

LGCB Board of Directors' Meeting, (Pages 1:1 to 71:24)

1: 1 LOUISIANA GAMING LOUISIANA CONTROL BOARD

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4 BOARD OF DIRECTORS' MEETING

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9 THURSDAY, AUGUST 21, 2014

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11 Louisiana State Capitol

12 Committee Room 5

13 Baton Rouge, Louisiana

14

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16

17 TIME: 10:00 A.M.

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2

1 APPEARANCES

2

RONNIE JONES

3 Chairman (At Large)

Third Congressional District

4 June 30, 2019

5

6 FRANKLIN AYRES BRADFORD

(Economic Planner)

7 Fifth Congressional District

June 30, 2019

8

9 JAMES SINGLETON

(Public/Business Administration)

10 Second Congressional District

June 30, 2014

11

12 MARK STIPE

(Attorney)

13 Seventh Congressional District

June 30, 2014

14

15 DENISE NOONAN

(At Large)

16 First Congressional District

June 30, 2015

17

18 MAJOR CLAUDE MERCER

(Law Enforcement)

19 Fifth Congressional District

June 30, 2018

20

21 CLAUDE D. JACKSON

(At Large)

22 Fourth Congressional District

June 30, 2018

23

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1 APPEARANCE CONTINUED

2

3 ROBERT W. GASTON, III

(At Large)

4 Sixth Congressional District

June 30, 2015

5

6 LANA TRAMONTE

Principal Assistant

7

8 TRUDY M. SMITH

Confidential Assistant

9

10 MAJOR NOEL

Ex-Officio Board Member

11 Louisiana State Police

12 JARROD CONIGLIO

Deputy Secretary

13 Department of Revenue

14

15 REPORTED BY:

16 SHELLEY G. PAROLA, CSR, RPR

Baton Rouge Court Reporters

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1	PAGE
2 I. CALL TO ORDER	7
3 II. PUBLIC COMMENTS	8
4 III. APPROVAL OF MINUTES	8
5 IV. REVENUE REPORTS	8
6 V. COMPLIANCE REPORTS	13
7 VI. VIDEO GAMING ISSUES	
8 A. Consideration of the following	
9 truckstop applications	
10 1. L.M. Daigle Oil Co., Inc., d/b/a	
11 Lucky Delta - No. 1006500040	
12 (transfer of interest)	17
13 2. L.M. Daigle Oil Co., Inc., d/b/a	
14 Starks Truck Stop - No.	
15 1000516060 (transfer of interest)	17
16 VII. CASINO GAMING ISSUES	

17 A. Consideration of Certificate of
18 Compliance for the Alternate
19 Riverboat Inspection of the
20 gaming vessel of PNK
21 (Baton Rouge) Partnership d/b/a
22 L'Auberge Casino & Hotel Baton
23 Rouge - No. R011000801 21

24 B. Consideration of renewal
25 application for riverboat

5

1 PAGE

2 gaming license of Eldorado Casino
3 Shreveport Joint Venture d/b/a
4 Eldorado Resort Casino Shreveport
5 - No. R013600005 24

6 VIII. CONSIDERATION OF PROPOSED SETTLEMENTS/

7 APPEAL IN THE FOLLOWING:

- 8 1. In Re: St. Charles Gaming Co.,
9 Inc., d/b/a Isle of Capri Lake
10 Charles - No. R011700174 (proposed
11 settlement) 37
- 12 2. In Re: Jamestown Metal Marine Sales
13 - No. PO86502878 (proposed
14 settlement) 42
- 15 3. In Re: Waffle Iron, LLC, d/b/a
16 Cajun Jeux's - No. 1001112621A 44
- 17 4. In Re: Daiquiri Express, LLC,
18 d/b/a Lil Jeux's - No. 100111405A
19 (proposed settlement) 46

20	5. In Re: Tang Dynasty Entertainment,	
21	LLC - No. PO76503029 (proposed	
22	settlement)	43
23	6. In Re: Shundra J. Whitehurst -	
24	No. PO40036059 (appeal)	49

25

6

1	PAGE	
2	7. In Re: Bernard P. Guidry - No.	
3	PO40035068 (appeal)	51
4	8. In Re: Ciro F. Mussle - No.	
5	PO40033017 (appeal)	53
6	IX. ADJOURNMENT	68

7

8

9

10

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1 I. CALL TO ORDER

2 CHAIRMAN JONES: Good morning.

3 Welcome to the August meeting of the

4 Louisiana Gaming Control Board. I'd

5 like to call the meeting to order,

6 Miss Tramonte call the roll.

7 THE CLERK: Chairman Jones?

8 CHAIRMAN JONES: Here.

9 THE CLERK: Mr. Bradford?

10 MR. BRADFORD: Here.

11 THE CLERK: Mr. Stipe?

12 MR. STIPE: Here.

13 THE CLERK: Mr. Singleton?

14 MR. SINGLETON: Here.

15 THE CLERK: Miss Noonan?

16 MS. NOONAN: Here.

17 THE CLERK: Major Mercer?

18 MAJOR MERCER: Here.

19 THE CLERK: Mr. Jackson?

20 MR. JACKSON: Here.

21 THE CLERK: Mr. Gaston?

22 MR. GASTON: Here.

23 THE CLERK: Mr. Stine? [No

24 response.] Colonel Edmonson?

25 MAJOR NOEL: Major Noel for Colonel

1 Edmonson.

2 THE CLERK: Secretary Barfield?

3 MR. CONIGLIO: Jarrod Coniglio for

4 Secretary Barfield.

5 II. PUBLIC COMMENTS

6 CHAIRMAN JONES: Thank you. We have
7 a quorum. We may conduct business.

8 This morning I'd like to ask: Is there
9 anyone who wish to make any comments
10 before the Board on business coming up
11 before the Board today on the agenda?

12 There being no one, we'll proceed.

13 III. APPROVAL OF MINUTES

14 CHAIRMAN JONES: Could I ask for a
15 motion to waive reading and approve the
16 minutes from the last meeting?

17 MS. NOONAN: So moved.

18 CHAIRMAN JONES: Miss Noonan and --

19 MR. SINGLETON: Second.

20 CHAIRMAN JONES: -- Mr. Singleton.

21 All in favor? [Collective "aye."] All
22 opposed? [No response.] Motion
23 carries.

24 IV. REVENUE REPORTS

25 CHAIRMAN JONES: At this point, we'd

1 like to call Revenue Reports. Good

2 morning and welcome back.

3 MS. JACKSON: Good morning, Chairman
4 Jones, Board Members. My name is Donna
5 Jackson with the Louisiana State Police.

6 The riverboat revenue report for
7 July 2014 is shown on page one of your
8 handout. During July, the 14 operating
9 riverboats generated Adjusted Gross
10 Receipts \$151,569,963, an increase of
11 \$9 million or 6.5 percent from last
12 month, but a decrease of \$2 million or
13 1 percent from July 2013. During July,
14 the State collected fees totaling
15 \$32,587,542.

16 Next is a summary of the July 2014
17 gaming activity for Harrah's New Orleans
18 found on page three. During July,
19 Harrah's generated \$28,502,826 in gross
20 gaming revenue. July revenues were down
21 \$1.4 million or almost 5 percent from
22 last month but up \$3 million or 12.4
23 percent from July 2013. During July,
24 the State received \$5,095,890 in minimum
25 daily payments.

10

1 Slots at the Racetracks revenues are
2 shown on page four. During July, the
3 four racetrack facilities combined
4 generated Adjusted Gross Receipts of
5 \$32,914,608, an increase of \$1.7 million

6 or 5.6 percent from last month, but a
7 decrease of 2 percent from July 2013.

8 During July, the State collected fees
9 totaling \$4,993,146.

10 Overall, Riverboats, Land-Based and
11 Slots at the Racetracks combined
12 generated \$213 million in AGR and almost
13 \$43 million in state fees.

14 CHAIRMAN JONES: Are there any
15 questions from the Board? [No
16 response.] Proceed.

17 MS. JACKSON: Harrah's New Orleans
18 is required to maintain at least 2,400
19 employees and bi-weekly payroll of
20 \$1,750,835. This report covers the
21 three pay periods in July 2014.

