

LGCB Board of Directors' Meeting, (Pages 1:1 to 52:24)

1:1 LOUISIANA GAMING CONTROL BOARD

2

3 BOARD OF DIRECTORS' MEETING

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8 THURSDAY, JANUARY 25, 2018

9

10 Louisiana State Capitol

11 House Committee Room 1

12 900 North Third Street

13 Baton Rouge, Louisiana

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17 TIME: 10:00 A.M.

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1 APPEARANCES

2

3 RONNIE JONES

Chairman (At Large)

4 June 30, 2019

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6 FRANKLIN AYRES BRADFORD

(Economic Planner)

7 Fifth Congressional District

June 30, 2019

8

9

JAMES SINGLETON

10 (Public/Business Administration)

Second Congressional District

11 June 30, 2020

12

13 MARK STIPE

(Attorney)

14 Seventh Congressional District

June 30, 2020

15

16 CLAUDE D. JACKSON

(At large)

17 Fourth Congressional District

June 30, 2018

18

19 ROBERT W. GASTON, III,

(At large)

20 Sixth Congressional District

June 30, 2021

21

22 JULIE BERRY

(CPA)

23 Third Congressional District

June 30, 2018

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3

1 APPEARANCES CONTINUED

2

3 RICHARD E. PATRICK

(Law Enforcement)

4 Fifth Congressional District

July 30, 2018

5

6 ELTON LAGASSE

(At large)

7 First Congressional District

June 30, 2021

8

9 PAUL EDMONSON

Louisiana State Police

10

11 LANA TRAMONTE

Executive Assistant

12

13 TRUDY SMITH

Confidential Assistant

14

15 REPORTED BY:

16 SHELLEY G. PAROLA, CSR, RPR

Baton Rouge Court Reporters

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11	Golden Nugget Lake Charles, LLC	
12	- No. R016502995	18
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14	Golden Nugget Lake Charles, LLC,	
15	for approval of Transfers of	
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17 C. Consideration of renewal of
18 license of Harrah's Bossier City
19 Investment Company, L.L.C., d/b/a
20 Harrah's Louisiana Downs - No.
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22 VI. VIDEO GAMING ISSUES

23 1. Consideration of transfers of interest
24 in Riverbend Truckstops & Palace
25 Casinos, Inc.:

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2 d/b/a Crowley Truckstop & Casino,
3 No. 0101514033
4 d/b/a Jennings Truckstop & Casino,
5 No. 2703515033
6 d/b/a Patterson Truckstop & Casino,
7 No. 5105514132
8 d/b/a Riverbend Truckstop & Palace
9 Casinos of Reserve, No. 4800511834
10 d/b/a Riverbend Truckstop & Palace
11 Casinos of St. Rose, No. 4500512203
12 d/b/a Terrebonne Truckstop & Casino,
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20 d/b/a Whispering Pines Casino - No.
21 4600515433 (transfer of interest) 43

22 VII. CONSIDERATION OF PROPOSED SETTLEMENTS

23 AND APPEAL IN THE FOLLOWING:

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25 American Legion, Inc., d/b/a

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6 settlement) 47

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1 I. CALL TO ORDER

2 CHAIRMAN JONES: Good morning, and
3 welcome to the postponed and rescheduled
4 January meeting of the Louisiana Gaming
5 Control Board. We did our best last
6 week to let everyone know that I just
7 couldn't get my Board Members here from
8 north Louisiana. I couldn't get them
9 here from New Orleans. So I hope it did
10 not cause a hardship for those of you
11 who did not see that there was a change,
12 and you managed to get here and found
13 the Capitol locked. I apologize for
14 that.

15 Miss Tramonte, would you call the
16 roll.

17 THE CLERK: Chairman Jones?

18 CHAIRMAN JONES: Here.

19 THE CLERK: Mr. Bradford?

20 MR. BRADFORD: Here.

21 THE CLERK: Mr. Stipe?

22 MR. STIPE: Here.

23 THE CLERK: Mr. Singleton?

24 MR. SINGLETON: Here.

25 THE CLERK: Mr. Jackson?

1 MR. JACKSON: Here.

2 THE CLERK: Mr. Gaston?

3 MR. GASTON: Here.

4 THE CLERK: Miss Berry?

5 MS. BERRY: Here.

6 THE CLERK: Mr. Patrick?

7 MR. PATRICK: Here.

8 THE CLERK: Mr. Lagasse?

9 MR. LAGASSE: Yes, ma'am.

10 THE CLERK: Colonel Reeves?

11 MR. EDMONSON: Paul Edmonson for
12 Colonel Reeves.

13 II. PUBLIC COMMENTS

14 CHAIRMAN JONES: Thank you. We have
15 a quorum. We may conduct business.
16 This is an opportunity for anyone in the
17 audience to make public comment on
18 anything on today's agenda, so I'll take
19 that opportunity. I just wanted to
20 brief my Board very quickly. The
21 Riverboat Gaming Task Force concluded
22 its meetings and deliberations last
23 Tuesday and came up with two primary
24 recommendations. Out of three that we
25 thought we were going to do, we achieved

1 two of them that we will make to the
2 legislature. One has to do with

3 permitting dockside gaming; that is,
4 permitting those properties that want to
5 get off boats, they can come in
6 1,250 feet, as the recommendation was
7 written, to conduct gaming operations.
8 It does require that any licensee who
9 wants to do that will have to submit a
10 plan to the Board, which will be
11 reviewed.

12 Because what we envisioned as the
13 Task Force was that this would promote
14 economic development. We did not make
15 this recommendation with the view that a
16 licensee would simply move their slot
17 machines into a meeting room that's
18 already existing in a property. We want
19 to create some jobs, and we want to
20 promote some economic development in the
21 industry.

