

**IN THE CIRCUIT COURT OF PULASKI COUNTY, ARKANSAS
SIXTH DIVISION**

GULFSIDE CASINO PARTNERSHIP

APPELLANT

vs.

Case No. 60CV-19-5832

**ARKANSAS DEPARTMENT OF FINANCE
AND ADMINISTRATION and
ARKANSAS RACING COMMISSION**

APPELLEES

MOTION FOR SUMMARY JUDGMENT

Appellant, Gulfside Casino Partnership, by and through its undersigned counsel, files this Motion for Summary Judgment, pursuant to Rule 56, Ark. Rules Civ. Pro., and states as follows:

1. Gulfside Casino Partnership (“Appellant” or “Gulfside”) asserted three counts in its First Amended Complaint (“Amended Complaint”):

(I) declaratory judgment that Rule 2.13.5(b) of the Casino Gaming Rules is unconstitutional, pursuant to Ark. Code Ann. § 25-15-207;

(II) declaratory judgment that Ark. Code Ann. § 23-117-101 is unconstitutional, pursuant to Ark. Code Ann. § 16-111-101 and Rule 57, Ark. Rules Civ. Pro.; and

(III) judicial review of the Arkansas Racing Commission’s adjudication denying Appellant’s application for a casino gaming license, pursuant to Ark. Code Ann. § 25-15-212.

2. Appellant moves for summary judgment as to the second count, pursuant to Rule 56, Ark. Rules Civ. Pro., for the reasons set forth in the accompanying brief, which is incorporated herewith, as if set out word for word herein.

3. In support of its Motion for Summary Judgment, Appellant relies upon the following exhibits, attached hereto:

Exhibit “1” – Stipulations (Item 7 in Administrative Record);

Exhibit “2” – Affidavit of James Lindsey Inman;

Exhibit “3” – Letter of Support and Affidavit of County Judge Jim Ed Gibson;

Exhibit “4” – Letter of Support of Mayor Randall Horton;

Exhibit “5” – Findings of Fact (Item 4 in Administrative Record);

Exhibit “6” – Conclusions of Law (Item 5 in Administrative Record); and

Exhibit “7” – Order (Item 6 in Administrative Record).

WHEREFORE, for the reasons set forth in the accompanying brief, Appellant, Gulfside Casino Partnership, prays that judgment be granted in its favor as a matter of law.

Respectfully submitted,
Gulfside Casino Partnership, Appellant

By: /s/ Lucas Z. Rowan
Lucas Z. Rowan, ABA #2008191
DODDS, KIDD, RYAN & ROWAN
313 West 2nd Street
Little Rock, Arkansas 72201
(501) 375-9901 – telephone
(501) 376-0387 – facsimile
lrowan@dkrfirm.com

Kenneth P. “Casey” Castleberry, ABA #2003109
MURPHY, THOMPSON, ARNOLD,
SKINNER & CASTLEBERRY
Post Office Box 2595
555 East Main Street, Suite 200
Batesville, Arkansas 72503
(870) 793-3821 – telephone
(870) 793-3815 – facsimile
caseycastleberry2003@yahoo.com

CERTIFICATE OF SERVICE

I, the undersigned attorney, state upon oath that I have caused a true and correct copy of the above and foregoing to be served upon counsel for all parties in this case, via the Court's electronic filing system, as follows:

Byron L. Freeland
**MITCHELL, WILLIAMS, SELIG,
GATES & WOODYARD, P.L.L.C.**
425 West Capitol Avenue, Suite 1800
Little Rock, Arkansas 72201
bfreeland@mwlaw.com
*Attorney for the Arkansas
Racing Commission*

Ka Tina Guest
ARKANSAS ATTORNEY GENERAL
323 Center Street, Suite 200
Little Rock, Arkansas 72201
katina.guest@arkansasag.gov
*Attorney for Arkansas Department
of Finance and Administration and
the Arkansas Racing Commission*

on this 4th day of February, 2020.

/s/ Lucas Z. Rowan
Lucas Z. Rowan

Exhibit 1

BEFORE THE ARKANSAS RACING COMMISSION

**IN RE DENIAL OF APPLICATION OF GULFSIDE
CASINO PARTNERSHIP FOR A CASINO GAMING
LICENSE IN POPE COUNTY, ARKANSAS**

STIPULATIONS

1. On November 6, 2018, the citizens of Arkansas approved the Arkansas Casino Gaming Amendment of 2018. Ark. Const. Amend. 100.

2. Amendment 100 went into effect on November 14, 2018, and it authorized the Arkansas Racing Commission (“Racing Commission”) to “administer and regulate casino licenses, including their issuance and renewal . . .” and to “adopt rules necessary to carry out the purposes of [the] Amendment . . .” Ark. Const. Amend. 100, §§ 4(a) and (c).

