

Board Meeting LGCB, (Pages 1:1 to 94:24)

1:1 LOUISIANA GAMING LOUISIANA CONTROL BOARD

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4 BOARD OF DIRECTORS' MEETING

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9 THURSDAY, SEPTEMBER 18, 2014

10

11 Louisiana State Capitol

12 House Committee Room 6

13 Baton Rouge, Louisiana

14

15

16

17 TIME: 10:00 A.M.

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19

20

21

22

23

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25

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

24

25

3

1 APPEARANCE CONTINUED

2

3 ROBERT W. GASTON, III

(At Large)

4 Sixth Congressional District

June 30, 2015

5

6 DENNIS N. STINE

(MBA/CPA)

7 Third Congressional District

June 30, 2019

8

9 LANA TRAMONTE

Principal Assistant

10

11 TRUDY M. SMITH

Confidential Assistant

12

13 MAJOR NOEL

Ex-Officio Board Member

14 Louisiana State Police

15 JARROD CONIGLIO

Deputy Secretary

16 Department of Revenue

17

18 REPORTED BY:

19 SHELLEY G. PAROLA, CSR, RPR

Baton Rouge Court Reporters

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1		PAGE
2	I. CALL TO ORDER	6
3	II. PUBLIC COMMENTS	7
4	III. APPROVAL OF MINUTES	7
5	IV. REVENUE REPORTS	7
6	V. CASINO GAMING ISSUES	
7	A. Consideration of Certificate of	
8	Compliance for the Alternate	
9	Riverboat Inspection of the	
10	gaming vessel of Louisiana Casino	
11	Cruises, Inc., d/b/a Hollywood	
12	Baton Rouge - No. R011700193	13
13	B. Consideration of riverboat	
14	staffing proposal for Catfish	

15 Queen Partnership in Commendam
16 d/b/a Belle of Baton Rouge - No.
17 R011700009 18

18 C. Consideration of riverboat
19 staffing proposal for St.
20 Charles Gaming Co., Inc., d/b/a
21 Isle of Capri Lake Charles - No.
22 R011700174 25

23 D. Consideration of renewal
24 application for riverboat gaming
25 license of Horseshoe Entertainment,

5

1 PAGE

2 L.P., d/b/a Horseshoe Bossier
3 City - No. R010800198 31

4 VI. VIDEO POKER ISSUES

5 A. Consideration of the following

6 truckstop applications:

- 7 1. Pilot Corporation Tennessee d/b/a
8 Pilot Travel Center #199 - No.
9 0804512585 (transfer of interest) 71
- 10 2. Pilot Corporation Tennessee d/b/a
11 Pilot Travel Centers #655 - No.
12 0906516327 (transfer of interest) 71
- 13 3. Pilot Corporation Tennessee d/b/a
14 Pilot Travel Center #082 - No.
15 4800516385 (transfer of interest) 71
- 16 4. Pilot Corporation Tennessee d/b/a
17 Pilot Travel Center #274 - No.

18	5002512214 (transfer of interest)	71
19	VII. CONSIDERATION OF APPEALS IN THE FOLLOWING:	
20	1. In Re: Marlee Celine, LLC, d/b/a	
21	Murphy's Brewhouse - No. 2601112269	79
22	2. In Re: Kim's Seafood, LLC, d/b/a	
23	Kim's Seafood - No. 0800214897	82
24	3. In Re: Gina Lewis - No. V000019495	83
25	VIII. ADJOURNMENT	92

6

1 I. CALL TO ORDER

2 CHAIRMAN JONES: Good morning. I
3 welcome you to the September Louisiana
4 Gaming Control Board meeting. I call
5 the meeting to order. Miss Tramonte,
6 would you read 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?

24 MR. STINE: Here.

25 THE CLERK: Colonel Edmonson?

7

1 MAJOR NOEL: Major Noel for Colonel

2 Edmonson.

3 THE CLERK: Secretary Barfield?

4 MR. CONIGLIO: Jarrod Coniglio here

5 for Secretary Barfield.