22 That recommendation also addressed
23 eliminating the legal requirement for an
24 operable paddle wheel, and a second
25 recommendation will redefine the gaming

10

1 space, removing that 30,000 square foot
2 limitation and defining it based on
3 number of gaming spaces. Like, a seat
4 at a slot machine is a gaming space.
5 And it will authorize permitting -- or

6 the conduct of tournaments subject to
7 development and promulgations of some
8 rules and regulations.

9 So now that that task force has
10 concluded its work, I will back away
11 from this process. The Board, neither I
12 as Chair, or Board Members, take an
13 official position on gaming legislation.
14 I'll be available to answer questions
15 and provide information to the
16 legislature, but the task of moving the
17 bills -- whatever bills are finally
18 drafted through the process does not
19 rest on me or this Board or its members
20 or our staff. That will be up to the
21 industry. And Senator Johns will be
22 authoring -- or is having the drafting
23 done now, and he will be the primary
24 author of the legislation, as I
25 understand it.

11

1 So it's going to be a busy session.
2 I have read just anecdotally that there
3 are gaming measures that may be
4 introduced. We took no position on
5 sports betting because that's a bigger
6 issue than just riverboats, and we took
7 a very narrow approach to our
8 recommendations. They applied strictly

9 to the licensed riverboats in the state.

10 So that's where we are with that.

11 III. APPROVAL OF MINUTES

12 CHAIRMAN JONES: We'll now move to
13 Approval of the Minutes. Do I have a
14 motion to waive reading and approve the
15 minutes of the December board meeting?

16 MR. SINGLETON: I move.

17 CHAIRMAN JONES: Mr. Singleton,
18 Mr. Bradford.

19 Any objection? Without objection,
20 the minutes --

21 MR. GASTON: Mr. Chairman.

22 CHAIRMAN JONES: Mr. Gaston.

23 MR. GASTON: Mr. Chairman, and
24 Members of the Board, I don't know if
25 we've properly welcomed Mr. Elton

12

1 Lagasse.

2 CHAIRMAN JONES: Yes, sir.

3 MR. GASTON: But I just wanted to
4 tell you, I've known Mr. Lagasse or
5 Superintendent Lagasse, President
6 Lagasse or whatever it is. He's had so
7 many titles. He's one of the finest
8 public servants, and his wife, Yvonne,
9 who is a nurse in the school system for
10 a hundred years -- maybe not a hundred,
11 Yvonne. But anyhow, these are honorable

12 people, and they add to this Board. I
13 felt that I wanted to say that.

14 CHAIRMAN JONES: We thank you. I
15 think you were sick at the last meeting.
16 You weren't here, but we welcomed him
17 and --

18 MR. GASTON: Yeah, I was. I had the
19 flu.

20 CHAIRMAN JONES: He's got his feet
21 on the ground now, and we're certainly
22 glad to have him with his credentials
23 and background as part of our process.
24 So thank you, Bobby.

25 MR. LAGASSE: Thank you.

13

1 IV. REVENUE REPORTS

2 CHAIRMAN JONES: We'll now call for
3 Revenue Reports. Good morning.

4 MS. JACKSON: Good morning, Chairman
5 Jones and Board Members. My name is
6 Donna Jackson with Louisiana State
7 Police Gaming Enforcement Division.

8 The 15 operating riverboats
9 generated Adjusted Gross Receipts of
10 \$172,041,117 in December. This total
11 represents an overall increase from last
12 month of \$19 million or 12.6 percent,
13 but a minimum decrease of .1 percent
14 from last December.

15 Adjusted Gross Receipts for fiscal
16 year 2017-2018 to date are \$948.5
17 million, a decrease of almost
18 \$16 million or 2 percent from fiscal
19 year 2016-2017.

20 During December, the State collected
21 fees totaling \$36,988,840. As of
22 December 31st, 2017, the State collected
23 almost \$204 million in fees for fiscal
24 year 2017-2018.

25 Next is a summary of the

14

1 December 2017 gaming activity for
2 Harrah's New Orleans found on page
3 three. During December, Harrah's
4 generated \$25,430,756 in gross gaming
5 revenue, an increase of \$2.6 million or
6 11 percent from last month, and an
7 increase of \$1 million or 4.4 percent
8 from last December.

9 Revenues for fiscal year 2017-2018
10 to date are \$143 million, an increase of
11 \$9.7 million or 7 percent from fiscal
12 year 2016-2017.

13 During December, the State received
14 \$5,095,890 in minimum daily payments.
15 As of December 31st, 2017, the State has
16 collected \$30 million in fees for fiscal
17 years 2017-2018.

18 Next I'll present the revenues for
19 Slots at the Racetracks. During
20 December, the four racetrack facilities
21 combined generated Adjusted Gross
22 Receipts of \$29,802,451, an increase of
23 \$1.2 million or 4 percent from last
24 month, and an increase of 2.3 percent
25 from December 2016.

15

1 Adjusted Gross Receipts for fiscal
2 year 2017-2018 to date are \$169 million,
3 an increase of \$2.6 million or 2 percent
4 from fiscal year 2016-2017.

5 During December, the State collected
6 \$4,521,032 in fees. As of
7 December 31st, 2017, the State has
8 collected \$25.7 million in fees for
9 fiscal year 2017-2018.

10 Overall in December, Riverboats,
11 Landbased and Slots at the Racetracks
12 combined generated \$227 million in AGR
13 and over \$46 million in state fees.
14 These revenues represent an increase
15 from December 2016 of \$1.6 million or
16 .7 percent.

17 Any questions before I present the
18 Harrah's employee information?

19 CHAIRMAN JONES: Thank you for that.
20 Are there any questions? [No response.]

21 Please continue.

22 MS. JACKSON: Harrah's New Orleans
23 is required to maintain at least 2,400
24 employees and a bi-weekly payroll of
25 \$1,750,835. This report covers pay

16

1 periods in December 2017.

2 For the first pay period, the
3 Division verified 2,605 employees with a
4 payroll of \$2,178,000. For the second
5 pay period, the Division verified 2,592
6 employees with a payroll of \$2,164,000.
7 Therefore, Harrah's met the employment
8 criteria during December.