3. Amendment 100 provides:

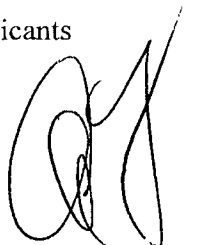
(i) The Arkansas Racing Commission shall issue four casino licenses.

. . .

(k) The Arkansas Racing Commission shall award a casino license to a casino applicant for a casino to be located in Pope County within two miles of the city limits of the county seat. The Arkansas Racing Commission shall also award a casino license to a casino applicant for a casino to be located in Jefferson County within two miles of the city limits of the county seat.

Ark. Const. Amend. 100, §§ 4(i) and (k).

4. Amendment 100 further requires “all casino applicants for a casino license in Pope County and Jefferson County to submit either a letter of support from the county judge or a resolution from the quorum court in the county where the proposed casino is to be located and, if the proposed casino is to be located within a city or town, shall also require all casino applicants

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to include a letter of support from the mayor in the city or town where the applicant is proposing the casino to be located.” Ark. Const. Amend. 100, § 4(n).

5. On November 19, 2018, five days after the effective date of Amendment 100, Booker T. Clemons, the County Judge of Jefferson County, wrote a letter of support in favor of Downstream Development Authority (“Downstream”) as an applicant for a casino gaming license in Jefferson County.

6. Judge Clemons had been appointed by the Jefferson County Quorum Court to fill out the term of his predecessor, and, therefore, Judge Clemons was not eligible to run for the office after his term ended on December 31, 2018.

7. Jim Ed Gibson was elected as County Judge of Pope County in 1998, and he was re-elected to consecutive two-year terms until his retirement on December 31, 2018.

8. On December 21, 2018, when Jim Ed Gibson was the duly elected and acting County Judge of Pope County, he wrote a letter of support in favor of Gulfside Casino Partnership (“Gulfside”) as an applicant for a casino gaming license in Pope County.

9. Judge Gibson did not seek reelection, and like Judge Clemons, his last day in office was December 31, 2018.

10. Randall Horton was elected as Mayor of Russellville in 2014, and he served in that position through December 31, 2018.

11. On December 26, 2018, Mayor Horton also wrote a letter in support of Gulfside as an applicant for a casino gaming license in Russellville.

12. On December 26, 2018, the Racing Commission held a meeting in Little Rock at 10:00 a.m. At 9:26 a.m., before the meeting began, Downstream submitted Judge Clemons’s letter of support to the Racing Commission.

A handwritten signature in black ink, consisting of stylized, overlapping loops and a trailing flourish.

13. After Judge Clemons's letter of support was submitted, the Racing Commission met to consider Rules 2 and 3 of the Casino Gaming Rules for publication.

14. During the December 26, 2018, meeting, counsel for the Racing Commission directed the Commissioners' attention to paragraph 4(b) of Rule 2.13 on page 11 of the Casino Gaming Rules and explained:

All the non-franchise-holder applicants have to have a letter of support from either the county judge, the quorum court, or the mayor, or a combination thereof, depending on the circumstances. And we added some language after the comments: "Letters of support and resolutions by the Quorum Court required by these Rules and the Amendment shall be dated after the deadline of the effective date of the Amendment." The effective date of the amendment was November. So any letter that you get from the quorum court or the mayor or a combination of, as long as it's dated after the effective date of Amendment 100, which was in November of 2018, would be considered effective.

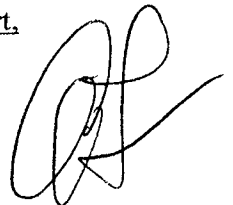
Counsel further explained:

There has been some question about what happens if somebody gets a letter after January 1 with the new administration. Under the rules, a letter dated after the effective date is valid as far as the Racing Commission is concerned.

15. After counsel provided this explanation to the Commissioners at the December 26, 2018, meeting, a motion was made to approve Rules 2 and 3 for publication. The motion was seconded and unanimously approved by the Commissioners present, and Chairman Leiblong declared, "the motion passes."

16. The text of paragraph 4(b) of Rule 2.13, as approved for publication at the December 26, 2018, meeting, was as follows:

- (b) All casino applicants for a casino license in Pope County and Jefferson County are required to submit either a letter of support from the county judge or a resolution from the quorum court in the county where the proposed casino is to be located and, if the proposed casino is to be located within a city or town, are also required to submit a letter of support from the mayor in the city or town where the casino applicant is proposing the casino to be located. Letters of support and resolutions by the Quorum Court,

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required by these Rules and the Amendment, shall be dated after the effective date of the Amendment. (Emphasis in original.)

17. There was no discussion at the December 26, 2018, meeting as to what comments counsel was referring to, which led to the additional requirement, or who made the comments.

18. On December 28, 2018, Gulfside submitted Judge Gibson's letter of support to the Racing Commission, and on December 31, 2018, Gulfside submitted the letter of support from Mayor Horton to the Racing Commission.