22 For the first pay period, the Audit
23 Section verified 2,442 employees with a
24 payroll of \$1,978,000. For the second
25 pay period, the Audit Section verified

11

1 2,459 employees with a payroll of
2 \$1,982,000. For the third pay period,
3 the Audit Section verified 2,455
4 employees with a payroll of \$1,964,000.
5 Therefore, Harrah's met the employment
6 criteria during July.

7 CHAIRMAN JONES: Okay. Any
8 questions from the Board? [No

9 response.] Thank you so much. Welcome
10 back.

11 MS. JACKSON: Thank you.

12 CHAIRMAN JONES: Video gaming. Good
13 morning.

14 MR. BOSSIER: Good morning, Chairman
15 Jones and Board Members. My name is Jim
16 Bossier with Louisiana State Police
17 Gaming Audit Section. I'm reporting
18 video gaming statistics for July 2014 as
19 shown on page one of your handout.

20 Sixteen new video gaming licenses
21 were issued during July 2014: Nine bars
22 and seven restaurants. Six new
23 applications were received by the Gaming
24 Enforcement Division during July and are
25 currently pending in the field: Four

12

1 bars and two restaurants. The gaming
2 Enforcement Division assessed \$4,250 and
3 collected \$10,500 in penalties in July,
4 and there are currently no outstanding
5 fines. Please refer to page two of your
6 handout.

7 There are presently 14,141 video
8 gaming devices activated at 1,934
9 locations. Net device revenue for
10 July 2014 was \$47.7 million, a \$600,000
11 decrease, or 1.2 percent, when compared

12 to net device revenue for June 2014, and
13 a \$35,000 increase, or one-tenth of
14 1 percent, when compared to July 2013.

15 Net device revenue so far for fiscal
16 year 2015 is \$47.7 million, a \$35,000
17 increase or one-tenth of 1 percent when
18 compared to net device revenue for
19 fiscal year 2014. Page three of your
20 handout shows a comparison of net device
21 revenue.

22 Total franchise fees collected for
23 July 2014 were \$14.3 million, a \$200,000
24 decrease when compared to June 2014, and
25 a \$50,000 increase when compared to

13

1 July 2013. Total franchise fees
2 collected for fiscal year 2014 -- excuse
3 me, fiscal year 2015 are \$14.3 million,
4 a \$50,000 increase or four-tenths of
5 1 percent when compared to franchise
6 fees for fiscal year 2014.

7 Page four of your handout shows a
8 comparison of franchise fees. Does
9 anybody have any questions?

10 CHAIRMAN JONES: Board Members?

11 There are none.

12 MR. BOSSIER: Thank you.

13 CHAIRMAN JONES: Thank you, Jim.

14 V. COMPLIANCE REPORTS

15 CHAIRMAN JONES: At this point, we'd
16 like to take up Compliance Reports.

17 MS. BROWN: Good morning. Good
18 morning, Chairman Jones, Board Members.
19 I'm Mesa Brown, Assistant Attorney
20 General, and I'll be presenting the
21 staff reports on riverboat casino and
22 racetrack casino licensees' compliance
23 with employment and procurement
24 conditions for the second quarter of
25 2014.

14

1 The second quarter reports are taken
2 from figures reported by the 14 of the
3 15 operating riverboats to the Louisiana
4 Gaming Control Board. Overall totals in
5 the second quarter of 2014:
6 Approximately 13,311 people were
7 employed by the riverboat industry. Of
8 that number, 13,155 were Louisiana
9 residents; 8,498 were minorities, and
10 7,662 were women. Five licensees
11 achieved total compliance in the second
12 quarter of 2014. They are as follows:
13 Sam's Town Hotel & Casino, L'Auberge
14 Casino & Hotel Baton Rouge, Hollywood
15 Casino, Eldorado Resort Shreveport, and
16 L'Auberge Casino & Resort Lake Charles.

17 Under total employment: Two

18 licensees did not meet total employment
19 goals, and they are DiamondJacks Casino
20 and Resort, who achieved 639 out of a
21 goal of 650. Boomtown Casino Bossier
22 achieved 623 out of a goal of 650.

23 Employment categories: All
24 licensees with the exception of Treasure
25 Chest Casino either met or exceeded

15

1 their voluntary conditions in all of the
2 subcategories under the main category of
3 employment. Treasure Chest did not
4 achieve its female employment goal. It
5 achieved 49.4 out of a goal of
6 51.86 percent.

7 Procurement: The licensees are
8 grouped according to three subcategories
9 which appear in your report. They are
10 Louisiana, minority and female
11 procurement. Louisiana procurement:
12 Three licensees failed to meet the
13 Louisiana procurement goals, and they
14 are Horseshoe Casino & Hotel, who
15 achieved 69.4 out of a goal of
16 75 percent; Boomtown New Orleans
17 achieved 79.2 out of 80 percent, and
18 Margaritaville Resort Casino achieved
19 81.1 out of a goal of 90 percent.

20 Minority procurement: Six licensees

21 did not achieve minority procurement
22 goals, and they are Horseshoe Casino &
23 Hotel who achieved 9 out of a goal of
24 35 percent; Belle of Baton Rouge Casino
25 achieved 14 out of a goal of 15 percent;

16

1 Treasure Chest Casino achieved 4.4 out
2 of a goal of 15 percent; Amelia Belle
3 Casino, 17.1 out of a goal of
4 30 percent; and Isle of Capri Casino St.
5 Charles achieved 6.8 out of a goal of
6 10; Margaritaville Resort Casino
7 achieved 7.1 out of a goal of
8 10 percent.

9 Female procurement: One licensee
10 did not achieve its female procurement
11 goals, and that licensee is Horseshoe
12 Casino & Hotel who achieved 27.9 out of
13 a goal of 35 percent. Are there any
14 questions regarding the riverboat
15 casinos?

16 CHAIRMAN JONES: Board members on
17 riverboats? The Board is clear.

18 MS. BROWN: Okay. Well, I'll
19 proceed with racetrack casinos. In the
20 second quarter of 2014, approximately
21 2,022 people were employed by the
22 racetrack casino industry. Of that
23 number, 1,740 were Louisiana residents,

24 1,111 were minorities, and 1,203 were
25 women. Two of the racetrack casino

17

1 licensees, Evangeline Downs and
2 Fairgrounds achieved total compliance.

3 The other two racetrack casinos fell
4 short of their employment goals. Delta
5 Downs did not achieve its Louisiana
6 employment condition. It achieved 68.7
7 out of the 80 percent condition, and
8 Louisiana Downs did not achieve its
9 female employment goal. It achieved
10 59.8 out of 60 percent.

11 Any questions?

12 CHAIRMAN JONES: Questions? No,
13 ma'am.

14 MS. BROWN: Thank you.

15 CHAIRMAN JONES: Thank you.

16 V. VIDEO GAMING ISSUES

17 A. Consideration of the following truckstop
18 applications:

19 1. L.M. Daigle Oil Co., Inc., d/b/a Lucky Delta

20 - No. 1006500040 (transfer of interest)

21 2. L.M. Daigle Oil Co., Inc., d/b/a Starks

22 Truck Stop - No. 1000516060 (transfer of
23 interest)

24 CHAIRMAN JONES: We now move to
25 video gaming issues. We have

18

1 consideration of the following truckstop
2 applications. We're going to take them
3 jointly, consideration of the transfer
4 of interest in the following two
5 licenses: L.M. Daigle Oil, Co., doing
6 business as Lucky Delta. That's No.
7 1006500040. That's a transfer of
8 interest to be considered jointly with
9 L.M. Daigle Oil, Co., Inc., doing
10 business as Starks Truckstop, No.
11 1000516060, also a transfer of interest.

12 Good morning.

13 MS. COLLY: Good morning, Chairman
14 Jones, Members of the Board. I am
15 Assistant Attorney General, Nicolette
16 Colly, appearing before the Board on the
17 matter of a transfer of stock in L.M.
18 Daigle Oil, Co., Inc. L.M. Daigle holds
19 two truckstop licenses: Starks Truck
20 Stop and Lucky Delta.

21 Starks Truck Stop is located a 4344
22 Highway 12, Starks, Louisiana, and Lucky
23 Delta is located 1907 West Street,
24 Vinton, Louisiana.

