

1: 1 LOUISIANA GAMING CONTROL BOARD

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4 BOARD OF DIRECTORS' MEETING

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9 Thursday, September 15, 2011

10

11 House Committee Room 1

12 Louisiana State Capitol

13 Baton Rouge, Louisiana

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17 TIME: 10:00 A.M.

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1 APPEARANCES:

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3 DANE K. MORGAN

4 Chairman

5

6 VELMA ROGERS

7 Vice-Chairman

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9 AYRES BRADFORD

10 Board Member

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12 MARK STIPE

13 Board Member

14

15 JAMES SINGLETON

16 Board Member

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18 DENISE NOONAN

19 Board Member

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21 MAJOR MARK NOEL

22 Ex-Officio Board Member

23

24 LANA TRAMONTE

25 Executive Assistant to the Chairman

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1 APPEARANCES CONTINUED:

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3 REPORTED BY:

4 SHELLEY G. PAROLA, CSR, RPR

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1 I. CALL TO ORDER

2 CHAIRMAN MORGAN: Please come to
3 order. Good morning. Miss Tramonte,
4 will you call the roll, please.

5 THE CLERK: Chairman Morgan?

6 CHAIRMAN MORGAN: Here.

7 THE CLERK: Miss Rogers?

8 MS. ROGERS: Here.

9 THE CLERK: Mr. Bradford?

10 MR. BRADFORD: Here.

11 THE CLERK: Mr. Jones? [No
12 response.] Mr. Stipe?

13 MR. STIPE: Here.

14 THE CLERK: Mr. Singleton?

15 MR. SINGLETON: Here.

16 THE CLERK: Miss Noonan?

17 MS. NOONAN: Here.

18 THE CLERK: Colonel Edmonson?

19 MAJOR NOEL: Major Noel for Colonel
20 Edmonson.

21 THE CLERK: Secretary Bridges? [No
22 response.]

23 III. PUBLIC COMMENTS

24 CHAIRMAN MORGAN: Okay. We have a
25 quorum. We'll skip to Item III which is
9

1 Public Comments. Were there any public
2 comments on any matter before the Board
3 this morning? Opportunity for public
4 comments.

5 IV. APPROVAL OF THE MINUTES

6 CHAIRMAN MORGAN: Hearing none,
7 we'll move to Item IV, Approval of the
8 Minutes. Members, have you had an
9 opportunity to review the minutes?

10 MR. SINGLETON: Move approval of the
11 minutes.

12 CHAIRMAN MORGAN: Mr. Singleton
13 moves approval of the minutes.

14 MS. ROGERS: I'll second.

15 CHAIRMAN MORGAN: Seconded by Miss
16 Rogers. Is there any objection?
17 Hearing none, it's approved.

18 V. REVENUE REPORTS

19 CHAIRMAN MORGAN: Item V, Revenue
20 Reports.

21 MS. JACKSON: Good morning, Chairman
22 Morgan and Board Members. My name Donna
23 Jackson with the Louisiana State Police

24 Gaming Audit Section.

25 The riverboat revenue report for
10

1 August 2011 is shown on page one of your
2 handout.

3 During August, the 13 riverboats
4 generated Adjusted Gross Receipts of
5 \$129,833,298, down \$29 million or
6 18 percent from last month, and down 3.6
7 percent or almost \$5 million from
8 August 2010.

9 Adjusted Gross Receipts for fiscal
10 year 2011-2012 to date are \$288,814,488,
11 a slight increase of 1 percent or
12 \$2 million from fiscal year 2010-2011.

13 During August, the State collected
14 fees totaling \$27,914,159. As of
15 August 31st 2011, the State has
16 collected over \$62 million in fees for
17 fiscal year 2011-2012.

18 Next is a summary of the August 2011
19 gaming activity for Harrah's New Orleans
20 found on page three. During August,
21 Harrah's generated \$24,648,187 in gross
22 gaming revenue, a decrease from last
23 month of \$2.8 million or 10 percent, and
24 a 7 percent or \$2 million decrease from
25 last August.

1 Gaming revenue for fiscal year
2 2011-2012 to date are \$52,086,391, down
3 \$6 million or 11 percent from last
4 fiscal year. During August the State
5 received \$5,081,967 in minimum daily
6 payments. As of August 31, 2011, the
7 State has collected \$10 million in fees
8 for fiscal year 2011-2012.

9 Slots at the Racetracks revenues are
10 shown on page four. During August, the
11 four racetrack facilities combined
12 generated Adjusted Gross Receipts of
13 \$31,139,325, a decrease of 18 percent or
14 \$6.8 million from last month, and a
15 decrease of \$1 million or 3 percent from
16 last August.

17 Adjusted Gross Receipts for fiscal
18 year 2011-2012 to date are \$69,075,588,
19 an increase of \$1.4 million or 2 percent
20 from fiscal year 2010-2011. During
21 August, the State collected \$4.7 million
22 in fees. As of August 31st, 2011, the
23 State has collected \$10.5 million in
24 fees for fiscal year 2011-2012.

25 Overall, riverboats, landbased and

12

1 Slots at the Racetracks combined
2 generated almost \$186 million, which is
3 about \$8 million or 4 percent less than

4 last August.

5 Are there any questions before I
6 present the Harrah's employee
7 information? Once again, the
8 spreadsheet is included in your chart
9 folder if you want to follow along.

10 Harrah's New Orleans is required to
11 maintain at least 2,400 employees and a
12 bi-weekly payroll of \$1,750,835. This
13 report covers the two pay periods in
14 August 2011.

15 For the first pay period, the Audit
16 Section verified 2,445 employees with a
17 payroll of \$2,010,000. For the second
18 pay period, the Audit Section verified
19 2,459 employees with a payroll of
20 \$2,017,000. Therefore, Harrah's met the
21 employment criteria during August.

22 CHAIRMAN MORGAN: Any questions?
23 [No response.] Thank you.

24 MS. JACKSON: I'll also be reporting
25 the video gaming information this

13

1 morning. It's found on page one on your
2 video gaming handout.

3 During August 2011, 20 new video
4 gaming licenses were issued: Ten bars,
5 seven restaurants, two truckstops and
6 one device owner. Twenty-five new

7 applications were received by the Gaming
8 Enforcement Division during August and
9 are currently pending in the field.

10 Fourteen were bars and eleven
11 restaurants.

12 The Gaming Enforcement Division
13 assessed \$12,000 and collected \$11,512
14 in penalties in August. There are
15 currently \$500 in outstanding fines.

16 Please refer to page two of your
17 handout.

18 There are presently 14,476 video
19 gaming devices activated 2,173
20 locations. Net device revenue for
21 August 2011 was \$47,305,190, a \$2.5
22 million decrease or 5.1 percent when
23 compared to net device revenue for
24 July 2011, and an \$895,000 decrease or
25 1.9 percent when compared to

14

1 August 2010.

2 Net device revenue for fiscal year
3 2011-2012 to date is \$97,144,401, a
4 \$2.1 million decrease or 2.1 percent
5 when compared to net device revenue for
6 fiscal year 2010-2011. Page three of
7 your handout shows a comparison of net
8 device revenue.

9 Total franchise fees collected for

10 August 2011 were \$14,096,588, a \$745,000
11 decrease when compared to August 2011,
12 and a \$246,000 decrease when compared --
13 I'm sorry, when compared to July 2011,
14 and a \$246,000 decrease when compared to
15 August 2010.

16 Total franchise fees collected for
17 fiscal year 2011-2012 to date are
18 \$28,938,090, a \$596,000 or 2 percent
19 decrease when compared to last year's
20 franchise fees. Page four of your
21 handout shows a comparison of the
22 franchise fees.

23 And hopefully no one has any
24 questions.

25 VI. COMPLIANCE REPORTS

15

1 CHAIRMAN MORGAN: Okay, thank you.

2 Item VI, Compliance Reports.

3 MS. BROWN: Good morning. Chairman
4 Morgan, Board Members, I'm Mesa Brown,
5 Assistant Attorney General. I'll be
6 presenting the staff report on riverboat
7 casino and racetrack licensees'
8 compliance with employment and
9 procurement conditions for the second
10 quarter of 2011. The second quarter
11 reports are taken from figures reported
12 by 13 of the 15 operating riverboats to

13 the Louisiana Gaming Control Board.

14 In the second quarter of 2011,
15 approximately 11,721 people were
16 employed by the riverboat industry. Of
17 that number, 11,415 were Louisiana
18 residents, 7,093 were minorities and
19 6,476 were women. I'll start by saying
20 that one licensee, Sam's Town Hotel and
21 Casino, achieved total compliance.

22 Next I'll address total employment.
23 Five casinos were short of meeting their
24 total employment goals. They're
25 DiamondJacks, who achieved 681 out of a

16

1 goal of 770; Amelia Belle achieved 331
2 out of 400; Isle of Capri Grand Palais
3 achieved 376 out of a goal of 520;
4 Boomtown Bossier achieved 661 out of a
5 goal of 775; and Eldorado achieved 1,302
6 out of a goal of 1,500. In the
7 subcategories under the main category of
8 employment, all licensees either met or
9 exceeded their goal.

10 Next I'll address procurement. The
11 licensees are grouped according to three
12 subcategories which appear in your
13 report. They are Louisiana procurement,
14 minority procurement and female
15 procurement. Louisiana procurement,

16 nine licensees did not achieve
17 compliance with their voluntary
18 conditions, and they are DiamondJacks
19 Casino and Resort, they achieved 49.2
20 out of 75 percent; Horseshoe Casino &
21 Hotel, 49.3 out of 75; Boomtown
22 Westbank, 70.6 out of 80; Hollywood
23 Casino, 66.8 out of 80; Amelia Belle,
24 52.9 out of 80; Isle of Capri Grand
25 Palais, 87.8 out of 90; Boomtown, 54.9

17

1 out of 80; Eldorado, 55.9 out of 60; and
2 L'Auberge du Lac Hotel & Casino, 58.9
3 out of 80.

4 Regarding minority procurement, four
5 licensees did not achieve compliance
6 with their voluntary conditions, and
7 they are: Horseshoe Casino & Hotel who
8 achieved 17.7 out of 35; Belle of Baton
9 Rouge achieved 11.6 out of 15; Amelia
10 Belle, 16.6 out of 30; and Isle of Capri
11 St. Charles, 3.2 out of 10.

12 With regards to female procurement,
13 one licensee, Isle of Capri Grand
14 Palais, did not achieve its voluntary
15 condition, and Isle of Capri Grand
16 Palais achieved 2 out of 8 percent.

17 Are there any questions with regards
18 to riverboat numbers?

19 CHAIRMAN MORGAN: Any questions?

20 MS. BROWN: The staff report on
21 racetrack casino licensees' compliance
22 for the statutory employment and
23 procurement conditions for the second
24 quarter of 2011. The second quarter
25 reports are taken from figures reported

18

1 by the four racetracks to the Louisiana
2 Gaming Control Board.

3 In the second quarter of 2011,
4 approximately 1,926 people were employed
5 by the industry. Of that number, 1,656
6 were Louisiana residents, 1,022 were
7 minorities and 1,113 were women.

8 All licensees achieved total
9 compliance with the exception of Delta
10 Downs. Delta Downs fell short of
11 achieving its Louisiana employment
12 condition by achieving 70.9 out of 80.

13 Any questions?

14 CHAIRMAN MORGAN: Any questions?

15 [No response.] Okay. Thank you.

16 MS. BROWN: Thank you.

17 VII. CASINO GAMING ISSUES

18 A. Consideration of petition for
19 modification of Condition 15(c) to extend
20 completion of construction by PNK (Baton
21 Rouge) Partnership, License No.

22 R011000801

23 CHAIRMAN MORGAN: We will move on to

24 Item VII, Casino Gaming Issues. A,

25 Consideration of petition for

19

1 modification of Condition 15(c) to

2 extend the completion and construction

3 of PNK Partnership, License No.

4 R011000801. Introduce yourself for the

5 record.

6 MR. SANFILIPPO: Good morning,

7 Chairman and Members of the Board. My

8 name is Anthony Sanfilippo. I'm the CEO

9 of Pinnacle Entertainment. With me here

10 this morning is Mickey Parenton. He is

11 our Vice-President and General Manager

12 of our Baton Rouge facility, and also

13 Jack Godfrey, who is our general

14 counsel.

15 Mr. Chairman, we are here to

16 petition modification of our condition

17 of completion of construction, but if

18 you would, we would like to update you

19 on the project, also.

20 CHAIRMAN MORGAN: Okay.

21 MR. SANFILIPPO: If I can take a

22 moment longer to introduce some of the

23 folks who are in the audience that are

24 working on this project, behind me,

25 first I'd like to introduce Geno

20

1 lafrate. We recently promoted Geno to

2 be over all the Louisiana operations.

3 As you know, this will be our fourth

4 operation in Louisiana, and with him is

5 Barry Regula. Barry is our General

6 Manager of our New Orleans facility,

7 these two gentlemen right over here.

