

Meeting, Board of Directors', (Pages 1:1 to 46:24)

1:1 LOUISIANA GAMING CONTROL BOARD

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4 BOARD OF DIRECTORS' MEETING

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9 THURSDAY, OCTOBER 8, 2015

10

11 Louisiana State Capitol

12 900 North Third Street

13 House Committee Room 1

14 Baton Rouge, Louisiana

15

16

17

18 TIME: 10:00 A.M.

19

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22

23

24

25

2

1 APPEARANCES

2

RONNIE JONES

3 Chairman (At Large)

Third Congressional District

4 June 30, 2019

5 FRANKLIN AYRES BRADFORD

(Economic Planner)

6 Fifth Congressional District

June 30, 2019

7

8 JAMES SINGLETON

(Public/Business Administration)

9 Second Congressional District

June 30, 2014

10

11 DENISE NOONAN

(At Large)

12 First Congressional District

June 30, 2015

13

14 MAJOR CLAUDE MERCER

(Law Enforcement)

15 Fifth Congressional District

June 30, 2018

16

17 CLAUDE D. JACKSON

(At Large)

18 Fourth Congressional District

June 30, 2018

19

20 ROBERT W. GASTON, III

(At Large)

21 Sixth Congressional District

June 30, 2015

22

23 JULIE BERRY

(CPA)

24 Third Congressional District

25

3

1 APPEARANCES CONTINUED

2

3 LANA L. TRAMONTE

Principal Assistant

4

5 TRUDY M. SMITH

Confidential Assistant

6

7 MAJOR MIKE NOEL

Ex-Officio Board Member

8 Louisiana State Police

9

10 JARROD CONIGLIO

Deputy Secretary

11 Louisiana Department of Revenue

12

13

14 REPORTED BY:

15 SHELLEY G. PAROLA, CSR, RPR

Baton Rouge Court Reporters

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1 I. CALL TO ORDER

2 CHAIRMAN JONES: Good morning and
3 welcome to the October meeting of the
4 Gaming Control Board. I apologize once
5 again for being a little bit off
6 schedule this month, but we'll be back
7 on schedule next month and then the
8 following month. So I know we're a
9 little early this month, and hopefully
10 we don't have a backlog of business at
11 the next meeting.

12 I'd like to call the meeting to
13 order. Miss Tramonte, would you call
14 the roll.

15 THE CLERK: Chairman Jones?

16 CHAIRMAN JONES: Here.

17 THE CLERK: Mr. Bradford?

18 MR. BRADFORD: Here.

19 THE CLERK: Mr. Stipe? [No
20 response.] Mr. Singleton?

21 MR. SINGLETON: Here.

22 THE CLERK: Miss Noonan?

23 MS. NOONAN: Here.

24 THE CLERK: Major Mercer?

25 MAJOR MERCER: Here.

7

1 THE CLERK: Mr. Jackson?

2 MR. JACKSON: Here.

3 THE CLERK: Mr. Gaston?

4 MR. GASTON: Here.

5 THE CLERK: Miss Berry?

6 MS. BERRY: Here.

7 THE CLERK: Colonel Edmonson?

8 MAJOR NOEL: Major Noel for Colonel
9 Edmonson.

10 THE CLERK: Secretary Barfield?

11 DEPUTY SECRETARY CONIGLIO: Deputy
12 Secretary Coniglio here for Secretary
13 Barfield.

14 CHAIRMAN JONES: Thank you. We have
15 a quorum, and we may conduct business as
16 we want.

17 II. PUBLIC COMMENTS

18 CHAIRMAN JONES: Is there anyone in
19 the audience that would like to offer
20 public comments for anything on the
21 agenda before the Board today? [No
22 response.]

23 III. APPROVAL OF THE MINUTES

24 CHAIRMAN JONES: Then we shall move
25 to Approval of the Minutes. Do I have a

8

1 motion to waive reading and approve the
2 minutes?

3 MR. GASTON: Move.

4 MS. BERRY: Second.

5 CHAIRMAN JONES: By Dr. Gaston and
6 Miss Berry. All in favor? [Collective
7 "aye."] They are approved.

8 IV. REVENUE REPORTS

9 CHAIRMAN JONES: We'll call the
10 Revenue Reports at this time. State
11 Police, good morning.

12 MS. JACKSON: Good morning, Chairman
13 Jones, Board Members. My name is Donna
14 Jackson with Louisiana State Police,
15 Gaming Enforcement Division.

16 The riverboat revenue report for
17 September 2015 is shown on page one of
18 your handout. During September, the 15
19 operating riverboats generated Adjusted
20 Gross Receipts of \$153,132,114. This
21 total represents a decrease of \$9.4 or
22 6 percent from last month, but an
23 increase of \$23.5 million or 18 percent
24 from September 2014, when there were
25 only 14 riverboats in operation.

9

1 Adjusted Gross Receipts for fiscal
2 year 2015-2016 to date are
3 \$495.6 million, an increase of \$57.7

4 million or 13 percent from fiscal year
5 2014-2015.