6 II. PUBLIC COMMENTS

7 CHAIRMAN JONES: We have a full

8 board. Everybody's present and

9 accounted for. We may conduct business.

10 This is an opportunity for anyone to

11 offer public comments on any matter

12 that's currently before the Board today.

13 Anyone? [No response.]

14 III. APPROVAL OF MINUTES

15 CHAIRMAN JONES: Then we'll move on

16 to Approval of the Minutes. Do I have a

17 motion to waive reading?

18 MR. SINGLETON: Move approval.

19 CHAIRMAN JONES: By Mr. Singleton, a

20 second by Miss Noonan. All in favor?

21 [Collective "aye."] Opposed? [No

22 response.] Motion carries.

23 IV. REVENUE REPORTS

24 CHAIRMAN JONES: At this point, we'd
25 like to entertain Revenue Reports, state

8

1 Police. Good morning.

2 MS. JACKSON: Good morning. Good
3 morning, Chairman Jones, Board Members.

4 My name's Donna Jackson with State
5 Police Gaming Enforcement Division.

6 The riverboat revenue report for
7 August 2014 is shown on page one of your
8 handout. During August, the 14
9 operating riverboats generated Adjusted
10 Gross Receipts of \$156,700,716, an
11 increase of \$5 million or 3.4 percent
12 from last month, and an increase of
13 \$3 million or 2 percent from last
14 August.

15 Adjusted Gross Receipts for fiscal
16 year 2014-2015 to date are \$308,270,679,
17 a slight increase of \$1 million from
18 fiscal year 2013-2014. During August,
19 the State collected fees totaling
20 \$33,690,654. As of August 31st, 2014,
21 the State has collected \$66 million in
22 fees for fiscal year 2014-2015.

23 Next is summary of the August 2014
24 gaming activity for Harrah's New Orleans
25 found on page three. During August,

9

1 Harrah's generated \$27,203,002 in gross
2 gaming revenue, a decrease from last
3 month of \$1.3 million or 4.6 percent,
4 and a \$700,000 or 2.4 percent decrease
5 from last August. Gaming revenues for
6 fiscal year 2014-2015 to date are
7 \$55,705,828, up \$2.5 million or
8 4.6 percent from last fiscal year.

9 During August, the State received
10 \$5,095,890 in minimum daily payments.

11 As of August 31st, 2014, the State has
12 collected over \$10 million in fees for
13 fiscal year 2014-2015.

14 Slots at the Racetracks revenues are
15 shown on page four. During August, the
16 four racetrack facilities combined
17 generated Adjusted Gross Receipts of
18 \$33,878,556, an increase of \$1 million
19 or 3 percent from last month, and a
20 slight increase of 1 percent from last
21 August.

22 Adjusted Gross Receipts for fiscal
23 year 2014-2015 to date are \$66,793,164,
24 a decrease of 1 percent from last fiscal
25 year.

10

1 During August, the State collected
2 \$5,139,377 in fees. As of August 31st,
3 2014, the State has collected over \$10

4 million in fees for fiscal year
5 2014-2015.

6 Overall in August, riverboats,
7 landbased and Slots at the Racetracks
8 generated almost \$218 million in
9 Adjusted Gross Receipts and \$44 million
10 in state fees.

11 Are there any questions before I
12 present the Harrah's employee numbers.

13 CHAIRMAN JONES: Board members, any
14 questions on riverboats, landbased and
15 Slots at the Racetracks? The board
16 appears clear.

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

22 For the first pay period, State
23 Police verified 2,473 employees with at
24 payroll of \$1,982,000. For the second
25 pay period, State Police verified 2,413

11

1 with a payroll of \$1,984,000.
2 Therefore, Harrah's met the employment
3 criteria during August.

4 CHAIRMAN JONES: Any questions?
5 There are no questions. Thank you very
6 much.

7 MS. JACKSON: Thank you.

8 CHAIRMAN JONES: Video poker. Good
9 morning.

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

17 Sixteen new video gaming licenses
18 were issued during August 2014: Eleven
19 bars, four restaurants and one device
20 owner's. Eleven new applications were
21 received by the Gaming Enforcement
22 Division during August 2014 and are
23 currently pending in the field: Six
24 bars, four restaurants and one device
25 owner's.