8 And then on the other side, we have

9 a couple of individuals who are both

10 Louisiana residents and play key roles

11 for us in design and construction,

12 Bhavna Mistry is the young lady who is

13 there, and she is over our design and

14 construction department. She resides in

15 New Orleans, and she is our Senior

16 Vice-President of Design and

17 Construction, and next to Bhavna is

18 Jacque (phonetic) Pendleton. He is here

19 located in Baton Rouge, and he's working

20 on our project here in Baton Rouge. And

21 I don't know if it's good or bad to tell

22 you he is a graduate of Mississippi

23 State, recently graduated.

24 CHAIRMAN MORGAN: But he's not

25 wearing the colors.

21

1 MR. SANFILIPPO: He's being neutral.

2 I think he knows what's going to happen
3 tonight. Mickey will update you on --
4 or will present to you the other members
5 of our team that are part of our Baton
6 Rouge team in his presentation.

7 We're pleased to be here. If any of
8 you have had a chance to go down River
9 Road and look at what's happening on our
10 site, there is a lot of activity
11 happening. It was delayed because of a
12 rise in the Mississippi River. We at
13 first had issues that the water level
14 wasn't as high as it needed to be to get
15 our hulls into place, and then it was
16 literally we had about a seven-day
17 window. It rose as quick as it did; and
18 then it started to be too high, and it
19 prevented us for many months from doing
20 any work around the levee.

21 And as you know, we are building a
22 200 room hotel. It's a 206 room hotel
23 that is on the dry side of the levee,
24 and then on the wet side of the levee is
25 the pavilion that you see here. You're

22

1 going to see more up to date
2 photographs.

3 Just to remind you, we have
4 construction jobs that are close to 900

5 individuals who are participating in
6 this project, and then Mickey will talk
7 more about who will permanently be
8 employed once the project's opened up.
9 We are very excited about this project.
10 It's the most important project that our
11 company has today, and we are building a
12 couple of projects but none of the size
13 that we have here in Baton Rouge.

14 So with that, I'd like to turn it
15 over to Mickey to tell you -- to give
16 you an update on where the project is.

17 MR. PARENTON: Thank you, Anthony.
18 Chairman Morgan and Members of the
19 Board, I'd like to give you an update on
20 construction progress as well as on our
21 operation team.

22 We initially began clearing the site
23 in July of '10; installation of the pipe
24 piles for the vessel support began in
25 September, with the anticipation of a

23

1 delivery of the hulls in December.
2 Unfortunately at that time, the water
3 levels were not rising and were not
4 cooperating.

5 In March we began the -- we were
6 prepared for the hull delivery, as it is
7 apparent that the water was rising

8 quickly. As you can see in this photo,
9 in March we did install the hulls, and
10 the water -- the river was rising very
11 rapidly. In March we were able to
12 connect all of our hulls into the basin
13 with the anticipation that the river
14 would begin to fall. As you can see,
15 the river did not fall, and we reached
16 record level river heights in June,
17 which the hulls withstood.

18 In August, we began the erection of
19 the steel on the hulls, and as you can
20 see in the right photo, we are
21 substantially complete with all steel
22 erection. Relocation of River Road
23 began in March, and we're happy to
24 report that in August it's open. The
25 pile caps with the installation of the

24

1 hotel and garage are in process as we
2 speak and continue, started that in
3 September. We continue or we are
4 beginning to start the landscaping
5 around the River Road, as well as around
6 the project, and then as recently as
7 September 1st, this is our aerial photo
8 that shows we are fully operational.
9 The River Road is underway.

10 You can see in the middle of the

11 site we have our auxiliary building and
12 our warehouse, our hotel piles and
13 garage and the clearing of the parking
14 garage, and you can see that the hull
15 and the substantial steel completion is
16 still underway.

17 So just a quick recap of the
18 timeline of challenges. As I mentioned,
19 we were expecting -- anticipating the
20 hulls in December. With the low river
21 levels, it was delayed until March. The
22 water continued to rise in March halting
23 all work. We were not able to begin
24 construction back until August; resulted
25 in a seven-month delay of all

25

1 construction-related work, and we
2 anticipate an opening date of summer of
3 2012.

4 MR. SANFILIPPO: If you can just
5 add, also, Mickey, from a spend
6 standpoint, we've submitted, in both
7 contracts and purchase orders to date, a
8 little bit more than \$163 million. We
9 have also, as part of that, committed to
10 Louisiana contractors and vendors \$105
11 million as part of that, and to M and
12 WBE contractors almost \$18 million. So
13 we are well on our way to, as you saw

14 from the photographs, substantial
15 commitment and a large part here in
16 Louisiana.

17 MR. PARENTON: As Anthony mentioned,
18 we do have 16 members onboard now, and
19 I'd like to introduce -- you may have
20 met some, but I'd like to introduce them
21 again. Kim Ginn is our Vice-President
22 of Marketing; David Blitch is the
23 Vice-President of Resort Ops; Kevin
24 Whalen, Director of Special Projects;
25 Kizzy Carter is our Director of Human

26

1 Resources, and the newest addition is
2 Michael Pearse. Michael Pierce is a
3 Louisianian. He opened the Flamingo
4 Casino in New Orleans in '93, spent a
5 few years in Kansas City, a few years
6 out in Las Vegas, and I'm excited that
7 Mike is back with us. He resides here
8 in Baton Rouge with his family, and he's
9 a graduate of Southeastern Louisiana.
10 So we welcome Mike aboard.

11 We continue to participate in job
12 fairs. From a recruiting standpoint, we
13 participated in LSU yesterday. We'll
14 continue to do job fairs with Southern
15 University, UNO, Tulane, Nicholls State,
16 ULL, and let me be real clear, MSU.

17 It's not Mississippi State; that's
18 McNeese State in Lake Charles. So I
19 just want to make sure we're all okay
20 with that.

21 The employment center will be
22 opening in January of 2012. We also are
23 working closely with the Louisiana
24 Workforce Development. We are working
25 with the Baton Rouge Community College,

27

1 as well as the Louisiana Culinary
2 Institute. I'm happy to say that David
3 Blich has recently been appointed to
4 the board of the Louisiana Culinary
5 Institute.

6 As far as recruitment, our
7 advertising campaign will start in
8 January, and our dealer school will open
9 sometime in March. As I mentioned last
10 meeting, our employment center is
11 located in LSU south campus. Just a
12 little graph to show you that, you know,
13 now until the end of the year we'll
14 bring on several key members of the
15 executive team. In the first quarter,
16 we'll continue to add some of the
17 director and management level; but if
18 you'll look at the graph to get to about
19 the 1,400 employees, within the last

20 month or so is when it really, really
21 kicks in, and we will hire over a
22 thousand employees at that time.

23 Some positions that we'll be
24 addressing soon is key directors.
25 January we'll bring on some managers, in

28

1 March some more managers and then April,
2 May supervisors; and June and July is
3 when the majority of the frontline
4 employees will come aboard.

5 So with that, I can't tell you how
6 excited we are to be a part of Baton
7 Rouge, to be a part of this community
8 and to -- can't wait to open the
9 premier, premier casino in this region.

10 CHAIRMAN MORGAN: Does that conclude
11 your presentation?

12 MR. PARENTON: That does conclude
13 it.

14 CHAIRMAN MORGAN: That's good news.
15 What's the total amount you anticipate
16 spending on the project?

17 MR. SANFILIPPO: In hard cost,
18 Bhavna?

19 MS. MISTRY: \$231.

20 MR. SANFILIPPO: \$231 million in
21 hard cost, actual hard construction
22 costs.

23 Bob in a was the speaker.

24 CHAIRMAN MORGAN: Before we get on
25 to -- I'll turn it over to the Board

29

1 Members, I did want to compliment your
2 company, and particularly Barry in New
3 Orleans, with regard to your recent
4 approach you took to shutting down with
5 the hurricane things. It -- you know,
6 you took a proactive approach, and we do
7 appreciate that for life safety
8 purposes.

9 MR. SANFILIPPO: Thank you. He did
10 a terrific job in managing that.

11 CHAIRMAN MORGAN: I guess you'll get
12 a bonus. Anthony doesn't like to say
13 that. Anyway, I did have an opportunity
14 to go to the site, and it's very
15 impressive. The road construction and
16 all was very well done. I think
17 Louisiana is going to be proud of the
18 project. I'll turn it over to board
19 members. Mr. Bradford.

20 MR. BRADFORD: Just a quick
21 question. In the resolution that you
22 were asking for an extension for time of
23 completion of construction to July 31st?

24 MR. SANFILIPPO: Yes, sir.

25 MR. BRADFORD: What -- where is that

1 date relative to what you expect to be
2 your opening date?

3 MR. SANFILIPPO: Well, we will open
4 the whole facility at once, so first let
5 me say that we do not, nor will we
6 petition to open the facility in pieces.
7 We think it's important to fulfill our
8 commitment to open it all at one time,
9 and so we're working towards the
10 complete facility being open.

11 We believe that fairly shortly
12 thereafter, let's say anywhere from
13 three to four weeks, once we're in the
14 facility, once Mickey has his team in,
15 we'll be breaking in kitchens; we'll be
16 training employees inside that facility.
17 We'll work with both the Chairman and
18 the State Police. We'll do a mock trial
19 to make sure that we're ready, but we
20 would anticipate once we've completed
21 construction, that it would be anywhere
22 from three to four weeks that we would
23 see the facility open.

24 MR. BRADFORD: Just in time for
25 football season.

1 MR. SANFILIPPO: Just in time for
2 football.

3 MR. BRADFORD: Thank you.

4 CHAIRMAN MORGAN: Anyone else? Any
5 questions? Well, we do again thank you
6 for your commitment. At this time, I'd
7 like to make a motion that we adopt the
8 resolution that's been prepared.

9 MR. BRADFORD: Second.

10 CHAIRMAN MORGAN: Seconded by
11 Mr. Bradford. Miss Tramonte, will you
12 read it into the record, please.

13 THE CLERK: On the 15th day of
14 September 2011, the Louisiana Gaming
15 Control Board did, in a duly noticed
16 public meeting, consider the issue of
17 Pinnacle Entertainment, Inc., and PNK
18 Baton Rouge Partnership's petition for
19 modification of Condition 15(c) relating
20 to completion of construction of
21 approved project, and upon motion duly
22 made and second, the Board adopted the
23 following resolution.

24 Be it resolved that PNK Baton Rouge
25 Partnership's request for extension is

32

1 approved, and that Condition 15(c) is
2 hereby modified to extend the time for
3 completion of construction of the
4 approved project to July 31st, 2011.

5 Thus done and signed in Baton Rouge,

6 Louisiana, this 15th day of
7 September 2011.

8 CHAIRMAN MORGAN: Call the roll,
9 please.

10 THE CLERK: Miss Rogers?

11 MS. ROGERS: Yes.

12 THE CLERK: Mr. Bradford?

13 MR. BRADFORD: Yes.

14 THE CLERK: Mr. Stipe?

15 MR. STIPE: Yes.

16 THE CLERK: Mr. Singleton?

17 MR. SINGLETON: Yes.

18 THE CLERK: Miss Noonan?

19 MS. NOONAN: Yes.

20 THE CLERK: Chairman Morgan?

21 CHAIRMAN MORGAN: Yes. Okay.

22 That's passed.

23 MR. SANFILIPPO: Thank you very
24 much.

25 B. Consideration of Certificate of Compliance

33

1 for the Alternate Riverboat Inspection of
2 the gaming vessel of Louisiana Casino
3 Cruises, Inc., d/b/a Hollywood Casino,
4 License No. R011700193

5 CHAIRMAN MORGAN: Item B is
6 Consideration of certificate of
7 compliance for the Alternate Riverboat
8 Inspection of the gaming vessel

9 Louisiana Casino Cruises, Incorporated,
10 doing business as Hollywood Casino,
11 License No. RO11700193.

12 MR. TYLER: Good morning, Chairman
13 Morgan, Board Members. I'm Assistant
14 Attorney General, Michael Tyler,
15 appearing with John Francic of ABSC. We
16 come before you this morning seeking the
17 acceptance of the alternate inspection
18 report of Louisiana Casino Cruises,
19 Incorporated, d/b/a Hollywood Casino, as
20 performed by ABSC and the renewal of the
21 certificate of compliance for Hollywood
22 Casino.

23 On August 2nd, 2011, Hollywood
24 Casino began the alternate inspection
25 process for the renewal of its

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1 certificate of compliance. For more on
2 this process and the findings of the
3 alternate inspection of Hollywood
4 Casino, I now turn this presentation
5 over to John Francic of ABSC.

6 MR. FRANCIC: Morning, Mr. Chairman
7 and Board Members. I'm John Francic
8 with ABS Consulting here to report the
9 results of the annual inspection for
10 Hollywood Baton Rouge Casino.