6 During September, the State
7 collected fees totaling \$32,923,404. As
8 of September 30th, 2015, the State has
9 collected \$106.6 in fees for fiscal year
10 2015-2016.

11 Next is a summary of the
12 September 2015 gaming activity for
13 Harrah's New Orleans found on page
14 three. During September, Harrah's
15 generated \$24,520,784 in gross gaming
16 revenue. September revenues were up
17 \$2 million or 8.7 percent from last
18 month, and up \$483,000 or 2 percent from
19 September 2014. Gaming revenues for
20 fiscal year 2015-2016 to date are
21 \$83,053,505, up \$3.3 million or
22 4 percent from last fiscal year.

23 During September, the State received
24 \$4,918,033 in minimum daily payments.

25 As of September 30th, 2015, the State

10

1 has collected over \$15 million in fees
2 for fiscal year 2015-2016.

3 Slots at the Recetracks revenues are
4 shown on page four. During September,
5 the four racetrack facilities combined
6 generated Adjusted Gross Receipts of

7 \$28,449,067, a decrease of \$539,000 or
8 2 percent from last month, and a
9 decrease of \$673,000 or 2.3 percent from
10 September 2014.

11 Adjusted Gross Receipts for fiscal
12 year 2015-2016 to date are
13 \$89.8 million, a decrease of \$6 million
14 or 6 percent from last fiscal year.

15 During September, the State
16 collected \$4,315,723 in fees. As of
17 September 30th, 2015, the State has
18 collected \$13.6 million in fees for
19 fiscal year 2015-2016.

20 Overall in September, Riverboats,
21 Landbased, Slots at the Recetracks and
22 Video Poker combined generated almost
23 \$252 million in AGR and \$55.8 million in
24 state fees. This total for the four
25 types of gaming is up 10.3 percent from

11

1 September 2014, but down 3.5 percent
2 from August 2015. For the first three
3 months of 2015-2016 revenue is up
4 7.1 percent.

5 Are there any questions?

6 CHAIRMAN JONES: Any questions,
7 Board Members? There are no questions.

8 MS. JACKSON: The Division is still
9 verifying the Harrah's New Orleans

10 employee information. It will be
11 presented next month with the October
12 numbers.

13 CHAIRMAN JONES: We appreciate that.
14 We understand. Thank you.

15 Video poker. Morning.

16 MR. BOSSIER: Good morning. Good
17 morning, Chairman Jones and Board
18 Members. My name is Jim Bossier with
19 the Louisiana State Police Gaming Audit
20 Section. I'm reporting video gaming
21 statistics for September 2015 as shown
22 on page one of your handout.

23 Sixteen new video gaming licenses
24 were issued during September: Eleven
25 bars, three restaurants and two device

12

1 owner's. Twelve new applications were
2 received by the Gaming Enforcement
3 Division during September and are
4 currently pending in the field: Five
5 bars, four restaurants and three truck
6 stops.

7 The Gaming Enforcement Division
8 assessed \$4,000 and collected \$3,000 --
9 excuse me, \$3,500 in fines during
10 September, and there are currently
11 \$1,600 in outstanding fines. Please
12 refer to page two of your handout.

13 There are presently 14,327 video
14 gaming devices activated at 1,863
15 locations. Net device revenue for
16 September 2015 was \$45.7 million. This
17 is a \$1.1 million or 2.2 percent
18 decrease when compared to August 2015,
19 and a \$100,000 increase or two-tenths of
20 1 percent when compared to
21 September 2014.

22 Net device revenue so far for fiscal
23 year 2016 is \$141 million, a \$1.4
24 million or 1 percent decrease when
25 compared to fiscal year 2014. Page

13

1 three of your handout shows a comparison
2 of net device revenue.

3 Total franchise fees collected for
4 June 2015 were \$13.6 million, a \$400,000
5 decrease when compared to August 2015,
6 and no change when compared to
7 September 2014.

8 Total franchise fees collected for
9 fiscal year 2016 are \$42.2 million, a
10 \$400,000 decrease or 1.1 percent when
11 compared to fiscal year 2015. Page four
12 of your handout shows a comparison of
13 franchise fees.

14 Does anybody have any questions?

15 CHAIRMAN JONES: Board Members, any

16 questions? There are no questions.

17 MR. BOSSIER: Thank you.

18 CHAIRMAN JONES: Thank you very
19 much, Jim.

20 V. CASINO GAMING ISSUES

21 A. Consideration of Certificate of Compliance
22 for the Alternate riverboat Inspection of
23 the gaming vessel of Louisiana Casino
24 Cruises, Inc., d/b/a Hollywood Baton Rouge -
25 No. R011700193

14

1 CHAIRMAN JONES: We now move to
2 casino gaming issues. First up:
3 Consideration of Certificate of
4 Compliance for the Alternate Riverboat
5 Inspection of the gaming vessel of
6 Louisiana Casino Cruises, Inc., doing
7 business as Hollywood Baton Rouge,
8 Number R011700193.