12

1 The Gaming enforcement Division
2 assessed \$12,800 and collected \$3,750 in
3 penalties in August, and there are
4 currently \$7,850 in outstanding fines.
5 Please refer to page two of your
6 handout.

7 There are presently 14,021 video
8 gaming devices activated at 1,928
9 locations.

10 Net device revenue for August 2014
11 was \$49.1 million, a \$1.4 million or
12 2.9 percent increase when compared to
13 July 2014, and a \$200,000 or one half of
14 one percent increase when compared to
15 August 2013. Net device revenue so far
16 for fiscal year 2015 is \$96.9 million, a
17 \$300,000 or three-tenths of one percent
18 increase when compared to fiscal year
19 2014. Page three of your handout shows
20 a comparison of net device revenue.

21 Total franchise fees collected for
22 August 2014 were \$14.7 million, a
23 \$400,000 increase when compared to
24 July 2014, and a \$100,000 increase when
25 compared to August 2013.

13

1 Total franchise fees collected for
2 fiscal year 2014 are \$29 million, a
3 \$200,000 increase or six-tenths of
4 one percent when compared to fiscal year
5 2014.

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

9 CHAIRMAN JONES: Board Members?
10 There are no questions.

11 MR. BOSSIER: Thank you.

12 CHAIRMAN JONES: Thank you very

13 much, Jim.

14 V. CASINO GAMING ISSUES

15 A. Consideration of Certificate of Compliance

16 for the Alternate Riverboat Inspection of
17 the gaming vessel of Louisiana Casino
18 Cruises, Inc., d/b/a Hollywood Baton Rouge -
19 No. RO11700193

20 CHAIRMAN JONES: We'll now move to
21 Casino Gaming Issues. First up is:
22 Consideration of Certificate of
23 Compliance for the Alternate Riverboat
24 Inspection of gaming vessel Louisiana
25 Casino Cruises, Inc., doing business as

14

1 Hollywood Baton Rouge. That's number
2 No. RO11700193.

3 Good morning.

4 MR. THOMPSON: Good morning,
5 Mr. Chairman.

6 CHAIRMAN JONES: Please identify
7 yourself for the Board and proceed.

8 MR. THOMPSON: Mr. Chairman, Board
9 Members, I'm Assistant Attorney General,
10 Buddy Thompson. With me is John Francic
11 and Walt Hanson of ABSC. We're here in
12 the matter of the renewal of the
13 Certificate of Compliance for Hollywood
14 Casino.

15 On June 16, 2014, ABSC began the

16 inspection process for the renewal of
17 Hollywood Casino's Certificate of
18 Compliance. For more on this, I now
19 turn the presentation over to John
20 Francic.

21 MR. FRANCIC: Good morning, Chairman
22 and Board Members. John Francic with
23 ABSC Consulting here to report the
24 annual certification for Hollywood
25 Casino.

15

1 The inspectors, Doug Chapman and
2 Lindsey Dew, did, on June 16, attend the
3 riverboat Casino Rouge to conduct the
4 annual inspection in accordance with the
5 Alternate Inspection Program in the
6 State of Louisiana.

7 The inspectors reviewed the fire
8 protection equipment, life-saving
9 equipment, egress routes, mooring
10 system, training records and conducted a
11 fire drill. In addition to the exam, a
12 five-year hull exam was due. The
13 underwater hull survey was performed by
14 J & J Diving. The hull gauging reports
15 showed no signs of thin metal, and the
16 internal structure exam was conducted by
17 ABSC and was found in good condition.

18 One valve for a chiller unit was not

19 pulled because it would have shut down
20 the air-conditioning unit, so it was
21 decided to pull the valve during the
22 colder months of the year.

23 The deficiencies found during the
24 exam were noted on page six of your
25 report. The following exam was

16

1 conducted on July 1st and August 19th
2 and cleared all the deficiencies noted
3 on the June 16th exam.