11 The surveyors for ABS Consulting

12 were Morton Downey and John Kahler.
13 They did attend the riverboat Casino
14 Rouge on August 2nd and August 10th.
15 The inspection was carried out in
16 accordance with Louisiana Gaming Control
17 Board riverboat gaming checklist.

18 The only deficient item found during
19 the inspection was the fire adapter for
20 the fresh air supply was not connected
21 to the electronic alarm panel. This
22 system was recently renewed, but the
23 contractor never hooked up the linkage
24 to the alarm panel. The system was
25 repaired and retested on August 10th and

35

1 found compliant.

2 In all, the entire vessel was found
3 in good order, full compliance and with
4 great cooperation from the crew. It is
5 the recommendation of ABS Consulting
6 that Hollywood Casino be reissued the
7 certificate of compliance for one year.

8 MR. TYLER: We now present these
9 findings to this honorable board for
10 acceptance and request that upon
11 accepting the inspection report, the
12 Board will move for the renewal of the
13 certificate of compliance for Hollywood
14 Casino.

15 CHAIRMAN MORGAN: Are there any
16 questions for them? I'll entertain a
17 motion to accept the report and issue a
18 renewal certificate.

19 MR. SINGLETON: I move.

20 CHAIRMAN MORGAN: By Mr. Singleton,
21 seconded by --

22 MS. NOONAN: Second.

23 CHAIRMAN MORGAN: -- Miss Noonan.

24 Is there any objection? Hearing none,
25 that's approved. Thank you. The next

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1 item.

2 C. Consideration of Certificate of
3 Compliance for the Alternate Riverboat
4 Inspection of the gaming vessel of
5 Louisiana-1 Gaming L.P. d/b/a Boomtown
6 Harvey, License No. R012600196

7 MR. TYLER: Again, Chairman Morgan,
8 Board Members, Assistant Attorney
9 General, Michael Tyler, once again
10 joined by John Francic with ABSC. We
11 come before you seeking the acceptance
12 of the alternate inspection report of
13 Louisiana-1 Gaming, L.P. d/b/a Boomtown
14 Harvey as performed and prepared by
15 ABSC, and the renewal of a Certificate
16 of Compliance for Boomtown Harvey.

17 On August 16th, 2011, Boomtown

18 Harvey began the alternate inspection
19 process for the renewal of its
20 Certificate of Compliance. For more on
21 this process and the findings of the
22 alternate inspection for Boomtown
23 Harvey, I now turn this presentation
24 over to John Francic, ABSC.

25 MR. FRANCIC: I'm John Francic with
37

1 ABS Consulting here to report the
2 results for the annual inspection for
3 the Boomtown Casino in Harvey,
4 Louisiana.

5 The surveyors for ABS Consulting
6 were Morton Downey and James Elsenburg
7 did attend the riverboat Boomtown Belle
8 II on August 16th and August 22nd. The
9 inspection was carried out in accordance
10 with the Louisiana Gaming Control Board
11 riverboat gaming checklist.

12 The deficient items found during the
13 inspection were the emergency generator
14 and the bow thruster. The emergency
15 generator starter was found inoperable.
16 It was noted in the logbook that the
17 emergency generator was tested on a
18 weekly basis; however, the test prior to
19 the arrival of the inspectors found that
20 the starter was not working. The

21 starter was repaired and retested on
22 August 22nd and found in good order.

23 The bow thruster electronic card was
24 found deficient. A new card was
25 reported and replaced. The system was

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1 retested and found in good working
2 order.

3 In all, the entire vessel was found
4 in full compliance with great
5 cooperation from the crew. It is the
6 recommendation of ABS Consulting that
7 Boomtown Casino be reissued the
8 certificate for one year.

9 MR. TYLER: We now present these
10 findings to this honorable board for
11 acceptance and request that upon
12 accepting the inspection report, the
13 Board will move for the renewal of the
14 Certificate of Compliance for Boomtown
15 Harvey.

16 CHAIRMAN MORGAN: Thank you. Is
17 there any questions?

18 MR. SINGLETON: Move.

19 CHAIRMAN MORGAN: Mr. Singleton
20 moves to accept the inspection report,
21 issue the renewal certificate for
22 Boomtown Harvey. Is there a second?

23 MS. ROGERS: Second.

24 CHAIRMAN MORGAN: By Miss Rogers.

25 Is there any objection? Hearing none,

39

1 that's approved. Thank you.

2 MR. TYLER: Thank you.

3 MR. FRANCIC: Thank you.

4 D. Consideration of petition to amend

5 license conditions by Louisiana Riverboat

6 Gaming Partnership d/b/a DiamondJacks

7 Casino and Resort, License No. R010800195

8 CHAIRMAN MORGAN: We will move to

9 Item D, Consideration of petition to

10 amend license conditions by Louisiana

11 Riverboat Gaming Partnership doing

12 business as DiamondJacks Casino and

13 Resort, License No. R010800195.

14 MR. BRANTLEY: Mr. Chairman, Members

15 of the Board, I'm Joseph Brantley on

16 behalf of DiamondJacks. Today with me

17 is Domenic Ricciardelli, who is the

18 general manager.

19 Prior to today I believe we

20 submitted, basically, a brief overview

21 of our request to reduce from 770 to

22 down to 650 the number of employees

23 pursuant to the voluntary employment

24 goal that was originally set back when

25 the casino was first licensed in the

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1 early 90's. As the Board is aware,
2 there's not only been a downturn in the
3 economy, but the advent of gaming in the
4 State of Oklahoma has materially
5 impacted the Bossier City/Shreveport
6 area, as is reflected in the exhibits
7 that we've given to you.

8 Additionally, we have consulted with
9 the mayor, and we've offered -- and I
10 believe you have a copy of the letter
11 from the Mayor of Bossier endorsing this
12 proposal. If you have any questions,
13 we'll be certainly happy to address
14 those questions.

15 CHAIRMAN MORGAN: I think the
16 information -- we had State Police look
17 into some of the information, and the
18 information I received from them is that
19 calendar year '07 to '10, you have a
20 14 percent -- 14 million or 14 percent
21 decline in revenue and a 27 percent
22 decline in admissions. Does that sound
23 right?

24 MR. RICCIARDELLI: Yes, sir.

25 CHAIRMAN MORGAN: Board members, any

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1 questions? And you agree that this
2 would be for a one-year period, and
3 we'll reevaluate it in a year?

4 MR. BRANTLEY: Yes, sir. We fully
5 understand.

6 CHAIRMAN MORGAN: I'll entertain a
7 motion, or if there is any discussion.

8 MS. ROGERS: I'll move.

9 CHAIRMAN MORGAN: We have a motion
10 by Miss Rogers to approve the resolution
11 that's been prepared to amend the
12 conditions to employ at least 650
13 persons in the riverboat and all
14 landbased facilities. Is there a second
15 to the motion?

16 MS. NOONAN: I'll second.

17 CHAIRMAN MORGAN: Seconded by
18 Miss Noonan. Why don't you read it into
19 the record, Miss Tramonte.

20 THE CLERK: On the 15th day of
21 September,2011, the Louisiana Gaming
22 Control Board did, in a duly noticed
23 public meeting, consider the issue of
24 Louisiana Riverboat Gaming Partnership's
25 petition for consideration of reduction

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1 in voluntary goal for total employment,
2 and upon motion duly made and seconded,
3 the Board adopted the following
4 resolution.

5 Be it resolved that Condition 9 of
6 the specific economic and procurement

7 condition of the statement of conditions
8 be modified and replaced with the
9 following Condition 9: To employ at
10 least 650 persons in riverboat and all
11 landbased facilities, which employment
12 head count numbers shall be, A,
13 effective for one year commencing
14 September 15th, 2011, and B, reviewed
15 and either reaffirmed or modified by the
16 Louisiana Gaming Control Board
17 thereafter.

18 Thus done and signed in Baton Rouge,
19 Louisiana, this 15th day of September,
20 2011.

21 CHAIRMAN MORGAN: Before we vote on
22 it, how are you going to achieve that
23 number?

24 MR. BRANTLEY: We've already
25 exceeded the number, I believe.

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1 MR. RICCIARDELLI: Yeah. We're at
2 656 now presently.

3 CHAIRMAN MORGAN: There won't be any
4 layoffs?

5 MR. RICCIARDELLI: No. We've never
6 done a layoff. We've been normal
7 attrition, lower our numbers, and as I
8 said, we're six above and don't
9 anticipate any more.

10 CHAIRMAN MORGAN: Is there any
11 further discussion on the resolution?

12 MR. BRADFORD: I'm just wondering.
13 We're getting a lot of these requests
14 now, and I'm generally supportive of
15 where this is going because these
16 voluntary conditions were set a long,
17 long time ago and the market conditions
18 have obviously changed. Your voluntary
19 condition is 770 and third quarter of
20 2010 you were at 737, the next quarter
21 698, then 681 and 659. So -- and I know
22 that there are seasonal reasons for
23 these numbers changing, but you've never
24 been as low as 650.

25 MR. RICCIARDELLI: In addition to

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1 what we're not counting are the 170
2 employees that we have for two third
3 party companies. Unfortunately, they're
4 Louisiana residents and pay taxes in
5 Louisiana, but we can't count them as
6 the law states now, so we're over
7 that --

8 MR. BRADFORD: Right.

9 MR. RICCIARDELLI: -- if I counted
10 those 170, and we're back up to where we
11 should be.

12 MR. BRANTLEY: That really is a

13 catch-22 because even though they're
14 third party employees, they all live and
15 reside in Louisiana and pay taxes to the
16 State.

17 MR. RICCIARDELLI: And they're
18 Louisiana companies. Not necessarily --
19 their home office happens to be out of
20 Louisiana so unfortunately I can't count
21 them, but they have an office presence
22 in Louisiana.

23 MR. BRADFORD: Do you think by
24 lowering this employment level
25 condition, it stabilizes things, that

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1 you're going to have less turnover, less
2 in and out and the fluctuation of the
3 number you're going to be able to have
4 better control over the -- not just the
5 quantity, obviously, but the quality of
6 people that you bring in and have less
7 turnover.

8 MR. RICCIARDELLI: Absolutely.
9 That's our goal. Right now any property
10 can only go so low as far as with their
11 number of employees. I mean, it's one
12 or two here, but this is -- we're at 656
13 plus the 170, and that's where we are.
14 If business picks up, and hopefully --
15 you know, we hope it does -- we'll add

16 to that accordingly.

17 And if you look at our numbers, most
18 of our people are full-time, so we don't
19 have a seasonal that other markets might
20 have.

21 MR. BRADFORD: That's all.

22 CHAIRMAN MORGAN: Okay. Do we have
23 a motion to adopt the resolution? No
24 further discussion. Miss Tramonte, will
25 you call the roll, please.

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1 THE CLERK: Miss Rogers?

2 MS. ROGERS: Yes.

3 THE CLERK: Mr. Bradford?

4 MR. BRADFORD: Yes.

5 THE CLERK: Mr. Stipe?

6 MR. STIPE: Yes.

7 THE CLERK: Mr. Singleton?

8 MR. SINGLETON: Yes.

9 THE CLERK: Miss Noonan?

10 MS. NOONAN: Yes.

11 THE CLERK: Chairman Morgan?

12 CHAIRMAN MORGAN: Yes. So that's
13 approved.

14 MR. BRANTLEY: Thank you.

15 MR. RICCIARDELLI: Thank you.

16 E. Consideration of petition to amend
17 license conditions by Eldorado Casino
18 Shreveport Joint Venture d/b/a Eldorado

19 Resort Casino Shreveport, License No.
20 R013600005

21 CHAIRMAN MORGAN: The next item
22 would be Consideration of petition to
23 amend the license conditions by Eldorado
24 Casino Shreveport Joint Venture doing
25 business as Eldorado Resort Casino

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1 Shreveport, License No. R013600005.

2 Good morning.

3 MR. BARBIN: Good morning, Chairman
4 Morgan, Members of the Board. My name
5 is Jeff Barbin. I'm with Phelps Dunbar
6 here representing Eldorado Casino
7 Shreveport this morning. With me this
8 morning is Mike Whitemaine. He's the
9 general manager of the property, and
10 we're here as well to seek a
11 modification of our license condition to
12 reduce the total employment goal.

13 But unlike some of the boats that
14 have come before us, we really have a
15 different situation here. These
16 conditions were set in the early 90's
17 when this licensee was operating at the
18 foot of Canal Street in New Orleans. So
19 the condition that's on the license
20 today really bears no reasonable
21 relationship to the market in which the

22 boat is operating in today, and since
23 the 1990's that licensee has changed
24 hands four times. It's gone through one
25 bankruptcy and one change in berth site.

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1 So some of our competitors have come
2 up and said, you know, the markets are
3 changed drastically since we set this
4 condition. In our case, it really never
5 was a part -- you know, the market was a
6 completely different market.