25 On April 28th, 2014, Harry Shaheen,

19

1 Jr., the holder of 100 percent of the
2 ownership in L.M. Daigle, transferred
3 all of his stock interest in the

4 licensee to Fleur de Lis Truckstops,
5 LLC. Fleur de Lis Truckstops is owned
6 50/50 by John Gottardi and Anthony
7 Cashiola, Jr. John Gottardi was elected
8 President; Anthony Cashiola, Jr., was
9 elected Vice-President and Jerry
10 Gottardi was elected Secretary of L.M.
11 Daigle.

12 Trooper Vincent Lenguyen has
13 conducted a suitability investigation of
14 the relevant persons associated with the
15 transfer. He is present this morning to
16 report his findings to the Board.

17 TROOPER LENGUYEN: Good morning,
18 Chairman Jones and Board Members. My
19 name is Trooper Vincent Lenguyen with
20 Louisiana State Police Gaming
21 Enforcement Division.

22 I conducted the investigation of the
23 transfer of stocks interest by Harry
24 Shaheen, Jr., to Fleur de Lis Truckstop,
25 LLC. An updated criminal history

20

1 inquiry was conducted on John Gottardi,
2 Anthony Cashiola, Jr., Kim Cashiola and
3 Jerry Gottardi who have previously met
4 suitability under several active video
5 gaming licenses. I also conducted a
6 background investigation on Lorraine

7 Gottardi. Miss Gottardi is the spouse
8 of John Gottardi. This is the first
9 time Miss Gottardi was required to
10 submit to suitability investigation.

11 My investigation revealed no
12 information that would preclude a
13 finding of suitability for John
14 Gottardi, Anthony Cashiole, Jr., Kim
15 Cashiole, Jerry Gottardi and Lorraine
16 Gottardi. I also did not find any
17 information that would preclude the
18 licensee from continuing to participate
19 in the video gaming industry.

20 I'll be happy to answer any question
21 that you have at this time.

22 CHAIRMAN JONES: Does this Board
23 have any questions for the Attorney
24 General's Office or State Police? The
25 Board appears to be clear.

21

1 MS. COLLY: The Office of the
2 Attorney General has reviewed the file
3 compiled as a result of the
4 investigation, and our review indicates
5 that no information was found that would
6 preclude the continued licensing of L.M.
7 Daigle Oil Co., Inc., d/b/a Starks Truck
8 Stop and L.M. Daigle Oil Co., Inc.,
9 d/b/a Lucky Delta.

10 CHAIRMAN JONES: Do I have a motion
11 to approve the transfer?

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

13 CHAIRMAN JONES: Dr. Gaston.

14 MR. JACKSON: Second.

15 CHAIRMAN JONES: Second by Miss

16 Noonan. All in favor? [Collective

17 "aye."] Opposed? [No response.]

18 Motion carries. Thank you.

19 VII. CASINO GAMING ISSUES

20 A. Consideration of Certificate of Compliance

21 for the Alternate Riverboat Inspection of

22 the gaming vessel of PNK (Baton Rouge)

23 Partnership d/b/a L'Auberge Casino & Hotel

24 Baton Rouge - No. R011000801

25 CHAIRMAN JONES: We then move to

22

1 Casino Gaming Issues. First up:

2 Consideration of Certificate of

3 Compliance for the Alternate Riverboat

4 Inspection of the gaming vessel PNK

5 (Baton Rouge) Partnership doing business

6 as L'Auberge Casino & Hotel Baton Rouge.

7 That's No. R011000801. Good morning.

8 MR. TYLER: Good morning, Chairman

9 Jones, Board Members, Assistant Attorney

10 General, Michael Tyler. Today I'm

11 joined by Walt Hanson of the American

12 Bureau of Shipping Consultants, also

13 known as ABSC. We come before you this
14 morning with respect to the issuance of
15 the renewal Certificate of Compliance
16 for L'Auberge Baton Rouge Casino.

17 On July 15th, 2014, L'Auberge Baton
18 Rouge Casino started the process for the
19 renewal of its Certificate of
20 Compliance. For more on that, I now
21 turn this matter over to Walt Hanson of
22 ABSC.

23 MR. HANSON: Good morning, Chairman
24 and Board Members.

25 CHAIRMAN JONES: Good morning.

23

1 MR. HANSON: I'm Walt Hanson with
2 ABS Consulting here to report the annual
3 certification of L'Auberge Baton Rouge
4 Casino.

5 The surveyors, Jeff Boyle and
6 Lindsey Dew, did on July 15th and 16th
7 attend the L'Auberge Baton Rouge Casino
8 to conduct an annual inspected [sic] in
9 accordance with the alternative
10 inspection program in the State of
11 Louisiana. These surveyors reviewed
12 fire protection equipment, life-saving
13 equipment, egress routes, mooring
14 system, training records and conducted a
15 fire drill. There were some minor items

16 noted, but all were correct before the
17 surveyors departed the facility.

18 Therefore, the 2014 annual survey,
19 as required by Louisiana Gaming Control
20 Board, is complete and presents no
21 safety concerns to its patrons or
22 employees on the riverboat. It is the
23 recommendation of ABSC that L'Auberge
24 Baton Rouge Casino be issued the
25 Certificate of Compliance.

24

1 MR. TYLER: We now present these
2 findings to this honorable board and
3 request that upon the Board accepting
4 the report submitted by ABSC, that the
5 Board will move for L'Auberge Baton
6 Rouge Casino to receive the renewal of
7 its Certificate of Compliance.

8 CHAIRMAN JONES: Do I have a motion?

9 MR. BRADFORD: So moved.

10 CHAIRMAN JONES: By Mr. Bradford, a
11 second by --

12 MR. SINGLETON: Second.

13 CHAIRMAN JONES: -- Mr. Singleton.

14 All in favor? [Collective "aye."] Any
15 opposed? [No response.] Motion
16 carries. Thank you, gentlemen.

17 MR. TYLER: Thank you.

18 B. Consideration of renewal application for

19 riverboat gaming license of Eldorado Casino
20 Shreveport Joint Venture d/b/a Eldorado Resort
21 Casino Shreveport - No. R013600005

22 CHAIRMAN JONES: That brings us now
23 to: Consideration of renewal
24 application for riverboat gaming license
25 of Eldorado Casino Shreveport Joint

25

1 Venture doing business as Eldorado
2 Resort Casino Shreveport, No.
3 R013600005.

4 Good morning.

5 MS. HIMEL: Good morning, Chairman
6 Jones and Members of the Board. I'm
7 Assistant Attorney General, Dawn Himel.
8 With me are auditor Evie Ficklin and
9 Trooper Eddie Daigle. Representatives
10 of Eldorado are also present today.

11 As you stated, we're here in the
12 matter of the renewal of the riverboat
13 license of Eldorado Casino Shreveport
14 Joint Venture doing business as Eldorado
15 Resort Casino Shreveport located in
16 Bossier City, Louisiana.

17 Riverboat licenses are issued for
18 five-year terms, and this license is due
19 to expire on October 14th, 2014. As
20 part of this renewal process, our office
21 worked with the attorney for the

22 licensee to renew their conditions. The
23 current statement of conditions is from
24 1998. It references the previous name
25 of the licensee, which was Queen of New
26
1 Orleans.

2 There were other conditions that
3 were imposed through resolutions in
4 2005, and 2011 they had new conditions.
5 So all of those needed to be
6 consolidated and updated. A lot of
7 those conditions included, you know,
8 building escrow, talked about previous
9 transfers that have already occurred,
10 those sort of things. Any conditions
11 that were completed or satisfied were
12 also removed from the conditions. Some
13 substantive changes were made, but other
14 than that it was just some editing.

15 The licensee has agreed to be bound
16 by the conditions, and a proposed
17 resolution subject to those conditions
18 has been provided to the Board, if you
19 so choose to approve the renewal.

20 And at this time, Evie Ficklin would
21 present her findings for the audit, and
22 then Eddie Daigle will present the
23 suitability findings.

24 MS. FICKLIN: Good morning,

25 Mr. Chairman and Board Members. I'm

27

1 Evie Ficklin, a gaming auditor with

2 Louisiana State Police.

3 Eldorado Shreveport's projected
4 pre-cash flow schedule is shown on page
5 13, and it includes projected amounts
6 for management fees and capital
7 expenditures. The licensee projects
8 \$4 million to be spent annually on
9 capital expenditures. Eldorado
10 management anticipates the capital
11 expenditures will be maintenance capex.

