

October 21, 2021, LGCB Meeting, (Pages 1:1 to 94:25)

1:1 LOUISIANA GAMING CONTROL BOARD MEETING

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6 THURSDAY, OCTOBER 21, 2021

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9 LOUISIANA STATE CAPITOL

10 HOUSE COMMITTEE ROOM 6

11 900 NORTH 3RD STREET

12 BATON ROUGE, LOUISIANA

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16 TIME: 10:00 A.M.

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1 APPEARANCES

2 RONNIE S. JOHNS

Chairman

3 (At-Large)

June 30, 2025

4

JULIE BERRY

5 (CPA)

Third Congressional District

6 June 30, 2024

7 ASHLEY A. TRAYLOR

(At-Large)

8 First Congressional District

June 30, 2027

9

FRANCESCO HAMILTON-ACKER

10 (Attorney)

Third Congressional District

11 June 30, 2026

12 HARRY AVANT

(At-Large)

13 Fourth Congressional District

June 30, 2024

14

CLAUDE D. JACKSON

15 (At-Large)

Fourth Congressional District

16 June 30, 2021

17 JULIE A. LEWIS

(Investigative and Law Enforcement)

18 Fifth Congressional District

June 30, 2024

19

O. LAMAR POOLE, JR.

20 (Economic/Community Planner)

Sixth Congressional District

21 June 30, 2025

22

23

24

25

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1 APPEARANCES (CONTINUED)

2 NATALIE THURMAN

Principal Assistant

3

MAJOR CHUCK McNEIL, SUPERINTENDENT

4 Louisiana State Police

5 KIMBERLY LEWIS, SECRETARY

Department of Revenue

6

7 REPORTED BY:

8 KARLA H. MAYERS, CCR

Baton Rouge Court Reporters, LLC

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2 CHAIRMAN JOHNS:

3 Well, good morning, everyone.

4 Welcome to the October 21, 2021, Louisiana Gaming

5 Control Board meeting. Ms. Thurman, would you

6 please call the roll, please?

7 MS. THURMAN:

8 Chairman Johns?

9 CHAIRMAN JOHNS:

10 Here.

11 MS. THURMAN:

12 Mr. Avant?

13 MR. AVANT:

14 Here.

15 MS. THURMAN:

16 Ms. Berry?

17 MS. BERRY:

18 Here.

19 MS. THURMAN:

20 Mr. Jackson?

21 MR. JACKSON:

22 Here.

23 MS. THURMAN:

24 Ms. Lewis?

25 MS. LEWIS:

7

1 Here.

2 MS. THURMAN:

3 Mr. Poole?

4 MR. POOLE:

5 Here.

6 MS. THURMAN:

7 Ms. Hamilton-Acker?

8 MS. HAMILTON-ACKER:

9 Here.

10 MS. THURMAN:

11 Mr. Sholes?

12 (NO RESPONSE)

13 MS. THURMAN:

14 Ms. Traylor?

15 MS. TRAYLOR:

16 Here.

17 MS. THURMAN:

18 Colonel Davis?

19 MAJOR McNEIL:

20 Major McNeil for Colonel Davis.

21 MS. THURMAN:

22 And Secretary Lewis?

23 SECRETARY LEWIS:

24 Here.

25 MS. THURMAN:

8

1 We have a quorum.

2 CHAIRMAN JOHNS:

3 All right. Thank you, Ms. Thurman.

4 We do have a quorum.

5 II. PUBLIC COMMENTS

6 CHAIRMAN JOHNS:

7 First on the agenda this morning will

8 be public comments. Is there anyone in the
9 audience today that would like to make any public
10 comments before we get into the agenda?

11 (NO RESPONSE)

12 III. APPROVAL OF MINUTES

13 CHAIRMAN JOHNS:

14 Okay. Hearing none, we will move
15 forward with the approval of our minutes.

16 MS. BERRY:

17 Move.

18 CHAIRMAN JOHNS:

19 We have -- we have two sets of
20 amendments, actually, to -- to approve today.
21 We'll do them separately, if we could. First of
22 all, the minutes of September 8, 2021, they've
23 been in your -- the Board's packet.

24 MS. BERRY:

25 Move.

9

1 CHAIRMAN JOHNS:

2 Ms. Berry moves that we approve the
3 minutes of September 8, 2021.

4 MR. AVANT:

5 Second.

6 CHAIRMAN JOHNS:

7 Mr. Avant seconds that motion. Is
8 there any objection to that motion?

9 (NO RESPONSE)

10 CHAIRMAN JOHNS:

11 Hearing none, that motion passes. We
12 also have the minutes of September 16, 2021.

13 MS. BERRY:

14 (Indicating)

15 CHAIRMAN JOHNS:

16 Ms. Berry moves that we adopt
17 those -- those minutes.

18 MS. HAMILTON-ACKER:

19 Second.

20 CHAIRMAN JOHNS:

21 And Ms. Acker -- Hamilton-Acker
22 seconds that. Is there any objection to that
23 motion?

24 (NO RESPONSE)

25 CHAIRMAN JOHNS:

10

1 Hearing none, the minutes of
2 September 16, 2021, are hereby adopted.

3 IV. REVENUE REPORTS

4 CHAIRMAN JOHNS:

5 Okay. We're going to move forward
6 with revenue reports right now. And, Ms. Jackson,
7 good morning.

8 MS. JACKSON:

9 Good morning. Mr. Chairman, Board
10 Members, my name is Donna Jackson with Louisiana
11 State Police, Gaming Enforcement Division.

12 The revenues of multiple licensees
13 and all gaming venues were impacted by

14 Hurricane Ida closures during the first week or
15 more of September. The 13 operating riverboats
16 generated adjusted gross receipts of \$127,545,986.
17 The State collected fees totaling \$27,422,387.

18 Adjusted gross receipts for fiscal
19 year 2021-2022 to date are \$410,450,981, an
20 increase of \$66 million, or 19 percent, from
21 fiscal year 2020-2021, but a decrease of
22 \$40.5 million, or 9 percent, for fiscal year
23 2019-2020. As of September 30, 2021, the State
24 collected over \$88 million in fees for fiscal year
25 2022.

11

1 Page 2 shows the riverboat revenue
2 broken down by regional market. The overall
3 increase from August was \$8.5 million, or 7.2
4 percent. Compared to last September, this month's
5 revenues represent an increase of \$33.2 million,
6 or 35 percent.

7 Next is a summary of the
8 September 2021 gaming activity for Harrah's
9 New Orleans, on page 3. Harrah's generated
10 \$7,956,327 in gross gaming revenue during the 23
11 days of operation in September. These revenues
12 represent a decrease from last month of
13 \$5.7 million, or 42 percent, and a decrease of
14 \$5.8 million, or also 42 percent, from the same
15 month last year. During September, the State
16 received \$4,931,507 in minimum daily payments.

17 Adjusted gross receipts for fiscal
18 year 2021-2022 to date are \$47.4 million, an
19 increase of \$8.8 million, or 23 percent, from
20 fiscal year 2021, but a decrease of \$20.5 million,
21 or 30 percent, from fiscal year 2020. As of
22 September 30, 2021, the State collected
23 approximately \$15 million in fees for fiscal year
24 2022.

25 Next, I will present revenues for

12

1 slots at the racetracks. During September, the
2 four racetrack facilities combined generated
3 adjusted gross receipts of \$24,179,369, a slight
4 increase of 2.7 percent from August 2021 and an
5 increase of \$6.2 million, or 34.7 percent, when
6 compared to September 2020. During September, the
7 State collected fees of \$3.7 million.

8 Adjusted gross receipts for fiscal
9 year 2022 to date are approximately \$80 million,
10 an increase of \$10.9 million, or 16 percent, from
11 fiscal year 2021 but a decrease of \$4.5 million,
12 or 5 percent, from fiscal year 2020. As of
13 September 30, 2021, the State has collected
14 approximately \$12 million in fees for fiscal year
15 2021-2022.

16 I will now move to the video gaming
17 information. There were 11,670 video gaming
18 devices activated at 1,385 locations. Our system
19 generated these numbers based on revenue reporting

20 locations; so this number does not reflect the
21 number of devices and locations operating
22 currently, as some continue to be out of service
23 due to Hurricane Ida.

24 Net device revenue for September 2021
25 was \$55.2 million, a decrease of 5.8 percent when

13

1 compared to August 2021 but an increase of
2 \$740,000, or 1.4 percent, when compared to last
3 September. Total franchise fees for
4 September 2021 totaled \$16.9 million, a decrease
5 from August 2021 and an increase of \$318,000 when
6 compared to September 2020.

7 Franchise fees previously not
8 collected due to Governor Edwards' proclamation
9 and a subsequent order issued by Chairman Johns to
10 delay the collection of fees after Hurricane Ida
11 have now been collected.

12 Net device revenue for fiscal year
13 2022 to date is \$187.7 million, an increase of
14 \$17 million, or 10 percent, when compared to
15 fiscal year 2021 and an increase of \$37.6 million,
16 or 25 percent, when compared to fiscal year 2020.

17 Total franchise fees collected for fiscal year
18 2022 to date are approximately \$57 million, an
19 increase of 4.9 million, or 9.5 percent, when
20 compared to fiscal year 2021 and an increase of
21 \$12 million, or 27 percent, when compared to
22 fiscal year 2020.

23 CHAIRMAN JOHNS:
24 Okay. So had it not been for
25 Hurricane Ida, we may have been pretty much on the

14

1 rebound. And from the numbers that I'm looking
2 at, it looks like the Lake Charles market has
3 rebounded very well from Hurricane Laura, which
4 hit in August of 2020. And the Shreveport/Bossier
5 market seems to be holding its own, and the
6 Baton Rouge market appears to be holding its own.
7 So if we can do away with hurricanes and pandemics
8 in our state, we would really be looking pretty --
9 pretty good; so . . .

10 Are there any questions from the
11 board members?

12 (NO RESPONSE)

13 CHAIRMAN JOHNS:
14 Ms. Jackson, I have no questions from
15 board members. Thank you very much for your
16 report this morning, and thank you for your hard
17 work. We greatly appreciate it.

18 MS. JACKSON:

19 Thank you, sir.

20 V. CASINO GAMING ISSUES

21 CHAIRMAN JOHNS:
22 Okay. All right. Moving along into
23 casino gaming issues, the first thing on our
24 agenda this morning will be the consideration of
25 the Certificate of Compliance for the Alternate

1 Riverboat Inspection of the Catfish Queen

2 Partnership doing business as the Belle of

3 Baton Rouge. Good morning.

4 MR. LEWIS:

5 Good morning. Chairman Johns, Board

6 Members, I'm Assistant Attorney General

7 Kanick Lewis, Jr., and with me is Mr. John Francic

8 of ABSG Consulting. We're here in the matter of

9 the issuance of the Certificate of Compliance to

10 Catfish Queen Partnership in Commendam doing

11 business as the Belle of Baton Rouge Casino.