7 So this morning I wanted to give you
8 just a brief history of the license and
9 how it moved around, and then
10 Mr. Whitemaine is going to take you
11 through just a brief summary of how we
12 calculated the number that we're -- that
13 we're asking for. And essentially all
14 we're asking for is that this Board give
15 us a number, a condition that is
16 competitive in the marketplace in the
17 Bossier -- Shreveport/Bossier area.

18 So, again, as I mentioned, the
19 license was signed by the developers in
20 1994. The property was the Hilton
21 Flamingo at the foot of Canal Street.
22 I'm sure Chairman Morgan, Mr. Singleton
23 visited that property many times in the
24 early 1990's.

25 In 1996 the Gaming Control Board

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1 approved a change in the berth site from
2 New Orleans to Shreveport. If you
3 remember, this boat could not operate in
4 the Parish of Orleans once the permanent
5 landbased facility was built. So in
6 1996, the owners petitioned this Board
7 for a change in berth site, and it was
8 granted. In 1997, the boat stopped
9 operating in New Orleans, and at that
10 point in time, Hilton decided that it
11 didn't want to be part of the change in
12 berth site and sold its interest in the
13 property to Hollywood Casino.

14 Three years later in December of
15 2000, Hollywood opened in Shreveport
16 owned by Hollywood Casinos, you know,
17 worldwide. It was a really beautiful
18 property as many of you know because you
19 visited it; but it was over-built, and
20 the debt load that they had was really
21 unsustainable.

22 In 2003, Penn National Gaming
23 acquired Hollywood Casinos nationwide,
24 and in 2004 this property was placed
25 into bankruptcy. It just could not

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1 handle the large amount of debt that it

2 incurred in its construction. What
3 seemed like an eternity to the people at
4 this table was really only about a year
5 later that Eldorado emerged, you know,
6 as the owner when the property came out
7 of bankruptcy.

8 So in July 2005, Eldorado took over
9 ownership and management of the
10 property, and since that time the
11 property's flourished. You know, the
12 Eldorado plan allowed for all the
13 employees to be fully paid. All of the
14 local vendors were fully paid. You
15 know, the Eldorado management team has
16 really turned this property, you know,
17 into a sustainable and profitable
18 business both for -- you know, obviously
19 for itself but for the state.

20 It's reinvested heavily in cap X in
21 the property, and Mike will talk about
22 that in a few minutes; but virtually the
23 entire casino and hotel has been
24 renovated top to bottom. And as you
25 know, just recently the property was

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1 able to refinance its loans, and that, I
2 think, is attributable to the great
3 management that's in place there.

4 So clearly this property, this

5 license is different than what was
6 originally envisioned by the developers.
7 So, again, what we're seeking is, you
8 know, a number that is in line with the
9 marketplace. And with that, I'll turn
10 it over to Mike to talk about the
11 analysis of the numbers, and then we'll
12 be happy to answer any questions that
13 you-guys have.

14 MR. WHITEMAINE: Chairman Morgan,
15 Board Members, you should have both --
16 all two handouts that we sent to you
17 before, and the first one -- basically
18 what I want to talk about is: No
19 question we took over the property in
20 2005. The goals here were 1,500
21 employees. It was in bankruptcy. We
22 went and did what we needed to do.

23 On the first handout, you see that I
24 put that in there for the fact that
25 L'Auberge also is at 1,500, and how they

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1 got that I don't know. Probably a good
2 lobbyist or whoever, but I don't know
3 how they got there. And we're on the
4 same playing field. Yeah, they have two
5 and a half more times rooms than we do.
6 Obviously, they do more revenue than we
7 did. So I think that's -- I just put

8 that on for that reason.

9 The second sheet, what we did is did
10 it on a comparison of what's in
11 Shreveport/Bossier. As you can see,
12 we're fourth in the market in rooms. We
13 have 403; Horseshoe has approximately
14 625; you have got about 525 on Sam's,
15 Town, and then comes us. We're second
16 in the market in HER. We're very proud
17 of that.

18 So what we did is we tried to make a
19 comparison on the sheet that you see as
20 far as HER per million and how many
21 employees you would need to have, and as
22 you can see, we would have to have 9.87
23 employees per million HER, where the
24 rest of the market has an average of
25 5.89. There's no scientific rhyme here

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1 or reason, but that's basically the only
2 way we knew how to present it to you
3 without just saying, you know, revenues
4 are this and revenues are that, because
5 the revenues aren't down. So I don't
6 have an argument on that one.

7 So then we did it on hotel rooms,
8 and as you can see by the number of
9 hotel rooms, we should have 3.72
10 employees per -- per room compared to

11 the rest of the average that is at 1.65.

12 So we're pretty much double what the
13 market is.

14 I'm not saying we're going to go
15 down to what these averages are, no.
16 I'm not recommending that, and I'm not
17 saying we want to go that. But I think
18 we need to be competitive in the market
19 for the next year or two to see what's
20 going to happen. I don't have the
21 crystal ball. I don't think anybody
22 here does, so what we're looking at is
23 trying to knock our number down to a
24 thousand, which was Horseshoe, even
25 though we have less rooms, and try to

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1 get that approval amended to that point.

2 The other point I'd like to also
3 make is that in the six years that I've
4 been here, we have put \$35 million back
5 into our property from July 2005 through
6 2010. We have a seven-and-a-half
7 million dollar capital that we're
8 putting in this year. We probably won't
9 hit that. We'll hit four-and-a-half to
10 five million because we just can't --
11 we're having problems getting bids on
12 our buffet. We only have really three
13 vendors up north that we can basically

14 go through and try to get that. So
15 we'll probably put that off until next
16 year, and it probably will be another 5
17 or \$6 million. But we have put a ton of
18 money back in this market.

19 I have no plans to lay people off,
20 do any of that. Our full-time
21 equivalents on our insurance program are
22 901 employees -- even though only 700
23 have signed up to be on the plan for
24 whatever reason, obviously -- but we
25 have 900 full-time equivalents in the

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1 market right now.

2 As Domenic was saying in answering
3 the question of Mr. Bradford, the
4 market's a tough market as far as
5 employees. I'd love to keep full-time
6 employees; but thirty percent of the
7 people we hire cannot pass the drug test
8 and cannot pass the background checks,
9 and it makes it an extremely tough,
10 tough situation to be able to continue
11 to do that.

12 I'm very proud to say since we have
13 been here that we are continually giving
14 raises, as we will do this October. Our
15 employees are making more money. We
16 keep our insurance premiums stable as

17 much as we can. We don't charge the
18 employees -- we haven't raised that
19 probably in about two years, but I'm
20 very proud to say since Eldorado has
21 taken over this property, we have
22 continued to give raises to our
23 employees.

24 MR. BARBIN: We can answer any
25 questions you-guys have.

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1 CHAIRMAN MORGAN: You contract out
2 your hotel cleaning?

3 MR. WHITEMAINE: No, sir. The only
4 thing we contract out is our stewarding
5 and the public area, which is about 116
6 employees, and our marine crew.

7 CHAIRMAN MORGAN: Because if I -- if
8 the information I have is correct, the
9 Horseshoe number might be too low,
10 actually, because theirs was done at a
11 time when they did not have a hotel. It
12 was strictly a casino.

13 So you didn't have the comparison --
14 I don't know. It's just apples and
15 oranges, I think. I'm in support of
16 reducing your amount, I think, but I'm
17 not in support at a thousand, to be very
18 honest with you. I think I've
19 communicated that to you through the

20 Attorney General's Office, and the
21 problem I have is if this board approves
22 this at a thousand that you're seeking,
23 I understand you're worried that you're
24 not going to lay off, but technically
25 the Board has no authority to prevent

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1 you from laying off 250 people.

2 And through your own admission
3 through submissions you provided to the
4 Board, you anticipate maintaining a
5 level of employment of about 1,250,
6 around there, 1,260. So that's the
7 difficulty I have in supporting your
8 petition at a thousand, but --

9 MR. BARBIN: If I could just respond
10 to the Horseshoe question -- and I don't
11 know whether or not that's true, you
12 know, if the hotel was part of the
13 equation or not. Regardless, it is what
14 their condition is, and as we understand
15 it, there's not going to be a
16 requirement that they raise that level.

17 Again, we're just trying to seek a
18 number that is equal to the other people
19 in the market, because this boat was not
20 part of this market.

21 CHAIRMAN MORGAN: But they're
22 employing 1,500 people.

23 MR. WHITEMAINE: Well, Horseshoe
24 just went to -- their housekeeping is
25 done by FSS. They went outside. That's

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1 not --

2 CHAIRMAN MORGAN: Well, I was going
3 by the data we have before us. It's
4 1,500 employees.

5 MR. BARBIN: And they're at 1,500,
6 and their employment goal is a thousand.
7 As they stand today --

8 CHAIRMAN MORGAN: It would be 1,332.

9 MR. BARBIN: -- they can eliminate
10 those 332 positions, and, again, you
11 wouldn't have any control over that. We
12 would be in the same position. We would
13 be employing about 1,250. We'd have the
14 ability to modify down to a thousand.
15 We don't have any plans to do that
16 through attrition or otherwise.

17 CHAIRMAN MORGAN: We're doing this
18 for a year. I would give you the
19 opportunity in a year to state your
20 case. I'm just telling you I'm not
21 going to support a thousand. Board
22 members?

23 MR. WHITEMAINE: Well, can we
24 compromise to a number? Can we be
25 Congress?

1 CHAIRMAN MORGAN: I tried to have
2 that discussion, and y'all, I don't
3 think, wanted to do that. Board
4 members.

5 MR. BARBIN: I didn't realize that
6 we were having that discussion, you
7 know. We believe this is our number.
8 We're happy to talk about another number
9 and happy to answer any questions you
10 might have.

11 MR. STIPE: I don't have a question.
12 I just move 1,100.

13 MS. ROGERS: I have a question.

14 CHAIRMAN MORGAN: Hold your motion
15 just for a second.

16 MR. STIPE: Yeah, I'll withdraw my
17 motion just for a second.

18 MS. ROGERS: What areas would you be
19 declining the numbers? What areas?
20 Would it be an overall area?

21 MR. BARBIN: There are no plans.

22 MR. WHITEMAINE: Well, you mean if
23 business goes down?

24 MS. ROGERS: Yeah. No, no, these
25 numbers you want to come down.

1 MR. WHITEMAINE: No, we don't want
2 to come down. We just want to have the

3 leeway of the market.

4 MS. ROGERS: What areas would you be
5 decreasing employees?

6 MR. WHITEMAINE: Well, I've always
7 believed -- call it right or wrong, I've
8 always believed you don't get rid of the
9 Indians; you get rid of the chiefs. We
10 would have to consolidate management
11 positions more than the -- you have to
12 have the rank and file.

13 MS. ROGERS: Okay.

14 CHAIRMAN MORGAN: Well, you ought to
15 run for office. Who is next?

16 MR. BRADFORD: I make a motion that
17 we amend this resolution to allow
18 employment level no lower than 1,200.

19 MR. SINGLETON: I'll second on it.

20 CHAIRMAN MORGAN: Okay. We have a
21 motion by Mr. Bradford to amend the
22 resolution to include a number 1,200,
23 seconded by Mr. Singleton. Are y'all in
24 agreement with that?

25 MR. WHITEMAINE: We'll do what we

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1 have to.

2 CHAIRMAN MORGAN: That's a "yes" or
3 "no"?

4 MR. WHITEMAINE: Yes, sir.

5 MR. SINGLETON: If it makes any

6 sense, should we review this at the end
7 of a year?

8 MR. BARBIN: Can I make a comment
9 before?

10 CHAIRMAN MORGAN: Sure.

11 MR. BARBIN: There is a pending
12 application, obviously, for a new boat
13 in Bossier, and I guess I just want to
14 make it clear that, you know, when we
15 get another shot next year at this
16 number, if we need another shot at it,
17 that, you know, that will be taken into
18 consideration. We don't know if this
19 boat's coming or not. We don't know if
20 the vote is going to pass, but we need
21 to -- but we need to -- you know, that's
22 obviously going to be a substantial
23 change in our business. So we need to
24 have the ability to --

25 CHAIRMAN MORGAN: The Lord didn't

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1 bless me with many talents, but I have a
2 very good memory. And y'all were in the
3 same meeting that I was in when I
4 communicated that to you, that we would
5 look at these things annually because
6 the market fluctuates. In defense of
7 you, the licensee, the Board should have
8 done that from day one, looked at these

9 things annually because of the
10 fluctuations in the market and things
11 that are beyond your control.

12 So I publicly commit to you that,
13 but that was communicated in a meeting
14 we had. That's the difficulty I have
15 with the number you presented.

16 Okay. We have a motion and a
17 second. Why don't you read it into the
18 record with the number being 1,200.

19 THE CLERK: On the 15th day of
20 September 2011, the Louisiana Gaming
21 Control Board did, in a duly noticed
22 public meeting, consider the issue of
23 Eldorado Casino Shreveport Joint
24 Venture's petition to amend license
25 condition, and upon motion duly made and

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1 second, the Board adopted the following
2 resolution.