12 Also, on page 13 is a schedule of
13 Eldorado Shreveport's capital
14 expenditures since 2009. Eldorado
15 Shreveport projects to pay \$3 million
16 annually to Eldorado Resorts in
17 management fees pursuant to the
18 administrative and support services
19 agreement effective June 2011. Eldorado
20 Resorts supervises and directs all
21 day-to-day administrative services for
22 \$250,000 monthly.

23 Eldorado Shreveport leases its hotel
24 casino site pursuant to the ground lease
25 agreement with the City of Shreveport.

28

1 The ground lease is a 50-year lease

2 comprised of an initial ten-year term
3 and eight five-year renewal terms.
4 Subsequent to the initial ten-year term,
5 the ground lease requires the licensee
6 to pay the City of Shreveport a
7 beginning base rent of \$402,500 annually
8 in the initial five-year renewal term.
9 The base rent thereafter increases by
10 15 percent in each succeeding five-year
11 renewal term through the fifth five-year
12 renewal. The licensee also pays the
13 city a percentage rental amount based,
14 in part, Eldorado Shreveport's adjusted
15 gross revenues.

16 Other payments required under the
17 1999 ground lease include fees paid to
18 the City of Shreveport and the Bossier
19 Parish School Board in lieu of admission
20 fees allowed under the gaming statute.
21 Eldorado Shreveport also makes payments
22 to the Bossier Parish Police Jury
23 pursuant to the 2005 settlement
24 agreement. A schedule of Eldorado
25 Shreveport's payments to Shreveport and

29

1 to the Bossier Parish School Board and
2 police jury is shown on page 19.

3 Eldorado Casino Shreveport competes
4 in the Shreveport/Bossier City gaming

5 market with the casino, Harrah's
6 Louisiana Downs, and with five other
7 riverboats including Margaritaville
8 Resort Casino that opened in June 2013.
9 A comparison of the adjusted gross
10 revenues of the riverboats operating in
11 the Shreveport/Bossier City gaming
12 market is shown on page 16 of our
13 report.

14 Outside of its local competition,
15 Eldorado Shreveport also competes with
16 tribal casinos in Oklahoma for patrons
17 from the Dallas Fort Worth area. The
18 largest of these Indian Casinos is
19 WinStar in Thackerville, Oklahoma, whose
20 operations include 500,000 square feet
21 of gaming space. WinStar opened in
22 August 2003 and is approximately
23 60 miles from Dallas Fort Worth as
24 compared to Eldorado Shreveport at
25 185 miles.

30

1 Eldorado Shreveport is party to a
2 September 2013 agreement and plan of
3 merger with MTR Gaming Group, Inc. The
4 Board approved the merger June 19th,
5 2014. All required jurisdictions, with
6 the exception of the Pennsylvania
7 regulators, have previously approved the

8 transaction. Pending a special meeting,
9 Eldorado anticipates Pennsylvania's
10 Gaming Control Board will review the
11 merger transaction at its regular
12 September 17th, 2014, meeting.

13 If consummated, the merger agreement
14 provides MTR and Eldorado will retain
15 their respective outstanding debt.
16 Eldorado management stated it
17 anticipates refinancing the long-term
18 debt of both companies.

19 No issues came to our attention to
20 preclude the renewal of Eldorado
21 Shreveport's five-year gaming license,
22 and licensing will now present the
23 results of their investigation.

24 TROOPER DAIGLE: Good morning,
25 Chairman Jones and Members of the Board.

31

1 I'm Trooper Eddie Daigle with Louisiana
2 State Police Gaming Enforcement
3 Division.

4 A renewal suitability investigation
5 was conducted on Eldorado Casino
6 Shreveport's joint venture and all
7 associated key entities and key
8 personnel. This investigation consisted
9 of inquiries of federal, state and local
10 law enforcement agencies, computerized

11 criminal history database, financial and
12 civil institutions and gaming regulatory
13 agencies.

14 Tax clearance request forms were
15 forwarded to the Internal Revenue
16 Service and the Louisiana Department of
17 Revenue in order to ensure the
18 applicants were current in their tax
19 filings.

20 During this renewal suitability
21 investigation, I discovered no
22 information which would preclude the
23 continuing licensing of Eldorado Casino
24 Shreveport Joint Venture and all
25 associated entities and key personnel.

32

1 At this time, I will gladly answer any
2 questions you may have.

3 CHAIRMAN JONES: Any questions?
4 Mr. Stipe.

5 MR. STIPE: First of all, as I
6 appreciate this condition, we have added
7 kind of commercially reasonable
8 insurance coverages for some other --
9 some listed perils. How do we -- I
10 mean, do they give us a certificate of
11 insurance showing what those are? I
12 understand not putting a dollar figure
13 in the condition, but how do we kind of

14 track what they have in place to be able
15 to judge what's reasonable -- whether
16 it's reasonable or not?

17 MS. HIMEL: Are you talking about
18 for insurance for the casino? They do
19 have a specific dollar amount.

20 MR. STIPE: There's a specific
21 dollar for the liability, but for the
22 other perils that we've added in these
23 conditions, it's just reasonable --
24 commercially reasonable insurance
25 coverages.

33

1 MS. HIMEL: Right. That's
2 consistent with what the other licensees
3 also have in their conditions.

4 MR. STIPE: I understand, and so I
5 guess my question is: How -- do we get
6 a certificate of insurance from them and
7 we look at it and we say, they have
8 \$10 million in auto liability, and
9 that's commercially reasonable; we're
10 good with that? Or we get a certificate
11 of insurance and it shows 10,000 in
12 liability insurance -- in auto liability
13 insurance, and that's not reasonable?
14 How do we track that?

15 MS. HIMEL: Honestly, that's a
16 question that I'm really unaware of.

17 Perhaps I could ask -- Eldorado's
18 attorney, Jeff Barbin, is here. Maybe
19 he could tell you.

20 MR. BARBIN: We don't submit, that
21 I'm aware of, any certificates.

22 CHAIRMAN JONES: We need to hear
23 you, Jeff.

24 MR. BARBIN: I'm Jeff Barbin at
25 Phelps Dunbar for Eldorado. That I'm

34

1 aware of, I don't believe we submit
2 certificates of insurance. We're happy
3 to provide them. We do have heavy loan
4 covenants that require us to have more
5 specific insurance in place than what
6 this condition does.

7 MR. STIPE: And I understand the
8 commercially reasonable language, and I
9 suspect you probably do have a credit
10 facility that drives a lot of these. It
11 wouldn't be much of a burden for you to
12 generate a certificate like that and
13 send it to the State Police, would it?

14 MR. BARBIN: It would not. We'd be
15 happy to do it.

16 MR. STIPE: Thank you. The capital
17 expenditures that's on the Schedule 13,
18 those were actually made?

19 MS. FICKLIN: The 2009 to 2014?

20 MR. STIPE: Yes.

21 MS. FICKLIN: Yeah, I requested that
22 schedule from them.

23 MR. STIPE: Okay. And is there a --
24 is there a list of projects that they
25 are forecasting for the next five years?

35

1 I see the dollar figure they're looking
2 at.

3 MS. FICKLIN: I questioned whether
4 it was maintenance capex or actually
5 capital projects capex, and to my
6 understanding it's maintenance capex.
7 What all they're going to include in
8 that maintenance capex, they may have to
9 elaborate further.

10 MR. STIPE: They can speak to that.

11 Okay. That's all I have.

12 CHAIRMAN JONES: Concluded? Any
13 questions? Any further questions? The
14 Board appears to be clear. Can I have
15 -- excuse me, can I have a motion to
16 adopt the resolution?

17 MR. BRADFORD: I'll move.

18 CHAIRMAN JONES: Fine, Mr. Bradford,
19 second by Mr. Stipe. All in -- we'll
20 read the resolution into the record
21 first, then we'll vote on it. Miss
22 Tramonte.

23 THE CLERK: On the 21st day of
24 August, 2014, Louisiana Gaming Control
25 Board did, in a duly noticed public

36

1 meeting, consider the license renewal
2 application of Eldorado Casino
3 Shreveport Joint Venture doing business
4 as Eldorado Resort Casino Shreveport,
5 and upon motion duly made and second,
6 the Board adopted this resolution.