4 The 2014 annual survey required by
5 Louisiana Gaming Control Board is
6 complete and presents no safety concerns
7 to its patrons or employees aboard the
8 riverboat. It is the recommendation of
9 ABSC that Hollywood be issued a
10 Certificate of Compliance.

11 MR. THOMPSON: We now present these
12 findings to the Board and request that
13 upon the Board accepting the report
14 submitted by ABSC, the Board will move
15 for the renewal of Hollywood Casino's
16 Certificate of Compliance.

17 CHAIRMAN JONES: Board Members, any
18 questions? Mr. Stipe.

19 MR. STIPE: This hull is 20 years
20 old?

21 MR. FRANCIC: I don't know the exact

22 year, but, yeah, it's up in age.

23 MR. STIPE: What's the life
24 expectancy that we should look for on
25 something like this.

17

1 MR. FRANCIC: Well, it's really hard
2 to determine. I mean, if the
3 maintenance is kept up, it can last
4 almost forever, so to speak.

5 MR. STIPE: And do you, I mean,
6 enhance the inspection as you move
7 through the years with these hulls? I
8 mean, is there --

9 MR. FRANCIC: Well, again, when we
10 do the gauging, there's three bowels
11 that are done in the hull; the divers
12 take all the gaugings. And if we notice
13 thin metal that needs to be replaced --
14 and that's usually at 25 percent of
15 wastage, so depends on the area and what
16 we got to do to renew that and what the
17 owners decide to do.

18 Normally, you know, you can put --
19 there's been leaks on some of the other
20 vessels. We just put box patches and
21 welded around that and repaired it, but
22 it really depends on, you know, the
23 overall condition when you start looking
24 at how thin the metal is on the hull of

25 the vessel. Usually you'll find a lot

18

1 of the wastage at the water line because
2 you have the wave action and the wind,
3 so that's where most of the problems
4 will occur, and that's where we've been
5 finding them at.

6 MR. STIPE: Your conclusion at the
7 end, however, is that this facility is
8 satisfactory.

9 MR. FRANCIC: Yeah, the hull was
10 good. The internal web framing members
11 were all in good shape, yes.

12 MR. STIPE: Okay. That's all I
13 have.

14 CHAIRMAN JONES: Board Members, any
15 other questions? [No response.] I'll
16 entertain a motion to issue the
17 Certificate of Compliance.

18 MR. GASTON: I move.

19 CHAIRMAN JONES: Mr. Gaston, second
20 by Mr. Bradford. All in favor?
21 [Collective "aye."] Opposed? [No
22 response.] Motion carries. Thank you
23 very much.

24 B. Consideration of riverboat staffing proposal
25 for Catfish Queen Partnership in Commendam

19

1 d/b/a Belle of Baton Rouge - No. R011700009

2 CHAIRMAN JONES: We'll move to Item
3 B: Consideration of riverboat staffing
4 proposal for Catfish Queen Partnership
5 in Commendam doing business as Belle of
6 Baton Rouge. That's No. RO11700009.

7 Good morning again.

8 MR. THOMPSON: Good morning,
9 Mr. Chairman. Buddy Thompson again,
10 Assistant Attorney General. With me is
11 John Francic and Walt Hanson of ABSC.
12 We're here in the matter of the staffing
13 proposal for the Belle of Baton Rouge
14 Casino.

15 On April 7, 2014, the Belle of Baton
16 Rouge submitted a letter to ABSC seeking
17 a manning variance. For more on this
18 and the investigation conducted by ABSC,
19 I now turn the presentation over to
20 Mr. Walt Hanson.

21 MR. HANSON: Good morning,
22 Mr. Chairman and Board Members. I'm
23 Walter Hanson of the ABS Consulting. We
24 did a review of the riverboat staffing
25 proposal for the Argosy 3, which is the

20

1 name of the riverboat for Belle of Baton
2 Rouge.

3 The review process began back in
4 August 26th of 2013, when the Belle of

5 Baton Rouge had submitted a request for
6 consideration. I was assigned as a
7 Senior Marine Risk Consultant and
8 visited the riverboat in November of
9 that year, and amplifying data and
10 amendments were provided by
11 correspondence throughout the remainder
12 of the year, and again through March of
13 2014; and through these interchanges,
14 the casino management finally did a
15 final submission in April which
16 represented what their manning variance
17 request would be.