3 Be it resolved that Condition 25,
4 the specific economic procurement
5 conditions of the statement of
6 conditions, be modified and replaced
7 with the following Condition 25: To
8 employ at least 1,200 persons in
9 riverboat and all landbased facilities
10 which employment head count numbers
11 shall be, A, effective for one year

12 commencing September 15th, 2011, and B,
13 reviewed and either reaffirmed or
14 modified by the Louisiana Gaming Control
15 Board thereafter.

16 Thus done and signed in Baton Rouge,
17 Louisiana, this 15th day of September,
18 2011.

19 CHAIRMAN MORGAN: Call the roll,
20 please. Or is there any other
21 discussion on the resolution? Call the
22 roll.

23 THE CLERK: Miss Rogers?

24 MS. ROGERS: Yes.

25 THE CLERK: Mr. Bradford?

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1 MR. BRADFORD: Yes.

2 THE CLERK: Mr. Stipe?

3 MR. STIPE: Yes.

4 THE CLERK: Mr. Singleton?

5 MR. SINGLETON: Yes.

6 THE CLERK: Miss Noonan?

7 MS. NOONAN: Yes.

8 THE CLERK: Chairman Morgan?

9 CHAIRMAN MORGAN: Yes. It's
10 approved. Thank you very much.

11 MR. EUFPLT: Thank you.

12 CHAIRMAN MORGAN: We'll work with
13 you in the future on this.

14 VIII. VIDEO GAMING ISSUES

15 A. Consideration of the following truckstop
16 applications:
17 1. Cane Row Casino, L.L.C., d/b/a Cane Row
18 Casino - No. 0400516345 (new application)
19 CHAIRMAN MORGAN: Okay. We'll go to
20 Item VIII, Video Gaming Issues,
21 Consideration of the following truckstop
22 applications: Number one, Cane Row
23 Casino, L.L.C., doing business as Cane
24 Row Casino, No. 0400516345. It's a new
25 application.

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1 MR. WAGNER: Good morning,
2 Mr. Chairman, Members of the Board. I'm
3 Assistant Attorney General, Jonathon
4 Wagner, before you in regard to the
5 original application for a Type 5 video
6 poker license submitted by Cane Row,
7 L.L.C., doing business as Cane Row
8 Casino.
9 Cane Row is applying for a truckstop
10 facility located in Donaldsonville,
11 Louisiana, which is in Assumption
12 Parish. Cane Row is a Louisiana limited
13 liability company and was organized and
14 filed in August of 2008. On its
15 application, Cane Row reported its sole
16 member and company manager as Andrew M.
17 Taylor. Terry Dugas is an employee of

18 Cane Row who was hired in March of 2011
19 to actually manage the truckstop
20 facility.

21 Trooper Eddie Daigle with the Office
22 of State Police conducted an
23 investigation of Cane Row Casino, as
24 well as its on-site inspection of the
25 truckstop facility and is here to

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1 present his information.

2 TROOPER DAIGLE: Good morning,
3 Chairman and Members of the Board. I'm
4 Trooper Eddie Daigle. I conducted a
5 suitability investigation on Andrew
6 Taylor, his spouse, Gretchen Taylor, and
7 Terry Dugas and found no information
8 which would prohibit them from
9 participating in the Louisiana's gaming
10 industry.

11 An on-site inspection was conducted,
12 and it was determined that the
13 establishment meets all criteria set
14 forth in video gaming laws as a
15 qualified truckstop facility. Tax
16 clearance certificates and inquiries
17 revealed that the applicant and the
18 relevant persons are current in the
19 filings and payment of all required
20 taxes and returns. All applicable state

21 and local permits were posted.

22 The establishment consists of more
23 than five contiguous acres. The
24 truckstop also has a separate gaming
25 area that is restricted to adult

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1 patronage.

2 The applicant submitted 90-day fuel
3 sales figures. Based on a review of
4 those figures, Cane Row, L.L.C., will
5 open with up to 35 video poker machines.

6 MR. WAGNER: The Office of the
7 Attorney General has reviewed the file
8 compiled as a result of State Police's
9 investigation, and our review has
10 revealed no information that would
11 preclude the license of Cane Row Casino,
12 L.L.C., doing business as Cane Row.

13 At this time, we'd be happy to
14 answer any other questions.

15 CHAIRMAN MORGAN: Any questions,
16 members? Mr. Stipe.

17 MR. STIPE: The lease in this
18 instance goes from, I guess, a base rate
19 of a thousand to a base rate of 29,500
20 to a base rate of 50,000. What's the
21 logic of -- I guess I would call it
22 double escalation during the initial
23 term of the lease?

24 MR. WAGNER: Well, I wasn't involved
25 in the negotiation of the lease between

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1 the two parties, but looking at the
2 numbers and the dates, it seems that as
3 the property itself becomes more
4 valuable and can generate more revenue,
5 higher rent would be paid. And with
6 regards to the higher rent, as you're
7 aware, the previous application that was
8 filed on behalf of Cane Row resulted in
9 the Office of State Police finding that
10 the facility did meet all requirements
11 for a state truckstop, and the seal of
12 approval, if you will, adds value to the
13 property itself which would allow it to
14 command a higher rental rate, which is
15 commensurate with rental rates that are
16 paid for other similar properties.

17 MR. STIPE: And I guess that's a
18 reason for it to start high, but I guess
19 what I -- I'm struggling to understand
20 given the situations is why it would
21 start so low, go up a -- to 60 percent
22 of the initial -- of the ultimate rate,
23 and then I suppose when it's operational
24 or when it's coming to -- if it's
25 approved when it's operational, then

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1 jumps up again to 50,000 a year -- or
2 50,000, I'm sorry, a month. I
3 apologize.

4 MR. WAGNER: That sounds reasonable.

5 MR. STIPE: The lessor for this
6 property is -- is who?

7 MR. WAGNER: Operation Bayou, LLC.

8 MR. STIPE: And who is the owner or
9 the manager, membership holder of
10 Operation Bayou?

11 MR. WAGNER: Miss Moore with my
12 office has just informed me that this is
13 not necessarily atypical of the way
14 things are done. When the truckstops
15 are just opening, they need to be able
16 to generate customer base and so forth.
17 Costs can sometimes -- that they would
18 be able to pay later can't necessarily
19 be covered up front, so lower rent is
20 often done in times in order to allow
21 these truckstops to actually get their
22 revenues flowing until such time as
23 normal business levels are reached.

24 And to answer your question about
25 the membership of Operation Bayou, it is

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1 solely owned by Mr. Baxter Edwards.

2 MR. STIPE: Is there any -- is this
3 a flat monthly charge for this rate?

4 There's some leases where there's a
5 percentage rent and based on the
6 revenues of the facility.

7 MR. WAGNER: That is not the case
8 here. This is a flat monthly rent that
9 has -- is not tied to gaming revenue
10 whatsoever. The rent is going to be
11 what the schedule calls for in the lease
12 regardless of if the machines generate a
13 dollar or \$50,000.

14 MR. STIPE: Does -- is there a
15 provision in the rent, a representation
16 by the lessee of a particular use so
17 that if this board does not approve
18 this, that the rent will be altered
19 somehow?

20 MR. WAGNER: There is not.

21 MR. STIPE: Your recommendation or
22 your opinion to this board is that this
23 application meets all the statutory
24 requirements?

25 MR. WAGNER: Yes, sir.

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1 MR. STIPE: To your investigation
2 troopers: This application meets all
3 the statutory requirements?

4 TROOPER DAIGLE: Yes, sir.

5 MR. STIPE: Your investigation
6 indicates no reason that would disallow

7 this application?

8 TROOPER DAIGLE: Correct.

9 MR. STIPE: That's based on all the
10 information you had the ability to
11 gather and become aware of?

12 TROOPER DAIGLE: Yes, sir.

13 MR. STIPE: That's all the questions
14 I have.

15 CHAIRMAN MORGAN: Miss Rogers.

16 MS. ROGERS: I'm just curious: Can
17 you explain or do you know how the
18 hundred percent of this membership was
19 sold for a hundred dollars? Did that
20 come up in your investigation? That
21 kind of threw an antennae up for me.

22 MR. WAGNER: That did come up in the
23 investigation, and that is explainable.

24 At the time Mr. Baxter sold his
25 membership in Cane Row Casino, L.L.C.,

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1 the company itself had no assets. It
2 did not own the property, the facility,
3 the fuel. It owns nothing. It was
4 essentially a paper corporation. The --
5 after he sold it for the hundred
6 dollars, which given had no assets --
7 it's kind of reasonable -- then the
8 licensee, the applicant, leased the
9 property from Operational [sic] Bayou.

10 I mean, even today it has no assets
11 other than this lease.

12 MS. ROGERS: So that would be --
13 appear to be okay?

14 MR. WAGNER: Yes, ma'am.

15 CHAIRMAN MORGAN: Any other
16 questions? Mr. Bradford?

17 MR. BRADFORD: I've read the
18 memorandum from Miss Moore, excellent
19 memorandum, and without a crystal ball,
20 I see no reason to belabor this anymore.
21 I mean, you can look for all kind of
22 things in here, but I move for approval.

23 CHAIRMAN MORGAN: We have a motion
24 by Mr. Bradford to approve the issuance
25 of the license. Is there a second? [No

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1 response.] Hearing no second, the
2 motion can't move forward without a
3 second. So is there an alternate
4 motion? [No response.]

5 Okay. I will move to continue it
6 for further investigation by State
7 Police, second by Mr. Bradford. Is
8 there any objection? Okay. Hearing
9 none, motion to move for further
10 investigation to look for additional
11 information on it.

12 2. Longwood Holdings, LLC, d/b/a Longwood

13 General Store & Truckstop - No.
14 0900516375 (new application)
15 CHAIRMAN MORGAN: Item 2 is Longwood
16 Holding, LLC, doing business as Longwood
17 General Store & Truckstop, No.
18 0900516375.

19 MR. WAGNER: Good morning,
20 Mr. Chairman, Members of the Board.
21 Again, I'm Assistant Attorney General,
22 Jonathon Wagner, present in regards to
23 the original application for a Type 5
24 video poker license of Longwood
25 Holdings, LLC.

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1 Longwood Holdings is a Louisiana
2 LLC. The truckstop facility itself is
3 located in Moringsport, Louisiana, which
4 is in Caddo Parish. On its application
5 Longwood Holdings reported its ownership
6 as follows: Mr. William C. Windham,
7 45 percent; John S. Turner, Jr., 45
8 percent; and John H. -- I'm sorry if I
9 ruin the name -- Jurewicz, 10 percent,
10 for a total of 100.

11 Trooper Vincent Lenguyen with the
12 Louisiana State Police conducted the
13 investigation of Longwood Holdings, as
14 well as its on-site inspection. He is
15 here to present his findings.

16 TROOPER LENGUYEN: Good morning,
17 Chairman Morgan and Board Members. My
18 name is Trooper Vincent Lenguyen with
19 the Louisiana State Police.

20 William C. Windham, his spouse
21 Carol, John S. Turner, his spouse
22 Carolyn, John H. Jurewicz, and his
23 spouse Cynthia, previously met
24 suitability in connection with other
25 video poker licenses. Therefore, I

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1 conducted an updated suitability
2 investigation on of them and found no
3 new information which would serve to
4 prohibit them from continuing to
5 participate in the Louisiana gaming
6 industry.

7 An on-site inspection was conducted,
8 and it was determined that the
9 establishment meet all criteria set
10 forth in the video gaming law as a
11 qualified truckstop facility. Tax
12 clearance certificates and inquiries
13 revealed that they and the applicant,
14 they are all current in the filing and
15 payment of all required tax and returns.

16 All applicable state and local
17 permits were posted during the
18 inspection. The establishment is

19 consist of more than five contiguous
20 acres. The truckstop also has a
21 separate gaming area that is restricted
22 to adult patrons.

23 The applicant submitted -- continued
24 to submit the 90 days of fuel sales
25 figure. As a result, they will -- upon

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1 approval they will continue to have 35
2 video poker devices.

3 MR. WAGNER: The Office of the
4 Attorney General has reviewed the file
5 compiled by State Police as a result of
6 their investigation, and our review
7 indicates no information which would
8 preclude the licensing of Longwood
9 Holdings, LLC, doing business as
10 Longwood General Store & Truckstop, for
11 a Type 5 video poker permit.

12 CHAIRMAN MORGAN: Okay. Thank you.
13 Is there any questions by board members?
14 I'll entertain a motion. Mr. Bradford,
15 do you have a question?

16 MR. BRADFORD: Move to approve.

17 CHAIRMAN MORGAN: Mr. Bradford moves
18 to approve issuance of the license. Is
19 there a second?

20 MS. NOONAN: I'll second.

21 CHAIRMAN MORGAN: Second by

22 Miss Noonan. Is there any objection?
23 Hearing none, that's approved. Thank
24 you.

25 That brings us to Item IX, Proposed
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1 Settlement/Appeals from Hearing
2 Officers' Decisions.