9 Morning, gentlemen.

10 MR. THOMPSON: Morning.

11 MR. FRANCIC: Morning.

12 MR. THOMPSON: Chairman Jones, Board
13 Members, I'm Assistant Attorney General
14 Buddy Thompson. With me is John Francic
15 of ABSC. We're here in the matter of
16 the issuance of the renewal Certificate
17 of Compliance to Louisiana Casino
18 Cruises, Inc., d/b/a Hollywood Casino

19 Baton Rouge.

20 At last month's Board Meeting, a
21 temporary Certificate of Compliance
22 expiring on October 31st, 2015, was
23 issued to Hollywood Casino pending the
24 successful completion of one remaining
25 deficiency. This has now been

15

1 satisfactorily completed, and Hollywood
2 seeks the issuance of its permanent
3 Certificate of Compliance, which will
4 expire on September 30th, 2016.

5 For more on this, I now turn the
6 presentation over to John Francic.

7 MR. FRANCIC: Morning, Chairman and
8 Board Members. I'm John Francic with
9 ABS Consulting here to report the
10 reinspection of the Hollywood Baton
11 Rouge Casino.

12 The inspector, Pete Bullard, did, on
13 September 24th, attend the riverboat
14 Casino Rouge to follow up on a deficient
15 item issued on June 30th. The ground
16 fault indicator was repaired and found
17 in good working order. This is
18 considered satisfactory.

19 The 2015 annual survey required by
20 Louisiana Gaming Control Board is
21 complete and today presents no safety

22 concerns to its patrons or employees
23 onboard the riverboat. It is
24 recommended of ABS Consulting that
25 Hollywood Baton Rouge Casino be issued

16

1 the Certificate of Compliance to expire
2 September 30th, 2016.

3 MR. THOMPSON: We now present these
4 findings to the Board and request that
5 upon the Board accepting the
6 supplemental report submitted by ABSC,
7 the Board will move for the issuance of
8 Hollywood Casino's permanent Certificate
9 of Compliance until September 30th,
10 2016.

11 CHAIRMAN JONES: Before proceeding
12 to the motion, does State Police or the
13 licensee have anything to add?

14 MAJOR NOEL: No, sir.

15 CHAIRMAN JONES: I'll therefore
16 entertain a motion to issue the
17 Certificate of Compliance.

18 MR. GASTON: Move, Mr. Chairman.

19 CHAIRMAN JONES: By Dr. Gaston.

20 MR. JACKSON: Second.

21 CHAIRMAN JONES: Second by
22 Mr. Jackson. All in favor? [Collective
23 "aye."] Opposed? [No response.] The
24 certificate is hereby approved and

25 issued. Thank you.

17

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

5 CHAIRMAN JONES: Next up is,
6 Consideration of Certificate of
7 Compliance for the Alternate Riverboat
8 Inspection of the gaming vessel
9 Louisiana-1 Gaming, L.P. doing business
10 as Boomtown Belle Casino Harvey. That's
11 No. R012600196.

12 MR. THOMPSON: Again, Chairman
13 Jones, Board Members, I'm Assistant
14 Attorney General Buddy Thompson. With
15 me is John Francic with ABSC. We're
16 here in the matter of the issuance of
17 the renewal Certificate of Compliance to
18 Louisiana-1 Gaming L.P., d/b/a Boomtown
19 Casino Harvey.

20 On August the 19th, 2015, ABSC began
21 the inspection process for the renewal
22 of the Boomtown Casino Harvey's
23 Certificate of Compliance. For more on
24 this, I now turn the presentation over
25 to John Francic.

18

1 MR. FRANCIC: Chairman, Board

2 Members, I'm John Francic with ABS
3 Consulting here to report the annual
4 certification for Boomtown Casino
5 Harvey.

6 The inspectors, Doug Chapman and
7 Pete Bullard, did, on August 19th,
8 attend the riverboat Boomtown Belle to
9 conduct the annual inspection in
10 accordance with the Alternative
11 Inspection of Riverboat Gaming Vessels
12 in the State of Louisiana.

13 The inspectors reviewed fire
14 protection measures and equipment,
15 egress routes, mooring system, machinery
16 spaces and conducted a fire drill. The
17 deficiencies found during the inspection
18 are found on page six of your report.

19 A follow-up to all deficient items
20 was conducted on September 25th and were
21 found satisfactory. This can be found
22 in your supplemental report.

23 The 2015 annual survey as required
24 by Louisiana Gaming Control Board is
25 complete and presents no safety concerns

19

1 to its patrons or employees onboard the
2 riverboat. It is recommended that -- it
3 is the recommendation of ABSC that
4 Boomtown Casino Harvey be issued the

5 Certificate of Compliance.

6 MR. THOMPSON: We now present these
7 findings to the Board and request that
8 upon the Board accepting the report
9 submitted by ABSC, the Board will move
10 for the renewal of Boomtown Casino
11 Harvey's Certificate of Compliance.