7 Be it resolved that the license, No.
8 RO13600005, to conduct riverboat gaming
9 issued to Eldorado Casino Shreveport
10 Joint Venture be renewed for a term of
11 five years commencing October 14th,
12 2014, subject to the Statement of
13 Conditions to riverboat gaming license
14 of Eldorado Casino Shreveport Joint
15 Venture attached hereto and made a part
16 thereof.

17 Thus done and signed in Baton Rouge,
18 Louisiana, this 21st day of August,
19 2014.

20 Mr. Bradford?

21 MR. BRADFORD: Yes.

22 THE CLERK: Mr. Stipe?

23 MR. STIPE: Yes.

24 THE CLERK: Mr. Singleton?

25 MR. SINGLETON: Yes.

1 THE CLERK: Miss Noonan?
2 MS. NOONAN: Yes.
3 THE CLERK: Major Mercer?
4 MAJOR MERCER: Yes.
5 THE CLERK: Mr. Jackson?
6 MR. JACKSON: Yes.
7 THE CLERK: Mr. Gaston?
8 MR. GASTON: Yes.
9 THE CLERK: Chairman Jones?
10 CHAIRMAN JONES: Yes. The motion
11 carries. The resolution is adopted.
12 Thank you very much.

13 VIII. CONSIDERATION OF PROPOSED SETTLEMENTS/APPEAL

14 IN THE FOLLOWING:

15 1. In Re: St. Charles Gaming Co., Inc., d/b/a
16 Isle of Capri Lake Charles - No. R011700174
17 (proposed settlement)

18 CHAIRMAN JONES: We'll now move to
19 Settlements and Appeals. I will remind
20 everyone that we can entertain no new
21 evidence in either of these categories
22 this morning. We'll call first the
23 settlements. The first will go to St.
24 Charles Gaming Company, Inc., doing
25 business as Isle of Capri Lake Charles.

1 That's No. R011700174. This is a
2 proposed settlement.

3 Good morning.

4 MR. HEBERT: Good morning, Chairman
5 and Members of the Board. Christopher
6 Hebert representing the Louisiana Office
7 of State Police.

8 MS. BOLES: Janet Boles on behalf of
9 St. Charles Gaming.

10 CHAIRMAN JONES: Thank you.

11 MR. HEBERT: The Isle of Capri
12 notified the Division on or about
13 July 22nd, 2012. The property had
14 admitted an underaged person on its
15 gaming floor using an ID which was
16 verified as valid by the Westlake Police
17 Department but showed that the patron
18 was, in fact, underage. The underage
19 person was allowed to game and was
20 served an alcoholic beverage by an
21 employee of the Isle of Capri. In.

22 Order to help prevent this type of
23 incident from occurring in the future,
24 the licensee's management has selected a
25 group of officers with increased

39

1 competency in review of identification
2 and assigned them to the casino
3 entrance. Those officers have also
4 received extra training.

5 In lieu of administrative action,

6 the parties have stipulated that the
7 licensee will pay a civil penalty of
8 \$18,750. Hearing Officer Reynolds has
9 signed off on this settlement, and we
10 are here this morning seeking your
11 approval.

12 CHAIRMAN JONES: Any questions? Do
13 you wish to be heard on anything?

14 MS. BOLES: No, sir, unless you have
15 any questions. I brought my general
16 manager if you would like to hear any
17 specific facts about the incident.

18 CHAIRMAN JONES: Any questions?

19 MR. GASTON: Mr. Chairman, before I
20 move, did the guy win or lose?

21 MS. BOLES: Sir?

22 MR. GASTON: Before I move for the
23 affirmative, did the guy win or lose?

24 MR. HUTCHINS: I'm not exactly sure.

25 MR. GASTON: Oh, okay.

40

1 MS. BOLES: I think he netted out
2 \$80, to be precise.

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

4 MR. BRADFORD: One quick question.

5 CHAIRMAN JONES: One quick question
6 before -- can we pause one second?
7 Mr. Bradford.

8 MR. BRADFORD: Just curious, how

9 often of every day or every week do you
10 have underage people attempt entry?

11 MR. HUTCHENS: This is Paul
12 Hutchens. I'm Paul Hutchens, General
13 Manager of the Isle of Capri. So I
14 don't have our current statistics, but
15 we did compile some statistics at the
16 time this incident happened in July of
17 2012, and for the period ten months
18 beforehand, we carded 184,000
19 individuals coming onboard the casino.
20 We turned away during that period 88
21 people who, you know, legitimately did
22 not know that the law was 21 years for
23 entry to the casino. We also issued
24 citations for 29 individuals who had,
25 you know, illegally tried to obtain

41

1 entrance to the casino. That's through
2 either using someone else's
3 identification or using fraudulent
4 credentials.

5 So, frankly, it happens regularly,
6 even though I don't have the current
7 statistics.

8 MR. BRADFORD: Just curious.

9 MS. NOONAN: I have a question.

10 CHAIRMAN JONES: Miss Noonan.

11 MS. NOONAN: This is for State

12 Police. How often do you-guys check on
13 these statistics, and are they sent to
14 your office on a regular basis?

15 MR. HEBERT: I'd have to defer to
16 State Police in order to answer that
17 question.

18 MS. NOONAN: Okay.

19 CHAIRMAN JONES: Major.

20 MAJOR NOEL: Miss Noonan, we -- I
21 don't know that we get any regular
22 statistics on entry. Each field office
23 monitors. They're called out. Any time
24 a minor or underaged patron tries to get
25 on, we're notified. We can put some

42

1 numbers together.

2 MS. NOONAN: Well, do you go there
3 on just a regular basis, or do you just,
4 you know, show up and check to see if
5 any -- I mean, do you do regular
6 inspections for stuff like that?

7 MAJOR NOEL: Yes, ma'am.

8 CHAIRMAN JONES: Is that it? I've
9 got a great story for you. I got carded
10 trying to buy a bottle of wine in Lake
11 Charles the night before last. Talk
12 about vigilant, okay.

13 Dr. Gaston, I understand you have a
14 motion?

15 MR. GASTON: Yes, I move.

16 CHAIRMAN JONES: Do we have a
17 second?

18 MR. JACKSON: Second.

19 CHAIRMAN JONES: By Mr. Bradford.
20 All in favor? [Collective "aye".] Any
21 opposition? [No response.] The
22 settlement is accepted.

23 MR. HEBERT: Thank you.

24 2. In Re: Jamestown Metal Marine Sales - No.
25 PO86502878 (proposed settlement)

43

1 MR. HEBERT: And, Chairman, Members
2 of the Board, Christopher Hebert,
3 Assistant Attorney General, representing
4 the Louisiana Office of State Police in
5 the matter of Jamestown Metal Marine
6 Sales.

7 On or about April 8th, 2014, the
8 Division received an annual permit
9 update form for the permittee along with
10 suitability documentation for
11 Mr. Christopher Campanelli.

12 On April 10th of 2014, the Division
13 received notification from the permittee
14 that Mr. Campanelli was hired on
15 July 15, 2013, and assumed the duties of
16 Chief Financial Officer on December
17 31st, 2013. The Division was not

18 notified of Mr. Campanelli's hiring and
19 promotion to CFO by the permittee of the
20 above -- excuse me, within 15 days as
21 required by gaming law.

22 In lieu of administrative action,
23 the parties have stipulated that the
24 permittee will pay a penalty of \$500.
25 The settlement, therefore, provides for

44

1 such a penalty. Hearing Officer
2 Reynolds has signed off on this
3 settlement, and I am here this morning
4 seeking Board's approval. And I'll be
5 happy to answer any questions that you
6 might have.

7 CHAIRMAN JONES: Any questions for
8 Mr. Hebert? Do we have a motion to
9 accept the settlement?

10 MR. SINGLETON: So moved.

11 CHAIRMAN JONES: A motion by Mr.
12 Singleton, seconded by Mr. Mercer. All
13 in favor? [Collective "aye."] Any
14 opposition? [No response.] The
15 settlement is accepted, motion carries.