3 THE CLERK: Petition for Declaratory
4 Ruling.

5 B. Petition for Declaratory Ruling:

6 1. Petition filed by Wayne A. Collier for
7 interpretation of La.R.S. 27:306(C)(5)

8 CHAIRMAN MORGAN: The main thing I
9 missed. I don't know if he's here or
10 not. Is Mr. Collier here? I passed
11 over you. Come on up. You want to
12 introduce yourself for the record.

13 MR. COLLIER: Thank you,
14 Mr. Chairman. My name is Wayne A.
15 Collier. I'm here pursuant to a request
16 for a declaratory ruling with regard to
17 a specific fact scenario.

18 Myself, a practicing attorney, and
19 some of my peers have reviewed the
20 statute and have an opinion about the
21 proper interpretation of a new
22 regulation in 27:306(5)(A)(1). The
23 statute -- State law provides that there
24 can be no license application or video

25 poker license -- truckstop video poker

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1 license where there's residential
2 property within one mile, and we
3 understand the clear import of that
4 regulation.

5 It also suggests and has been
6 suggested to me that even though there
7 may not be a residential property within
8 one mile of a proposed location, that
9 local governing authorities may have
10 created, in exercise of their power,
11 zoning districts where it is potentially
12 possible that a zoning -- a residential
13 property would be constructed in the
14 future within the one mile radius.

15 So the question specifically before
16 the Board is where you have a fact
17 situation where there is no residential
18 property in existence within one mile of
19 the proposed application for a video
20 poker truckstop but there is a zoning
21 district that is locally established
22 within that one mile radius, does that
23 district itself preclude the application
24 for a video poker license?

25 And I suggest to the Board that as a

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1 matter of statutory interpretation,

2 where two laws that may have conflict
3 can be interpreted such that they can
4 both be given effect, is the
5 interpretation suggested here, and that
6 would mean that where the circumstances
7 exist that there is no residence or
8 residential property within the
9 definition of the state statute, within
10 a mile, and there is a zoning district
11 within one mile where residents could be
12 constructed, that the application for a
13 video poker license would be proper.

14 And secondly, the second part of the
15 scenario is -- and I think the statute's
16 really clear on this -- subsequently
17 once the license is in place, the
18 application's filed, if someone in the
19 residential district builds a house five
20 years later, that third party action,
21 like it would be with any other
22 restriction, would not nullify the
23 application of the video poker truckstop
24 license.

25 And that's the scenario that I

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1 present to you, because it's been
2 presented to me, and clearly we're
3 looking for some guidance on that issue.

4 CHAIRMAN MORGAN: Miss Moore.

5 MS. MOORE: Chairman Morgan, Members
6 of the Board, Charmaine Moore, Assistant
7 Attorney General, appearing in the
8 matter of the petition for declaratory
9 ruling of Mr. Collier seeking a ruling
10 in regard to the interpretation and
11 application of R.S. 27:306(C)(5)
12 relative to the issuance of a Type 5
13 video poker license within one mile of
14 residential property.

15 Paragraph five of 306(C) was
16 originally enacted in 2009. At the time
17 of its enactment, it provided for a
18 2,500 foot distance requirement for
19 residential property, and that was the
20 same distance requirement that the
21 legislature had previously provided for
22 in (C)(2), which pertained to properties
23 on the National Historic Registry,
24 public playgrounds, public libraries,
25 churches, schools and synagogs.

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1 (C)(3) provided for the continued
2 licensing of certain previously licensed
3 truckstops in the event of a subsequent
4 construction within the prohibited
5 distance, and that applied only to those
6 previously enumerated properties. At
7 that time, there was no prohibition in

8 regard to residential property.

9 In 2009 when (C)(5) was first
10 enacted, the legislature apparently
11 copied almost verbatim (C)(3) into
12 (C)(5) in regard to subsequent
13 properties -- subsequent constructions,
14 but it did not include residential
15 property in that enumeration. It
16 included the previously protected
17 properties, and then it -- and then one
18 change that it made in that language is
19 it said, "The protected properties in
20 this paragraph." Unfortunately, none of
21 those properties were referred to in
22 that paragraph.

23 Then in 2010, they amended (C)(5),
24 and they increased the distance
25 requirements for all properties,

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1 residential and all the previously
2 protected properties, to one mile. They
3 did not amend A double I, which provided
4 the subsequent construction exception.

5 So after review and analysis of
6 (C)(5) as it was originally enacted in
7 2009 and amended in 2010, under the
8 rules of statutory construction, it's
9 our opinion that because the legislature
10 defined the term residential property to

11 require some type of building or
12 construction, and because the
13 prohibition on the issuance of the
14 license is conditioned on the presence
15 of residential property, it's our -- and
16 not a designation of residential
17 district or zone, it's our opinion that
18 neither the designation of residential
19 property, nor the failure to designate
20 residential property will affect the
21 termination as to whether or not you can
22 issue a license. We believe there has
23 to be a building or structure present.

24 It's also our opinion that the --
25 that subparagraph A double I in (C)(5)

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1 does not provide any protection to a
2 truckstop licensed after June 1st, 2010,
3 if subsequent to licensing a residential
4 property is constructed within one mile.

5 CHAIRMAN MORGAN: So on a renewal,
6 it would be problematic?

7 MS. MOORE: You'll have a problem on
8 a renewal if the applicant at the time,
9 whatever application you're considering,
10 does not qualify for one of the
11 exceptions in (A)(1), which is that they
12 had to have applied for the license that
13 you're considering before June 1st,

14 2010, which would not be the case.

15 The other exceptions are the
16 truckstop had to have been originally
17 licensed before June 1, 2010. That
18 won't be the case. The only way you'll
19 be able to renew, is the particular
20 applicant was the person that applied
21 for either the certificate of compliance
22 and statement of approval or a building
23 permit before June 1st, 2010. In some
24 cases that will -- that will occur, and
25 you'll be able to renew, but in a lot of

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1 them you won't be able to.

2 CHAIRMAN MORGAN: Did you want to
3 comment anymore, sir?

4 MR. COLLIER: No, Mr. Chairman, I
5 think Miss Moore did an excellent job of
6 reviewing the statute.

7 CHAIRMAN MORGAN: We do, too, so did
8 our staff attorney. Any questions?

9 MR. STIPE: A couple of questions.
10 Who is the -- for a declaratory
11 judgment, who is the interested party?

12 MR. COLLIER: It's only a hypothet
13 on my part. I've been engaged by
14 individuals to determine truckstop --
15 available truckstop locations within the
16 state, and I have a need to have this

17 clarified just to know the parameters in
18 which we're able to look. There's no
19 specific truckstop application pending.

20 MR. STIPE: As I appreciate
21 declaratory judgment law, I mean, you
22 certainly can have a declaratory ruling,
23 but you need to have a specific
24 interested party so that it is not
25 simply an academic exercise. So do we

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1 have a specific interested party who is
2 seeking a declaratory judgment?

3 MR. COLLIER: Well, with all due
4 respect, I think this board has not only
5 the right, but the responsibility, to
6 entertain declaratory rulings on the
7 interpretation of statute. You don't
8 have to have a case specific for a
9 declaratory judgment in a court of law.
10 Certainly, one would require to have a
11 party at interest, but this is an
12 interpretation of a statute by the body
13 that's the regulator. I don't think
14 it's necessary to have a party at
15 interest.

16 MR. STIPE: Okay. Second question:
17 If you add into (5)(A)(2) the words "a
18 residential property" in front of
19 National Historic Registry, do we have

20 this issue?

21 MS. MOORE: No.

22 MR. STIPE: If you -- if you -- as I
23 appreciate the way you look at this, if
24 you issue a license, a license is for a
25 five-year period?

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1 MS. MOORE: Yes.

2 MR. STIPE: Okay. And so if you
3 issue a license and there is during that
4 five-year period the construction of a
5 residential property within a mile,
6 that's the -- that's kind of the risk
7 that the licensee takes during that --
8 during that five-year period?

9 MS. MOORE: That's right.

10 MR. STIPE: And so at the end of
11 that five-year period, absent something
12 else -- but at the end of that five-year
13 period when the licensee reapplied or
14 sought a renewal of the license, I
15 should say, then there would be a
16 residence within the one mile and,
17 therefore, there would be a statutory
18 prohibition against --

19 MS. MOORE: Right. I think you'd be
20 required to deny.

21 MR. STIPE: And so the
22 declaratory -- the specific declaratory

23 ruling that is asked is what?

24 MS. MOORE: Well, I think his first
25 question is -- I mean, he asked two

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1 specific questions in his petition. The
2 first one is presuming only three facts,
3 basically, which is that the local
4 government has zoned a particular area
5 as being qualified for truckstops and
6 another area as being qualified or zoned
7 for residential. Those two districts
8 are within one mile of each other, but
9 there is currently no residential
10 property existing. And it's our opinion
11 in that case, you could issue the
12 license. I mean, you may have a problem
13 on renewal, but you could issue the
14 license in that case.

15 CHAIRMAN MORGAN: Board members,
16 I'll open it up to any more questions,
17 but I -- the staff did draft a
18 recommended proposed ruling that we can
19 get to you formally, but just it
20 highlight that. The various points is
21 four that we'd like to make: That we
22 find that there is no prohibition to the
23 issuance of a video gaming license to a
24 truckstop which, at the time of the
25 application, is not located within one

1 mile of a residential property as
2 defined in La.R.S. 27:306(C)(5)(B), but
3 is located within one mile of a local
4 zoning district that permits residential
5 use. That's clear enough.

6 And then two would be: If there is
7 no residential property within a mile at
8 the time of application, construction of
9 residential property within one mile of
10 the truckstop, after application but
11 before licensing, would not prohibit the
12 issuance of the license.

13 And then thirdly: We'd find that
14 there would be no grounds for revocation
15 of a license by the construction of
16 residential property after licensure.

17 Okay. And then lastly: We'd find
18 that the Board would be prohibited from
19 renewing the license if residential
20 property existed within one mile, even
21 if the residential property was
22 constructed after initial licensing. Is
23 that --

24 MS. MOORE: I think that's correct.

25 MR. BRADFORD: Miss Moore, is it

1 fair to say from this that this could
2 scare off a lot of people in the future

3 from building truckstop all across the
4 State of Louisiana if -- they could be
5 out in the middle of nowhere, and if
6 five or ten years later somebody came in
7 and built a house down the street, then
8 they would be subject to nonrenewal?

9 MS. MOORE: That's correct. I mean,
10 and some -- some of the -- I mean, the
11 truckstops vary in size and how much
12 money is invested in them, but surely
13 it's at least some thousand dollars and
14 some of them several million dollars to
15 construct these truckstops; and then,
16 you know, you go into business, and it
17 may be that five years later, or in your
18 case ten years later, fifteen years
19 later, you can't be renewed.

20 MR. BRADFORD: It seemed like there
21 would be a law -- something needs to be
22 rewritten here.

23 CHAIRMAN MORGAN: There will be one,
24 probably.

25 MS. MOORE: I think that's what's

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1 required to fix that problem is -- in
2 regards to residential property. The
3 other types of property, protected
4 properties are okay and the truckstops
5 are okay on those, because they're --

6 MR. BRADFORD: After June 2010, you
7 lose your grandfathering capability?

8 MS. MOORE: Yes. But only for
9 residential property, because all the
10 other properties are listed in the
11 statute, so...

12 MR. BRADFORD: Okay.

13 CHAIRMAN MORGAN: Hopefully they'll
14 consult with you before they write the
15 law.

16 MS. MOORE: Well, I doubt it.

17 CHAIRMAN MORGAN: Okay. I have
18 introduced that into the record, and I
19 have no problem making the motion
20 that -- I guess the appropriate motion
21 is that we would adopt the proposed
22 ruling that has been prepared, unless
23 there's further discussion. Hearing
24 none, I'll make that motion. Is there a
25 second?

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1 MR. BRADFORD: Second.

2 CHAIRMAN MORGAN: By Mr. Bradford.
3 Can I have a roll call. Probably need
4 to get a roll call vote on this. Is
5 there any further discussion? [No
6 response.]

7 Miss Tramonte, why don't you call
8 the roll on that motion.

9 THE CLERK: Miss Rogers?
10 MS. ROGERS: Yes.
11 THE CLERK: Mr. Bradford?
12 MR. BRADFORD: Yes.
13 THE CLERK: Mr. Stipe?
14 MR. STIPE: Yes.
15 THE CLERK: Mr. Singleton?
16 Mr. Singleton?
17 MR. SINGLETON: Yes.
18 THE CLERK: Miss Noonan?
19 MS. NOONAN: Yes.
20 THE CLERK: Chairman Morgan?
21 CHAIRMAN MORGAN: Yes.
22 MR. COLLIER: Mr. Chairman, thank
23 you very much.
24 CHAIRMAN MORGAN: And we'll get that
25 to you in short order.