19. At 3:55 p.m. on January 3, 2019, counsel for the Racing Commission sent an email, which stated, "Below is a proposed change to the language contained in DRAFT Rule 2 of the Casino Gaming Rules. This change is on page 11 of Rule 2." The changed rule is as follows:

- (b) All casino applicants for a casino license in Pope County and Jefferson County are required to submit either a letter of support from the county judge or a resolution from the quorum court in the county where the proposed casino is to be located and, if the proposed casino is to be located within a city or town, are also required to submit a letter of support from the mayor in the city or town where the casino applicant is proposing the casino to be located. ~~Letters of support and resolutions by the Quorum Court, required by these Rules and the Amendment, shall be dated after the effective date of the Amendment.~~ All letters of support or resolutions by the Quorum Court, required by these Rules and the Amendment, shall be dated and signed by the County Judge, Quorum Court members, or Mayor holding office at the time of the submission of an application for a casino gaming license. (Emphasis in original.)

20. On January 10, 2019, the Racing Commission met in Little Rock and approved the January 3, 2019, version of Rule 2.13 for publication for public comment, along with the rest of the Casino Gaming Rules.

21. On February 21, 2019, the Racing Commission met and considered all comments submitted in connection with the Casino Gaming Rules, including the written objection submitted by Gulfside, and heard argument from Gulfside's counsel, as to why Rule 2.13(5)(b)

was unconstitutional. After hearing and considering the arguments advanced by Gulfside, the Racing Commission adopted the Casino Gaming Rules, as published, including the January 3, 2019, version of Rule 2.13.

22. The Racing Commission adopted the January 3, 2019, version of Rule 2.13.

23. On March 5, 2019, the General Assembly passed Act 371 of 2019, which provides, "A letter of support from the county judge or a resolution of support from the quorum court, and from the mayor, if appropriate, required under subsection (a) of this section shall be dated and signed by the county judge, quorum court, or mayor holding office at the time of the submission of an application for a casino license." Ark. Code Ann. § 23-117-101. This law went into effect on March 8, 2019.

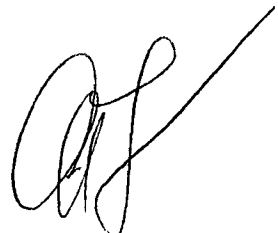
24. Gulfside contends that Ark. Code Ann. § 23-117-101 is unconstitutional for the same reasons it argued that Rule 2.13(5)(b) was unconstitutional.

25. The application period opened on May 1, 2019, and closed on May 30, 2019.

26. On May 1, 2019, Downstream submitted an application for a casino gaming license in Jefferson County. Attached to that application was a Letter of Support from the Jefferson County Judge, Gerald Robinson, dated February 1, 2019, and a letter of support from the Mayor of Pine Bluff, Shirley Washington, dated February 19, 2019.

27. On May 17, 2019, Gulfside submitted its application for a casino gaming license in Pope County.

28. Four applicants, in addition to Gulfside, submitted applications for a casino gaming license in Pope County to the Racing Commission during the application period. None of those four applicants included any letter of support from any County Judge or Mayor or any resolution from the Pope County Quorum Court in their applications.

A handwritten signature in black ink, consisting of stylized, overlapping loops and a long, sweeping horizontal line extending to the right.

29. On June 13, 2019, the Racing Commission met and voted to deny Gulfside's application, as being incomplete, due to the failure to have a letter of support from the current County Judge of Pope County or a resolution of support from the current Pope County Quorum Court.

30. On June 17, 2019, the Racing Commission denied Gulfside's application for the following reasons:

The Arkansas Racing Commission met on June 13, 2019, to consider the applications for a casino gaming license for Pope County, Arkansas. Based upon the contents of the applications and information submitted, the ARC rejected all five Pope County applications as being incomplete because the applications failed to meet the requirements of the ARC rules, of Amendment 100, and of Arkansas law, because the applications did not contain the proper letters of support. Act 371 of 2019 and Rule 2 of the ARC Casino Gaming Rules require that an applicant submit a letter of support from the County Judge, Quorum Court members or Mayor holding office at the time of the submission of an application for a casino gaming license. All applications received by the ARC during the designated application period from May 1, 2019, to May 30, 2019, failed to produce or attach the required letters of support. As a result, all applications for casino gaming licenses for Pope County were rejected by the ARC as incomplete.

31. Gulfside has challenged the constitutionality of both Rule 2.13(5)(b) and Ark. Code Ann. § 23-117-101 before the Racing Commission.

A handwritten signature in black ink, consisting of a large, stylized 'A' followed by a cursive 'D' and a long horizontal stroke.

Exhibit 2

**IN THE CIRCUIT COURT OF PULASKI COUNTY, ARKANSAS
SIXTH DIVISION**

GULFSIDE CASINO PARTNERSHIP

APPELLANT

vs.