12 On March 2, 2021, ABSG began its

13 inspection process for the approval of the

14 Certificate of Compliance for the Belle of

15 Baton Rouge. The Board issued temporary

16 certificates to the Belle during the months of May

17 through September 2021 to allow the licensee

18 additional time to resolve it's fire sprinkler

19 pump discrepancy. Mr. Francic will now provide

20 details of the inspection.

21 MR. FRANCIC:

22 Good morning, Chairman.

23 CHAIRMAN JOHNS:

24 Good morning. How are you this

25 morning?

1 MR. FRANCIC:

2 Doing good, sir.

3 CHAIRMAN JOHNS:

4 Welcome to Baton Rouge.

5 MR. FRANCIC:

6 Thank you. John Francic with
7 ABSG Consulting here to give you an update on the
8 Belle of Baton Rouge fire sprinkler pump. During
9 the last one, they were waiting for the parts to
10 get in. So those parts finally did arrive. They
11 put it together, and they did a test. A third
12 party did a performance test, and the pump turned
13 out to be working and in good order. So we
14 completed that discrepancy, and it is -- the
15 recommendation of ABSG Consulting is to issue the
16 Certificate of Compliance for a full term, to
17 expire on May 31, 2022.

18 CHAIRMAN JOHNS:

19 So the parts did arrive?

20 MR. FRANCIC:

21 It did arrive, yes.

22 CHAIRMAN JOHNS:

23 No more -- no more temporary
24 extensions. So that's -- that's wonderful.
25 That's great. Thank you for your -- both of you,

17

1 for your hard work on this. Are there any
2 questions from our board members?

3 MR. LEWIS:

4 Chairman?

5 CHAIRMAN JOHNS:

6 Yes.

7 MR. LEWIS:

8 One other thing. We now present
9 these findings to the Board, and we request that
10 upon the Board's acceptance of ABSG's report that
11 you would move for the issuance of the Certificate
12 of Compliance, like Mr. Francic said, for the
13 Belle that would expire on May 21, 2022.

14 CHAIRMAN JOHNS:

15 Okay. Thank you, Mr. Lewis.

16 MR. LEWIS:

17 You're welcome.

18 CHAIRMAN JOHNS:

19 Appreciate it. Okay. Any questions
20 from our board members?

21 (NO RESPONSE)

22 CHAIRMAN JOHNS:

23 Hearing none, I would entertain a
24 motion that we issue a Certificate of Compliance
25 for the Belle of Baton Rouge.

18

1 MR. AVANT:

2 So moved.

3 CHAIRMAN JOHNS:

4 Mr. Avant has moved that we issue the
5 certificate of compliance.

6 MS. LEWIS:

7 (Indicating)

8 CHAIRMAN JOHNS:

9 Second by Ms. Lewis. Are there any
10 questions on the motion?

11 (NO RESPONSE)

12 CHAIRMAN JOHNS:

13 Any objection to that motion?

14 (NO RESPONSE)

15 CHAIRMAN JOHNS:

16 Hearing none, that -- that motion is
17 adopted.

18 Okay. Next will be the consideration
19 of Certification of Compliance for the Gaming --
20 the inspection of the gaming vessel of Louisiana
21 Gaming, doing business as Boomtown New Orleans.
22 Good morning.

23 MR. PICOU:

24 Good morning, Chairman Johns, Members
25 of the Board. I'm Assistant Attorney General

19

1 Charlie Picou. Here with me is Mr. John Francic
2 of ABSG Consulting. We're here in the matter of
3 the issuance of the annual Certificate of
4 Compliance to Louisiana I Gaming, a Louisiana
5 Partnership in Commendam, doing business as
6 Boomtown New Orleans. On August 25, 2021, ABSG
7 began the inspection process for the approval of
8 Boomtown New Orleans' annual Certificate of
9 Compliance. Mr. Francic will now present his
10 findings to the board.

11 MR. FRANCIC:

12 Chairman, Board -- Board Members,
13 John Francic with ABSG Consulting here to report
14 the annual certification for Boomtown New Orleans.
15 The inspectors Doug Chapman and Pete Bullard did,
16 on August 25, attend the dockside riverboat
17 Boomtown Belle II to conduct the annual inspection
18 in accordance with the alternative inspection of
19 riverboat gaming vessels in the state of
20 Louisiana.

21 The inspectors reviewed fire
22 protection equipment, egress routes, mooring
23 system, life safety items, and conducted a fire
24 drill. There were deficiencies found that can --
25 during the inspection that can be found on page 6

20

1 of the report. A follow-up inspection to all
2 deficient items was conducted on October 13. All
3 items were inspected and found corrected and
4 satisfactory.

5 The 2021 annual inspection is now
6 considered complete. It is the recommendation of
7 ABSG Consulting that Boomtown New Orleans be
8 issued a Certificate of Compliance.

9 CHAIRMAN JOHNS:

10 Okay. Thank you, John. So all
11 deficiencies have been addressed and are
12 satisfactory?

13 MR. FRANCIC:

14 Yes, sir.

15 CHAIRMAN JOHNS:

16 Okay. Thank you very much.

17 MR. PICOU:

18 We now present these findings to the
19 Board and request that upon the Board's acceptance
20 of ABSG's report that you move for the issuance of
21 the annual Certificate of Compliance to Boomtown.

22 CHAIRMAN JOHNS:

23 Thank you very much. I would
24 entertain a motion that we issue a Certificate of
25 Compliance for Louisiana Gaming doing business as

21

1 Boomtown New Orleans.

2 MS. TRAYLOR:

3 So moved.

4 CHAIRMAN JOHNS:

5 Ms. Traylor moves that we issue the
6 certificate of Compliance.

7 MR. POOLE:

8 Second.

9 CHAIRMAN JOHNS:

10 Second by Mr. Poole. Is there any --
11 any discussion on that motion?

12 (NO RESPONSE)

13 CHAIRMAN JOHNS:

14 Hearing -- is there any objection to
15 that motion?

16 (NO RESPONSE)

17 CHAIRMAN JOHNS:

18 Hearing none, that motion is adopted.

19 Gentlemen, thank you very much.

20 MR. PICOU:

21 Thank you, sir.

22 CHAIRMAN JOHNS:

23 Good to see you again, John. Moving
24 along, we will now take up the consideration of
25 the Joint Petition of Harrah's Shreveport/Bossier

22

1 City Investment Company and Rubico Gaming for the
2 approval of the Transfer of Ownership of Harrah's
3 Bossier City Investment Company doing business as
4 Harrah's Louisiana Downs. Good morning.

5 MR. GATHE:

6 Good morning. Chairman Johns, Board
7 Members, I'm Assistant Attorney General
8 Jeremy Gathe, and I handled the review of the
9 proposed acquisition of Louisiana Downs. Present
10 and reporting with me today is Ms. Evie Ficklin of
11 Louisiana State Police Audit and Senior Trooper
12 Shannon Simpson of Louisiana State Police, Gaming
13 Enforcement. Rubico and Ceasars are also present,
14 and Rubico will follow State Police with a brief
15 presentation.

16 Harrah's Shreveport/Bossier City
17 Investment Company, LLC, and Rubico Gaming, LLC,
18 filed an original joint petition with the Board
19 seeking the approval of a proposed transfer of
20 ownership in Harrah's Bossier City Investment

21 Company, LLC doing business as Harrah's Louisiana
22 Downs. Louisiana Downs is a licensed eligible
23 racing facility located in Bossier Parish and
24 holds a Slots at the Track gaming license. The
25 Slots at the Track gaming license is why the

23

1 transfer is relevant to the Board.

2 There are two parts of the transfer.

3 It's the sale of membership interest in Louisiana
4 Downs through an equity purchase agreement, and
5 the sale of the real property where Louisiana
6 Downs is located. Pursuant to the equity purchase
7 agreement, Harrah's Shreveport/Bossier intends to
8 sell its membership interest in Louisiana Downs to
9 Rubico Acquisition Corporation. Pursuant to the
10 real property sale agreement, Rubico Acquisition
11 intends to purchase the rights, title, and
12 interest in the real property from VICI.
13 Thereafter, Rubico Acquisition will assign its
14 rights, title, and interest in the real property
15 to LAD Landco, LLC, which will then lease the real
16 property to the licensee. Board approval is
17 required for these transactions. Rubico
18 Acquisition will fund the acquisition of Louisiana
19 Downs through a revolver with the Western Alliance
20 Bank, a subordinated loan agreement with
21 Thomas Benninger, and the warrant in equity
22 contributions.

23 All relevant persons have submitted

24 to a suitability investigation. At the beginning
25 of its -- at the beginning of its investigation,

24

1 Global Leveraged Capital Management, LLC, an
2 investment management firm owned by
3 Thomas Benninger, and Global Leveraged Capital
4 Partners & Company, LLC, a private investment and
5 advisory firm also owned Mr. Benninger, along with
6 its affiliates served as original parties to the
7 financing documents and a management agreement
8 respectively.

9 Due to this relationship, those
10 entities were initially required to submit to
11 suitability by the Division, and after several
12 requests, these entities finally submitted. On
13 April 29, 2021, Rubico provided the Division
14 with -- with an elimination of the entities from
15 the transactional documents and management
16 agreement. And based on these changes, it was
17 determined that the entities were no longer
18 required to submit.

19 Generally, the Board, at its
20 discretion, may place conditions on a gaming
21 license, for example, quarterly reporting, a
22 compliance officer at the licensed facility, and
23 so on. These measures have been placed into the
24 proposed conditions, should the Board approve the
25 transactions, as regulatory safeguards and to

25

1 ensure compliance with and the integrity of the
2 gaming industry in the state of Louisiana.
3 There is a procedural requirement set
4 forth by law that any time there is a transfer of
5 more than 50 percent of the ownership interest in
6 the Slots at the Track licensee, or a transfer
7 that results in a change of control, a new license
8 must be issued. The transfer of Louisiana Downs
9 to Rubico Acquisition Corporation results in both
10 a change of ownership that's greater than 50
11 percent and a change of control in the licensee;
12 therefore, should the Board approve these
13 transfers, the currently issued slot license of
14 Louisiana Downs will be surrendered, and a new
15 license will be issued. If it is the Board's
16 pleasure to approve the proposed transactions and
17 related financing, a resolution has been prepared
18 for the Board's consideration and the chairman's
19 signature upon approval. And I will now turn the
20 presentation over to State Place.

21 MS. FICKLIN:

22 Good morning, Mr. Chairman and Board
23 Members. My name is Evie Ficklin. I'm an auditor
24 with Louisiana State Police. Rubico Gaming, LLC,
25 formed its wholly owned subsidiary, Rubico

26

1 Acquisition Corp, or RAC, in July 2020 to acquire
2 gaming properties in the Midwest and the South.
3 If approved by the Board, RAC's first acquisition

4 will be Louisiana Downs.