12 CHAIRMAN JONES: Board Members, any
13 questions?

14 MR. SINGLETON: Move approval.

15 CHAIRMAN JONES: You move? We have
16 a motion by Mr. Singleton, a second by
17 Major Mercer. All in favor?
18 [Collective "aye."] Opposed? [No
19 response.] The Certificate of
20 Compliance is issued. Thank you.

21 MR. THOMPSON: Thank you.

22 MR. FRANCIC: Thank you.

23 VI. VIDEO GAMING ISSUES

24 A. Consideration of the following truckstop
25 application:

20

1 1. LSM Gaming, Inc., d/b/a Minden Truck Stop &
2 Casino - No. 6000517136 (new truckstop)

3 CHAIRMAN JONES: We now move to
4 video gaming issues. First up is
5 truckstop application, LSM Gaming, Inc.,
6 doing business at Minden Truck Stop &
7 Casino, No. 6000517136. This is a new

8 truckstop, I understand.

9 Good morning.

10 MS. HOOD: Good morning, Chairman
11 Jones and Members of the Board. I'm
12 Assistant Attorney General Heather Hood
13 present before the Board this morning in
14 the matter of the original application
15 of L.S.M Gaming doing business as Minden
16 Truckstop & Casino applying for approval
17 of a Type 5 video draw poker gaming
18 license.

19 On October 22nd, 2014, Prospect
20 Station, Inc., doing business as Minden
21 Truckstop & Casino, previously -- who
22 previously held a video gaming license
23 executed a cash sale with LSM Gaming for
24 the rights and interest in the qualified
25 truckstop facility located in Webster

21

1 Parish. Included in the sale were the
2 business, business assets, all
3 documents, records, inventories and
4 assets used in operation of the
5 businesses.

6 Petrochem Engineering Services is
7 the owner of the land comprising the
8 truckstop facility that totals
9 8.45 acres. October 1st, 2014,
10 Petrochem gave consent to Prospect

11 Station to assign their current real
12 estate agreement to LSM Gaming, who did
13 so on October 21st, 2014.

14 James E. Worthey, Jr., is the
15 managing member and owns a hundred
16 percent of the membership interest in
17 the applicant. LSM Gaming leases the
18 restaurant, convenience store and fuel
19 facility businesses to Wally's Fast Food
20 Truckstop.

21 Senior Trooper James Cannon
22 inspected the truckstop facility, and
23 Master Trooper Kevin Lamotte conducted
24 suitability investigations of associated
25 persons and is present this morning to

22

1 report his findings to the Board.

2 MASTER TROOPER LAMOTTE: Good
3 morning, Chairman Jones and Members of
4 the Board. My investigation
5 concluded -- revealed the following:
6 That James E. Worthey, Jr., and his wife
7 Kelli previously submitted to a
8 suitability investigation in connection
9 with other video poker licenses.

10 It revealed that an on-site
11 inspection was conducted, and it was
12 determined that the establishment meets
13 all criteria set forth in video gaming

14 as a qualified truckstop facility. It
15 determined that all required licenses
16 and permits were posted and valid at the
17 time of the inspection. It determined
18 that the establishment consists of five
19 contiguous -- at least five contiguous
20 acres, specifically 8.45 acres.

21 It determined that LSM Gaming, Inc.,
22 submitted a video poker application
23 within 36 months; therefore, they were
24 not subject to the rule that it must be
25 one mile from a school, church,

23

1 playground, synagogue, public library,
2 residence or a National Historic
3 Registry building.

4 In conclusion, I found no
5 information that would preclude a Type 5
6 license -- gaming license be issued to
7 LSM Gaming, Inc., or to preclude James
8 E. Worthey or his wife, Kelli Worthey,
9 from continuing to participate in the
10 gaming industry.

11 MS. HOOD: Our review of the
12 Division's file indicates that no
13 information has been found to preclude
14 the issuance of a Type 5 license to LSM
15 Gaming doing business as Minden
16 Truckstop & Casino.

17 CHAIRMAN JONES: Major Mercer?

18 MAJOR MERCER: Yes. For the State
19 Police, on page four, you have that the
20 ATC permit non-liquor parish, it's a dry
21 parish, and this is located in Minden;
22 is that correct?

23 MS. HOOD: Yes, sir. It was
24 corrected in the report. It was a typo.
25 It was corrected to Webster Parish.

24

1 MAJOR MERCER: Okay.

2 MS. HOOD: Sorry. I meant to
3 address that.

4 MAJOR MERCER: I'll move.

5 CHAIRMAN JONES: We have a motion
6 from Major Mercer to issue. Do we have
7 a second?

8 MS. NOONAN: Second.

9 CHAIRMAN JONES: Miss Noonan. All
10 in favor? [Collective "aye."] Opposed?
11 [No response.] The motion carries. The
12 license is issued.