Case No. 60CV-19-5832

**ARKANSAS DEPARTMENT OF FINANCE
AND ADMINISTRATION and
ARKANSAS RACING COMMISSION**

APPELLEES

AFFIDAVIT OF JAMES LINDSEY INMAN

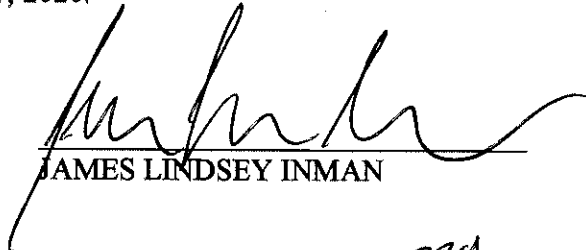
STATE OF MISSISSIPPI)
) ss.
COUNTY OF HARRISON)

I, James Lindsey Inman, after being duly sworn, do on oath state:

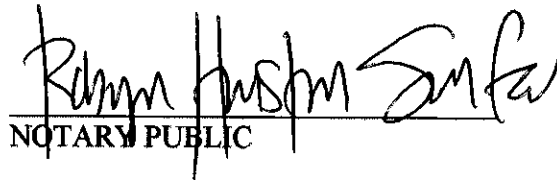
1. I am an adult resident of Harrison County, Mississippi, and I have personal knowledge of the facts contained in this Affidavit.
2. I am the Chief Executive Officer of Gulfside Casino Partnership ("Gulfside").
3. The document attached hereto as Exhibit "A" is a true and correct copy of an email produced by the Arkansas Racing Commission in response to a request for documents made by counsel for Gulfside, pursuant to the Arkansas Freedom of Information Act.
4. The document attached hereto as Exhibit "B" is a true and correct copy of an email produced by the Arkansas Department of Finance and Administration in response to a request for documents made by counsel for Gulfside, pursuant to the Arkansas Freedom of Information Act.

5. The document attached hereto as Exhibit "C" is a true and correct copy of an email produced by the Arkansas Racing Commission in response to a request for documents made by counsel for Gulfside, pursuant to the Arkansas Freedom of Information Act.

DATED this 3 day of February, 2020.


JAMES LINDSEY INMAN

SUBSCRIBED AND SWORN to before me, a Notary Public, this 3rd day of February, 2020.


NOTARY PUBLIC

My Commission Expires:

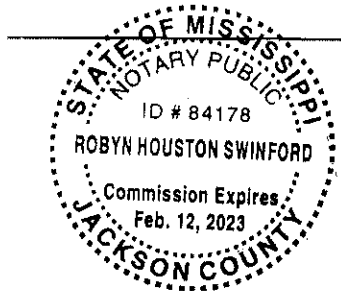


EXHIBIT “A”

To: Byron Freeland[BFreeland@mwlaw.com]; Justin Tate[Justin.Tate@governor.arkansas.gov]
From: Carlton Saffa
Sent: Thur 12/20/2018 10:40:30 PM
Subject: Re: Arkansas Racing Commission - Proposed Rules for Casino Gaming - Expedited Review

Great. Thanks!!!

Get [Outlook for iOS](#)

On Thu, Dec 20, 2018 at 4:24 PM -0600, "Byron Freeland" <BFreeland@mwlaw.com> wrote:

1. These are not dual promulgated, correct? There are perception issues on emergency so this is probably a good call.
We are attempting to get approval for sections of Rules that everyone agrees are acceptable, but all Rules will be adopted at the same time.
2. I know as soon as I'm back I'll be asked if the letter of reference language in the rule on county judge is restrictive to the judge at time of application submission or is broader- any county judge during a time in which the amendment was in effect. In short- I'll be asked if Booker's letter counts (as if I was somehow the decider, ha).
Letter is valid if written after the Amendment became effective. If ARC gets more than one letter of support, the Commission will determine which applicant is the best qualified.
3. Chairman Lieblong expressed interest in the application fee being payable/creditable to the commission's cash fund. Is this something that can be or is accommodated in the rule?
I need to talk to DF&A about that issue again. It can be directed to the ARC fund.



Susie Luce | Assistant to Ken Cook, Byron Freeland, and Mary Catherine Way
T 501.370.4232 | F 501.918.7232
sluce@mwlaw.com | MitchellWilliamsLaw.com
425 W. Capitol Ave. | Ste. 1800 | Little Rock, AR 72201
Mitchell, Williams, Selig, Gates & Woodyard, P.L.L.C.

From: Carlton Saffa [mailto:Carlton.Saffa@governor.arkansas.gov]
Sent: Thursday, December 20, 2018 4:06 PM
To: Byron Freeland; Justin Tate
Subject: Fwd: Arkansas Racing Commission - Proposed Rules for Casino Gaming - Expedited Review

Hi Byron. I wasnt sure if the email below made it through. Hope all is well.