5 Louisiana Downs' operations and the
6 real estate assets underlying Louisiana Downs are
7 owned by separate companies. Caesars
8 Entertainment Inc., owns the operating company
9 Louisiana licensee Harrah's Bossier City
10 Investment Company, LLC, or HBCIC, and Bossier
11 City, LLC, owns Louisiana Downs real property
12 assets. Bossier City, LLC, is a subsidiary of
13 VICI Properties, Inc., a publicly traded REIT.

14 RAC's purchase price to acquire the
15 equity interest in HBCIC and its related
16 operations is 16.5 million. Its cost to acquire
17 the real property assets from Harrah's
18 Bossier City is 5.5 million. Each transaction is
19 detailed in separate purchase agreements signed by
20 RAC and the sellers on September 3, 2020. Fees
21 related to the acquisitions are estimated at
22 1.9 million.

23 RAC's total \$23.9 million cost to
24 acquire Louisiana Downs is shown allocated in the
25 sources and uses of funds schedule on page 20.

27

1 RAC plans to finance the total 23.9 million
2 acquisition cost using a combination of borrowed
3 funds, the proceeds from the sale of penny
4 warrants, and capital contributed by
5 Mr. Thomas Benninger, Rubico Gaming, LLC's sole
6 member and manager. The borrowed funds will

7 provide an aggregated 18.5 million of the
8 23.9 million Louisiana Downs' acquisition cost and
9 related fees.

10 In connection to the borrowed
11 financing, RAC is party to two loan agreements, a
12 senior loan that provides for a \$16 million
13 reducing revolving line of credit with Western
14 Alliance Bank, and a \$3 million six-year
15 subordinated loan with sole lender and
16 administrative agent Mr. Benninger. RAC will use
17 15.5 million of the \$16 million loan at closing.

18 The five-year senior loan provides
19 for schedule commitment reductions of \$275,000 per
20 month beginning the first full quarter after
21 closing and continuing throughout the loan term.
22 The senior loan includes an up to \$5 million
23 incremental loan provision. RAC will use the
24 entire proceeds from the \$3 million subordinated
25 loan at closing. The subordinated loan has an

28

1 interest rate of 13 percent. Rubico has the
2 option to pay up to 3 percent of the interest
3 payment in paid-in-kind payments, or PIK. Loan
4 payments made in PIK will be added to the
5 outstanding principal of the subloan.

6 Rubico Gaming plans to sell penny
7 warrants at closing, which will provide an
8 additional \$2,270,000 in funding toward the
9 acquisition. Rubico Gaming is selling the

10 warrants to accredited investors at \$1 a warrant.

11 The warrant's exercise price is also \$1.

12 Finally, Mr. Benninger has
13 contributed a total of 3.645 million in capital to
14 Rubico Gaming beginning August 12, 2020. Rubico
15 Gaming used a portion of Mr. Benninger's capital
16 contributions on September 3, 2020, to satisfy the
17 \$1 million earnest money deposit required under
18 the terms of its equity purchase agreement with
19 Caesars.

20 Louisiana Downs' projections are
21 shown on page 59, and its capital expenditure
22 projections are shown on page 60. Its capital
23 expenditures shown in year 2021 include 2 million
24 for its development of an IT infrastructure to
25 support its operations post closing. RAC plans to

29

1 use 2 million of closing cash to fund the
2 IT CapEx. RAC Management provided the information
3 in the liquidity analysis on page 61.

4 Rubico Gaming and RAC are newly
5 formed, stand-alone entities with limited
6 financial histories. Aside from external
7 borrowing and the proceeds from warrant sales,
8 RAC's sole source of funding is Mr. Benninger's
9 private financial accounts. Mr. Benninger has
10 provided documentation reflecting his personal
11 financial holdings.

12 Aside from concerns due to the

13 limited financial histories of Rubico Gaming, LLC,
14 and Rubico Acquisition Corp. and the associated
15 risk with stand-alone companies lacking the
16 financial backing of an established parent
17 company, no issues came to Audit's attention to
18 preclude the Board's approval of the transfer of
19 interest in Louisiana Downs to RAC and the related
20 financing.

21 Senior Trooper Simpson will now give
22 the results of his report.

23 SENIOR TROOPER SIMPSON:

24 Good morning, Chairman Johns, --

25 CHAIRMAN JOHNS:

30

1 Good morning.

2 SENIOR TROOPER SIMPSON:

3 -- Board Members. Senior Trooper
4 Shannon Simpson with the Louisiana State Police,
5 Gaming Enforcement Division. On September 23,
6 2020, the Louisiana State Police, Gaming
7 Enforcement Division, received notification of a
8 joint petition requesting for approval on a
9 proposed purchase agreement submitted on behalf of
10 Harrah's Shreveport/Bossier City Investment
11 Company, LLC; Harrah's Bossier City, LLC; Rubico
12 Acquisition Corporation; and Rubico Gaming, LLC.

13 On October 5, 2020, the party
14 submitted an amended petition to the Division.
15 HSBCI has entered into an agreement where RAC

16 would purchase all of the equity interest in the
17 license; therefore, furthermore, HBCI -- HBC has
18 entered into an agreement where RAC would purchase
19 all of the real property located at Harrah's
20 Louisiana Downs.

21 The Division conducted a suitability
22 investigation on the officers and directors of
23 Rubico Gaming, LLC, and Rubico Acquisition
24 Corporation and their officers, directors, persons
25 with 5 percent or more ownership of the companies.

31

1 All of the individuals in the investigation have
2 met suitability through Rubico Gaming, LLC, and
3 Rubico Acquisition Corporation.

4 Criminal inquiries were made through
5 State Police -- State of Louisiana Criminal
6 History Database. Tax clearance request forms
7 were forwarded to the Louisiana Department of
8 Revenue in order to ensure compliance -- are
9 current with their tax filings. During this
10 investigation -- during this suitability
11 investigation, no information was found that would
12 preclude the Board from approving the joint
13 petition of the equity interest of the real
14 property purchased.

15 CHAIRMAN JOHNS:

16 Okay. Thank you. Thank you very
17 much. This has been quite a journey, hasn't it?
18 And how long has it been since we started this

19 process?

20 MR. GATHE:

21 September 2020, I believe.

22 CHAIRMAN JOHNS:

23 Okay. A little over a year.

24 MR. GATHE:

25 Yeah.

32

1 CHAIRMAN JOHNS:

2 Yeah. So I know we're going to have
3 some questions for the -- for the -- for Rubico as
4 they come up to the table. I think I have some
5 questions from the Board Members.

6 MS. BERRY:

7 I have some questions.

8 CHAIRMAN JOHNS:

9 Ms. Berry?

10 MS. BERRY:

11 Hi. Thank you for the extensive
12 report. I appreciate it. I just want to verify a
13 couple of things with you, Mr. Gathe. Y'all are
14 not concerned at all about the reluctance to
15 submit the suitability investigations in the
16 beginning? Was there a reason why they were
17 reluctant to do that, or they were just not
18 familiar with the process or --

19 MR. GATHE:

20 Those were definitely areas of
21 concern. And there are instances where applicants

22 and State Police will disagree on who are -- who
23 is required to submit to suitability. Our office
24 stands completely by State Police whenever they,
25 you know, told Rubico that these particular

33

1 entities were required to submit. But since then,
2 Rubico has eliminated those particular entities
3 from the transaction. So their -- their relevance
4 here -- they're no longer relevant.

5 The, I guess, refusal to submit is
6 something that the Board should take into
7 consideration. We do have conditions that are
8 implemented on licenses in order for a particular
9 licensee to maintain compliance. And if it is the
10 Board's pleasure, and whether you believe that the
11 safeguards that are within the conditions are
12 sufficient, such as the necessity of a compliance
13 officer at the establishment --

14 MS. BERRY:

15 I think you were able to read my mind
16 there. I guess it just concerns me on the
17 reluctance. And then I wanted to make sure that
18 in the resolution, we did have the quarterly
19 reporting, the compliance officer, and a facility.
20 Is that going to be in --

21 MR. GATHE:

22 That is -- that is listed in the
23 conditions for the license in order for them to
24 maintain the license.

25 MS. BERRY:

34

1 How long do you think that would

2 last, that condition -- those conditions?

3 MR. GATHE:

4 The conditions are -- they're going

5 to last as long as the licensee holds the license.

6 MS. BERRY:

7 Okay. Okay. All right. I guess

8 that answers my question, if y'all are comfortable

9 with it, and that is in the resolution. Thank

10 you.

11 CHAIRMAN JOHNS:

12 Thank you, Ms. Berry. Any other

13 questions at this time for our presenters at the

14 table?

15 (NO RESPONSE)

16 CHAIRMAN JOHNS:

17 Thank y'all very much for your hard

18 work on this. I will just say this publicly. As

19 I am new to this job, -- I've only been here about

20 three months as chairman -- I do know that as

21 chairman, and I think I speak for the entire

22 Board, we take very, very seriously compliance

23 with requests from State Police and from the

24 Attorney General's Office.

25 And I'm not pointing this just at

35

1 Rubico. I'm saying this publicly to anybody out

2 there, that if you're -- you know, if you're asked
3 for information, we -- we would -- we would take
4 very seriously that that information is -- is
5 presented in a very timely and a very compliant
6 manner; so thank you for holding steadfast on
7 that.

8 And so, I guess, at this point in
9 time, we would like to ask Rubico to come up and
10 make their presentation. And, gentlemen, why
11 don't y'all come join us at the table. And
12 joining us today will be Mr. Tom Benninger with
13 Rubico Gaming, Mr. Kevin Preston with Rubico, and
14 Mr. Ryan O'Beirne --

15 MR. O'BEIRNE:

16 "O'Beirne." Correct.

17 CHAIRMAN JOHNS:

18 O'Beirne. Is that an Irish name?

19 MR. O'BEIRNE:

20 A good Irish name, yeah, Mr.

21 Chairman.

22 CHAIRMAN JOHNS:

23 Right. -- with Rubico, also. So,
24 gentlemen, good morning. Welcome to -- to our
25 meeting this morning. I know this has been a long

36

1 time coming for -- for you and for us both. And
2 so if y'all would like to proceed with a
3 presentation of whatever you want to present to us
4 this morning, I know -- I know there's going to be

5 some questions as to where we go forward.