13 2. Madison Auto Truck Plaza & Lucky Dollar Casino,
14 LLC, d/b/a Madison Auto Truck Plaza & Lucky
15 Dollar Casino - No. 3300514090 (transfer of
16 interest)

17 CHAIRMAN JONES: Next up for Madison
18 Auto Truck Plaza & Lucky Dollar Casino,
19 LLC, doing business as Madison Auto

20 Truck Plaza & Lucky Dollar Casino, No.
21 3300514090. This is a transfer of
22 interest.

23 MS. HOOD: Yes, sir. Good morning
24 again, Chairman Jones, Members of the
25 Board. I'm Assistant Attorney General

25

1 Heather Hood present before the Board in
2 three transfers of interest.

3 Madison Auto Truck Plaza & Lucky
4 Dollar Casino, LLC, holds a Type 5 video
5 gaming license and operates a truckstop
6 located in Madison Parish.

7 The first transfer occurred on
8 April 22nd, 2014. Central Oil & Supply
9 Corporation purchased 20 percent
10 membership interest in the licensee.
11 Each member -- each member in the
12 licensee signed a contract entitled
13 unanimous consent of the members wherein
14 they desired that Central Oil & Supply
15 be added as a member with a 20 percent
16 membership interest.

17 Prior to the sale, Central Oil &
18 Supply had previously met suitability
19 due to being a revenue recipient. The
20 membership interest of the licensee can
21 be represented as follows. The first
22 column is the membership prior to the

23 transfer, the second would be how much
24 each member gave up to get to the
25 20 percent, and the last is their

26

1 membership interest subsequent to the
2 transfer, totaling a hundred percent.

3 The second transfer is a transfer in
4 DREK Gaming, which is a revenue
5 recipient of the licensee. On June 11th
6 2014, David Lee Craighead, a 25 percent
7 member in DREK Gaming, passed away.
8 Originally it was -- in the report that
9 was sent out it was determined that the
10 25 percent would be split equally among
11 his children. We received new
12 information yesterday that the property
13 was actually community property, and
14 therefore the percentages have changed.
15 Therefore, his wife has a 12.5 percent
16 interest, and the remaining 12.5 percent
17 was distributed equally among his
18 children, Kevin, Richard, Eric and
19 Martin, which each -- with each
20 receiving 3.125 percent in accordance
21 with his will. His wife, Gayle
22 Craighead, has usufruct for life over
23 the interests.

24 The third transfer is an indirect
25 transfer in the licensee. Waverly

1 Capital is a member of Madison Auto
2 Truck Plaza & Lucky Dollar Casino. On
3 September 8th, Victor J. Ketchman
4 transferred his 3.33 membership interest
5 in Waverly Capital to Steven J.
6 Umberger. Due to this transfer, Steven
7 J. Umberger now holds a 33.33 percent
8 membership interest in Waverly Capital.

9 Due to the changes, the organization
10 of Madison Auto Truck Plaza can be
11 summarized as follows, and that's the
12 organizational chart of Madison as it is
13 today.

14 Senior Trooper James Cannon
15 conducted an investigation as to the
16 transfers. He is present this morning
17 to report his findings to the Board.

18 SENIOR TROOPER CANNON: Good
19 morning, Chairman and Members of the
20 Board.

21 CHAIRMAN JONES: Morning.

22 SENIOR TROOPER CANNON: I
23 investigated the transfers and found no
24 information that would preclude the
25 continued licensing of Madison Auto

1 Truck Plaza & Lucky Dollar Casino, LLC.
2 Suitability documents were submitted

3 on Martin Shane Craighead and his wife,
4 Kimberly Craighead. I conducted a
5 criminal history check on them, as well.
6 I found no information that would
7 preclude Martin Shane Craighead and his
8 wife, Kimberly Craighead, from
9 participating in the video gaming
10 industry.

11 All other associated persons have
12 previously submitted suitability
13 documents on other licenses. I
14 conducted updated suitability
15 investigations and updated criminal
16 history checks on all other associated
17 persons. I found no information that
18 would preclude them from continuing to
19 participate in the gaming industry.

20 MS. HOOD: The Office of the
21 Attorney General has reviewed the file
22 and found no information that would
23 preclude the transfers.

24 CHAIRMAN JONES: Board, are there
25 any questions in the application before

29

1 you for the transfer? There are no
2 questions. Do I have a motion?

3 MR. BRADFORD: I move.

4 CHAIRMAN JONES: Mr. Bradford, a
5 second by Miss Noonan. All in favor?

6 [Collective "aye."] Opposition? None.

7 It's approved. Thank you.

8 MS. HOOD: Thank you.

9 VII. CONSIDERATION OF PROPOSED SETTLEMENTS/APPEALS

10 IN THE FOLLOWING:

11 1. In Re: 190 Truck Stop, LLC, d/b/a Grand

12 Point Grand Casino - No. 4700513410

13 (proposed settlement)

14 CHAIRMAN JONES: We'll now move to

15 the settlements and appeals. First up

16 is a proposed settlement in regard to

17 190 Truckstop, LLC, doing business as

18 Grand Point Grand Casino, Number

19 4700513410. Good morning.