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From: Carlton Saffa <carlton.saffa@governor.arkansas.gov>
Sent: Wednesday, December 19, 2018 3:25 PM
To: Byron Freeland; Justin Tate
Cc: Lauren Ballard (Lauren.Ballard@dfa.arkansas.gov)
Subject: Re: Arkansas Racing Commission - Proposed Rules for Casino Gaming - Expedited Review

Hi Byron-

I'm out of the country and out of the loop. As Justin will ask me my thoughts on these I have a few questions:

1. These are not dual promulgated, correct? There are perception issues on emergency so this is probably a good call.
2. I know as soon as I'm back I'll be asked if the letter of reference language in the rule on county judge is restrictive to the judge at time of application submission or is broader- any county judge during a time in which the amendment was in effect. In short- I'll be asked if Booker's letter counts (as if I was somehow the decider, ha).
3. Chairman Lieblong expressed interest in the application fee being payable/creditable to the commission's cash fund. Is this something that can be or is accommodated in the rule?

Thanks!!!

Get [Outlook for iOS](#)

On Wed, Dec 19, 2018 at 3:17 PM -0600, "Byron Freeland" <BFreeland@mwlaw.com> wrote:

Attached are two Request for Governor's Approval forms for the Arkansas Racing Commission, as follows:

- 1) Application for Issuance and Renewal of Licenses to Conduct Casino Gaming in Arkansas, and
- 2) Service Industry, Employee and Testing Laboratory Licenses for Casino Gaming in Arkansas.

We are requesting an expedited review on these, please.

Thanks, and Merry Christmas!



Susie Luce | Assistant to Ken Cook, Byron Freeland, and Mary Catherine Way

T 501.370.4232 | F 501.918.7232

sluce@mwlaw.com | MitchellWilliamsLaw.com

425 W. Capitol Ave. | Ste. 1800 | Little Rock, AR 72201

Mitchell, Williams, Selig, Gates & Woodyard, P.L.L.C.

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EXHIBIT “B”

From: Paul Gehring <Paul.Gehring@dfa.arkansas.gov>
Sent: Friday, January 4, 2019 8:04 AM
To: John Shelnutt; Larry Walther; Carla Haugen; Walter Anger
Subject: RE: 3-casino case

Thank you, John

From: John Shelnutt
Sent: Thursday, January 3, 2019 4:40 PM
To: Larry Walther <Larry.Walther@dfa.arkansas.gov>; Carla Haugen <Carla.Haugen@dfa.arkansas.gov>; Walter Anger <Walter.Anger@dfa.arkansas.gov>; Paul Gehring <Paul.Gehring@dfa.arkansas.gov>
Subject: 3-casino case

FYI

Here is the estimate of the 3-casino operating scenario impact on General Revenue. This is the worst-case scenario summarized below and shown at the end of the detailed calculations attached.

Worst case is defined as never going beyond the three casino level of operations and topping out in the gaming industry like other states in terms of revenue growth.

Although the revenue loss is greater in FY 20 from the temporary gap prior to Pine Bluff startup, the worst case scenario assumes there is no amount of casino completion and expansion in the 3-casino case to make up for the FY 22 estimated loss as a long-run impact value.

See below and attached

<u>FY2022 Revenue Impact Resulting from Proposed Amendment</u>				
(Using FY2021 Estimated Oaklawn and Southland Net Gaming Receipts for estimate)				
Assumes all but Pope County Casino facilities are in full operation				
(\$31,120,817)	Net Loss to State General Revenue			
\$13,166,104	Gain to the Arkansas Racing Commission Purse & Award Fund			
\$4,004,901	Net Gain to Counties			
\$8,629,134	Net Gain to Cities			
Net Amounts to State General Revenue, Cities and Counties reflect the revenue changes from adoption of the Amendment less the current amounts distributed from Electronic Games of Skill that will be lost.				

John Shelnutt

John Shelnutt, Ph.D.

Administrator for Economic Analysis and Tax Research

State of Arkansas

Department of Finance and Administration

1509 W. Seventh St.

Little Rock, AR 72201

Wk (501) 682-5494

EXHIBIT “C”

To: Henry, Kathryn[henryk@blr.arkansas.gov]
Bcc: Byron Freeland[BFreeland@mwlaw.com]; Rick Beard[RBeard@mwlaw.com]
From: Susie Luce
Sent: Tue 2/5/2019 7:56:01 PM
Subject: RE: Casing Gaming Rule question

In response to your email of February 5, 2019, regarding ARC Casino Gaming Rule 2.13(4)(b), this is a draft Rule that resulted from the ARC's meetings with the attorneys for DF&A and the Governor's office. This Rule requires that a casino applicant submit a letter of support signed by the County Judge, Quorum Court or Mayor holding office at the time of the submission of an application for a casino license.