9 CHAIRMAN JONES: Any questions,
10 Board Members? The Board is clear.
11 Thank you. Thank you very much.

12 Jim. Good morning, sir.

13 MR. BOSSIER: Morning. Good morning
14 Chairman Jones and Board Members. My
15 name is Jim Bossier with the Louisiana
16 State Police Gaming Enforcement Division
17 here to report video gaming statistics
18 for December 2017 as shown on page one
19 of your handout.

20 Nine new video gaming licenses were
21 issued during December: Six bars, two
22 restaurants and one truckstop. Six new
23 applications were received by the Gaming

24 Enforcement Division in December and are
25 currently pending the field: Five bars,

17

1 and one restaurant.

2 The Gaming Enforcement Division
3 assessed \$2,330 and collected 3,300 --
4 excuse me, \$3,531 in fines during
5 December, and there are currently \$2,750
6 in outstanding fines. Please refer to
7 page two of your handout.

8 There are presently 12,962 video
9 gaming devices activated at 1,727
10 locations.

11 Net device revenue for December 2017
12 was \$49.4 million, a \$3.1 million, or
13 6.6 percent, increase when compared to
14 November 2017, and a \$700,000 decrease,
15 or 1.4 percent, when compared to
16 December 2016.

17 Net device revenue so far for fiscal
18 year 2018 is \$279.7 million, a
19 \$1 million decrease, or three-tenths of
20 1 percent, when compared to fiscal year
21 2017. Page three of your handout shows
22 a comparison net device revenue.

23 Total franchise fees collected
24 during December 2017 were \$14.8 million,
25 a \$900,000 increase when compared to

18

1 November 2017, and a \$200,000 decrease
2 when compared to December 2016. Total
3 franchise fees collected for fiscal year
4 2018 are \$83.8 million, a \$300,000
5 decrease, or four-tenths of 1 percent,
6 when compared to fiscal year 2017. Page
7 four of your handout shows a comparison
8 of franchise fees.

9 Does anybody have any questions?

10 CHAIRMAN JONES: Any questions,
11 Board Members? The Board is clear.

12 MR. BOSSIER: Thank you.

13 CHAIRMAN JONES: Thank you, Jim.

14 V. CASINO GAMING ISSUES

15 A. Consideration of Certificate of Compliance
16 for the Alternate Riverboat Inspection of
17 the gaming vessel of Golden Nugget Lake
18 Charles, LLC - No. R016502995

19 CHAIRMAN JONES: We now move to
20 Casino Gaming Issues. First up is
21 Consideration of the Certificate of
22 Compliance for the Alternate Riverboat
23 Inspection of the gaming vessel of
24 Golden Nugget Lake Charles, LLC, No.
25 R016502995. Good morning, gentlemen.

19

1 MR. LEWIS: Good morning. Chairman
2 Jones, Board Members, I'm Assistant
3 Attorney General Kanick Lewis, Jr., and

4 with me is Mr. John Francic of ABSC.
5 We're here in the matter of the issuance
6 of the Certificate of Compliance to
7 Golden Nugget Lake Charles, LLC.

8 ABSC completed the inspection
9 process for the approval of Golden
10 Nugget's Certificate of Compliance, and
11 for more on this, I now turn the
12 presentation over to Mr. Francic.

13 MR. FRANCIC: Morning, Chairman and
14 Board Members. I'm John Francic with
15 ABS Consulting here to report on the
16 follow-up from the last board meeting
17 for the strain gauges.

18 On January 16th and 17th, Jeff Boyle
19 made it to Golden Nugget with all the
20 bad weather, as we all know, last week,
21 to verify that the strain gauges were in
22 working order. He then -- 22 of the 80
23 strain gauges were replaced. Lay,
24 Pitman & Associates naval architect was
25 here to verify to make sure that they

20

1 were in order. The alarm panel was set,
2 and the operating level of the basin was
3 set at that time.

4 So all was found in good order, and
5 so ABSC recommends that -- now that the
6 Certificate of Compliance be issued to

7 Golden Nugget.

8 CHAIRMAN JONES: Great. Did you
9 want to share with the audience where
10 you were last week when it was colder
11 here than it was in Anchorage, Alaska,
12 where I found you.

13 MR. FRANCIC: I was in Miami.

14 CHAIRMAN JONES: Oh, Miami. I just
15 wanted everybody to share in that. I
16 did have -- when we were considering
17 whether or not to postpone the meeting,
18 I was -- I had to ensure that we had --
19 we had extended the permit to the end of
20 January and not just a 30-day. I was
21 concerned because I didn't know how I
22 was going to get everybody here if we
23 had not done that. So staff took good
24 care of us when we -- when we did that.

25 Do you want to close?

21

1 MR. LEWIS: Yes, sir. We now
2 present these findings to the Board and
3 request that upon the Board accepting
4 the report as submitted by ABSC, you'll
5 move for the issuance of Golden Nugget's
6 Certificate of Compliance.

7 CHAIRMAN JONES: Board, do we have
8 any questions either for ABSC, the
9 Attorney General or representatives from

10 the licensee? This is a holdover.

11 Do I have a motion?

12 MS. BERRY: I motion.

13 CHAIRMAN JONES: Miss Berry, a
14 motion, by Mr. Gaston.

15 Any objection to the motion to issue
16 the Certificate of Compliance? Without
17 objection, the motion carries. Thank
18 you.

19 MR. LEWIS: Thank you.

20 B. Consideration of petition by Golden Nugget Lake
21 Charles, LLC, for approval of Transfers of
22 Ownership - No. R016502995

23 CHAIRMAN JONES: Second up is,
24 Consideration of petition by Golden
25 Nugget Lake Charles, LLC, for approval

22

1 of transfers of ownership. That's No.
2 R016502995. Good morning.