20 MR. HEBERT: Good morning, Chairman

21 and Members of the Board, Christopher

22 Hebert representing the Louisiana Office

23 of State Police in the matter of 190

24 Truckstop, LLC, doing business as Grand

25 Point Grand Casino.

30

1 On May 31st, 2001, the licensee

2 leased the land and improvements and

3 comprising its truckstop facility from

4 Grand Point Grand Casino, LLC, who was

5 represented by member Eric Loupe. The

6 licensed establishment is located at

7 3415 Highway 3125 in Paulina, Louisiana.

8 Simultaneously, the licensee leased

9 the bar and on-site restaurant to the
10 Stockpile Restaurant & Tavern, which is
11 owned by Mr. Loupe.

12 And on October 21st, 2003, this
13 Board approved the licensee's Type 5
14 license. The licensee at that time was
15 qualified for a maximum of 35 video
16 gaming devices.

17 On December 10th, 2013, the Division
18 received information that the licensee
19 had two active video gaming licenses,
20 and based on this information, the
21 Division initiated an investigation of
22 the licensee and the licensed
23 establishment. The Division's
24 investigation revealed that the licensee
25 failed to maintain alternate supervision

31

1 and control of the licensed
2 establishment for a period of more than
3 five years. Additionally, on four
4 separate occasions, the licensee failed
5 to notify the Division within ten days
6 of changes that affected the licensed
7 establishment.

8 In lieu of administrative action,
9 the licensee has agreed to pay and the
10 Division has agreed to accept a civil
11 penalty of \$17,000 for its violation of

12 gaming law. The hearing officer has
13 signed off on the settlement, and we're
14 here seeking the Board's approval.

15 CHAIRMAN JONES: Board, are there
16 any questions as to the settlement?
17 There are no questions -- do you have a
18 question, Mr. Singleton?

19 MR. SINGLETON: I just want to --
20 \$17,000 is a lot. I've been around here
21 a while, and this is the largest one I
22 think I have noted. What makes this one
23 so much different?

24 MR. HEBERT: There was a previous
25 administrative action issued against

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1 this same licensee which resulted in a
2 \$15,000 settlement for its failure to
3 maintain the restaurant, and based on
4 that previous settlement, the Division
5 felt this settlement should be a larger
6 settlement because of the facts being
7 more egregious than this.

8 MR. SINGLETON: Does he want to be
9 in business?

10 MR. HEBERT: That's a good question.

11 MR. SINGLETON: Or are y'all keeping
12 him in business?

13 MR. HEBERT: Are we keeping him in
14 business? I wouldn't say we're keeping

15 him in business, and I do have a
16 representative from the Division here to
17 talk about the investigation if y'all
18 have questions about the investigation
19 itself and some of the circumstances
20 that went into the settlement.

21 CHAIRMAN JONES: Satisfied?

22 MR. BRADFORD: I move approval.

23 CHAIRMAN JONES: We have a motion
24 from Mr. Bradford for approval, a second
25 by Miss Berry. All in favor?

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1 [Collective "aye."] Opposed? [No
2 response.] The settlement is approved.
3 Thank you.

4 MR. HEBERT: Thank you.

5 2. In Re: Kyria Davis - No. PO40062476 (appeal)

6 CHAIRMAN JONES: Next we move to
7 appeals. First up is in regard to Kyria
8 Davis. That's No. PO40062476. Is
9 Miss Davis here? Is Miss Davis in the
10 room? Miss Davis does not appear to be
11 here.

12 MR. HEBERT: Okay. Good morning
13 again, Chairman and Members of the
14 Board, Christopher Hebert representing
15 the Louisiana Office of State Police in
16 this matter.

17 At issue in this matter is whether

18 the hearing officer's decision revoking
19 the non-key gaming employee permit of
20 Miss Kyria Davis should be affirmed.

21 The Division contends that the hearing
22 officer's order revoking the non-key
23 gaming employee permit issued should be
24 affirmed but not solely on the basis
25 that the permittee has pending charges

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1 under the provisions of Louisiana
2 Revised Statute 27:28(A)(4), but also on
3 the basis that Miss Davis is unsuitable
4 based on provisions of Louisiana Revised
5 Statute 28:28(A)(1) and (2), which
6 provide that she be of good character,
7 honesty and integrity, and further that
8 she's a person whose prior activities,
9 criminal record, if any, reputation,
10 habits and associations do not pose a
11 threat to the public interest of this
12 state or to the effective regulation and
13 control of gaming.

14 The final paragraph of the hearing
15 officer's reasons for decision reads as
16 follows, [As read]: "The charges for
17 violation of Louisiana Revised Statute
18 14:67.10, Theft of Goods, and
19 40:966(E)(1), Possession of Marijuana,
20 in the 24th Judicial District Court,

21 Parish of Jefferson, are still pending
22 against Kyria Davis. Kyria Davis
23 pursuant to Louisiana law is unsuitable
24 for possession of a non-key gaming
25 employee permit."