Amendment 100, which became effective Nov. 14, 2018, requires the ARC, in Section 4, to administer and regulate casino licenses, including their issuance and renewal, and to enforce the provisions of the Amendment relating to all casino licensees. Section 4(c) requires the ARC to adopt rules necessary to carry out the purposes of the Amendment. Section 4(e) states that the ARC shall adopt rules governing thirteen areas, which are spelled out in the Amendment. Section 4(c)(2) requires rules governing the manner in which the ARC considers applications for issuance of casino licenses. Section 4(e)(13) authorizes the ARC to adopt rules governing "any other matters necessary for the fair, impartial, stringent, and comprehensive administration of its duties under this Amendment." It is the position of the ARC that Section 4 of Amendment 100 grants the Commission reasonable discretion to adopt rules that are necessary for the fair, impartial, stringent and comprehensive administration of the Amendment. Rule 2.13(4)(b) was published as a proposed Rule after a lengthy process of review and meetings between the ARC, DF&A and the Governor's office. Rule 2.13(4)(b) is consistent with the meaning and intent of Amendment 100. If letters of support were allowed from county officials or mayors holding office in 2018, those letters would have been issued prior to the adoption of the Casino Gaming Rules by the ARC; prior to the opening of the application process; and prior to the submission of a casino gaming license application by any person or entity.

It is the position of the ARC that Rule 2.13(4)(b) is consistent with the Amendment language because letters of support must be submitted at the time the application is filed with the ARC and after the adoption of the Casino Gaming Rules by the ARC. If the ARC allowed letters of support before the adoption of the Rules and the opening of the application process, the letters of support would not be based on the requirements of the Rules and any knowledge as to whether or not the potential applicant could meet the requirements of the Rules. The position of the ARC that the requirement that letters of support come from current county and city officials is logical and a proper exercise of the ARC's discretion under Amendment 100.

Let me know if you need anything other information.



Byron Freeland

T 501.688.8810 | F 501.918.7810

bfreeland@mwlaw.com | MitchellWilliamsLaw.com

From: Henry, Kathryn [mailto:henryk@blr.arkansas.gov]
Sent: Tuesday, February 05, 2019 9:55 AM
To: Byron Freeland
Subject: Casing Gaming Rule question

Mr. Freeland—

I am reviewing the Casino Rules and have a question about Rule 2: Application for Casino Gaming License. The question is specific to letters of support or resolutions by the quorum court. In Rule 2.13 (4)(b), there is a last sentence stating that, "All letters of support or resolutions by the Quorum Court, required by these Rules and the Amendment, shall be dated and signed by the County Judge, Quorum Court members, or Mayor holding office at the time of the submission of an application for a casino gaming license." This appears to be an addition to the Rule not mentioned in the language of Amendment 100. Can you explain the reason for this addition? Was it made for clarification as to the intent of Amendment 100, to respond to public comment, or was there some other reason for it?

Thanks,
Kathryn

Kathryn Henry
Legislative Attorney
Administrative Rules Review Section
Bureau of Legislative Research
1 Capitol Mall, 5th Floor
Little Rock, Arkansas 72201
henryk@blr.arkansas.gov
501.683-1916

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Exhibit 3



JIM ED GIBSON

Pope County Judge

100 West Main Street
Russellville, Arkansas 72801

Phone: 479-968-7487

Fax: 479-967-6874

December 21, 2018

Arkansas Racing Commission
1515 West 7th Street, Suite 505
Little Rock, AR. 72201

To Whom It May Concern:

If a license is issued for a casino in Pope County Arkansas I give my support
for Gulfside Casino Partnership.

Sincerely,

Pope County Judge
Jim Ed Gibson

MURPHY, THOMPSON, ARNOLD, SKINNER & CASTLEBERRY

TOM THOMPSON
BLAIR ARNOLD
J.T. SKINNER
CASEY CASTLEBERRY
BILL ARNOLD

ATTORNEYS AT LAW
POST OFFICE BOX 2595
BATESVILLE, ARKANSAS 72503-2595
TELEPHONE: (870) 793-3821

M & P BANK BUILDING
555 E. MAIN ST., SUITE 200
FACSIMILE: (870) 793-3815

W.D. MURPHY, JR. (1912-1987)
W.J. "BILL" ARNOLD (1927-1969)

E-MAIL: CASEYCASTLEBERRY2003@YAHOO.COM

December 28, 2018

Arkansas Racing Commission
1515 West 7th Street, Suite 505
Little Rock, Arkansas 72201

VIA HAND DELIVERY

RE: Letter of Support from the Pope County Judge

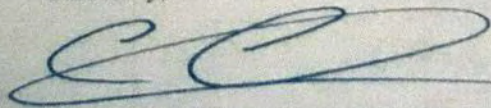
Dear Commission:

Please be advised that I represent Gulfside Casino Partnership ("Gulfside"). On behalf of Gulfside, and in accordance with Section 4(n) of Amendment 100 to the Arkansas Constitution, enclosed herewith please find a letter of support from the Pope County Judge in favor of Gulfside. I would respectfully request that the Commission mark the enclosed letter as received and retain the original in your files.