3 MS. MOORE: Good morning, Chairman
4 Jones, Members of the Board. I'm
5 Assistant Attorney General Charmaine
6 Moore appearing in the matter of the
7 petition of Golden Nugget requesting
8 approval of certain indirect transfers
9 of ownership of the riverboat licensee,
10 Golden Nugget Lake Charles, LLC.

11 On September 7th, 2017, Golden
12 Nugget's parent company, Fertitta

13 Entertainment, Inc., formed three new
14 subsidiary holding companies. Those
15 were Golden Fertitta, Inc., Golden
16 Landry's, Inc., and Landry's Fertitta,
17 Inc.

18 Fertitta Entertainment proposes
19 three successive transfers of its
20 subsidiary, Landry's Gaming, Inc., first
21 to Golden Fertitta, then to Golden
22 Landry's, and then to Landry's Fertitta.
23 Each of these transfers results in an
24 indirect transfer of ownership of the
25 licensee, Golden Nugget Lake Charles,

23

1 LLC. Because Board approval of the
2 transfer of a license is required, a
3 Resolution for the Board's adoption has
4 been prepared.

5 CHAIRMAN JONES: Morning.

6 INVESTIGATOR BLACKWELL: Good
7 morning, Chairman Jones and Members of
8 the Board. I'm Investigator Riley
9 Blackwell with Louisiana State Police
10 Gaming Enforcement Division.

11 On October the 26th, 2017, the
12 Division received the notification from
13 the Golden Nugget Lake Charles, LLC, of
14 the intent of its parent company,
15 Fertitta Entertainment, Incorporated, to

16 make three successive transfers of
17 ownership of Landry's Gaming to three
18 newly formed subsidiaries.

19 The Division conducted a suitability
20 investigation of the Golden Nugget Lake
21 Charles, its officers, directors and
22 persons with a 5 percent or more
23 interest -- ownership interest in the
24 company. This investigation consisted
25 of inquiries in federal, state and local

24

1 law enforcement agencies, computerized
2 criminal history databases, financial
3 and civil institutions, and gaming
4 regulatory agencies.

5 During this suitability
6 investigation, I discovered no
7 information which would preclude the
8 Board from granting the Golden Nugget
9 Lake Charles approval for the transfers.

10 At this time, I'd be happy to answer
11 any questions that you have.

12 CHAIRMAN JONES: Are there any
13 questions of the Attorney General's
14 Office or State Police before we proceed
15 to closing? [No response.] Close,
16 Charmaine.

17 MS. MOORE: A Resolution has been
18 prepared for the Board's adoption if the

19 Board chooses to approve the transfers.

20 CHAIRMAN JONES: Thank you. Do I
21 have a motion to adopt the Resolution?

22 By Mr. Patrick, Miss Berry.

23 Miss Tramonte, would you read the
24 Resolution and call the roll.

25 THE CLERK: On the 25th day of

25

1 January 2018, the Louisiana Gaming
2 Control Board did, in a duly noticed
3 public meeting, consider the issue of
4 Golden Nugget Lake Charles, LLC's,
5 request for approval of certain
6 transfers of the ownership in Landry's
7 Gaming, Incorporated, and upon motion
8 duly made and second, the Board adopted
9 this Resolution:

10 Be it resolved that the transfer of
11 100 percent of the ownership interest in
12 Landry's Gaming, Incorporated, by
13 Fertitta Entertainment, Incorporated, to
14 Golden Fertitta, Incorporated, is hereby
15 approved.

16 Be it resolved that the transfer of
17 100 percent of the ownership interest of
18 Landry's Gaming, Incorporated, by Golden
19 Fertitta, Incorporated, to Golden
20 Landry's, Incorporated, is hereby
21 approved.

22 Be it resolved that the transfer of
23 100 percent of the ownership interest of
24 Landry's Gaming, Incorporated, by Golden
25 Landry's, Incorporated, to Landry's

26

1 Fertitta, Incorporated, is hereby
2 approved.

3 Thus done and signed in Baton Rouge,
4 Louisiana, this 25th day of January
5 2018.

6 Mr. Bradford?

7 MR. BRADFORD: Yes.

8 THE CLERK: Mr. Stipe?

9 MR. STIPE: Yes.

10 THE CLERK: Mr. Singleton?

11 MR. SINGLETON: Yes.

12 THE CLERK: Mr. Jackson?

13 MR. JACKSON: Yes.

14 THE CLERK: Miss Berry?

15 MS. BERRY: Yes.

16 THE CLERK: Mr. Patrick?

17 MR. PATRICK: Yes.

18 THE CLERK: Mr. Lagasse?

19 MR. LAGASSE: Yes.

20 THE CLERK: Chairman Jones?

21 CHAIRMAN JONES: Yes, and without
22 objection, the Resolution is adopted.

23 Thank you.

24 C. Consideration of renewal of license of Harrah's

25 Bossier City Investment Company, L.L.C., d/b/a

27

1 Harrah's Louisiana Downs - No. T010802871

2 CHAIRMAN JONES: The final casino
3 issue up: Consideration of renewal of
4 license of Harrah's Bossier City
5 Investment Company, L.L.C., doing
6 business as Harrah's Louisiana Downs,
7 No. T010802871.

8 Good morning.

9 MS. BOURGEOIS: Good morning,
10 Chairman Jones, Board Members. I am
11 Assistant Attorney General Suzanne
12 Bourgeois. Here with me is State Police
13 Auditor Trnessia Ware and Investigator
14 Bill Landry. We are here in the matter
15 of the renewal of the slot machine
16 gaming license of Harrah's Bossier
17 Investment Company, LLC, doing business
18 as Harrah's Louisiana Downs in Bossier
19 City, Louisiana.

20 Slot machine gaming licenses are
21 issued for five-year terms. On
22 February 18th, 2003, the Board issued
23 Harrah's Louisiana Downs a new license
24 to conduct slot machine gaming for a
25 five-year term subject to certain

28

1 conditions. The Board then renewed the

2 license of Louisiana Downs for another
3 five-year term commencing February 18th,
4 2008, subject to the original
5 conditions. The Board again renewed the
6 license for another five-year term
7 commencing February 18th, 2013, at which
8 time the original conditions were
9 updated and amended. This license will
10 expire on February 18th, 2018.