18 This requested manning variance for
19 Argosy 3 assigns 14 job positions to the
20 riverboat staff. Two workers do not
21 work shifts. They are the Captain in
22 Charge and the Engineer in Charge, and
23 there are 12 people assigned as shift
24 personnel: A Captain of the Watch and
25 Engineer of the Watch, one Assistant

21

1 Captain of the Watch, two riverboat
2 technicians and seven security
3 personnel.

4 Our review concludes that the
5 designated riverboat staff provides an
6 adequate organization to maintain both
7 the reliability of the safety equipment

8 associated with the permit for a
9 riverboat and performance of routine
10 emergency duties to safeguard the public
11 and employees aboard it, and in reaching
12 this conclusion, we considered three
13 factors: The temporal and geographic
14 hazards to public safety at Argosy
15 Three, and there was nine risk scenarios
16 that we considered were credible,
17 everything from fire, through electrical
18 power outage, errant vessels that could
19 possibly collide with riverboats,
20 accidental injuries, hazardous natural
21 events and toxic release in the vicinity
22 of the riverboat.

23 We considered the engineer and
24 administrative controls that existed on
25 the riverboat to safeguard the public

22

1 and sustain reliability, and we also
2 looked at the organization by which
3 emergency situations would be addressed,
4 which included not only the emergency
5 plans, but the station bills that they
6 have.

7 Ultimately, our recommendation to
8 you, the Gaming Control Board, is to
9 approve the designated riverboat staff,
10 and their organization is considered to

11 be adequate.

12 MR. THOMPSON: The Attorney
13 General's Office and Louisiana State
14 Police have looked at this matter and
15 the information submitted by ABSC and
16 now submit it to the Board for decision.

17 MS. NOONAN: I have a question.

18 CHAIRMAN JONES: Board members, any
19 questions? Yes, ma'am, Miss Noonan.

20 MS. NOONAN: These conditions are
21 the same as the ones that have been set
22 forth prior to with the new variances?
23 Is there any -- it doesn't look like
24 there's anything different in this than
25 the others; is that correct?

23

1 MR. HANSON: We use the same
2 process, so where they physically are
3 located and any of the activities that
4 are there may vary.

5 MS. NOONAN: Okay.

6 MR. HANSON: So when we consider, we
7 consider those variances. For instance,
8 where they are located, yes, you have
9 similar attributes as to what the
10 riverboat further up river do have, but
11 the distances from some of those hazards
12 are different. So the environmental
13 conditions are a little bit different,

14 too, but we considered all those.

15 MS. NOONAN: So do you feel
16 confident that they can handle these
17 conditions with the new staff that
18 they're requesting?

19 MR. HANSON: As stated, yes.

20 MS. NOONAN: Okay. Thank you.

21 CHAIRMAN JONES: Mr. Singleton.

22 MR. SINGLETON: I read somewhere
23 about an escalator. There's no
24 escalator on the boat?

25 MR. HANSON: The escalator is off

24

1 of -- it's alongside.

2 MR. SINGLETON: Maybe I read it
3 wrong. I thought it said there was no
4 escalator.

5 CHAIRMAN JONES: Are you talking
6 about from the parking lot up,
7 Mr. Singleton? Because that's been an
8 issue in the past. What area are you
9 talking about?

10 MR. SINGLETON: I thought it was the
11 boat. Maybe I just read it wrong.

12 MR. HANSON: I can tell you
13 momentarily. I'll get to the details in
14 just a second. [Reviewing documents.]

15 No escalators. Yes, I got to it.

16 What we have to do when we look at

17 it, we look at the riverboat itself and
18 how it's confined, okay? Escalators are
19 the responsibility of the landside
20 inspection, or are they the
21 responsibility of our inspection on the
22 riverboat? In this case, they moved
23 that machinery off of the vessel so we
24 don't have to consider it.