Your courtesy in connection with this matter is greatly appreciated.

With best regards, I am

Sincerely,



Kenneth P. "Casey" Castleberry

OFFICE OF
ADMINISTRATIVE
SERVICES

2018 DEC 28 AM 9:44

RECEIVED

KPC/wlw

Enclosure

cc: Client

AFFIDAVIT OF JIM ED GIBSON

STATE OF ARKANSAS)
) ss.
COUNTY OF POPE)

I, Jim Ed Gibson, after being duly sworn, do on oath state:

1. I was elected as County Judge of Pope County in 1998, and I was re-elected to consecutive two-year terms until my retirement on December 31, 2018. I did not seek re-election in 2018.

2. On December 21, 2018, while I was the County Judge of Pope County, I issued a letter in support of Gulfside Casino Partnership, LLC ("Gulfside"), which stated, "If a license is issued for a casino in Pope County Arkansas I give my support for Gulfside Casino Partnership." A copy of the letter of support is attached as Exhibit "A" to this Affidavit.

3. Before issuing the letter of support, I exercised extensive due diligence into Gulfside, as contemplated by Amendment 100. I found that Gulfside owns and operates a casino in Gulfport, Mississippi, where it employs 1,900 people. I confirmed that Gulfside has an unblemished record of regulatory compliance. I received and considered endorsements from community leaders in Gulfport, who vouched for Gulfside's reputation as a responsible corporate citizen and a generous contributor to the community, in addition to the millions of dollars it pays in state and local taxes.

4. I secured a commitment from Gulfside to build a resort-style casino, including a hotel, restaurants, and an entertainment venue, in addition to gaming, as well as Gulfside's pledge to invest \$150 million in the initial phase of the project. I considered that Gulfside's proposal included 1,035 to 1,695 permanent hospitality jobs, which would generate total annual payroll,

taxes, and benefits of \$35 million to \$60.5 million. I also took into account the more than \$28 million in gaming taxes that will go to the county, state, and Arkansas Racing Commission, as well as ad valorem, property, sales, and other traditional taxes.

5. Based upon all of these factors, I gave my support to Gulfside.

6. I intended for my December 21, 2018, letter to be a "letter of support," as contemplated by Amendment 100 to the Arkansas Constitution.

DATED this 15 day of May, 2019.


JIM ED GIBSON

SUBSCRIBED AND SWORN to before me, a Notary Public, this 15 day of May, 2019.


NOTARY PUBLIC

My Commission Expires:

8.27.28





JIM ED GIBSON

Pope County Judge
100 West Main Street
Russellville, Arkansas 72801

Phone: 479-968-7487
Fax: 479-967-6874

December 21, 2018

Arkansas Racing Commission
1515 West 7th Street, Suite 505
Little Rock, AR. 72201

To Whom It May Concern:

If a license is issued for a casino in Pope County Arkansas I give my support
for Gulfside Casino Partnership.

Sincerely,

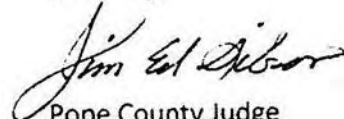

Pope County Judge
Jim Ed Gibson

Exhibit "A"

Exhibit 4



Randy Horton

Mayor

December 26, 2018

To whom this letter may present;

For the last several months as details became available about the potential responsibilities that Mayors of communities affected by the recently approved Amendment 4 might have to deal with I have done considerable research. It was my intention to become informed in various areas of operations, employee benefits, community involvement, security, financing and other matters that different operators might practice in preparation for the possibility that it might become required of me to write a letter of support for a potential operator or operators. My goal was to be able to elect to support only the best operator to receive the Pope County license if an operator chose to locate within the city limits of Russellville, Arkansas.

During this due diligence process a number of interested operators did make introductory contact with my office. These contacts were also vetted as a way of establishing what a positive influences that a particular operator might contribute in the way of benefits to the community.

While no operator has proposed a development to be sited within the city limits of Russellville, it is none the less my opinion that Gulfside Casino Partnership best exemplifies the ideal for an operator for Pope County. The community support, reputation, employee satisfaction, commitment to security, quality of properties and history of supporting and giving back to the surrounding community combined with verifiable financial stability and legal gaming operations are all factors in this evaluation. Their proposal of a resort style, family friendly development that is aesthetically compatible with the surrounding area also represent the goals that I would have applied had the development been located within the City.

If I can be of further assistance please don't hesitate to contact me.