11 The ultimate parent company of
12 Harrah's Louisiana Downs is Caesars
13 Entertainment Corporation, which also
14 owns and operates Horseshoe
15 Entertainment and Harrah's New Orleans.

16 At this time, Louisiana State Police
17 will present their findings to the
18 Board.

19 CHAIRMAN JONES: Thank you.

20 INVESTIGATOR LANDRY: Good morning,
21 Chairman Jones and Members of the Board.
22 I'm William Landry, Investigator with
23 the Louisiana State Police Gaming
24 Enforcement Division.

25 In October of 2017, the Division

29

1 conducted an investigation in regard to
2 the license renewal of Caesars
3 Entertainment, Incorporation, doing
4 business as Harrah's Louisiana Downs,

5 which included officers, directors,
6 persons with a 5 percent more ownership
7 interest in the companies. This
8 investigation consisted of inquiries
9 through federal, state, local law
10 enforcement agencies, criminal history
11 databases, financial and civil
12 institutions and gaming regulatory
13 agencies.

14 At the conclusion of this
15 investigation, there was no information
16 discovered which would preclude the
17 Board from granting a finding of
18 suitability for Caesars Entertainment
19 Corporation, doing business as Harrah's
20 Louisiana Downs, which included its
21 officers, directors or board members.

22 All board members associated with the
23 renewal of the Louisiana Downs' license
24 were recently found suitable on
25 September 25th, 2017, as part of the

30

1 Caesars Entertainment reorganization.

2 At this time, I'd be glad to answer
3 any questions you may have.

4 MS. WARE: Good morning, Chairman
5 Jones, Members of the Board. My name is
6 Trnessia Ware with Louisiana State
7 Police Corporate Securities Audit.

8 Licensee, Harrah's Bossier City
9 Investment Company, L.L.C., doing
10 business as Harrah's Louisiana Downs,
11 seeks the five-year renewal of its
12 license. Harrah's Louisiana Downs is
13 ultimately wholly owned by Caesars
14 Entertainment Corporation through its
15 subsidiaries.

16 Harrah's is located within a
17 five-mile radius of five riverboats with
18 casino gaming operations in the Bossier
19 City/Shreveport market. For fiscal year
20 2016-2017, Harrah's ranked seventh in
21 the Shreveport/Bossier market.

22 As shown on page four of our report,
23 Harrah's budgeted approximately \$1 million
24 for capital expenditures in 2017. The
25 licensee also projects it will spend

31

1 approximately \$800,000 for capital
2 expenditures for years 2018 through
3 2021.

4 Harrah's Bossier City Investment
5 Company is party to a management service
6 agreement with Caesars Entertainment
7 Services. Caesars Entertainment
8 Services provides property management of
9 the services to its members. The total
10 cost allocated to Harrah's Bossier City

11 Investment Company for years ending
12 December 31st, 2015 and 2016, were \$4.4
13 million and \$3.6 million respectively.

14 In conclusion, no financial issues
15 came to our attention to preclude the
16 Board from approving the Harrah's
17 Louisiana Downs' license for a period of
18 five years effective February 18, 2018.

19 Are there any questions?

20 CHAIRMAN JONES: Board Members, do
21 we have any questions for Miss Bourgeois
22 or Mr. Landry or Miss Ware? [No
23 response.]

24 Before we close on this, I know that
25 Michael Rich, who is the general

32

1 manager, is here. I'd like to hear from
2 him. Michael, could you come up,
3 please. Just kind of update us on
4 what's going on up there in view of the
5 reorganization, and I know you've done
6 some things. And where are we?

7 MR. RICH: So good morning, Chairman
8 Jones, Members of the Board. So it's
9 been a great year, 2017, for Louisiana
10 Downs. It's the little engine that
11 could up in Bossier City. We led the
12 market this year in growth, 8 percent
13 AGR growth on our slot machine business,

14 and we were excited about that. We've
15 spent a good deal more year over year in
16 marketing the property, about \$2 million
17 additional. Year over year in '17, it
18 really helped spur that growth to
19 Louisiana Downs. We are proud to be one
20 of three properties that actually grew
21 in what is a very challenging market in
22 northwest Louisiana.

23 So as that market continues to
24 shrink, we were able to find ways to
25 make both Horseshoe and Louisiana Downs

33

1 winners in 2017. We will spend almost a
2 million dollars in just slot capital
3 alone at Louisiana Downs between the
4 middle of this past year and the middle
5 of this upcoming year. So about a
6 12-month period of time, June to June,
7 we'll spend about a million dollars in
8 new slot capital at Louisiana Downs. We
9 moved racing to Monday and Tuesday this
10 past year for our thoroughbred season to
11 allow ourselves a little more space away
12 from the bigger tracks around the
13 country, and we saw double digit handle
14 growth at Louisiana Downs in our
15 simulcast business as well. So we were
16 kind of clicking on all cylinders last

17 year at Louisiana Downs.

18 So a tiny property, certainly one of
19 the smaller ones in the market, but to
20 be able to grow 8 percent in slot
21 revenue, in what has been a very
22 challenging market overall in the last
23 couple of years in northwest Louisiana,
24 we're very proud of that fact and proud
25 of the business that we're doing right

34

1 now.

2 CHAIRMAN JONES: That was on my
3 regular rotation visit this past fall,
4 and I snuck in there. You didn't know
5 about it, but I did let you know after I
6 had been there. But the property looked
7 great. You shrank the floor space a
8 little bit, but it had a little -- it
9 had a lot more buzz going on in the
10 middle of the day, and it looked really
11 good. I mean, it was clean. I was
12 proud of the facility, and I'm proud of
13 what you've done. I mean, you've been
14 before this Board before on other
15 matters. You've turned that issue
16 around, and I'm proud to say that you've
17 done a remarkable job with -- with a
18 tough -- in a tough, competitive market,
19 and I think you've told me before how

20 many casinos people have to pass up
21 driving from Texas to finally get to the
22 tracks. So my congratulations to you on
23 that. You've done a really good job
24 there.