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1 MR. STIPE: And you're welcome,
2 interested party.
3 IX. PROPOSED SETTLEMENTS/APPEALS FROM HEARING
4 OFFICERS' DECISIONS
5 1. In Re: Demetrius W. Jackson - No.
6 PO40039245 (proposed settlement)
7 CHAIRMAN MORGAN: Now we'll move to
8 Item IX, Proposed Settlements/Appeals
9 from Hearing Officers' decisions. Go
10 ahead and introduce yourself, introduce
11 your item into the record.

12 MS. WIMBERLY: Good morning, Ashley
13 Wimberly appearing on behalf of State
14 Police for the proposed settlement
15 matter involving Demetrius Jackson,
16 permit number PO40039245.

17 On January 11th, 2011, the Division
18 was notified by the Internal Revenue
19 Service that Mr. Jackson was not current
20 in the filing and/or payment of his
21 federal taxes. On the same day, the
22 Division notified Mr. Jackson by
23 certified mail. Mr. Jackson stipulates
24 that he received notice of his tax
25 delinquency from the Division on

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1 January 18th, 2011. Mr. Jackson also
2 stipulates that he failed to remain
3 current in the filing and/or payment of
4 his federal taxes.

5 The Division received Mr. Jackson's
6 federal tax clearance on August 5th,
7 2011. Mr. Jackson violated Revised
8 Statute 27:28(F); LAC 42:VII.2115(A),
9 (B)(1) and (B)(2); LAC 42:VIII.2115(A),
10 (B)(1) and (B)(2); LAC 42:XI.2131(A) and
11 (B) when he failed to remain current in
12 the filing and payment of his federal
13 tax returns.

14 The Division has agreed to resolve

15 this matter with Mr. Jackson. The
16 Division agrees to accept and Mr.
17 Jackson agrees to pay a \$250 penalty for
18 the aforementioned violations. Hearing
19 Officer Brown approved this compromise
20 and settlement agreement on
21 September 7th of this year.

22 I now submit the compromise and
23 settlement agreement to you, the Board,
24 for approval.

25 CHAIRMAN MORGAN: Okay, thank you.

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1 Any questions? I'll entertain a motion
2 to approve the settlement agreement --

3 MS. NOONAN: I move.

4 CHAIRMAN MORGAN: -- by Miss Noonan.

5 Seconded by Mr. Singleton. Is there any
6 objections? Hearing none, that's
7 approved. Thank you.

8 2. In Re: Donnell A. Bonnee' - No. PO40057744
9 (appeal)

10 MS. WIMBERLY: I have the next one,
11 too. Assistant Attorney Ashley Wimberly
12 appearing -- representing the Office of
13 State Police in the matter involving
14 Donnell Bonnee', permit number
15 PO40057744.

16 CHAIRMAN MORGAN: Is he here? Is it
17 Bonnee'?

18 MS. WIMBERLY: Bonnee' (different
19 pronunciation).

20 CHAIRMAN MORGAN: Mr. Bonnee',
21 Mr. Bonnee'? Can someone check out in
22 the hall and make sure he's not here.
23 Did you see him here today?

24 MS. WIMBERLY: I didn't.

25 CHAIRMAN MORGAN: The Division is
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1 taking this appeal?

2 MS. WIMBERLY: Yes.

3 CHAIRMAN MORGAN: Okay. Go ahead.

4 MS. WIMBERLY: On March 28th, 2011,
5 Mr. Bonnee' applied for a non-key gaming
6 employee permit. On April 25th, 2011,
7 after a full suitability investigation,
8 the Division issued a notice of denial
9 of original application to Mr. Bonnee'.
10 The Division denied Mr. Bonnee's
11 application based on both his arrest
12 record and his failure to disclose such
13 arrest record to the Division.

14 On June 20th, 2011, an
15 administrative hearing was held where
16 Hearing Officer Reynolds ordered that
17 the non-key gaming employee permit
18 application of Donnell Bonnee' be
19 approved. At issue here is whether
20 Mr. Bonnee' should be deemed suitable

21 and issued a non-key gaming employee
22 permit.

23 The Division asserts that an
24 individual with a history of violent
25 behavior poses a threat to the citizens

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1 who wish to participate in the gaming
2 industry. Such a finding of
3 unsuitability is not only warranted here
4 but necessary. The Division contends
5 that Mr. Bonnee's propensity for violent
6 behavior is established by his criminal
7 record, and that his arrest and citation
8 should cause him to be viewed as a
9 person of questionable character,
10 honesty and integrity, and thus be
11 unsuitable to participate in the
12 Louisiana gaming industry.

13 The Division also asserts that under
14 Revised Statute 27:28(B)(4), the Board
15 or Division shall grant -- shall not
16 grant a license or permit to a person
17 who is disqualified on the basis that he
18 failed to provide information and
19 documentation to reveal any fact
20 material to a suitability determination
21 and/or supplied information which is
22 untrue or misleading. Here Mr. Bonnee'
23 on his original application for a

24 non-key gaming employee permit fails to
25 disclose to the Division the existence

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1 of his criminal record. Whether or not
2 his failure to disclose such information
3 was intentional or unintentional, the
4 law clearly states that a failure to
5 disclose is grounds for finding of
6 unsuitability.

7 On behalf of the Division, I request
8 that Hearing Officer Reynolds' decision
9 be overturned.

10 CHAIRMAN MORGAN: Okay. I'll open
11 it up to questions by board members.
12 Mr. Bonnee' does not have to be here to
13 represent his side. The Division took
14 the appeal, but I'll just state on the
15 record: I don't know that I agree with
16 your contention that his arrest alone
17 warrants unsuitability determination
18 because of the crime, but I do agree
19 failure to disclose those arrests is
20 what is of issue mainly to me and the
21 integrity of the individual. Because
22 you have a tough enough job to do when
23 they do disclose it, but for him -- I
24 felt that he was disingenuous in his
25 testimony personally, and I did think he

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1 looked like he intentionally did not
2 disclose that.

3 But I'll open it up for board
4 members if there's any questions.

5 MR. STIPE: We're certain
6 Mr. Bonnee' was aware -- he received
7 notice of the -- that this matter was on
8 the docket?

9 MS. WIMBERLY: Yes.

10 CHAIRMAN MORGAN: I think staff can
11 attest to that, that he received notice,
12 yes.

13 MS. ROGERS: Would you read again --
14 I thought I detected some variance in
15 what you said, the final. Would you
16 read the final request that you made.

17 MS. WIMBERLY: Sure. That we -- on
18 behalf of the Division requesting that
19 the order by Hearing Officer Reynolds be
20 overturned. Hearing Officer Reynolds
21 deemed that Mr. Bonnee' was suitable to
22 participate in gaming.

23 MS. ROGERS: Thank you.

24 CHAIRMAN MORGAN: Any further
25 discussion? Leave it up to y'all. You

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1 heard my position on it.

2 MS. ROGERS: I agree.

3 MR. BRADFORD: I'd like to just say

4 that I read every word of this gigantic
5 thing, and I'm extremely disappointed
6 that Mr. Bonnee' is not here to
7 represent himself.

8 MS. WIMBERLY: As am I. I really
9 thought that he would be here just in
10 conversations we've had.

11 MS. SMITH: I have to check whether
12 he actually received notice, but notice
13 was made as we do in all cases.

14 MR. STIPE: The same notice that he
15 received for the administrative hearing?

16 MS. SMITH: At the same address.

17 CHAIRMAN MORGAN: The question is:
18 Can we continue if we didn't confirm
19 that he received notice? We sent it
20 certified mail?

21 MS. SMITH: I can check, but he also
22 has the option to request a rehearing if
23 there's an allegation that he didn't
24 receive notice or it wasn't properly
25 sent. But it was sent to the address

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1 that we have.

2 CHAIRMAN MORGAN: Would the record
3 reflect that we received a green card?

4 MS. SMITH: It would. I can check
5 right now. Yeah, our record would, our
6 file at the office would.

7 CHAIRMAN MORGAN: How long will it
8 take to get that information?

9 MS. SMITH: A text.

10 CHAIRMAN MORGAN: Maybe go to the
11 next item and then -- are y'all okay
12 with that?

13 MR. STIPE: That's fine, absolutely.

14 CHAIRMAN MORGAN: We'll go to the
15 next item, and then we'll come back to
16 this one.

17 MS. WIMBERLY: Okay.

18 3. In Re: S. Ross Enterprises, LLC, d/b/a The
19 Suite - No. 3601215834 (appeal)

20 CHAIRMAN MORGAN: The next item is
21 in reference to S. Ross Enterprises,
22 LLC, doing business as The Suite.

23 MS. CHAUBERT: Good morning,
24 Chairman Morgan and Members of the
25 Board. I'm Katie Chaubert, Assistant

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1 Attorney General, here representing the
2 Office of State Police in the matter of
3 S. Ross Enterprises, LLC, doing business
4 as The Suite, video gaming license No.
5 3601215834.

6 CHAIRMAN MORGAN: Go ahead, sir, and
7 introduce yourself.

8 MR. ROSS: Oh, okay. Good morning.
9 My name is Spencer Ross. I'm the owner

10 of The Suite Restaurant & Jazz. From my
11 understanding that it was a question in
12 reference to my address that I was being
13 fined for, and my address haven't
14 changed. I just wanted to come and make
15 that known for the record.

16 CHAIRMAN MORGAN: Why don't you
17 introduce the information into the
18 record.

19 MS. CHAUBERT: Okay. On July 11th,
20 2011, Hearing Officer Reynolds ordered
21 the licensee to pay a civil penalty of
22 \$500 for the licensee's failure to
23 attend a Compulsive Gaming Class in
24 violation of Louisiana Administrative
25 Code 42:III.118(D) and (G), Louisiana

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1 Administrative Code 42:XI.2405(B)(7),
2 and Louisiana Administrative Code
3 42:XI.2421(A)(1).

4 Hearing Officer Reynolds furthered
5 ordered the licensee to pay a civil
6 penalty of \$250 for the licensee's
7 failure to update its mailing address
8 with the Division in violation of
9 Louisiana Administrative Code
10 42:XI.2405(A)11 and 13.

11 On August 8th, 2011, S. Ross
12 Enterprises filed an appeal of Hearing

13 Officer Reynolds' decision. S. Ross
14 Enterprises was ordered to file a
15 written argument with this board no
16 later than August 25th, 2011. S. Ross
17 Enterprises has not submitted a written
18 argument with this board; therefore, we
19 would respectfully ask that the appeal
20 be dismissed and the hearing officer's
21 decision to be upheld.

22 CHAIRMAN MORGAN: Can you briefly
23 state your case for us, tell us --

24 MR. ROSS: I didn't have a problem
25 with paying the \$500 fine. When I made

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1 the phone call and called, they made me
2 aware an extra 250 was added on because
3 of something dealing with the address,
4 and my address never was changed. I
5 didn't have a problem -- I wasn't -- I
6 did make that meeting even though I
7 called. However, for the 250, the
8 address change, my address haven't
9 changed.

10 CHAIRMAN MORGAN: You have attended
11 compulsive gaming?

12 MR. ROSS: No, sir.

13 CHAIRMAN MORGAN: You have not?

14 MR. ROSS: I'm unaware. This is my
15 first time dealing with the gaming

16 situation, so I was unaware that they
17 even had a class.

18 CHAIRMAN MORGAN: What's your
19 current address?

20 MR. ROSS: 4652 Berkley Drive.

21 CHAIRMAN MORGAN: You received
22 notice of all the issues so far, right?

23 MR. ROSS: Yes, sir.

24 MS. CHAUBERT: If I may, Chairman
25 Morgan, in my brief I detail how he was

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1 sent a first advisory notice on
2 August 4th, 2011, and those documents
3 were returned stamped "Return to Sender;
4 No Mail Receptacle," and then again on
5 September 30th, 2010, he was sent a
6 second advisory notice by State Police
7 of a requirement to attend the
8 Compulsive Gambling Training Class, and
9 that notice was returned on
10 October 22nd, 2010, marked "Return to
11 Sender; Unclaimed; Unable to Forward."

12 And that's the purpose of the
13 requirement that the licensee maintain a
14 mailing address so that the Division can
15 send them notices and get in touch with
16 them when needed, and the fact that two
17 of the notices came back the hearing
18 officer found warranted a civil penalty

19 of \$250. And we would ask that the
20 Board uphold that?

21 CHAIRMAN MORGAN: So you're
22 appealing the whole amount?

23 MR. ROSS: No, sir, just appealing
24 the 250 as far as the address.

25 MS. CHAUBERT: And, again, we were
105

1 unaware of the specific appeal because
2 no brief was filed.

3 CHAIRMAN MORGAN: Sure.

4 MR. STIPE: What is -- and I'm just
5 looking through the materials here, and
6 I see 3580 Holiday Drive, New Orleans,
7 Louisiana? What is that?