Randall Horton, Mayor


Exhibit 5

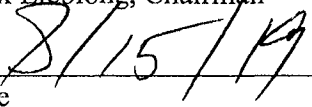
**BEFORE THE
ARKANSAS RACING COMMISSION**

**IN THE MATTER OF
APPLICATION OF GULFSIDE CASINO PARTNERSHIP
FOR A CASINO GAMING LICENSE IN POPE COUNTY, ARKANSAS**

FINDINGS OF FACT

1. The application period for applying for casino gaming licenses was established by the Arkansas Racing Commission as May 1, 2019, through May 30, 2019.
2. On May 17, 2019, Gulfside Casino Partnership submitted an application for a casino gaming license in Pope County, Arkansas.
3. On December 28, 2018, Gulfside Casino Partnership submitted a letter of support dated December 21, 2018, to the Arkansas Racing Commission office from Pope County Judge Jim Ed Gibson. Judge Gibson's term as County Judge ended December 31, 2018.
4. On December 31, 2018, Gulfside Casino Partnership submitted a letter of support dated December 26, 2018, from Russellville Mayor Randall Horton to the Arkansas Racing Commission. Randall Horton's term as Mayor of Russellville ended December 31, 2018.
5. The application for a casino gaming license submitted by Gulfside Casino Partnership on May 17, 2019, did not contain a letter of support dated and signed by the County Judge or Mayor holding office at the time of the submission of the application.



Arkansas Racing Commission
Alex Lieblong, Chairman


Date

Exhibit 6

**BEFORE THE
ARKANSAS RACING COMMISSION**

**IN THE MATTER OF
APPLICATION OF GULFSIDE CASINO PARTNERSHIP
FOR A CASINO GAMING LICENSE IN POPE COUNTY, ARKANSAS**

CONCLUSIONS OF LAW

1. Arkansas Racing Commission Rule 2.13(5)(b) adopted February 21, 2019, states that:

5. Minimum Qualifications for Non-Franchisor Applicant

....

(b) All casino applicants for a casino license in Pope County and Jefferson County are required to submit either a letter of support from the county judge or a resolution from the quorum court in the county where the proposed casino is to be located and, if the proposed casino is to be located within a city or town, are also required to submit a letter of support from the mayor in the city or town where the casino applicant is proposing the casino to be located. All letters of support or resolutions by the Quorum Court, required by these Rules and the Amendment, shall be dated and signed by the County Judge, Quorum Court members, or Mayor holding office at the time of the submission of an application for a casino gaming license.

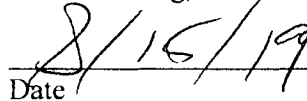
2. On March 5, 2019, the General Assembly passed Act 371 of 2019, which provides, "A letter of support from the county judge or a resolution of support from the quorum court, and from the mayor, if appropriate, required under subsection (a) of this section shall be dated and signed by the county judge, quorum court, or mayor holding office at the time of the submission of an application for a casino license." Ark. Code Ann. § 23-117-101. This law went into effect on March 8, 2019.

3. On June 17, 2019, the Racing Commission denied Gulfside's application for the following reasons:

The Arkansas Racing Commission met on June 13, 2019, to consider the applications for a casino gaming license for Pope County, Arkansas. Based upon the contents of the applications and information submitted, the ARC rejected all five Pope County applications as being incomplete because the applications failed to meet the requirements of the ARC rules, of Amendment 100, and of Arkansas law, because the applications did not contain the proper letters of support. Act 371 of 2019 and Rule 2 of the ARC Casino Gaming Rules require that an applicant submit a letter of support from the County Judge, Quorum Court members or Mayor holding office at the time of the submission of an application for a casino gaming license. All applications received by the ARC during the designated application period from May 1, 2019, to May 30, 2019, failed to produce or attach the required letters of support. As a result, all applications for casino gaming licenses for Pope County were rejected by the ARC as incomplete.



Arkansas Racing Commission
Alex Lieblong, Chairman



Date

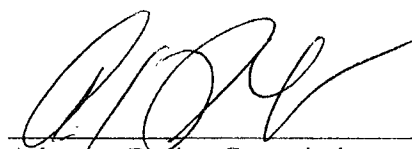
Exhibit 7

**BEFORE THE
ARKANSAS RACING COMMISSION**

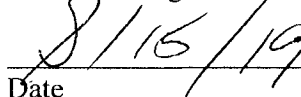
**IN THE MATTER OF
APPLICATION OF GULFSIDE CASINO PARTNERSHIP
FOR A CASINO GAMING LICENSE IN POPE COUNTY, ARKANSAS**

ORDER

Based upon the record from Arkansas Racing Commission meetings on June 13, 2019, and July 18, 2019, and the Findings of Fact and Conclusions of Law issued by the Arkansas Racing Commission contemporaneously with this Order, the Commission finds that the application for a casino gaming license in Pope County, Arkansas, submitted by Gulfside Casino Partnership is rejected and denied as incomplete, because the application did not contain letters of support dated and signed by the Pope County Judge or the Russellville Mayor holding office at the time of the submission of the Gulfside Casino Partnership application on May 17, 2019.



Arkansas Racing Commission
Alex Lieblong, Chairman



Date