25 MR. RICH: Thank you very much,

35

1 appreciate that.

2 CHAIRMAN JONES: Board Members, do
3 you have any questions of Mr. Rich? [No
4 response.]

5 Did you want to close?

6 MS. BOURGEOIS: If the Board
7 approves the renewal, a Resolution,
8 authorizing the renewal of the license
9 for a term of five years commencing on
10 February 18th, 2018, has been prepared.

11 CHAIRMAN JONES: Very good. Do I
12 have a motion to adopt the Resolution?
13 By Mr. Jackson and Mr. Bradford.

14 Miss Tramonte, would you read the
15 Resolution and call the roll.

16 THE CLERK: On the 25th day of
17 January 2018, the Louisiana Gaming
18 Control Board did, in a duly noticed
19 public meeting, consider the license
20 renewal application of Harrah's Bossier
21 City Investment Company, L.L.C., doing
22 business as Harrah's Louisiana Downs,

23 license TO10802871, and upon motion duly
24 made and second, the Board adopted this
25 Resolution:

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1 Be it resolved that the license to
2 conduct slot machine gaming issued to
3 Harrah's Bossier City Investment
4 Company, L.L.C., d/b/a Harrah's
5 Louisiana Downs, be renewed for a term
6 of five years commencing on
7 February 18th, 2018, subject to all
8 conditions currently imposed on the
9 license.

10 This done and signed in Baton Rouge,
11 Louisiana, this 25th day of January
12 2018.

13 Mr. Bradford?

14 MR. BRADFORD: Yes.

15 THE CLERK: Mr. Stipe?

16 MR. STIPE: Yes.

17 THE CLERK: Mr. Singleton?

18 MR. SINGLETON: Yes.

19 THE CLERK: Mr. Jackson?

20 MR. JACKSON: Yes.

21 THE CLERK: Mr. Gaston?

22 MR. GASTON: Yes.

23 THE CLERK: Miss Berry?

24 MS. BERRY: Yes.

25 THE CLERK: Mr. Patrick?

1 MR. PATRICK: Yes.

2 THE CLERK: Mr. Lagasse?

3 MR. LAGASSE: Yes.

4 THE CLERK: Chairman Jones?

5 CHAIRMAN JONES: Yes. And the
6 Resolution has been adopted.

7 MS. BOURGEOIS: Thank you.

8 VI. VIDEO GAMING ISSUES

9 1. Consideration of transfers of interest in
10 Riverbend Truckstops & Palace Casinos,
11 Inc.:
12 d/b/a Crowley Truckstop & Casino, No.
13 0101514033; d/b/a Jennings Truckstop &
14 Casino, No. 2703515033; d/b/a Patterson
15 Truckstop & Casino, No. 5105514132; d/b/a
16 Riverbend Truckstop & Palace Casinos of
17 Reserve, No. 4800511834; d/b/a Riverbend
18 Truckstop & Palace Casinos of St. Rose, No.
19 4500512203; d/b/a Terrebonne Truckstop &
20 Casino, No. 5500515516; d/b/a Westbank
21 Truckstop & Casino, No. 2600516391

22 CHAIRMAN JONES: First up is,
23 Consideration of transfers of interest
24 in Riverbend Truckstops & Palace
25 Casinos, Inc., as detailed on the

1 official agenda, Roman Numeral Six, No.

2 1. Morning, gentlemen.

3 MR. PITRE: Good morning, Chairman,
4 Board Members. I'm Assistant Attorney
5 General Earl Pitre, Jr., appearing
6 before the Board in the matter of the
7 transfers of ownership interest of
8 Riverbend Truckstop & Palace Casinos,
9 Incorporated, that involved the seven
10 licenses listed in Item VI, No. 1.

11 Effective June 1st, 2017, James
12 Koehler transferred all of his 49.9
13 shares of stock in Riverbend to Nicky
14 Nichols. On the same date, James
15 Koehler resigned as President and
16 Director of Riverbend.

17 Effective August 1st, 2017, Nicky
18 Nichols transferred 5.455 shares of his
19 stock in Riverbend to Bennie Relan. As
20 a result of the June 1st, 2017, transfer
21 of ownership interest, Bennie Relan will
22 be president with 50.10 shares, and
23 Nicky Nichols will be vice-president,
24 secretary and treasurer with 61.01
25 shares. As a result of the August 1st,

39

1 2017, transfer of ownership interest,
2 Bennie Relan will own 55.555 shares, and
3 Nicky Nichols will own 55.55 [sic]
4 shares, each having 50 percent.

5 Criminal Investigator Glenn Verrett

6 conducted the updated suitability
7 investigations on the relevant persons
8 associated with the licensees and also
9 conducted an investigation of the
10 transfers of membership interest. He
11 will present the Office of State
12 Police's findings to the Board.

13 INVESTIGATOR VERRETT: Good morning,
14 Chairman Jones, Board Members. I'm
15 Investigator Glenn Verrett with
16 Louisiana State Police. I conducted the
17 investigations of the transfers of
18 ownership and found no information that
19 would preclude a continuing license of
20 the above-referenced licenses. Nicky
21 Nichols, Bennie Relan and Julie Relan
22 have previously submitted to a
23 suitability investigation under existing
24 licenses, and I found no information in
25 an updated suitability investigation

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1 that would preclude them from continuing
2 to participate in the gaming industry.

3 MR. PITRE: The Office of the
4 Attorney General has reviewed the file
5 compiled as a result of the
6 investigation conducted by the Office of
7 State Police. Our review indicates that
8 no information has been found which

9 would preclude the transfers.