6 MR. BENNINGER:

7 Sure. Why don't I go ahead. I'm

8 Tom Benninger.

9 CHAIRMAN JOHNS:

10 Good morning.

11 MR. BENNINGER:

12 Good morning. First of all, I want
13 to tell you how pleased we are to be here today.

14 We couldn't be happier. I'm the owner of Rubico

15 Gaming. I am also the Chairman of Rubico

16 Acquisition Corp. To my left is Kevin Preston.

17 Kevin is the President of Rubico Acquisition Corp.

18 That will be the entity that is buying the

19 property Louisiana Downs. And to my right is

20 Ryan O'Beirne -- O'Beirne, our counsel. It has

21 been a long journey. As I said, we're very, very

22 excited to be here.

23 We do have a long list of plans for
24 the property. The property, frankly, has been a
25 little bit of a step-child by Caesars for the last

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1 several years; so it was -- it's really an easy
2 process for us to develop. We think it's going to
3 be a great operating plan.

4 You know, our plans start with
5 developing a brand new IT system for the property.
6 We're going to be inheriting it without a slot
7 system, without an accounting system, without a

8 POS system, without a payroll system; so there's
9 going to be substantial expenditures from day one.

10 We do have the ability at the time we
11 close, and we are planning on closing here in the
12 next ten days, subject to, obviously, your
13 approval and subject to Racing Commission
14 approval. We do have plans with Caesars to have a
15 coordinated effort over the next several months
16 for a transition on the IT system. So Caesars has
17 been very cooperative in that regard. But that
18 will be one of our major expenditures over the
19 next several months.

20 From there, we're looking to expand
21 and improve the gaming floor. We have plans for
22 changing out, whether its through conversions or
23 new equipment, about 150 machines. And we also
24 have substantial plans to improve the food and
25 beverage operations at the property. It's -- I

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1 think it's solely deficient from a food and
2 beverage offering standpoint. Our plans include,
3 you know, putting a bar -- a center bar at the
4 casino. We hope to have a sports betting license,
5 develop a sportsbook arena.

6 And, overall, the property hasn't
7 done a good job with integrating racing employees
8 with gaming employees. So, culturally, those
9 people see two different sides of -- of the
10 property. We need to integrate that. We want to

11 really improve the racing experience. We want to
12 improve the experience not only for the customer
13 but for the horsemen themselves. We want to spend
14 some money out at the barns to improve that
15 facility out there, both -- not only for the barn
16 but for the jockeys.

17 We think the property, from a racing
18 standpoint, has a unique position primarily in the
19 state and the surrounding states. There's about
20 1600 stalls out there, and we have a beautiful
21 practice as well as a primary track. So we think
22 there's an ability actually to attract horsemen on
23 a year-round basis, book for practice. We're
24 running right now about 130-odd days of racing a
25 year. And so we think there's some -- not only

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1 are we going to benefit by the improvements on the
2 racing side, but we think we can create something
3 that actually the horsemen in the area, I think,
4 are going to appreciate.

5 We also see -- and Kevin can add in
6 along the way, but there's some longer-term
7 improvements that we see for the property. You
8 know, if you drive by our property, or future
9 property, at any point in time, you'll see a
10 substantial number of trucks parked in -- in the
11 parking lot there.

12 We have a huge parking area, and
13 there's up to over 100 trucks parked there on any

14 particular night. We don't charge. They're not
15 being charged for that. Those are potential
16 customers that we need to attract into the
17 properties. So we want to look for ways,
18 basically, to actually encourage that kind of --
19 that kind of activity but encourage it in bringing
20 people in -- into the casino, both for --
21 obviously, for gaming, as well as food and
22 beverage. So there's little, simple things like
23 that that -- that we're going to be working on
24 immediately.

25 The property itself is going to be

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1 branded as Louisiana Downs, so really just
2 dropping the Harrah's name, keeping the same
3 vintage name. We like that. Our players club is
4 going to little bit -- be a little bit of a
5 throwback to the property itself. It's going to
6 be called Club 74. The property originally
7 started in 1974. So we're calling our players
8 club, Club 74. We're excited about that.

9 And we've had a good team of people
10 already starting to work on marketing efforts and
11 really starting to -- and we've had this team of
12 people that we've been, frankly, paying for the
13 last several months, getting ready for that
14 transition. So all of our marketing documents and
15 our marketing plans are really ready to go. So I
16 will say, while it has been a long journey, I

17 would say, if anything, we're more prepared than
18 ever to take control and, hopefully, improve the
19 property.

20 MR. PRESTON:

21 I think, too, you know, you hear
22 we've been at the property --

23 CHAIRMAN JOHNS:

24 Mr. Preston, if you would, just
25 identify yourself --

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1 MR. PRESTON:

2 Oh, I'm sorry.

3 CHAIRMAN JOHNS:

4 -- for the record.

5 MR. PRESTON:

6 Sure. Kevin Preston, President of
7 Rubico Gaming again. You know, we've been to the
8 property a lot over the course of the last year,
9 and, you know, we continue to hear that moniker
10 "iconic," and so our goal, at the end of the day,
11 is to bring this iconic track back to an iconic
12 status. And, you know, we've spent a lot of time
13 in the Bossier area, and -- you know, with the
14 horsemen, with the gaming folks.

15 And so, as Tom said, from a food and
16 beverage standpoint, we definitely need to focus
17 on that, you know, a new slot product on the
18 floor, and really just -- I think it's been the
19 first type of acquisition where the team members

20 are actually very, very excited about us coming
21 in. And so you don't really find that too often
22 when you're acquiring someone.

23 But we've got some special team
24 members there, some special folks that we've hired
25 already, and so we're -- we're just eager to

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1 really get going and make you guys proud. So I
2 appreciate that.

3 CHAIRMAN JOHNS:

4 Mr. Preston, you are affiliated with
5 a casino license in Mississippi, if I'm not
6 mistaken.

7 MR. PRESTON:

8 Correct. Yes.

9 CHAIRMAN JOHNS:

10 Is that correct?

11 MR. PRESTON:

12 Uh-huh. Yeah.

13 CHAIRMAN JOHNS:

14 In Natchez. Is that --

15 MR. PRESTON:

16 Natchez, Mississippi, Magnolia Bluffs
17 Casino Hotel.

18 CHAIRMAN JOHNS:

19 Right.

20 MR. PRESTON:

21 Yeah.

22 CHAIRMAN JOHNS:

23 I want you to know I had a
24 conversation with my counterpart in Mississippi --
25 with the regulator in Mississippi, and he actually

43

1 had nothing but kind words to say about you and
2 your operation and your commitment to the city of
3 Natchez and the surrounding communities. So I
4 just wanted to let the Board know that I did have
5 that conversation with my counterpart in
6 Mississippi.

7 MR. PRESTON:

8 Thank you. Thank you. We intend --
9 we intend to do the same thing in Bossier. I
10 mean, I think it's -- it's all about, you know,
11 not only what we can do from a gaming perspective,
12 but it's also what we can do for the community,
13 and I think we're really excited about what we can
14 do to help and, you know, forge even greater
15 things from an economic development standpoint in
16 Bossier. So thank you.

17 CHAIRMAN JOHNS:

18 All right. Thank you. Mr. O'Beirne,
19 do you have anything to add this morning or . . .

20 MR. O'BEIRNE:

21 No, sir. We're just glad to be here
22 and appreciate all the hard work that's gone into
23 this from everybody on the regulator's side, the
24 State Police and the AG's Office and staff, the
25 Gaming Control Board. I know it's been a long

1 journey, but we're very excited to be at this
2 point.

3 CHAIRMAN JOHNS:

4 Okay. Mr. Benninger, would you like
5 to comment on what Ms. Berry had alluded to
6 earlier about some of the language in the report
7 about reluctance to submit information? Was that
8 just a miscommunication? Was it --

9 MR. BENNINGER:

10 Sure.

11 CHAIRMAN JOHNS:

12 I just -- I'm not quite sure how
13 to -- how to frame this, but being that it's been
14 brought out, I would like you to com -- at least
15 have an opportunity to comment on it.

16 MR. BENNINGER:

17 I appreciate that. I would like
18 to char -- I would characterize it probably as a
19 miscommunication. So I think the request, in its
20 simplest form, early on had been that I own a
21 company called Global Leveraged Capital, which was
22 referred to in the report. It's in the business
23 of making loans to small private businesses, and
24 we raise money from third parties and run funds.
25 We're a registered investment advisor. I happen

1 to own Global Leveraged Capital. It's one of
2 the -- my other holdings.

3 Global Leveraged Capital was
4 originally going to be a lender to this particular
5 company, and from that, I think the conclusion was
6 that Global Leveraged Capital and its limited
7 partners would have to come forward for licensing,
8 which is contrary to most states, and it's even
9 contrary to Louisiana law in the sense that, if
10 we're a registered investment advisor, that
11 qualifies us -- us being allowed to be an
12 institutional lender.

13 I think maybe the miscommunication
14 was because I -- I'm -- I'm the owner of Rubico.
15 I'm the owner of Global Leveraged Capital.
16 There's a lot of crossover, and so it certainly
17 can be a very confusing -- it can be a very
18 confusing organization, sure.

19 So the ability for us to bring
20 forward our limited partners is, frankly,
21 impossible. Large insurance companies around the
22 company, their interest in coming forward for
23 licensing for what would be a small loan was not
24 of any interest, and so that was really the
25 primary refusal.

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1 Since then, all of the major officers
2 of Global Leveraged Capital, even though there's
3 no involvement, they still came forward and
4 submitted for licensing, and so I think we've
5 complied in that regard. So at this point, I feel

6 like we've complied with all the information
7 requests that's been asked of us.

8 CHAIRMAN JOHNS:

9 And I think that's been testified
10 from State Police and the Attorney General's
11 Office earlier. Ms. Berry, did you -- did you
12 have a comment?

13 MS. BERRY:

14 The only other question -- I just had
15 one other question.

16 CHAIRMAN JOHNS:

17 Okay.

18 MS. BERRY:

19 I assume you have to -- before the
20 Racing Commission, also?

21 MR. BENNINGER:

22 Yes, next week.

23 MS. BERRY:

24 Okay. How would that affect this
25 licensing with us and them, also, or -- has all

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1 that been cleared out?

2 MR. PRESTON:

3 Yes.

4 MR. O'BEIRNE:

5 Yes. So we're on the agenda for
6 Tuesday, 10:00 a.m., for the approval -- you know,
7 for consideration of the same approvals but from
8 the racing side.

9 MS. BERRY:

10 Okay. So we're the gaming side;
11 they're the racing side.

12 MR. O'BEIRNE:

13 Correct.

14 MS. BERRY:

15 So we have to work together. And
16 y'all don't anticipate any problem with that?

17 MR. O'BEIRNE:

18 No.

19 MS. BERRY:

20 Thank you.

21 CHAIRMAN JOHNS:

22 And we do work together very closely.
23 I actually had a conversation with their chairman,
24 board members yesterday, and they had actually
25 asked that we approve our end first, and then next

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1 Tuesday, they're going to take up the -- the
2 Racing Commission's procedure. And then that --
3 if both of those are approved, that will allow you
4 to go and actually close on the property, if -- if
5 I'm not mistaken --

6 MR. PRESTON:

7 That's correct.

8 CHAIRMAN JOHNS:

9 -- how that's going to work. You do
10 intend to apply for a sports bet license?