16 MR. HEBERT: Thank you.

17 CHAIRMAN JONES: Thank you.

18 In Re: Waffle Iron, LLC, d/b/a Cajun Jeux's -
19 No. 1001112621A

20 CHAIRMAN JONES: Next up in regard

21 to Waffle Iron, LLC, doing business as a
22 Cajun Jeux's. That's No. 100112621A.
23 It's a proposed settlement. Good
24 morning.

25 MS. GODWIN: Good morning, Chairman
45

1 Jones, Board Members. I'm Karen Godwin,
2 Assistant Attorney General, appearing on
3 behalf of Louisiana State Police in the
4 matter of Waffle Iron, Inc., doing
5 business as Cajun Jeux's.

6 On March 20th, 2014, the Division
7 conducted an underaged compliance
8 investigation at Cajun Jeux's bar. The
9 licensee violated Louisiana Revised
10 Statute Title 27:443, by allowing an
11 underaged patron to play a video poker
12 machine and cash out tickets.

13 The licensee has stipulated to
14 having committed this violation. The
15 Division and the licensee have agreed to
16 a settlement in the amount of a \$1,000
17 civil penalty. The hearing officer has
18 approved the settlement. We now submit
19 the settlement for your approval.

20 CHAIRMAN JONES: Any questions for
21 Miss Godwin? The board is clear. I'll
22 entertain a motion.

23 MS. NOONAN: I'll motion.

24 CHAIRMAN JONES: By Miss Noonan,
25 second by --

46

1 MR. SINGLETON: I will.

2 CHAIRMAN JONES: -- Mr. Singleton.

3 All in favor? [Collective "aye."]

4 Opposition? [No response.] The

5 settlement is accepted, motion carries.

6 4. In Re: Daiquiri Express, LLC, d/b/a Lil

7 Jeux's - No. 1001114050A (proposed settlement)

8 CHAIRMAN JONES: Proceed. I'll call

9 the next one. We're going to Daiquiri

10 Express, LLC, doing business as Lil

11 Jeux's. That's No. 1001114050A,

12 another proposed settlement.

13 MS. GODWIN: Yes. Again, Karen

14 Godwin, Assistant Attorney General,

15 appearing in the matter of Daiquiri

16 Express, LLC, doing business as Lil

17 Jeux's on behalf of Louisiana State

18 Police.

19 Again, on March 20th, 2014, the

20 Division conducted an underaged

21 compliance investigation at Lil Jeux's

22 bar. The licensee violated Louisiana

23 Revised Statute Title 27:443 by allowing

24 an underaged patron to play a video

25 poker machine and cash out tickets.

47

1 The licensee has again stipulated to
2 having committed this violation. The
3 Division and licensee have agreed to a
4 settlement of a civil penalty in the
5 amount of \$1,000. The hearing officer
6 has approved the settlement, and we now
7 submit the settlement for your approval.

8 CHAIRMAN JONES: Any questions for
9 Miss Godwin? [No response.] Do I have
10 a motion to accept the settlement?

11 MAJOR MERCER: I move.

12 CHAIRMAN JONES: By Mr. Mercer, a
13 second by Mr. Stipe. All in favor?
14 [Collective "aye."] Any opposition?
15 [No response.] Motion carries,
16 settlement is accepted.

17 MS. GODWIN: Thank you.

18 CHAIRMAN JONES: Thank you very
19 much.

20 5. In Re: Tang Dynasty Entertainment, LLC - No.
21 PO76503029 (proposed settlement)

22 CHAIRMAN JONES: The last
23 settlement: Tang Dynasty, LLC, No.
24 PO76503029, another proposed settlement.
25 Welcome back.

48

1 MR. HEBERT: Chairman, Members of
2 the Board, Christopher Hebert
3 representing Louisiana Office of State

4 Police in the matter of Tang Dynasty
5 Entertainment, LLC.

6 On or about February 19th, 2014, the
7 Division mailed the permittee a
8 certified letter stating that the
9 permittee failed to submit its annual
10 affidavit and annual permit fee, that
11 the permittee must submit the necessary
12 documents and fee within ten days of its
13 receipt of the letter, and that the
14 failure to do so would result in a
15 recommendation of revocation, suspension
16 on/or penalties.

17 The ten-day letter was received and
18 signed for on February 24, 2014. On
19 July 24th, 2014, the Division did
20 receive the annual affidavit form and
21 annual permit fee from the permittee
22 bringing the permittee into compliance.

23 In lieu of suspension of its gaming
24 supplier permit, the parties have
25 stipulated that Tang Dynasty will pay a

49

1 civil penalty of \$1,250, and so the --
2 excuse me, the settlement therefore
3 provides for such a penalty.

4 The settlement has been signed off
5 on by Hearing Officer Reynolds, and
6 we're here this morning seeking the

7 Board's approval. And I'll be happy to
8 answer any questions you might have
9 regarding the settlement.

10 CHAIRMAN JONES: Any questions for
11 Mr. Hebert?

12 MR. JACKSON: So moved.

13 CHAIRMAN JONES: Motion by
14 Mr. Jackson, and a second by
15 Mr. Bradford. All in favor?

16 [Collective "aye."] Any opposition?

17 None. The motion carries, settlement is
18 accepted. Thank you very much.

19 MR. HEBERT: Thank you.

20 6. In Re: Shundra J. Whitehurst - No. PO40036059
21 (appeal)

22 CHAIRMAN JONES: We'll now move to
23 appeals on the docket. The first up is
24 in regards to Shundra J. Whitehurst.
25 That's No. PO40036059. Welcome back.

50

1 MS. GODWIN: Yes. Good morning,
2 Chairman Jones and Members of the Board.
3 I'm Karen Godwin representing Louisiana
4 State Police in the matter of the appeal
5 of Shundra J. Whitehurst.

6 Miss Whitehurst is appealing the
7 hearing officer's decision to revoke her
8 non-key gaming employee permit based on
9 pending charges of possession with

10 intent to distribute cocaine and
11 possession with intent to distribute
12 marijuana. Both of these offenses are
13 punishable by imprisonment of more than
14 one year, and both of the offenses are
15 currently pending in the 26th Judicial
16 District Court, Parish of Bossier by
17 means of a bill of information.

18 Although Miss Whitehurst appeared at
19 the administrative hearing, she
20 presented no evidence on her own behalf
21 and has not filed a brief submitted to
22 this Board today.

23 Pursuant to Louisiana gaming law,
24 this Board shall not license an
25 individual who has a pending charge for

51

1 any offense which is punishable by more
2 than one year. Miss Whitehurst is
3 therefore unsuitable and disqualified
4 from possessing a non-key gaming
5 employee permit, and I ask this Board to
6 affirm the hearing officer's decision
7 and revoke the said permit.

8 CHAIRMAN JONES: Is Miss Wilson or
9 any representatives -- excuse me,
10 Miss Whitehurst or any representatives
11 of Miss Whitehurst wish to be heard?
12 Are there any questions of Miss Godwin?

13 No questions. The board's clear. Do I
14 have a motion?

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

16 CHAIRMAN JONES: Move to affirm by
17 Mr. Gaston and seconded by Miss Noonan.

18 All in favor? [Collective "aye."]

19 Opposition? [No response.] It's

20 affirmed. Thank you.

21 7. In Re: Bernard P. Guidry - No. PO40035068

22 (appeal)

23 CHAIRMAN JONES: We now call Bernard
24 P. Guidry. That's No. PO40035068. This
25 is also an appeal.

52

1 MS. BROWN: Good morning, Chairman
2 Jones and Board Members. I'm Mesa
3 Brown, Assistant Attorney General,
4 appearing on behalf of the Division in
5 the matter of, In Re: Bernard P. Guidry.

6 Mr. Guidry is appealing the hearing
7 officer's decision on his revocation
8 hearing held on June 29th of 2014,
9 revoking his non-key gaming employee
10 permit as a result of his pending
11 charges of a crime, possession of
12 marijuana second offense, which is
13 punishable by imprisonment of more than
14 one year.

15 On January 31st, 2014, Calcasieu

16 Parish Sheriff's Office arrested
17 Mr. Guidry and charged him with having
18 violated possession of marijuana. On
19 April 7th of 2014, the 14th J.D.C.
20 D.A.'s Office filed a bill of
21 information charging Mr. Guidry with
22 violation of possession of marijuana
23 second offense.