10 CHAIRMAN JONES: Board Members, any
11 questions for Mr. Pitre or Mr. Verrett?

12 There are no questions. I'll entertain
13 a motion.

14 MR. GASTON: I'll move,
15 Mr. Chairman.

16 CHAIRMAN JONES: By Dr. Gaston and a
17 second by Mr. Singleton.

18 Any objection? Without objection,
19 the motion carries. The interest has
20 been transferred.

21 2. The Palms Casino & Truck Stop, Inc., d/b/a The
22 Palms Casino - No. 4400512740 (transfer of
23 interest)

24 CHAIRMAN JONES: We now move to, The
25 Palms Casino & Truck Stop, Inc., doing

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1 business as The Palms Casino, No.
2 4400512740. This is also a transfer of
3 interest. Good morning.

4 MR. GATHE: Good morning, Chairman
5 Jones, Board Members. I am Assistant
6 Attorney General Jeremy Gathe, and here
7 with me today is Master Trooper James
8 Cannon of Louisiana State Police. We're
9 present before the Board in the matter
10 of two transfers of stock in The Palms
11 Casino & Truck Stop, Inc., doing

12 business as The Palms Casino, which
13 holds a Type 5 video draw poker gaming
14 license.

15 The licensed establishment is
16 located in St. Bernard Parish.

17 On July 26th, 2017, Charles L.
18 Bienvenu executed a "Final Partition of
19 Community Property Agreement" and
20 purchased Catherine G. Bienvenu's half
21 of the community property share of the
22 licensee.

23 On October 11th, 2017, Charles
24 Bienvenu purchased 50 percent of the
25 stock in the licensee from the heirs of

42

1 John R. Bienvenu through the executor.
2 As Charles L. Bienvenu held 50 percent
3 interest in the licensee prior to the
4 two transfers, he now owns 100 percent
5 interest in the licensee.

6 Master Trooper James Cannon will now
7 present his findings to the Board.

8 MASTER TROOPER CANNON: Good
9 morning, Chairman Jones, Members of the
10 Board. I'm Trooper James Cannon with
11 Louisiana State Police.

12 Following the licensee's
13 notification to the Division regarding
14 its transfer of stock, I conducted an

15 investigation of the matter. Charles L.
16 Bienvenu and Charlene L. Carter have
17 previously met suitability. An updated
18 criminal history check was conducted on
19 both persons.

20 No information was found that would
21 preclude these individuals or the
22 licensee from continuing to participate
23 in the video gaming industry.

24 MR. GATHE: The Office of the
25 Attorney General has reviewed the file

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1 prepared by the Office of State Police
2 and found no information which would
3 preclude approval of the transfers.

4 CHAIRMAN JONES: Board Members, any
5 questions of the Attorney General's
6 Office or State Police? [No response.]

7 That was a motion to approve? I
8 have a second by Miss Berry. And the
9 motion was Mr. Singleton.

10 Any objection? Without objection
11 the transfer is approved.

12 3. Whispering Pines Plaza & Casino, LLC, d/b/a
13 Whispering Pines Casino - No. 4600515433
14 (transfer of interest)

15 CHAIRMAN JONES: The final one up in
16 video gaming is Whispering Pines Plaza &
17 Casino, LLC, doing business as

18 Whispering Pines Casino, No. 4600515433,
19 also a transfer of interest. Welcome
20 back.

21 MR. PITRE: Mr. Chairman, Board, I'm
22 Assistant Attorney General Earl Pitre,
23 Jr., appearing before the Board in the
24 matter of the transfers of membership
25 interest of Whispering Pines Plaza &

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1 Casino, LLC.

2 The establishment is located in St.
3 Helena Parish.

4 Prior to the transfers, James White
5 and Debra White each had a 11.25 percent
6 membership interest in Whispering Pines
7 Plaza & Casino, LLC. On July 20th,
8 2017, James White and Debra White
9 transferred all of their membership
10 interest totaling 22.5 percent in
11 Whispering Pines to Joe Penn.

12 As a result of the July 20th, 2017,
13 the membership interest in Whispering
14 Pines Plaza & Casino, LLC, will be Joe
15 Penn with 96 percent and Jerry Travis
16 with 4 percent.

17 Trooper Mindi Keith conducted the
18 updated criminal check of the relevant
19 persons associated with the licensee and
20 also conducted an investigation of the

21 transfers of membership interest. She
22 could not be here today, so criminal
23 Investigator Glenn Verrett will present
24 the Office State Police's findings to
25 the Board.

45

1 INVESTIGATOR VERRETT: Good morning,
2 Chairman Jones --

3 CHAIRMAN JONES: Good morning.

4 INVESTIGATOR VERRETT: -- Board
5 Members. I assisted Trooper Keith with
6 this investigation so I am familiar with
7 it. We conducted the investigations of
8 the transfers of membership [sic] and
9 found no information that would preclude
10 the continuing license of the
11 above-referenced licensee. Jenn Penn,
12 Patricia Penn, Jerry Travis and Sandra
13 Travis had previously submitted to a
14 suitability investigation under this
15 license, and we found no information in
16 an updated criminal check that would
17 preclude them from continuing to
18 participate in the gaming industry.

19 MR. PITRE: The Office of the
20 Attorney General has reviewed the file
21 compiled as a result of the
22 investigation conducted by the Office of
23 State Police. Our review indicates that

24 no information has been found which
25 would preclude the transfers.

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1 CHAIRMAN JONES: I saw Mindi Keith's
2 name on here, and I didn't know if that
3 was your undercover name or not so...

4 INVESTIGATOR VERRETT: I've gone by
5 several names but never Mindi.

6 CHAIRMAN JONES: But never Mindi.
7 I'm good with Glenn. I mean, I'm okay
8 with that.

9 Board Members, any questions? No
10 questions. I have a motion by
11 Mr. Bradford, Miss Berry.

12 Any objection? Without objection,
13 the motion to approve the transfer of
14 interest...

15 VII. CONSIDERATION OF PROPOSED SETTLEMENTS AND
16 APPEAL IN THE FOLLOWING:

17 1. In Re: Lowe McFarlane Post 14 American
18 Legion, Inc., d/b/a American Legion Post
19 #14 - No. 0904105323 (proposed settlement)

20 CHAIRMAN JONES: We now move to,
21 Consideration of Proposed Settlement and
22 Appeal. First up is a proposed
23 settlement in regard to Lowe McFarlane
24 Post 14 American Legion, Inc., doing
25 business as American Legion Post #14.