11 MR. PRESTON:

12 Yes.

13 MR. BENNINGER:

14 Yes.

15 CHAIRMAN JOHNS:

16 Are you all aware that there's a
17 December 31 deadline by law, not by Board rule but
18 by statute, that you have to put in your
19 application?

20 MR. PRESTON:

21 Yes.

22 CHAIRMAN JOHNS:

23 Okay. So you intend to do that?

24 MR. PRESTON:

25 Yes.

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1 CHAIRMAN JOHNS:

2 Okay. Great. You are also aware of
3 some procurement goals and requirements that --
4 that we have as the Board in terms of -- of hires
5 of Louisiana residents, --

6 MR. PRESTON:

7 Yes.

8 CHAIRMAN JOHNS:

9 -- minority -- minority employees,
10 female employees, procurement of goods and
11 services? There are certain goals --

12 MR. PRESTON:

13 Yes.

14 CHAIRMAN JOHNS:

15 -- and requirements out there, and --
16 and you are very aware of those?

17 MR. PRESTON:

18 Yes.

19 CHAIRMAN JOHNS:

20 Okay. We do take those very
21 seriously.

22 MR. PRESTON:

23 Yes.

24 CHAIRMAN JOHNS:

25 We know there are extenuating

50

1 circumstances from time to time. It's not too
2 often, though, that Bossier gets hit with a
3 hurricane; so -- like we do down here in South
4 Louisiana.

5 MR. PRESTON:

6 Yeah.

7 CHAIRMAN JOHNS:

8 But -- okay. I just wanted to -- to
9 put that on the record. Mr. Hebert?

10 MR. HEBERT:

11 Yes, Chairman. I just wanted to also
12 make sure that the gentlemen were aware that in
13 addition to applying with the Gaming Control
14 Board, or prior to applying for a sports wagering
15 license, that you have to seek approval from the
16 Racing Commission to apply.

17 MR. O'BEIRNE:

18 Yes. And that's, actually, on the
19 agenda for Tuesday as well.

20 MR. HEBERT:

21 Okay. I just wanted to make sure.

22 MR. O'BEIRNE:

23 So they'll take up both the approval
24 of the transaction and the approval to file for
25 the sports betting license.

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1 MR. HEBERT:

2 Okay. Thanks.

3 CHAIRMAN JOHNS:

4 Okay. Thank you, Mr. Hebert.

5 Mr. Avant, please.

6 MR. AVANT:

7 Is the hotel -- it's independent, and
8 it's onsite, isn't it? And are there any plans
9 from Rubico to develop rooms or anything?

10 MR. BENNINGER:

11 Yeah. There's actually a couple of
12 hotels on the property. They are completely
13 independent. We don't have any goals -- excuse
14 me -- any goals at this point to add rooms. I
15 think we have other expenditures we prioritize
16 more, entertainment and feature expenditures, that
17 we would do before we would add hotel rooms.

18 But I think the one thing we need to
19 do a better job of is coordinating with the hotels
20 on the property so that we do -- if we do have

21 players who do need rooms that we can provide that
22 to them as part of an amenity. But as far as us
23 building new rooms, it's probably not in our
24 immediate plans.

25 What we would really love to do is we

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1 have that huge park -- we have a lot of indoor
2 facility, and we have a lot of outdoor facility.
3 We would really want to take advantage of both of
4 those to add more features to the property. What
5 those features are is kind of TBD, but you can
6 imagine it could be anywhere from, you know, golf
7 to bowling to RV parks to truckstops. So we think
8 we have a lot of -- we have a very clean palette
9 to work from.

10 MR. AVANT:

11 Tell us about the 100 trucks that are
12 there. They're eighteen-wheelers, aren't they?

13 MR. BENNINGER:

14 Yes. Yes, they are. Yeah.

15 MR. AVANT:

16 Yeah. Is that a growing thing, the
17 park at night places?

18 MR. BENNINGER:

19 It seems to have been growing for the
20 last couple of years there. These trucks --

21 MR. AVANT:

22 West of Shreveport there's a lot that
23 used to be nothing, but now there's 500

24 eighteen-wheelers parked all the time.

25 MR. BENNINGER:

53

1 Yeah.

2 MR. AVANT:

3 Well, where did they park before?

4 MR. BENNINGER:

5 Right. I don't know.

6 MS. BERRY:

7 Maybe they kept driving.

8 MR. AVANT:

9 So, anyway, tell us about that a
10 little bit. Does that mean your plan is to get
11 more eighteen-wheelers and truckers and --

12 MR. BENNINGER:

13 I think we need to figure out a plan
14 to take advantage of -- you know, those people are
15 parking on our lots. They're at the far end of
16 the lot. They're not -- we're not -- they're not
17 being charged to park there. So they're parking
18 for free. One would argue they're actually
19 creating some damage to the parking lot, but we
20 want to flip that on its head and try to bring
21 those people into the -- into the facility, get
22 them signed up as players, have a better food and
23 beverage offering, actually try to market it and
24 say, look, come and park here, you know, and if
25 you're parking out here, maybe we can give you

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1 some type of deal on food or some type of -- if
2 you're signing up as a player, you're going to get
3 some free play in the casino. But we need to get
4 those people to walk across the parking lot.

5 Right now, they're actually not.
6 They're parking there for free, and then they're
7 moving out the next day. They're not even walking
8 into the facility.

9 MR. PRESTON:

10 And early on, I mean, we even talked
11 potentially, and, obviously, there's still
12 discussions, but even some sort of travel center
13 right on site that can -- you know, we could
14 utilize. There's a lot of things that we've been
15 sort of discussing, because, again, as Tom said, I
16 mean, it's sort of a clean slate there, with a lot
17 of land, a lot of opportunity. And so we're just
18 excited to sort of start having these discussions
19 on what's best for not only the community but for
20 us as well.

21 MR. AVANT:

22 Thank you.

23 MR. PRESTON:

24 Uh-huh.

25 MR. POOLE:

55

1 What's the -- what's the total size
2 of that --

3 CHAIRMAN JOHNS:

4 Thank you, Mr. Avant. We'll get

5 Mr. Poole, please. Go ahead.

6 MR. POOLE:

7 I'm live?

8 CHAIRMAN JOHNS:

9 Yeah. You're on.

10 MR. POOLE:

11 What's the total size of that
12 acreage, that whole piece of property? Do you
13 know how big?

14 MR. BENNINGER:

15 It's about 265 acres.

16 MR. POOLE:

17 So there's plenty of room to do
18 plenty of stuff?

19 MR. BENNINGER:

20 Yeah. Oh, yeah.

21 MR. PRESTON:

22 Yeah.

23 MR. BENNINGER:

24 Yeah. Yeah. No, that parking lot is
25 large.

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1 MR. POOLE:

2 Well, I know -- I have a lot of
3 friends that live over in that area, and they
4 remember the glory days of what it was like in the
5 '80s and the '90s and how much attraction it -- it
6 drew there, and the business that was there.

7 People that live up there are anxious for
8 something to happen in a good way to that
9 property.

10 MR. BENNINGER:

11 Yeah.

12 MR. POOLE:

13 And they've waited for a long time.

14 MR. BENNINGER:

15 Yeah. And to your point, I mean, a
16 couple of things that really excite us about the
17 property is there's a new interchange going in
18 across the street that's going to connect into
19 Barksdale Air Force Base; you know, so that's
20 17,000 military personnel and civilians who work
21 on that base every day. So that's a wonderful
22 connection that hadn't existed before.

23 The property in the past has been
24 marketed more to the same type of people that the
25 riverboats are marketing to. So it's a much

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1 broader regional marketing effort. Our goal is to
2 make it much more local-oriented. It really
3 should be a locals property. That's really what
4 it is. People, frankly, aren't going to drive --
5 unless it's a race day, they're not driving from
6 Dallas to go to Louisiana Downs to play slots.
7 Right?

8 MR. POOLE:

9 Right.

10 MR. BENNINGER:

11 But your locals certainly will. And
12 that's the people we should be getting. Those
13 people shouldn't be going -- if you're
14 talking about from our competitors, they shouldn't
15 be going to the riverboats. They should be coming
16 to us, so yes. So that's really going to be our
17 plan.

18 MR. POOLE:

19 We only regulate the video gaming
20 side, but the racing side, I think, is -- could be
21 a huge draw. It just -- I think the property just
22 needs to -- to look better, feel better, and be
23 run better to draw more people in there; so . . .

24 MR. BENNINGER:

25 I couldn't agree more.

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1 MR. POOLE:

2 We're telling y'all to do that.

3 MR. PRESTON:

4 Yeah.

5 MR. BENNINGER:

6 Absolutely.

7 CHAIRMAN JOHNS:

8 Okay. Thank you, Mr. Poole.

9 Ms. Berry, I think, has one for you.

10 MS. BERRY:

11 I just have one more comment. I
12 don't want you to think that we're grilling you to

13 death here, but we're responsible to the citizens
14 of Louisiana for the gaming portion of your
15 investment, and we just have to do our due
16 diligence and ask the correct questions. But I
17 just want to comment that I sincerely, on behalf
18 of the Board, appreciate your investment in
19 Louisiana and in Louisiana Downs, and we hope we
20 can work together for a very, very successful
21 entity for y'all. So thank you very much for all
22 your work.

23 MR. PRESTON:

24 Thank you.

25 MR. BENNINGER:

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1 Thank you so much.

2 CHAIRMAN JOHNS:

3 Thank you, Ms. Berry. Gentlemen, I
4 will tell you, I was serving in the House of
5 Representatives many years ago, and I had jet
6 black hair back then, by the way, and -- it's a
7 true story. But the horse racing industry in the
8 state literally came to a standstill. It was on
9 the verge of total collapse.

10 I had a track back in my old House
11 district, Delta Downs, in Vinton that was -- I
12 live in the Lake Charles area. And -- and it was
13 the -- the legislation that created, as we called
14 it then, the Slots at the Track, but the casino
15 component, that actually saved the -- the horse

16 racing industry.

17 But we've never forgotten that --

18 that -- and I'm asking you to never forget that

19 you're buying a racetrack. I've had this

20 conversation with the Racing Commission, and

21 they're very, very excited about working with you.

22 They're very concerned about the future of

23 Louisiana Downs.

24 That track has a history of -- of

25 some outstanding races. There's just a real

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1 historical component to Louisiana Downs that we

2 want to -- we want to bring back to this state.

3 So it's -- it's part of our heritage here in

4 Louisiana. It's part of -- of our culture.

5 And -- and we want to -- we want to make it

6 prosper. We want to do everything that we can.