24 Under Louisiana gaming law, a person
25 who has a pending charge of a crime

53

1 punishable by imprisonment of more than
2 one year is disqualified from holding a
3 gaming permit. Mr. Guidry has a pending
4 charge of a crime punishable of
5 imprisonment -- by imprisonment of more
6 than one year pending.

7 Accordingly, the Division asks the
8 Board to affirm the hearing officer's
9 decision.

10 CHAIRMAN JONES: Is Mr. Guidry or
11 any representative of Mr. Guidry here
12 and wish to be heard? Any questions for
13 the Attorney General's Office, State
14 Police? If there's no questions, do I
15 have a motion?

16 MS. NOONAN: I'll motion.

17 CHAIRMAN JONES: By Miss Noonan. Do
18 we have a second?

19 MR. JACKSON: Second.
20 CHAIRMAN JONES: By Mr. Mercer. All
21 in favor? [Collective "aye."]
22 Opposition? [No response.] Motion
23 carries. It's affirmed.
24 MS. GODWIN: Thank you.
25 8. In Re: Ciro F. Mussle - No. PO40033017

54

1 (appeal)

2 CHAIRMAN JONES: The final appeal is
3 in regard to Ciro F. Mussle, No.
4 PO40033017. Good morning.

5 MR. MUSSLE: Good morning.

6 CHAIRMAN JONES: Introduce yourself,
7 please.

8 MR. MUSSLE: Ciro Mussle, I was an
9 employee of L'Auberge Casino charged
10 with misdemeanor theft, and I just
11 received a letter stating that the
12 Attorney General would recommend that my
13 revocation of my license stay that way.
14 Well, my case was never heard. My case
15 was dismissed, and I have evidence I'd
16 like to present.

17 CHAIRMAN JONES: You cannot present
18 any new evidence to this Board,
19 unfortunately. You may argue why you
20 believe you should retain your license,
21 but we have the record before us.

22 MR. MUSSLE: I have several
23 instances where he said I admitted
24 theft. At no time did I admit theft.
25 My case never went to trial. I could

55

1 never prove my case. The shift manager
2 that I relieved acquired tips, and the
3 \$25 chip that I took was a tip. It was
4 at no time property of the house.

5 How do I convey this to the Court?

6 CHAIRMAN JONES: Please proceed.

7 MS. BOGRAN: Good morning, Chairman
8 Jones, Board Members. I'm Olga Bogran
9 on behalf of the Division in this
10 matter.

11 On February 24th, the hearing
12 officer upheld the immediate emergency
13 suspension of Ciro Mussle as a result of
14 his arrest for theft of the \$25 from the
15 casino where he was employed. Now,
16 Mr. Mussle alleges that this \$25 came
17 from tips, but in reality the \$25 was
18 part of a \$42 total taken from the
19 previous shift's bank; and since the
20 bank was counted at the beginning of the
21 shift, the \$42 was most likely an
22 overage.

23 If an overage is discovered, the
24 property procedure is for a manager to

25 be called over, paperwork is generated,

56

1 and that gives rise to an investigation
2 that will trace back the source of the
3 overage.

4 In this case what happened was that
5 Mr. Mussle took the \$42 overage. It was
6 placed on the counter under a computer
7 monitor at 1:34 a.m. in the morning. At
8 4:53 in the morning, he retrieved the
9 \$42. He placed \$17 in a dealer's tip
10 box, and he pocketed a \$25 chip.

11 Now, even if the \$25 had come from
12 the tips, in the highly regulated
13 environment of the casino, at no time
14 would any participant in a table game --
15 any personnel from a table game be
16 simply allowed to pocket a tip. Tips
17 are treated as taxable income. They're
18 placed in clear plastic boxes. At the
19 end of the shift, they're take to a
20 cage. The cage totals the tip amount.
21 That verified amount is added to the
22 employee's payroll check.

23 It's important to note, too, that on
24 the particular day when this happened,
25 Mr. Mussle was acting as a casino poker

57

1 supervisor. Supervisors are not

2 eligible to receive tips at all.

3 So Mr. Mussle's action in pocketing
4 the chip was such at variance with
5 casino policy that the casino itself
6 initiated the investigation which gave
7 rise to his arrest.

8 Gaming is a highly regulated
9 industry, and because the competence of
10 the patrons and the assets of the casino
11 and of the state are in the hands of the
12 employees, they're very careful about
13 this.

14 Mr. Mussle's non-key employee permit
15 was revoked by order of the hearing
16 officer on June 30th. The hearing
17 officer correctly found that as of that
18 date, which was four months after the
19 emergency suspension hearing, there were
20 pending theft charges against
21 Mr. Mussle, which in and of itself is a
22 statutory bar to participation in
23 gaming.

24 However, in his reasons for
25 decision, the hearing officer stated the

58

1 following: Mr. Mussle was interviewed
2 by agents of Louisiana State Police, and
3 after being advised of his Miranda
4 rights admitted to theft of the check,

5 which is a chip, in the amount of \$25 at
6 L'Auberge Casino where he was employed.

7 Mr. Mussle was arrested and charged
8 with violating Louisiana Revised Statute
9 14:67(B)(3), which is theft. By citing
10 Mr. Muscle's admission of unlawfully
11 taking the chip, the hearing officer is
12 showing that he took into account the
13 general suitability of the permittee as
14 well as the pending charges. The gaming
15 suitability statute states that gaming
16 employees must have good character,
17 honesty and integrity to continue as
18 gaming permittees. These are threshold
19 suitability standards, almost the
20 minimum that's required of somebody
21 who's in any position of authority in
22 the gaming arena. When the hearing
23 officer weighed these considerations
24 before he correctly issued the order to
25 revoke his permit.

59

1 Now, Mr. Mussle requested this
2 appeal based on the East Baton Rouge
3 DA's dismissal of the theft charges on
4 July 9th, which occurred after the
5 revocation hearing, and it's possible
6 that to a D.A. of a major metropolitan
7 area, a \$25 chip, that does not seem

8 like a significant crime. But the fact
9 is that Mr. Mussle took this chip in his
10 position as a casino poker supervisor, a
11 position in which he should not even
12 have been receiving tips, but most
13 importantly a position that requires
14 trust and scrupulous honesty because of
15 the vast amounts of money that pass
16 through his hands on a daily basis.
17 Mr. Mussle betrayed this trust placed in
18 him as a casino employee, and the fact
19 that he was caught doing this action
20 cast doubts on both his past and future
21 actions.

22 There is a strict and clear legal
23 procedure laid out by gaming law to be
24 followed in cases where permittees are
25 arrested and this may lead to a

60

1 revocation. This procedure was
2 followed. The law was applied
3 impartially, and the result was a
4 revocation of his permit.

5 Mr. Mussle may seek to have the
6 D.A.'s document looked at in the form of
7 a remand, but that's usually used to
8 present new evidence which may change
9 the perception of the original facts.

10 In this case, the D.A.'s dismissal is

11 relevant -- is irrelevant. I'm sorry.
12 It has no bearing at all because it
13 doesn't undue the fact that the chip was
14 unlawfully taken, and he admitted to
15 taking the chip.

16 There's semantical differences as to
17 whether that was theft or not. He
18 admitted to taking the chip, does not
19 dispute the fact that he took the chip.
20 So the D.A.'s dismissal is -- doesn't
21 count here because the taking of the
22 chip is the action that betrayed the
23 trust of the employer and renders
24 Mr. Mussle unsuitable to work in this
25 industry.

61

1 So I urge the Board to uphold the
2 hearing officer's decision to revoke the
3 non-key gaming permit of Mr. Ciro
4 Mussle.

5 MR. MUSSLE: Can I refute this?
6 When I came in, I came in at 1:30. The
7 room had gone dark. There was no more
8 games at 11:00. The bank was already
9 situated. It stays at 31,000. The
10 shift manager that I took over from,
11 Terry Falcon, had tried to testify on
12 numerous occasions that it was a \$41
13 overage in the bank.

14 CHAIRMAN JONES: You can't speak for
15 anyone else, sir, okay?

16 MR. MUSSLE: Well, I brought an
17 affidavit, but I guess --

18 CHAIRMAN JONES: That should have
19 been presented at your original hearing.

20 MR. MUSSLE: I went to the original
21 hearing, and they told me that State
22 Police -- told me that no one ever comes
23 to these hearings, and then they
24 scheduled another hearing which I had to
25 wait for the outcome of my trial.