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1 That's No. O904105323. Good morning.

2 MR. LEWIS: Good morning. Chairman
3 Jones, Board Members, I'm Assistant
4 Attorney General Kanick Lewis, Jr., and
5 we're here in the matter of Lowe
6 McFarlane Post 14 American Legion, Inc.,
7 doing business as American Legion Post
8 #14.

9 This settlement addresses the late
10 submission of the annual form and fees
11 that are required to be submitted no
12 later than July 1st of each year. This
13 Type 1 licensee did not submit until
14 November 14th, 2017, which gave rise to
15 a violation of gaming law.

16 The civil penalty contained in this
17 settlement is \$750, which is an amount
18 that is well established for violations
19 of this type. The settlement has been
20 signed by the hearing officer and is now
21 before the Board for final approval.

22 CHAIRMAN JONES: Board Members, any
23 questions? Without questions, I'll
24 entertain a motion.

25 MR. GASTON: I move, Mr. Chairman.

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1 CHAIRMAN JONES: By Dr. Gaston and
2 Mr. Singleton.

3 Any objection? Without objection,

4 the settlement is approved.

5 2. In Re: Podrubby, LLC, d/b/a Pair of Dice - No.

6 2600115837 (proposed settlement)

7 CHAIRMAN JONES: Next up is in
8 regard to Podrubby, LLC, doing business
9 as Pair of Dice, No. 2600115837, also a
10 proposal settlement. Good morning.

11 MR. PICOU: Good morning, Chairman
12 Jones and Board Members. I'm Assistant
13 Attorney General Charlie Picou here in
14 the matter of the settlement of Podrubby,
15 LLC, doing business as Pair of Dice.

16 The settlement addresses the late
17 submission of annual forms and fees that
18 are required to be submitted no later
19 than July 1st of each year. This
20 particular Type 1 licensee did not
21 submit the annual forms and fees until
22 November 15th, 2017, which gave rise to
23 a violation of gaming law.

24 The settlement contains a civil
25 penalty of \$750, which is an amount that

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1 is well established for violations of
2 this type. The settlement's been signed
3 by the hearing officer and is now before
4 the Board for final approval. I'd be
5 happy to answer any questions that you
6 might have.

7 CHAIRMAN JONES: Board Members, any
8 questions for the Attorney General's
9 Office? There are no questions.

10 A motion by Mr. Singleton,
11 Mr. Stipe.

12 Any objection? Without objection,
13 the settlement is approved. Thank you.

14 3. In Re: Jene G. Bowens - No. PO40063992
15 (appeal)

16 CHAIRMAN JONES: And finally up is
17 an appeal in regard to Miss Jene G.
18 Bowens. It's No. PO40063992. Is Miss
19 Bowens here this morning? Miss Bowens?

20 Please proceed.

21 MR. PICOU: Good morning again,
22 Chairman Jones and Board Members. I'm
23 still Assistant Attorney General Charlie
24 Picou here in the matter of the appeal
25 of Jene G. Bowens. Since Miss Bowens

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1 requested this appeal and is not present
2 here with us today, the Division would
3 request that the Board approve the
4 hearing officer's decision to impose a
5 civil penalty of \$250 against Miss
6 Bowens' non-key gaming employee permit
7 for her failure to notify the Division
8 of her arrest.

9 CHAIRMAN JONES: Any questions?

10 There are no questions.

11 Do I have a motion? By Mr. Patrick

12 and a second by Mr. Jackson. Okay.

13 Y'all good with that?

14 Without objection, it's affirmed.

15 Thank you.

16 VIII. ADJOURNMENT

17 CHAIRMAN JONES: There being no
18 further business on the agenda before
19 the Board, I'll call for a motion to
20 adjourn by Miss Berry and Mr. Jackson.

21 Any objection? Without objection,
22 we stand adjourned. Thank you very
23 much.

24

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1 REPORTER'S PAGE

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3 I, SHELLEY PAROLA, Certified Shorthand
4 Reporter, in and for the State of Louisiana, the
5 officer before whom this sworn testimony was
6 taken, do hereby state:

7 That due to the spontaneous discourse of this
8 proceeding, where necessary, dashes (--) have been
9 used to indicate pauses, changes in thought,
10 and/or talkovers; that same is the proper method
11 for a Court Reporter's transcription of a
12 proceeding, and that dashes (--) do not indicate

13 that words or phrases have been left out of this
14 transcript;
15 That any words and/or names which could not
16 be verified through reference materials have been
17 denoted with the word "(phonetic)."

18
19
20
21
22
23

24 SHELLEY PAROLA
Certified Court Reporter #96001
25 Registered Professional Reporter

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1 STATE OF LOUISIANA

2 PARISH OF EAST BATON ROUGE

3 I, Shelley G. Parola, Certified Court
4 Reporter and Registered Professional Reporter, do
5 hereby certify that the foregoing is a true and
6 correct transcript of the proceedings on January
7 25, 2018, as taken by me in Stenographic machine
8 shorthand, complemented with magnetic tape
9 recording, and thereafter reduced to transcript,
10 to the best of my ability and understanding, using
11 Computer-Aided Transcription.

12 I further certify that I am not an
13 attorney or counsel for any of the parties, that I
14 am neither related to nor employed by any attorney

15 or counsel connected with this action, and that I
16 have no financial interest in the outcome of this
17 action.

18 Baton Rouge, Louisiana, this 19th day of
19 February, 2018.

20

21

22

SHELLEY G. PAROLA, CCR, RPR

CERTIFICATE NO. 96001

23

24