7 I echo what Vice-chairman Berry has

8 said, that we welcome your investment. We've been

9 very concerned about that property for sometime

10 now, and we know that you're -- you're making a --

11 you're making a -- I'm not going to call it a

12 risky investment, but you're making -- you're

13 going out there, and you're taking a chance, and

14 we appreciate that investment that you're making.

15 So are there any other questions from

16 board members or comments? Anybody?

17 Ms. Hamilton-Acker.

18 MS. HAMILTON-ACKER:

19 I do have one question with regards
20 to your coordinated efforts with transition plans
21 with Caesars. I -- I would imagine it also
22 includes working to try and maintain the current
23 workforce --

24 MR. PRESTON:

25 Yeah.

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1 MR. BENNINGER:

2 Yeah.

3 MS. HAMILTON-ACKER:

4 -- as best as possible?

5 MR. PRESTON:

6 We're not -- everyone that's
7 currently employed is staying employed. We've
8 already confirmed all that. And, then, obviously,
9 we're adding additional jobs to that as well.

10 MS. HAMILTON-ACKER:

11 Great.

12 MR. PRESTON:

13 And one thing for the Chairman, just
14 to talk briefly about what you had said earlier,
15 I'm happy to say that the majority of our new
16 executive staff is primarily women and minorities.
17 So we're happy about that as well.

18 CHAIRMAN JOHNS:

19 Is that it, Ms. Acker?

20 MS. HAMILTON-ACKER:

21 Yes, it is.

22 CHAIRMAN JOHNS:

23 Thank you very much. And, gentlemen,
24 is there anything that you want to close on, say
25 before we move on?

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1 MR. BENNINGER:

2 No. We appreciate all the support
3 and all your help.

4 CHAIRMAN JOHNS:

5 Okay.

6 MR. BENNINGER:

7 And we're looking forward to the next
8 step.

9 CHAIRMAN JOHNS:

10 Okay. Great. We -- if this is
11 approved in the next few minutes, we are going to
12 look forward to working with you, and we will
13 continue to take a hard look at your financing as
14 we go forward. That's always a concern, whether
15 you've got the financial wherewithal to -- to run
16 that property in the -- the way that it should be
17 run. But according to State Police and Attorney
18 General's Office, they feel comfortable that you
19 do, and we hope that we continue, and we just wish
20 you the very best of -- very best of luck.

21 MR. PRESTON:

22 Thank you.

23 CHAIRMAN JOHNS:

24 And I look forward to personally

25 visiting the property relatively soon.

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1 MR. PRESTON:

2 Excellent.

3 MR. BENNINGER:

4 Very good.

5 MR. PRESTON:

6 We would love to have you. Thank
7 you.

8 MR. BENNINGER:

9 Thank you, very much.

10 CHAIRMAN JOHNS:

11 Thank you. Okay. Are there any
12 other questions?

13 (NO RESPONSE)

14 MS. BERRY:

15 I would like to make a motion.

16 CHAIRMAN JOHNS:

17 Vice-chairman Berry has made a motion
18 that we adopt a resolution to transfer the
19 ownership of Harrah's Bossier City Investment
20 Company to Rubico. And do I have a second?

21 MR. JACKSON:

22 (Indicating)

23 CHAIRMAN JOHNS:

24 Mr. Jackson has seconded that motion.

25 Ms. Thurman, would you read the resolution,

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1 please?

2 MS. THURMAN:

3 On the 21st day of October 2021, the
4 Louisiana Gaming Control Board did, in a duly
5 noticed public meeting, consider the Joint Amended
6 Petition of Harrah's Shreveport/Bossier City
7 Investment, LLC, and Rubico Gaming, LLC, for
8 approval of the transfer of all membership
9 interests of Harrah's Bossier City Investment
10 Company, LLC d/b/a Harrah's Louisiana Downs to
11 Rubico Acquisition Corp, a subsidiary of Rubico
12 Gaming, the transfer of certain of Louisiana
13 Downs' real property assets from Harrah's Bossier
14 City, LLC, a subsidiary of VICI Properties
15 Incorporated, to RAC, RAC's assignment to LAD
16 Landco, LLC and LAD Landco, LLC's leaseback to
17 Licensee, and the financing to be entered into by
18 Rubico for funding the transactions and upon
19 motion duly made and seconded, the Board adopted
20 this resolution:

21 Whereas, on September 3, 2020, Rubico
22 and HSBCI did enter into an Equity Purchase
23 Agreement providing for the transfer of all
24 membership interests of Louisiana Downs to RAC,
25 and

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1 Whereas, on September 30, 2020,
2 Rubico and VICI did enter into an Agreement of the
3 Sale providing for the transfer of Louisiana
4 Downs' real property assets used in the operation

5 of its racetrack to RAC,
6 Whereas, RAC proposes to assign its
7 rights, title and interest in the real property
8 assets to LAD Landco, LLC, which will then
9 leaseback those real property assets to Louisiana
10 Downs, and

11 Whereas, the transfer of the
12 membership of interest in the Licensee, sale,
13 assignment and lease of real property and the
14 related agreements entered into in connection
15 therewith require Board approval including,
16 without limitation, a portion of the financing of
17 the transactions.

18 Be it resolved, the transfer of 100
19 percent of the equity interest in Louisiana Downs
20 from HSBCI to RAC, pursuant to that certain Equity
21 Purchase Agreement, dated September 3, 2020, is
22 hereby approved.

23 Be it resolved that the sale and
24 purchase of the rights, title, and interest in the
25 property pursuant to and described with more

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1 particularity in the Real Property Sale Agreement
2 and Exhibits therewith by and between VICI and
3 RAC, dated September 3, 2020, is hereby approved.

4 Be it resolved that the execution of
5 the Assignment and Assumption Agreement by and
6 between RAC, as Assignor, and LAD Landco, LLC, as
7 Assignee, is hereby approved.

8 Be it resolved that the execution of
9 the Commercial Lease by and between LAD Landco,
10 LLC, as Landlord, and Louisiana Downs, as Tenant,
11 is hereby approved.

12 Be it resolved that Rubico's request
13 for approval of a \$16 million Senior Secured
14 Revolving Credit Facility is hereby approved.

15 Be it resolved that Rubico's request
16 for approval of a \$3 million Subordinated Loan
17 Agreement is hereby approved.

18 Be it resolved that the execution of
19 all documents necessary to effectuate the
20 foregoing approvals, including the financing
21 arrangements, is hereby approved.

22 Be it resolved that the approvals
23 granted hereby are subject to the conditions set
24 forth in the Statement of Conditions and
25 Acknowledgment and Acceptance of Conditions, a

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1 copy of which is attached hereto and incorporated
2 herein.

3 Thus done and signed in Baton Rouge,
4 Louisiana, this 21st day of October 2021.

5 CHAIRMAN JOHNS:

6 Thank you, Ms. Thurman. We do have a
7 motion and a second to adopt this resolution.

8 Ms. Thurman, would you call the role, please?

9 MS. THURMAN:

10 Mr. Avant?

11 MR. AVANT:
12 Yes.
13 MS. THURMAN:
14 Ms. Berry?
15 MS. BERRY:
16 Yes.
17 MS. THURMAN:
18 Mr. Jackson?
19 MR. JACKSON:
20 Yes.
21 MS. THURMAN:
22 Ms. Lewis?
23 MS. LEWIS:
24 Yes.
25 MS. THURMAN:
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1 Mr. Poole?
2 MR. POOLE:
3 Yes.
4 MS. THURMAN:
5 Ms. Hamilton-Acker?
6 MS. HAMILTON-ACKER:
7 Yes.
8 MS. THURMAN:
9 Ms. Traylor?
10 MS. TRAYLOR:
11 Yes.
12 MS. THURMAN:
13 And Chairman Johns?

14 CHAIRMAN JOHNS:

15 Yes.

16 MS. THURMAN:

17 It is unanimous.

18 CHAIRMAN JOHNS:

19 By unanimous vote, we have adopted
20 this resolution. Gentlemen, congratulations. You
21 are one step forward to owning a racetrack, and we
22 welcome you to Louisiana, and we look forward to
23 really working with you as we move forward on
24 this. And so best of luck to you.

25 MR. BENNINGER:

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1 Thank you.

2 MR. PRESTON:

3 Thank you.

4 CHAIRMAN JOHNS:

5 Thank you very much. I would also
6 like to thank State Police and the Attorney
7 General's Office for their -- their hard work on
8 this. This has been going on for over a year now,
9 and I know a lot of time, effort, sweat and tears
10 has been put into this. So State Police and
11 Attorney General's Office, thank you very much.

12 VI. FANTASY SPORTS ISSUES

13 CHAIRMAN JOHNS:

14 Okay. Moving on, fantasy sports. We
15 are considering an application for fantasy sports
16 by FanDuel, Incorporated.

17 MS. MURRAY:

18 Good morning, Chairman Johns and
19 Members of the Board. I'm Assistant Attorney
20 General Alonna Murray appearing with
21 Ms. Tammy Haupt with the Louisiana State Police,
22 Gaming Audit Division, and Mr. Rodney Perkins with
23 the Gaming Enforcement Division. We are here in
24 the matter of the consideration of the fantasy
25 sports contest operator application of FanDuel,

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1 Incorporated, pursuant to Louisiana Revised
2 Statute 27:301. The Board is the sole regulator
3 of paid fantasy sports contest in Louisiana and is
4 charged with issuing or denying licenses for
5 fantasy sports contest operators.

6 State Police's Gaming Division has
7 reviewed the financial circumstances of the
8 applicant and completed its suitability
9 investigations for the applicant, its parent
10 companies, and its principals. It also reviewed
11 the applicant's financial statements, platform
12 specifics, and other criteria required under
13 gaming law and rule. At this time, State Police
14 will now report its findings to the Board.

15 MS. HAUPT:

16 Good morning, Chairman Johns and
17 Board Members. My name is Tammy Haupt. I'm an
18 auditor with Louisiana State Police's Gaming
19 Enforcement Division. FanDuel, Inc., a subsidiary of

20 FanDuel Group, has submitted an application for a
21 fantasy sports contest operator's license.

22 FanDuel was originally founded in
23 2009 as a fantasy sports operator, with DraftKing
24 as their principal competitor. FanDuel Group
25 currently offers sportsbook, daily fantasy sports,

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1 online casino, and horse race betting products.
2 As a daily fantasy sports operator, FanDuel
3 uses -- provides users with technology that
4 establishes daily fantasy sports contest,
5 distributes the prizes, and performs other
6 administrative activities. The daily fantasy
7 sports revenue is generated from contest entry
8 fees received, net prizes, and customer incentives
9 awarded to users.