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1 A reading of the decision of the
2 hearing officer omits a clear
3 determination of whether Miss Davis is
4 also unsuitable under the provisions
5 which provide that she be of good
6 character, honesty and integrity, and
7 further that she's a person whose prior
8 activities, criminal record, reputation,
9 habits and associations do not pose a
10 threat to the public interest of this
11 state or to the effective regulation and
12 control of gaming, this despite the fact
13 that evidence relevant to the
14 determination of those provisions of
15 27:28(A)(1) and (2) represent.

16 The Division presented evidence
17 which clearly shows that in her letter
18 requesting an appeal, Miss Davis admits
19 that she did, indeed, take a good from a
20 store without paying for it, that she
21 was driving under the influence of
22 alcohol, and that she had intentions to
23 engage in marijuana, in her words.

24 Further, the Division presented evidence
25 which showed that as a condition of her

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1 entrance into the agreement to enroll in
2 the pretrial drug intervention program,
3 she admitted to the commission of the
4 crimes of theft of goods valued at less
5 than \$500 and possession of marijuana.

6 Well, why is this distinction
7 important? Miss Davis, or any permittee
8 who is revoked solely on the basis that
9 there is a pending charge of theft,
10 would normally not be eligible to apply
11 for five years from the date of that
12 finding of unsuitability unless -- and
13 this is important -- the Board allows
14 application for good cause shown.

15 Evidence was presented by Miss Davis
16 which shows that she's currently in a
17 Pretrial Diversion Program which will
18 end at some point and could result in
19 the dismissal of these charges. This
20 can subsequently lead Miss Davis or any
21 permittee that's similarly situated to
22 seek application for a permit prior to
23 five years. However, if the evidence
24 shows that those facts alleged which led
25 to the recommendation of revocation were

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1 actually committed, as the Division
2 asserts is the case here based on
3 Miss Davis' own admissions, and
4 Miss Davis is found unsuitable under the
5 provisions of Louisiana Revised Statute
6 27:28(A)(1), (2) or (3) are those
7 provisions which we artfully term
8 general unsuitability provisions, then
9 Miss Davis would remain ineligible to
10 apply for a license for five years
11 regardless of the disposition of her
12 criminal case.

13 Therefore, the Division respectfully
14 requests that this Board uphold Hearing
15 Officer Reynolds' decision by revoking
16 the non-key gaming employee permit of
17 Miss Davis, but not solely on the basis
18 that she has pending charges of theft of
19 goods and possession of marijuana, but
20 also on the basis that she's unsuitable
21 pursuant to the provisions of
22 27:28(A)(1) and (2) due to her own
23 admission in a letter that she authored
24 in which she admits that she was driving
25 under the influence of alcohol, did

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1 indeed take a good from a store without
2 paying for it and was driving under the
3 influence of alcohol.

4 CHAIRMAN JONES: Board Members, any
5 questions of the Attorney General's
6 Office?

7 MR. GASTON: Mr. Chairman, any time
8 Mr. Hebert makes a presentation and his
9 passion and thoroughness, I'm going to
10 move approval of what he's seeking. I
11 move.

12 CHAIRMAN JONES: We can't always
13 pledge him that, but your confidence in
14 the Attorney General is noted for the
15 record. Are there any other questions?
16 We have a motion from Major Mercer --

17 MAJOR MERCER: Gaston. I'll second.

18 CHAIRMAN JONES: Was there a motion
19 there beyond that?

20 MR. GASTON: You weren't listening?

21 CHAIRMAN JONES: Okay. We have a
22 motion to affirm the decision. Is there
23 a second?

24 MR. HEBERT: I'll ask that that
25 motion include that unsuitability under

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1 the provisions of 27:28(A)(1) and (2),
2 as well.

3 CHAIRMAN JONES: And affirming the
4 decision. All right. All in favor?

5 [Collective "aye."] Opposed? [No
6 response.] It is affirmed.

7 MR. HEBERT: Thank you.

8 3. In Re: Crystal M. Livings - No. V000017088

9 (appeal)

10 CHAIRMAN JONES: Next up Crystal M.
11 Livings, Number V, as in Victor,
12 000017088. Is Miss Livings or a
13 representative here?

14 MS. LIVINGS: I'm here.

15 CHAIRMAN JONES: Please come up.
16 Have a seat at the table.

17 MS. BOGRAN: Good morning, Chairman
18 Jones, Board Members, I'm Olga Bogran
19 Assistant Attorney General in the gaming
20 Division.

21 CHAIRMAN JONES: Please introduce
22 yourself.

23 MS. LIVINGS: Crystal Marie Livings.

24 MS. BOGRAN: This is Miss Livings'
25 request for appeal so I will let her go

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1 first.