62

1 CHAIRMAN JONES: You were afforded a
2 hearing, weren't you?

3 MR. MUSSLE: Sir, I guess y'all have
4 made up your minds.

5 CHAIRMAN JONES: Mr. Mussle, excuse
6 me. Were you afforded a hearing?

7 MR. MUSSLE: I suppose so, yes, sir,
8 but the hearing that I was afforded was
9 told it was based on the outcome of my
10 trial on July 7th, which was past the
11 original hearing. I never had a trial.
12 My trial was dismissed.

13 CHAIRMAN JONES: We can't -- we can
14 not consider that. Let me just --

15 MR. MUSSLE: I hate to step on you.
16 I'd just like to get what I have to say

17 out, and then y'all can rule the way you
18 want.

19 I have 24 years in the gaming
20 casino. I have a sterling record. I
21 don't want to end my career as a thief,
22 especially for a \$25 chip. This was a
23 tip. I have a person who says he
24 accrued the tips and passed them on to
25 me. If that puts me out of the casino,

63

1 then y'all can do what you deem
2 necessary.

3 CHAIRMAN JONES: Are there any
4 questions from the Board?

5 MR. BRADFORD: You know, every once
6 in a while I go off on a wild hair, but
7 I'm going to move to remand; and I may
8 lose this vote, but I'm going to do it
9 anyway. So that's my motion.

10 MR. STIPE: And I'll second it.

11 CHAIRMAN JONES: Could you hold that
12 until we see if we have any other
13 questions --

14 MR. BRADFORD: Sure.

15 CHAIRMAN JONES: -- if you don't
16 mind because there may be questions.

17 MR. BRADFORD: Sure.

18 MS. NOONAN: And we have from the
19 reports, we have this on video --

20 MS. BOGRAN: Yes, we do.

21 MS. NOONAN: -- exactly how it was
22 done. And was that video showed at the
23 hearing?

24 MS. BOGRAN: No. No, it was not.

25 MS. NOONAN: Okay. Can he request
64

1 that that video be put into evidence, if
2 we remand the hearing?

3 MS. BOGRAN: Well, we definitely
4 would use it if we had to remand the
5 hearing.

6 MS. NOONAN: Okay. Thank you.

7 MR. MUSSLE: And another thing:
8 When the final game broke around 11:00,
9 people would tip the shift manager,
10 which at the time -- I'm a new rate
11 (phonetic) shift manager. The shift
12 manager on swing shift is a hundred
13 percent shift manager, he never deals.
14 I deal sometimes two, sometimes three
15 days a week. So I'm allowed to take
16 tips when I'm dealing.

17 He collected the tips as he was
18 cashing the final table out, and he
19 locked them up because he had almost a
20 two-hour period where the room was going
21 to be dead. This is not house property.
22 If they want to charge me with violation

23 of property -- of policy and procedure,
24 that's fine but not theft. I never have
25 admitted one minute of theft.

65

1 CHAIRMAN JONES: Mr. Mercer.

2 MAJOR MERCER: Didn't I read where
3 you had completed a pretrial diversion
4 program?

5 MR. MUSSLE: Yes, sir.

6 MAJOR MERCER: Is that right?

7 MR. MUSSLE: Yes, sir.

8 MAJOR MERCER: And what was that
9 for?

10 MR. MUSSLE: I went to pretrial
11 intervention so that I wouldn't have a
12 record. They advised me to do that so I
13 wouldn't have a record and all the
14 charges against you were dismissed.

15 MAJOR MERCER: But that was for this
16 particular charge; is that correct?

17 MR. MUSSLE: Yes.

18 MAJOR MERCER: And basically when
19 you do that, you plead guilty, and then
20 it's wiped off after you complete the
21 pretrial diversion.

22 MR. MUSSLE: At no time did I plead
23 guilty or told I would be considered
24 guilty by taking this program.

25 CHAIRMAN JONES: Why would you have

1 consented to go into pretrial? Why
2 would you do that if you were totally
3 innocent and nothing happened?

4 MR. MUSSLE: If I'd of known this
5 was going to happen, I would have been
6 happy to go to trial and get it all out
7 in the open. Now I have --

8 CHAIRMAN JONES: So you had no idea
9 what pretrial diversion was; nobody
10 explained that to you at the district
11 attorney's office? You didn't sign any
12 documents that explained to you the
13 purpose of that.

14 MR. MUSSLE: They explained if you
15 went through the pretrial intervention
16 and you paid for this course and you
17 went to the meetings, your case would be
18 dismissed with no charges against you.

19 CHAIRMAN JONES: So your employer is
20 totally wrong as is the State Police,
21 correct?

22 MR. MUSSLE: My employer is wrong
23 with charging me with theft.

24 CHAIRMAN JONES: And the State
25 Police who did the investigation are

1 also incorrect, right?

2 MR. MUSSLE: The original --

3 CHAIRMAN JONES: Is that's your
4 position?

5 MR. MUSSLE: Yes, sir. The original
6 State Policeman had arrested me before
7 he really knew my name.

8 CHAIRMAN JONES: Mr. Mussle, please.
9 We have everything in the record, okay?

10 MR. MUSSLE: Okay.

11 CHAIRMAN JONES: Any other
12 questions? We have a motion,
13 Mr. Bradford, to remand. Is there a
14 second.

15 MR. STIPE: I'll second.

16 CHAIRMAN JONES: There's a second by
17 Mr. Stipe.

18 THE CLERK: Mr. Bradford?

19 MR. BRADFORD: Yes.

20 THE CLERK: Mr. Stipe?

21 MR. STIPE: Yes.

22 THE CLERK: Mr. Singleton?

23 MR. SINGLETON: Yes.

24 THE CLERK: Miss Noonan?

25 MS. NOONAN: Yes.

68

1 COURT REPORTER: Microphone.

2 CHAIRMAN JONES: I'm sorry. Try it
3 again.

4 THE CLERK: Okay. Mr. Bradford said
5 "yes"; Mr. Stipe, yes; Mr. Singleton,

6 yes; Miss Noonan, yes.

7 Major Mercer?

8 MAJOR MERCER: No.

9 THE CLERK: Mr. Jackson?

10 MR. JACKSON: Yes.

11 THE CLERK: Mr. Gaston?

12 MR. GASTON: No.

13 THE CLERK: Chairman Jones?

14 CHAIRMAN JONES: No.

15 THE CLERK: The motion passes to

16 remand.

17 CHAIRMAN JONES: The motion passes

18 to remand. It should be remanded back

19 to the hearing officer.

20 IX. ADJOURNMENT

21 CHAIRMAN JONES: There being no

22 further business before the Board, do I

23 have a motion to adjourn? By

24 Mr. Singleton.

25 MR. GASTON: I don't want it

69

1 recorded that I extended the meeting,

2 but I just sometimes -- in the day of

3 people saying government doesn't work, I

4 am so sometimes overwhelmed by the

5 competency of the people who come before

6 us, particularly the State Police, the

7 Attorney General's Office and others.

8 This has been a smooth meeting because

9 of the hard work done by people in
10 government here, and I'd just like to
11 compliment them at this time, if that's
12 okay.

13 CHAIRMAN JONES: And we appreciate
14 that. We all appreciate the work that
15 you do. Now, may I have a motion to
16 adjourn?

17 MR. GASTON: Yes.

18 CHAIRMAN JONES: By Mr. Gaston and a
19 second by Mr. Singleton.

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1 REPORTER'S PAGE

2

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

7 That due to the spontaneous discourse of this
8 proceeding, where necessary, dashes (--) have been
9 used to indicate pauses, changes in thought,
10 and/or talkovers; that same is the proper method
11 for a Court Reporter's transcription of a

12 proceeding, and that dashes (--) do not indicate
13 that words or phrases have been left out of this
14 transcript;

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

18

19

20

21

22

23

24 SHELLEY PAROLA

Certified Court Reporter #96001

25 Registered Professional Reporter

71

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 69 pages is a

6 true and correct transcript of the proceedings on

7 August 21st, 2014, as taken by me in Stenographic

8 machine 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 15th day of
19 September, 2014.

20

21

SHELLEY G. PAROLA, CCR, RPR

22

CERTIFICATE NO. 96001

23

24