10 FanDuel launched its first daily
11 fantasy sports mobile app in 2015. In addition to
12 offering daily fantasy sports in 45 states and the
13 District of Columbia, they offer free play -- free
14 play contests in 50 states and the District of
15 Columbia. Since this report was distributed to
16 the Board, the Arizona Department of Gaming
17 approved FanDuel as a daily fantasy sports and
18 sportsbook operator.

19 FanDuel expects to generate 1 --
20 approximately 1.5 million in daily fantasy sports
21 revenues for its first year of operations in
22 Louisiana. Since FanDuel has not invested in a

23 brick-and-mortar facility in the state at this
24 time, we feel there is minimal risk to Louisiana
25 if FanDuel does not achieve its projected

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1 revenues.

2 In conclusion, there is cause for
3 concern financially since the applicant's parent
4 company, FanDuel Group, has reported operating
5 losses and negative cash flows for the past
6 several years, even after an influx of cash from
7 an intercompany loan from their parent, Flutter
8 Entertainment, in 2019. With negative operating
9 cash flows, there's an uncertainty as to whether
10 the financial posture will improve in the near
11 future.

12 According to Flutter's June 30, 2021,
13 interim results and outlook, they expect the US
14 segment to generate a positive EBITDA in 2023 when
15 its -- when the positive contribution from its --
16 its customers acquired pre-2023 will more than
17 offset the cost of the ongoing customer
18 acquisitions.

19 Otherwise, no financial issues came
20 to the Audit Section's attention that were -- were
21 of such nature as to preclude the Board from
22 approving the license issuance for a period of
23 three years. Now, I will turn over to
24 Rodney Perkins with Louisiana State Police.

25 MR. PERKINS:

1 Good morning, Mr. Chairman, Members
2 of the Board.

3 CHAIRMAN JOHNS:

4 Good morning.

5 MR. PERKINS:

6 I'm Criminal Investigator

7 Rodney Perkins with Louisiana State Police, Gaming
8 Enforcement Division. On June 9, 2021, FanDuel
9 Inc., a New York Corporation, submitted a fantasy
10 sports contest operator application.

11 Additionally, the applicant and its shareholders
12 submitted a Level 1, Part A, suitability gaming
13 application.

14 The applicant is owned indirectly by
15 Flutter Entertainment, PLC, a United Kingdom
16 Corporation, which is publicly traded. In
17 accordance with Louisiana rules and regulations, a
18 background investigation was conducted on FanDuel,
19 Inc., its direct and indirect shareholders,
20 officers, directors, and persons with five percent
21 or more ownership or economic interest in the
22 applicant.

23 The background investigations consisted of
24 inquiries to federal, state, and local law
25 enforcement agencies, civil jurisdictions, gaming

1 regulatory agencies, and the Louisiana Department
2 of Revenue. Inquiries were also made into

3 computerized criminal history files. I found no
4 information that would preclude any of them from
5 participating in the Louisiana gaming industry.

6 CHAIRMAN JOHNS:

7 Okay.

8 MS. MURRAY:

9 And if it's the Board's pleasure to
10 approve the application of FanDuel Inc., a
11 resolution has been prepared for the Board's
12 adoption and signature. And I would also like to
13 mention that a representative of FanDuel is here
14 today.

15 CHAIRMAN JOHNS:

16 Okay. Thank you. I would like to
17 ask FanDuel to come to the table for a second.
18 Thank you, ladies and gentlemen. Thank you for
19 your report.

20 MS. HAUPT:

21 Thank you so much.

22 MS. BOLES:

23 Good morning, Mr. Chairman, --

24 CHAIRMAN JOHNS:

25 Good morning.

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1 MS. BOLES:

2 -- Members of the Board. Janet Boles
3 on behalf of FanDuel, and with me is Stacie Stern.
4 She's Vice-President from FanDuel, and she flew in
5 from Phoenix, Arizona, to be with us today.

6 CHAIRMAN JOHNS:

7 Good.

8 MS. BOLES:

9 And I just want to thank the staff,
10 all your hard workers with the State, that have
11 worked so hard on this application.

12 CHAIRMAN JOHNS:

13 Well, thank you, Ms. Boles. And,
14 Stacie, welcome to Louisiana this morning.

15 MS. STERN:

16 Good morning, chairman.

17 CHAIRMAN JOHNS:

18 Good to see you again.

19 MS. STERN:

20 Good to be here.

21 CHAIRMAN JOHNS:

22 Any comments that y'all would like to
23 make or questions or --

24 MS. BOLES:

25 I would just like to respond that

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1 we're delighted to be getting into the business.
2 We hope that you approve our regulatory status
3 today. The concerns that were expressed with
4 regard to the negative cash flow were the exact
5 concerns expressed with -- for DraftKings. It's
6 just an aspect of getting the regulatory approvals
7 in all the jurisdictions and getting them up and
8 running.

9 And as was recognized, Flutter does
10 anticipate a positive cash flow by 2023. And this
11 is just part of getting up and running. They
12 funded it. They anticipated they would not be
13 making money at this juncture, but we look forward
14 to making a lot of money and making money for the
15 state of Louisiana.

16 CHAIRMAN JOHNS:

17 Okay. And that -- that would have
18 been my -- my only question according to the
19 report that was given here at the table this
20 morning. How many states is FanDuel in now?

21 MS. STERN:

22 With the addition of Arizona, it will
23 be 46.

24 CHAIRMAN JOHNS:

25 Forty-six. Wow. Okay. Any

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1 questions from our board members?

2 (NO RESPONSE)

3 CHAIRMAN JOHNS:

4 Okay. So we actually have no risk.
5 I mean, you're -- you're the one at risk on this;
6 so -- but we do look forward to working with you
7 on this as we move forward, especially with --
8 with sportsbook coming. It's -- it's just a hot
9 item here in Louisiana right now, I can assure
10 you. I think you're going to do well.

11 So okay. We -- we would ask for a

12 motion to adopt the resolution to grant FanDuel a
13 Louisiana license.

14 MR. AVANT:

15 So moved.

16 CHAIRMAN JOHNS:

17 Mr. Avant has moved that we adopt the
18 resolution.

19 MR. JACKSON:

20 (Indicating)

21 CHAIRMAN:

22 And I have a second. Mr. Jackson has
23 moved -- seconded that motion. Ms. Thurman, would
24 you read the resolution, please?

25 MS. THURMAN:

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1 On the 21st day of October 2021, the
2 Louisiana Gaming Control Board did, in a duly
3 noticed public meeting, consider the license
4 application of FanDuel Inc., and upon motion duly
5 made and seconded, the Board adopted this
6 Resolution:

7 Be it resolved that FanDuel, Inc.,
8 License No. F011703419, be approved for a fantasy
9 sports contest operator license for a term of
10 three years commencing October 21, 2021.

11 Thus done and signed in Baton Rouge,
12 Louisiana, this 21st day of October 2021.

13 CHAIRMAN JOHNS:

14 All right. A very short and sweet

15 resolution. Okay, Ms. Thurman. Would you call
16 the roll? We do have a motion and a second to
17 adopt this resolution. Ms. Thurman, would you
18 call the roll?

19 MS. THURMAN:

20 Mr. Avant?

21 MR. AVANT:

22 Yes.

23 MS. THURMAN:

24 Ms. Berry?

25 MS. BERRY:

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1 Yes.

2 MS. THURMAN:

3 Mr. Jackson?

4 MR. JACKSON:

5 Yes.

6 MS. THURMAN:

7 Ms. Lewis?

8 MS. LEWIS:

9 Yes.

10 MS. THURMAN:

11 Mr. Poole?

12 MR. POOLE:

13 Yes.

14 MS. THURMAN:

15 Ms. Hamilton-Acker?

16 MS. HAMILTON-ACKER:

17 Yes.

18 MS. THURMAN:

19 Ms. Traylor?

20 MS. TRAYLOR:

21 Yes.

22 MS. THURMAN:

23 Chairman Johns?

24 CHAIRMAN JOHNS:

25 Yes.

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1 MS. THURMAN:

2 It's unanimous.

3 MS. BOLES:

4 Thank you very much.

5 MS. STERN:

6 Thank you.

7 CHAIRMAN JOHNS:

8 By unanimous vote. Welcome to

9 Louisiana.

10 MS. BOLES:

11 Thank you very much.

12 CHAIRMAN JOHNS:

13 And, ladies, --

14 MS. STERN:

15 Happy to be here.

16 CHAIRMAN JOHNS:

17 -- thank you for being here this

18 morning.

19 MS. BOLES:

20 Appreciate it so much.

21 CHAIRMAN JOHNS:

22 Thank you. Thank you both for --

23 MS. STERN:

24 Thank you, Chairman.

25 CHAIRMAN JOHNS:

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1 -- flying in. Thank you very much.

2 VII. SPORTS WAGERING ISSUES

3 CHAIRMAN JOHNS:

4 Okay. Next, we'll get into some
5 issues with sports wagering. Part of your packet,
6 Members of the Board, is a sports wagering catalog
7 that Louisiana State Police has put together. It
8 is very extensive.

9 Major McNeil, would you like to
10 comment on -- comment on what y'all have done
11 here?

12 MAJOR McNEIL:

13 Sure. So we're in the process of the
14 whole sports wagering process; so we had to create
15 a sports wagering catalog. So the catalog is --
16 if you review it, is the current bets that we're
17 going to allow for sports and what entities that
18 must be approved or sanctioned at that sport in
19 order for them to place the wager. At that point,
20 the casinos are submitting their house rules to
21 us, and the house rules will specify exactly how
22 each wager -- or what can be wagered on on the
23 specific items listed in the catalog.

24 This is not a final product in the
25 sense that we wanted to bring the first one to the

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1 Board for approval. After that, the Chairman has
2 the ability to approve further sporting events.
3 So as other licensees wish to add additional
4 events or sports to the state for possible
5 wagering, they'll have a process where they submit
6 that to the Board, and they'll go through the
7 process of reviewing and seeing how that's done.
8 It's spelled out, also, in the packet of rules
9 approved back in August and in September.

10 CHAIRMAN JOHNS:

11 And you will notice in your packet
12 there is a copy of an approval form. In the event
13 that there is a special event, a new league, a new
14 wager, some type of new event that someone would
15 be interested in getting approved, we would ask --
16 it's going to actually be online. By the time we
17 get all of this up and running, we'll be online,
18 and we would ask for a seven-day window to request
19 for a special event. So that's going to be part
20 of what we're adopting today.

21 So members, I just want you to feel
22 comfortable that you are going to be able to now
23 bet on badminton, on snooker, on handball, and
24 everything else in the sporting world out there.
25 But it's kind of incredible reading this, what --

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1 what goes on in the world of sports betting. So
2 Major McNeil, to you and all of your -- your staff
3 at State Police, thank y'all, because this is a
4 lot of hard work here.

