Iberville.<sup>165</sup>

On September 18, 2002, the Copa Casino opened the doors of the new and larger floating facility, replacing its old ship, which had been used for nine years and played a major role in legalizing gambling in Mississippi. The new casino had three times the gaming capacity of the previous cruise liner.<sup>166</sup>

The old casino boat, the former Copa Casino, and before that, the Pride of Mississippi and, then Pride of Galveston, sailed out of Gulfport one last time under tow to, at that time, an undecided fate.<sup>167</sup>

When Hurricane Katrina slammed into Mississippi on August 29, employees of Copa Casino got a final paycheck and a termination letter.<sup>168</sup>

---

<sup>161</sup> ["An agreement by Joel R. Carter d.b.a Copa Casino with the Treasury Department Financial Crimes Enforcement Network, Matter No: CAS-99-001"](#) (PDF). Financial Crimes Enforcement Network. U.S. Department of the Treasury. April 23, 1999.

<sup>162</sup> **State acted legally to block casino's plans**". *Montgomery Advertiser*. Montgomery, Alabama: Gannett. March 31, 2000. p. 7A. "The state Port of Gulfport acted legally in blocking Copa Casino's efforts to build a hotel and float a barge."

<sup>163</sup> **"New deal allows Gulfport casino to get bigger barge"**. *Laurel Leader-Call*. Laurel, Mississippi. AP. October 23, 2001. p. 2.

<sup>164</sup> Dement. "Carter already had his eye on a giant barge, the former Treasure Bay Tunica, a failed casino project. The barge owners wanted \$6 million. I offered \$3 million and got it for \$1.75 million."

<sup>165</sup> Peterson, Patrick (November 17, 2001). **"Copa buy's D'Iberville barge"**. *The Sun Herald*. No. 41 Vol 118. Biloxi, Mississippi: Gulf Publishing Company. p. C9. "The former owners had been under pressure to move the barge, which was temporarily moored under a permit that expired in November of 1997."

<sup>166</sup> **"Copa's new home includes new theme"**. *The Clarion-Leger*. Jackson, Mississippi. AP. September 16, 2002. p. 3B.

<sup>167</sup> **"Copa Casino boat leaves state port"**. *The Sun Herald*. No.83 Vol 119. Biloxi, Mississippi: Gulf Publishing Company. December 28, 2002. p. A4.

<sup>168</sup> Wilemon, Tom (September 20, 2005). **"Copa Casino employees say they were fired the day Katrina struck"**. *The Greenwood Commonwealth*. Greenwood, AP. p. 12. "Instead of receiving three months pay and benefits like other displaced casino workers on the Mississippi Gulf Coast, employees of the Copa Casino say they got a final paycheck and a termination letter the same day Hurricane Katrina struck."

During Hurricane Katrina in 2005, Copa Casino broke loose from its moorings and came to rest in the parking lot of Harrah's Grand Casino.

In an interesting twist, Copa's owners decided not to restore the Copa. Instead, with significant backing, Copa, owned by Gulfside Casino Partnership, bought the Grand Casino site from Harrah's, including two hotels and real estate along U.S. 90 on March 15, 2006,<sup>169 170</sup> in a "\$250 million bet." The footprint of the property was about 14 acres.<sup>171</sup>

Gulfside's new property opened as Island View Casino on September 18, 2006.

In 2020, Gulfside's proposed River Valley Casino website claimed that Rick and Terry operated the Copa Casino starting in 1992, even though they were absent from the Copa for a significant amount of time.<sup>172</sup>

---

"Katrina slammed into Mississippi, destroying several coast casinos including those owned by Las Vegas-based corporations, Harrah's Entertainment and MGM Mirage. While Harrah's and MGM Mirage workers received three months pay and benefits, Copa Casino workers say the company that prided itself on being locally owned and operated isn't providing the same level of compassion."

"The workers say they were fired Aug. 29, the day Hurricane Katrina made landfall."

" 'I couldn't believe it,' said Christina Ballard, who had dealt cards at the Copa for the past three years. 'They've just turned their backs on the employees.'"

<sup>169</sup> **"Grand Casino pulls out of Gulfport—Harrah's to keep Biloxi operation"**. *Hattiesburg American*. Hattiesburg, Mississippi: Gannett. AP. December 21, 2005. p. 14A.

<sup>170</sup> Wilemon, Tom (March 16, 2006). **"Casino deal done—Commission hears site plan's today"**. *The Sun Herald*. No. 164 Vol 122. Biloxi, Mississippi: Gulf Publishing Company. pp. D8, D10. "Rick Carter and Terry Green now own the Grand Casino Gulfport property."

"Today, they are scheduled to present site plans to the Mississippi Gaming Commission, the day after they purchased it from Harrah's Entertainment for an undisclosed sum. Their total investment, including the purchase price and new construction, will be about \$250 million."

<sup>171</sup> Wilemon, Tom; Scallan, Melissa (December 21, 2005). **"Copa Buys Gulfport Grand—Harrah's selling land and buildings"**. *The Sun Herald*. No. 79 Vol 122. Biloxi, Mississippi: Gulf Publishing Company. pp. A1, A19.

<sup>172</sup> **"River Valley Casino - CoFounders & Owners"**. River Valley Casino. Gulfside Casino Partnership. 2020..