2 CHAIRMAN JONES: Miss Livings, you
3 may not introduce anything into the
4 record which is not already in the
5 record; that is, everything that's been
6 previously appealed from a factual
7 standpoint to the hearing officer,
8 you're limited with regard to that
9 information. You can't tell us anything

10 new. Okay?

11 MS. LIVINGS: Okay.

12 CHAIRMAN JONES: So just explain
13 very simply to the Board why we should
14 reverse the decision of the hearing
15 officer.

16 MS. LIVINGS: Okay. I have a theft
17 charge, and honestly I haven't stolen
18 anything. I was charged with theft
19 because I went out to eat with a cousin,
20 and he was supposed to pick up the tab;
21 and apparently he didn't, in which I was
22 unaware that he didn't pick up the tab,
23 and ultimately I was charged with theft
24 because of not paying for a bill.

25 CHAIRMAN JONES: Do you have

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1 anything to add?

2 MS. LIVINGS: No.

3 CHAIRMAN JONES: Okay.

4 MS. BOGRAN: The issue in question
5 for the appeal is whether or not it was
6 proper and correct for the hearing
7 officer to have ordered the denial of
8 Miss Livings' video draw poker employee
9 application. Miss Livings disclosed on
10 her application that she plead guilty to
11 misdemeanor theft in 2014. She was
12 sentenced to 30 days in jail which was

13 suspended, and she was sentenced to one
14 year of supervised probation with
15 special conditions. She fulfilled the
16 conditions and completed her sentence of
17 probation in April of 2015.

18 Her application was denied by the
19 Division. She requested a hearing, and
20 the hearing officer ordered the denial
21 of her application.

22 Louisiana Revised Statute
23 27:427(A)(2) states that as pertains to
24 the crimes of theft, ten years must
25 elapse between the date of the

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1 completion of the sentenced probation
2 and the submission of the application.
3 Miss Livings completed her sentence in
4 2015, and she also submitted her
5 application in 2015, so clearly ten
6 years had not elapsed between the two
7 events.

8 The hearing officer correctly cited
9 this statutory bar as the basis for his
10 denial of the application, and we ask
11 the Board to affirm his decision. Thank
12 you.

13 CHAIRMAN JONES: Board Members, do
14 you have any questions as to the facts
15 before us and the record? There are no

16 questions. Do I have a motion?

17 MS. NOONAN: I'll motion to affirm.

18 CHAIRMAN JONES: To affirm? We have
19 a motion to affirm. Do I have a second?

20 MR. JACKSON: Second.

21 CHAIRMAN JONES: By Mr. Jackson. We
22 have a motion before us and a second
23 properly before the Board to affirm the
24 hearing officer's decision. All in --

25 MS. NOONAN: Can I make a comment,

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1 too, to Miss Livings?

2 CHAIRMAN JONES: May we vote on it
3 first?

4 MS. NOONAN: Sure.

5 CHAIRMAN JONES: And we'll permit
6 that. All in favor? [Collective
7 "aye."] Opposed? [No response.] The
8 motion -- the hearing officer's decision
9 is affirmed.

10 Miss Noonan.

11 MS. NOONAN: Miss Livings, I
12 appreciate you coming here to try to
13 clear your name. We as a Board have to
14 follow law, so in ten years you will be
15 able to apply. We do come across some
16 unfortunate circumstances, and
17 unfortunately we have to abide by the
18 law. But thank you for showing up.

19 MS. LIVINGS: Thank you.

20 VIII. ADJOURNMENT

21 CHAIRMAN JONES: Thank you. There
22 being no other items on the agenda, do I
23 have a motion to adjourn?

24 MR. SINGLETON: So moved.

25 MS. BERRY: Second.

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1 CHAIRMAN JONES: Motion by
2 Mr. Singleton and second by Miss Berry.
3 All in favor? [Collective "aye."]
4 Opposed? [No response.] We stand
5 adjourned until next month. Thank you
6 very much.

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1 REPORTER'S PAGE

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

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

15 That any words and/or names which could not
16 be verified through reference materials have been
17 denoted with the word "(phonetic)."

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24 SHELLEY PAROLA

Certified Court Reporter #96001

25 Registered Professional Reporter

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1 STATE OF LOUISIANA

2 PARISH OF EAST BATON ROUGE

3 I, Shelley G. Parola, Certified Court

4 Reporter and Registered Professional Reporter, do

5 hereby certify that the foregoing is a true and

6 correct transcript of the proceedings on October

7 8, 2015, as taken by me in Stenographic machine

8 shorthand, complemented with magnetic tape

9 recording, and thereafter reduced to transcript,

10 to the best of my ability and understanding, using

11 Computer-Aided Transcription.

12 I further certify that I am not an

13 attorney or counsel for any of the parties, that I

14 am neither related to nor employed by any attorney

15 or counsel connected with this action, and that I

16 have no financial interest in the outcome of this

17 action.

18 Baton Rouge, Louisiana, this 16th day of

19 October, 2015.

20

21

22 _____
SHELLEY G. PAROLA, CCR, RPR

CERTIFICATE NO. 96001

23

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