5 MAJOR McNEIL:

6 Yes, sir. You're welcome.

7 CHAIRMAN JOHNS:

8 Okay. Thank you very much. Okay. I
9 would -- are there any questions from the board
10 members on the catalog? I would entertain a
11 motion that we adopt the catalog.

12 CHAIRMAN JOHNS:

13 Ms. Lewis, you have a question?

14 MS. LEWIS:

15 Yes, sir, I have a quick question.

16 CHAIRMAN JOHNS:

17 Okay. Great. We have a question.

18 MS. LEWIS:

19 I have perhaps overlooked it. Is
20 horse racing not on this list for sportsbook?

21 MAJOR McNEIL:

22 No, ma'am. No, ma'am. That --
23 that's separate. That has to be done at a
24 pari-mutuel facility; so it cannot be done through
25 a sportsbook facility.

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1 MS. LEWIS:

2 Okay.

3 MAJOR McNEIL:

4 So that's -- they're separate.

5 MS. LEWIS:

6 Okay. Thank you.

7 MAJOR McNEIL:

8 Yes, ma'am.

9 CHAIRMAN JOHNS:

10 Thank you. Good question.

11 MS. BERRY:

12 I have a question.

13 CHAIRMAN JOHNS:

14 Okay. Ms. Berry has a question.

15 MS. BERRY:

16 What is snooker?

17 MAJOR McNEIL:

18 If I remember correctly, it's -- it's

19 a pool table, like in a square --

20 MS. BERRY:

21 Okay.

22 MAJOR McNEIL:

23 I'm probably getting this wrong; so I

24 apologize. But it has the little bumpers in the

25 middle, and you hit a white ball, a red ball.

85

1 MS. BERRY:

2 Oh, okay.

3 MAJOR McNEIL:

4 If I remember, I googled that's what

5 that was. I had to google --

6 MS. BERRY:

7 I guess that's what I should have
8 done.

9 MAJOR McNEIL:

10 I googled a lot of the items;
11 so . . .

12 CHAIRMAN JOHNS:

13 It's kind of like bumper pool.

14 MS. BERRY:

15 It's amazing.

16 MAJOR McNEIL:

17 Yes, ma'am.

18 MS. BERRY:

19 Thank you.

20 CHAIRMAN JOHNS:

21 I remember it as a child. So okay.

22 Do I have a motion that we adopt this sports
23 betting catalog?

24 MS. HAMILTON-ACKER:

25 So moved.

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1 CHAIRMAN JOHNS:

2 Ms. Hamilton-Acker has moved that we
3 adopt the catalog.

4 MS. BERRY:

5 Second.

6 CHAIRMAN JOHNS:

7 Ms. Berry has seconded that motion.

8 Is there any discussion on the motion?

9 (NO RESPONSE)

10 CHAIRMAN JOHNS:

11 Any objection to this motion?

12 (NO RESPONSE)

13 CHAIRMAN JOHNS:

14 Hearing none, the motion is adopted,

15 and the catalog -- sports betting catalog is

16 adopted.

17 While we're on sports betting, I

18 would like to just mention that, you know, we're

19 getting numerous calls from the media, from

20 individuals, from people on the street. Everybody

21 in the state is really wondering where we are on

22 sports betting.

23 I will tell you that we are working

24 through a process right now for the -- for the

25 in-house licensing. As you know, that's going to

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1 come first. The 20 possible applicants will --

2 are being -- being considered right now. State

3 Police is doing an incredible job. They got set

4 back by Hurricane Ida when they were deployed for

5 hurricane recovery, but they're back at it. And

6 I'm not going to give you a definitive date of

7 when we're going to issue licenses, but it's going

8 to be -- it's going to be soon; so -- maybe before

9 LSU gets a new head coach. I don't know about

10 that. So we'll see.

11 But the other issue, and there's been

12 rumors that online sports betting is going to be

13 done very, very quickly, as -- there were some
14 rumors that this coming weekend that there was
15 going to be some online sports betting in
16 Louisiana. I will just say publicly that that's
17 not going to happen. That is strictly rumor. And
18 we are going through an extensive process on
19 online licensing. It's a very complicated
20 process, and we're going to do it the right way.
21 We only get one shot at rolling this out; so we're
22 going to do it the right way.

23 And, Major, anything you want to comment
24 on, or have I said it all, or maybe said too much?

25 MAJOR McNEIL:

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1 Great job, as always, Chairman.

2 CHAIRMAN JOHNS:

3 Okay. Thank you, Major. So thank
4 you, State Police, for what you're doing, and
5 thank you, Attorney General's Office, for what
6 you're doing to try to get this up and moving.
7 We -- we want it probably as bad as anybody else.
8 So thank you very much.

9 VIII. CONSIDERATION OF PROPOSED SETTLEMENTS

10 CHAIRMAN JOHNS:

11 Okay. The last thing on our agenda
12 today, we have two proposed settlements. And good
13 morning again.

14 MS. MURRAY:

15 Good morning again, Chairman Johns

16 and Board Members. I'm Assistant Attorney General
17 Alonna Murray here in the matter of the settlement
18 of KMY 5123 Canal Boulevard, LLC doing business as
19 Cask. This settlement addresses the Type 1
20 licensee's failure to timely submit the required
21 annual fee and supporting documents.

22 On March 9, 2020, the Division mailed
23 a video gaming advisory notice to the licensee
24 informing them of the requirement to submit the
25 annual fee and forms no later than June 30, 2020.

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1 On July 1, 2021, the Division received the
2 required annual renewal forms and fee. The civil
3 penalty contained in this settlement is \$750 which
4 is an amount consistent with violations of this
5 type. The settlement has been signed by the
6 hearing officer and is now before the Board for
7 final approval.

8 And I will be happy to answer any
9 questions you may have at this time.

10 CHAIRMAN JOHNS:

11 Are there any questions from the
12 Board?

13 (NO RESPONSE)

14 CHAIRMAN JOHNS:

15 Is there anyone present from the --
16 the licensee that would like to make a comment
17 or --

18 MS. ROVIRA:

19 I'll waive comment.

20 CHAIRMAN JOHNS:

21 You're in concurrence with the
22 settlement, then?

23 MS. ROVIRA:

24 Yes, sir.

25 CHAIRMAN JOHNS:

90

1 Okay. Thank you very much for being
2 here today. Okay. I would entertain a motion
3 that we approve the settlement of KMY 5123 Canal
4 Boulevard, LLC.

5 MR. JACKSON:

6 So moved.

7 CHAIRMAN JOHNS:

8 So moved by Mr. Jackson.

9 MR. POOLE:

10 (Indicating)

11 CHAIRMAN JOHNS:

12 Second by Mr. Poole. Is there any
13 discussion on the motion?

14 (NO RESPONSE)

15 CHAIRMAN JOHNS:

16 Seeing none, is there any objection
17 to that motion?

18 (NO RESPONSE)

19 CHAIRMAN JOHNS:

20 There is no objection. The
21 settlement is approved.

22 MS. MURRAY:

23 Thank you.

24 CHAIRMAN JOHNS:

25 And you have one more?

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1 MS. MURRAY:

2 There is one more.

3 CHAIRMAN JOHNS:

4 Good morning.

5 MS. SIZEMORE:

6 Good morning. Your Honor -- I'm

7 sorry. Good morning, Chairman Johns, Board

8 Members. Sorry. I am Assistant Attorney General

9 Shanna Sizemore here in the matter of the

10 settlement of Hummel -- Hummel Entertainment

11 Group, LLC doing business as Cajun Mike's, which

12 holds a Type 1 video game -- draw poker gaming

13 license. This settlement addresses the late

14 submission of annual forms and fees that are

15 required to be submitted to the Division no later

16 than July 1 of each year.

17 The licensee did not submit the

18 annual forms and fees for the year 2020 until

19 July 27, 2021, which gave rise to a violation of

20 Louisiana gaming law. The civil penalty contained

21 in this settlement is \$750, which is an amount

22 that is well-established for violations of this

23 type. The settlement has been signed by the

24 hearing officer, and is now before the Board for

25 final approval.

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1 I would be happy to answer any
2 questions that you have at this time.

3 CHAIRMAN JOHNS:

4 Okay. Any questions from the Board?

5 (NO RESPONSE)

6 CHAIRMAN JOHNS:

7 Hearing none, do I have a motion?

8 MR. POOLE:

9 (Indicating)

10 CHAIRMAN JOHNS:

11 Mr. Poole moves that we approve the
12 settlement of Hummel Entertainment Group, LLC
13 doing business as Cajun Mike's.

14 MS. BERRY:

15 (Indicating)

16 CHAIRMAN JOHNS:

17 I have a second by Vice-chairman
18 Berry. Is there any discussion on the motion?

19 (NO RESPONSE)

20 CHAIRMAN JOHNS:

21 Any objection to the motion?

22 (NO RESPONSE)

23 CHAIRMAN JOHNS:

24 Hearing none, that motion -- that
25 settlement is adopted. Thank you very, very much.

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1 MS. SIZEMORE:

2 Thank you, Chairman Johns.

3 CHAIRMAN JOHNS:

4 Okay. Is there any other business
5 from the board members? Does anybody else have
6 anything?

7 (NO RESPONSE)

8 IX. ADJOURNMENT

9 CHAIRMAN JOHNS:

10 Thank y'all for being here today, and
11 I would entertain a motion that we adjourn.

12 MS. HAMILTON-ACKER:

13 So moved.

14 CHAIRMAN JOHNS:

15 Ms. Acker moves that we adjourn.

16 MR. JACKSON:

17 (Indicating)

18 CHAIRMAN JOHNS:

19 And I have a second from Mr. Jackson.

20 Any opposition to that motion?

21 (NO RESPONSE)

22 CHAIRMAN JOHNS:

23 Hearing none, we are now adjourned.

24 (PROCEEDINGS CONCLUDED AT 11:20 A.M.)

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1 REPORTER'S CERTIFICATE

2 I, Karla H. Mayers, a Certified Court

Reporter in and for the State of Louisiana, do

3 hereby certify that the foregoing is a true and

correct transcript of the proceedings held at this
4 Louisiana Gaming Control Board meeting on the 21st
day of October, 2021, as set forth in the forgoing
5 93 pages.

I further certify that said testimony was
6 reported by me in the Stenotype reporting method,
was prepared and transcribed by me or under my
7 direction to the best of my ability and
understanding.

8 I further certify that the transcript has
been prepared in compliance with transcript format
9 guidelines required by statute or by rules of the
board and that I have been informed about the
10 complete arrangement, financial or otherwise, with
the person or entity making arrangements for
11 deposition services.

I further certify that I have acted in
12 compliance with the prohibition on contractual
relationships, as defined by Louisiana Code of
13 Civil Procedure Article 1434 and in rules and
advisory opinions of the board.

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

17 This certification is valid only for this
transcript accompanied by my original signature

18 and original raised seal on this page.

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Karla H. Mayers, CCR