8 MR. ROSS: The restaurant, sir.

9 MR. STIPE: And what's the correct
10 address?

11 MR. ROSS: It's 3580 Holiday Drive.

12 MR. STIPE: But you get notice at
13 4652 Berkley Drive?

14 MR. ROSS: That's my home address,
15 and during the time, they were mailing
16 to my home address. I wasn't there for
17 personal reasons, but my address has
18 never changed. So I'm aware that they
19 did send the information. I got all my
20 information once I returned back home.

21 MR. STIPE: I mean, I guess -- if I

22 misstate this, please correct me. I
23 guess the problem is with the regulatory
24 body and regulatory authorities, we need
25 to be able to rely on an accurate

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1 address that we send things to so that
2 we know that the regulated entities are
3 receiving the information and then we
4 can -- the State Police and the Attorney
5 General can perform their duties. And
6 if for some reason you have a personal
7 situation so that the address that they
8 have on file is not accurate, then it's
9 really your responsibility to update
10 that to whatever it needs to be so that
11 they can feel comfortable that when they
12 send -- they send notice to you, that
13 it's being received; and then if we
14 don't get any response, then if no
15 response is received, then it's because
16 the person who is being regulated
17 doesn't -- isn't worried about it, okay,
18 or doesn't object to it.

19 I mean, so that's kind of the reason
20 we have that in -- I guess that would be
21 one of the reasons that this is in
22 place, okay?

23 MR. ROSS: I understand. I'll
24 respect whatever decision you make. My

25 whole thing was I already paid the \$500,

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1 and then \$750 was -- you know, because I

2 know my address haven't changed, but I

3 understand whatever you decide.

4 MR. SINGLETON: If your address --

5 I'm still confused. Your address didn't

6 change, but yet you didn't get the

7 information.

8 MR. ROSS: Like I said, I had some

9 personal reasons I wasn't at home, but

10 that's still -- that's my home. That's

11 where I reside. That's where I live. I

12 just wasn't there at the time.

13 MR. SINGLETON: Who is supposed to

14 be responsible for that?

15 MR. ROSS: No, sir. Like I say, I'm

16 responsible. I take the blame. I

17 respect whatever decision you make. I'm

18 just saying --

19 MR. SINGLETON: You just want to pay

20 \$500 and not \$750.

21 MR. ROSS: I'll pay whatever you

22 tell me.

23 MR. SINGLETON: I'm trying to

24 understand your appeal of the 250.

25 MR. ROSS: Well, my appeal is if I

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1 can save \$250, I'll come up here in

2 reference to the address. I'd rather
3 pay \$500 than \$250.

4 MR. SINGLETON: I understand that,
5 but if that was the address and you were
6 not there --

7 MR. ROSS: Yes, sir.

8 MR. SINGLETON: -- then you didn't
9 do what you was supposed to do.

10 MR. ROSS: Okay.

11 MR. SINGLETON: I'm just trying to
12 understand from what you're saying.

13 MR. ROSS: I don't want it to seem
14 as I didn't do what I supposed to do
15 because I just neglected it. I just
16 wasn't there, so I never received it.
17 It went to the address. Everything was
18 fine, and she's correct in reference to
19 what she's saying. I just didn't get it
20 because I wasn't there.

21 But now that I have it, I mean, you
22 know, I just wanted to let you know that
23 the address hadn't changed.

24 MR. SINGLETON: Okay.

25 CHAIRMAN MORGAN: And it cost you a

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1 hundred to appeal.

2 MR. ROSS: I didn't pay it.

3 CHAIRMAN MORGAN: You didn't pay
4 that?

5 MR. ROSS: No, sir.

6 MR. BRADFORD: Sir, I appreciate
7 your appearance here today.

8 MR. ROSS: Yes, sir.

9 MR. BRADFORD: And I'm sympathetic
10 to your argument. Even though I do
11 agree with what Mr. Stipe said --

12 MR. ROSS: I understand.

13 MR. BRADFORD: -- I'm going to make
14 a motion that we waive the \$250.
15 Hopefully Katie won't be mad at me, but
16 that's my motion that we --

17 CHAIRMAN MORGAN: No, it would be to
18 amend the decision.

19 MR. BRADFORD: Amend the hearing
20 officer's decision to make it 500 total.

21 CHAIRMAN MORGAN: The look on
22 Katie's face says she doesn't agree with
23 it. Anyway, is there a second to the
24 motion?

25 MR. BRADFORD: There may not be a

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1 second.

2 MS. ROGERS: Yeah, I'll second it.
3 I want to make a comment that the cost
4 of mailing to you and getting back and
5 mailing to you, I hope you can
6 appreciate that.

7 MR. ROSS: Yes, ma'am, Miss Rogers.

8 I appreciate it.

9 MR. BRADFORD: And make sure that
10 you get -- now, you may not win this, I
11 don't know, but make sure that you get
12 one address so that this doesn't happen
13 again.

14 MR. ROSS: Yes, sir.

15 CHAIRMAN MORGAN: And the cost to
16 the State of Louisiana for having this
17 hearing for \$250. All right. We have a
18 motion and a second. Is there any
19 objection? [No response.] You're
20 lucky. Okay, that's approved. Thank
21 you.

22 So did we get a response? We got a
23 response on the other case of
24 Mr. Bonnee'. Miss Smith?

25 MS. SMITH: We do not. The office

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1 does not send out notices of appeal, you
2 know, the hearing date certified mail.
3 They're sent regular mail; and the
4 notice was sent to the address that was
5 on the hearing officer decision, and
6 that address was used as the decision.

7 MR. STIPE: I would move that the
8 decision of the hearing officer be
9 reversed, and that the denial of the
10 permit application be upheld.

11 MS. SMITH: The reasons for that.

12 There were two reasons.

13 CHAIRMAN MORGAN: The reasons for
14 that, legal reasons?

15 MR. STIPE: Failure to cooperate
16 with -- the reasons are those
17 articulated by the Chairman in terms of
18 the failure to cooperate.

19 MS. CHAUBERT: Failure to disclose.

20 MS. SMITH: Intentional failure to
21 disclose?

22 CHAIRMAN MORGAN: Let me make
23 this -- the Board would find, if you're
24 in agreement with this, that it was
25 the -- his intentional act to not

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1 disclose the information?

2 MR. STIPE: That's correct.

3 CHAIRMAN MORGAN: Okay. Mr. Stipe
4 acknowledges that that's what the motion
5 would be. Is there -- you wanted to
6 make a substitute? Is there a second to
7 that motion?

8 MS. NOONAN: I'll second.

9 CHAIRMAN MORGAN: Miss Noonan
10 seconds that motion. Going once.

11 Any -- I mean, this was an important
12 matter. Is there any objection to that
13 motion?

14 MS. ROGERS: Yes. I'd like for you
15 to read it again.

16 MS. WIMBERLY: Sure. From the
17 beginning?

18 MS. ROGERS: No, not the whole
19 thing, just your recommendation.

20 MS. WIMBERLY: Oh, that the hearing
21 officer's decision be overturned on the
22 basis that Mr. Bonnee' failed to
23 disclose his criminal record which
24 included arrests for violent behavior.
25 I can list those, if you'd like.

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1 MS. ROGERS: No, that's okay. So
2 you're saying your motion -- well, your
3 recommendation is that the hearing
4 officer's recommendation be overturned?

5 MS. WIMBERLY: Yes.

6 MS. ROGERS: And the motion is that
7 the hearing officer's motion be
8 overturned?

9 CHAIRMAN MORGAN: Be overturned.

10 MS. ROGERS: Be overturned? I'm
11 sorry. I misunderstood that.

12 CHAIRMAN MORGAN: Okay. So we have
13 a motion.

14 MR. BRADFORD: Is there going to be
15 a vote?

16 CHAIRMAN MORGAN: Well, unless

17 there's an objection, there won't be a
18 vote.

19 MS. ROGERS: Ask him to repeat his
20 motion.

21 CHAIRMAN MORGAN: The motion would
22 be to overturn the hearing officer's
23 decision and find that Mr. Bonnee' be
24 found unsuitable because of his failure
25 to disclose -- to be truthful in the

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1 disclosure of his past criminal history
2 on his gaming application.

3 MS. SMITH: Intentional.

4 CHAIRMAN MORGAN: The intentional.

5 MS. ROGERS: And it was seconded,
6 right?

7 CHAIRMAN MORGAN: Yes. Is there any
8 objection?

9 MR. SINGLETON: I have a question.

10 CHAIRMAN MORGAN: All right. We
11 have a question.

12 MR. SINGLETON: Does he have a right
13 to appeal again or come back? From what
14 I'm understanding, because he didn't
15 submit something at the beginning, they
16 recommended denial. That's what this
17 comes down to.

18 MS. WIMBERLY: On his original
19 application, he failed to check the box

20 that said he had been arrested and
21 issued citations. We had a hearing, and
22 he explained to Hearing Officer Reynolds
23 why he had not done that. And the
24 Division chose to appeal Hearing Officer
25 Reynolds' decision, and that's what

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1 brought us here today. I'm not exactly
2 sure what avenues he would be able to
3 pursue after today.

4 I believe Miss Smith mentioned a
5 rehearing.

6 MS. SMITH: Mr. Singleton, the
7 Division denied the permit application
8 as they can do for non-key. That was
9 appealed. After this body rules, it is
10 subject to Mr. Bonnee' could request a
11 rehearing, if he does that within ten
12 days and, you know, presents grounds for
13 a rehearing, or he can request a
14 judicial review in the 19th. So this is
15 not the end of the road if Mr. Bonnee'
16 chooses to pursue a review.

17 So he can request either a rehearing
18 from this body, or he could take a
19 judicial review -- Petition for Judicial
20 Review in the 19th.

21 CHAIRMAN MORGAN: Okay. So we have
22 a motion and a second. Is there

23 objection to the motion?

24 MR. SINGLETON: And the motion is

25 to?

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1 CHAIRMAN MORGAN: To overturn the

2 hearing officer's decision and to deny

3 the application.

4 MR. SINGLETON: I guess I'm going to

5 object.

6 MR. BRADFORD: Objection.

7 CHAIRMAN MORGAN: Okay. Objection

8 by Mr. Singleton, so we'll need a roll

9 call vote.

10 THE CLERK: Miss Rogers?

11 MS. ROGERS: Yes.

12 THE CLERK: Mr. Bradford?

13 MR. BRADFORD: No.

14 THE CLERK: Mr. Stipe?

15 MR. STIPE: Yes.

16 THE CLERK: Mr. Singleton?

17 MR. SINGLETON: No.

18 THE CLERK: Miss Noonan?

19 MS. NOONAN: Yes.

20 THE CLERK: Chairman Morgan?

21 CHAIRMAN MORGAN: Yes. The motion

22 carries. Okay.

23 MS. WIMBERLY: Thank you.

24 CHAIRMAN MORGAN: Thank you for your

25 hard work. All right. We would need

1 to, members, move into Executive
2 Session. I need a motion to move into
3 Executive Session to discuss the issues
4 that are delineated on the agenda.

5 MR. STIPE: I'll move.

6 CHAIRMAN MORGAN: Moved by
7 Mr. Stipe, seconded by --

8 MR. BRADFORD: Second.

9 CHAIRMAN MORGAN: -- Mr. Bradford.

10 We'll be in Executive Session. I would
11 ask that everyone leave the room if
12 you're not with the Attorney General's
13 Office and particularly that pertains to
14 their supervision and related to this
15 case, the cases that we'll be
16 discussing.

17 (Whereby the meeting went into Executive
18 Session.)

19 * * * * *

20 (Whereby the meeting was resumed in open
21 session.)

22 XI. ADJOURNMENT

23 CHAIRMAN MORGAN: We're out of
24 Executive Session. Is there any other
25 business, any board members? A motion

1 to adjourn --

2 MR. SINGLETON: I --

3 CHAIRMAN MORGAN: -- by
4 Mr. Singleton. Seconded by --
5 MS. NOONAN: I'll second.
6 CHAIRMAN MORGAN: -- Miss Noonan.
7 The two that had to drive the furthest.
8 Is there any objection? The two that
9 had to drive the furthest. Okay. We're
10 adjourned. Thank you.

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1 REPORTER'S PAGE
2
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 given under

7 oath in the preceding matter on September 15,

8 2011, as taken by me in Stenographic machine
9 shorthand, complemented with magnetic tape
10 recording, and thereafter reduced to transcript,
11 to the best of my ability and understanding, using
12 Computer-Aided Transcription.

13 I further certify that I am not an
14 attorney or counsel for any of the parties, that I
15 am neither related to nor employed by any attorney
16 or counsel connected with this action, and that I
17 have no financial interest in the outcome of this
18 action.

19 Baton Rouge, Louisiana, this 14th day of
20 October, 2011.

21

22

SHELLEY G. PAROLA, CCR, RPR

23

CERTIFICATE NO. 96001

24