25 MR. SINGLETON: Okay.

25

1 CHAIRMAN JONES: Okay?

2 MR. SINGLETON: I guess so.

3 CHAIRMAN JONES: Is there someone
4 you would like to speak to,
5 Mr. Singleton? Are you okay?

6 MR. SINGLETON: I just wanted to
7 make sure. I thought it was inside
8 really, and my question was: How do you
9 get up and down for people, you know,
10 with handicaps or something? But I
11 guess I didn't read that as thoroughly
12 as I should have.

13 CHAIRMAN JONES: Any other questions
14 of the Board?

15 MR. BRADFORD: I move approval.

16 CHAIRMAN JONES: We have a motion to
17 accept ABSC's recommendation for
18 riverboat staffing for the Belle of
19 Baton Rouge Riverboat Gaming Vessel,

20 Incorporated, in the Certificate of
21 Compliance. I have a motion from
22 Mr. Bradford. Do I have a second?

23 MS. NOONAN: I'll second.

24 CHAIRMAN JONES: Miss Noonan. All
25 in favor? [Collective "aye."] Opposed?

26

1 [No response.] Motion carries.

2 C. Consideration of riverboat staffing
3 proposal for St. Charles Gaming Co., Inc.,
4 d/b/a Isle of Capri Lake Charles - No.
5 R011700174

6 CHAIRMAN JONES: Now we take:
7 Consideration of riverboat staffing
8 proposal for St. Charles Gaming Company,
9 Inc., doing business as Isle of Capri
10 Lake Charles. That's No. R011700174.

11 MR. THOMPSON: Mr. Chairman, Board
12 Members, Buddy Thompson again, Assistant
13 Attorney General, with me John Francic,
14 Walt Hanson of ABSC. We're here in the
15 matter of the staffing proposal for Isle
16 of Capri Casino Lake Charles.

17 On August 29th, 2013, the Isle of
18 Capri submitted a letter to ABSC seeking
19 a manning variance. For more on this
20 and the investigation conducted by ABSC,
21 I now turn this over to Walt Hanson.

22 MR. HANSON: Good morning,

23 Mr. Chairman, I'm Walter Hanson with ABS
24 Consulting. I conducted a review of the
25 riverboat staffing proposal for Grand

27

1 Palais.

2 The review process began back in
3 June of 2013, with the Isle of Capri
4 Casino. As a Senior Marine Risk
5 Consultant, I visited the riverboat in
6 August, and then through amplifying data
7 and amendments were provided by
8 correspondence through as early as July
9 through August and on, and finally at
10 the end of August they provided a
11 manning variance request that we could
12 then consider.

13 The requested manning variance
14 request for Grand Palais assigns 14
15 jobs -- positions to the riverboat
16 staff. Two workers, again, do not work
17 shifts. They are the Captain in Charge
18 and Engineer in Charge, and they also
19 have 12 shift personnel: One Captain of
20 the Watch, one Engineer of the Watch,
21 one Assistant Captain of Watch, two
22 riverboat technicians and seven security
23 personnel.

24 Our review concludes that the
25 designated riverboat staff provides an

1 adequate organization to maintain the
2 reliability of the safety equipment
3 associated with a permanently moored
4 riverboat and the performance of routine
5 and emergency duties to safeguard the
6 public and employees aboard it.

7 In reaching this conclusion, I
8 reviewed and considered three factors,
9 the first factor being the temporal and
10 geographic hazards. Nine risk scenarios
11 were considered: Fire, electrical
12 outage, errant vessels, toxic release in
13 the vicinity, accidental injury, medical
14 distress, trips/falls, propwash from
15 nearby vessels, and hazardous weather.

16 Engineered and administrative
17 controls were also considered for these
18 risks, the organization by which the
19 emergency situations would be addressed,
20 which include the emergency response
21 plans and their station bills.

22 It is ABS Consulting's
23 recommendation to the Louisiana Gaming
24 Control Board to approve the designated
25 riverboat staff for the Isle of Capri.

1 The riverboat staff provides an adequate
2 organization to maintain the reliability

3 of the safety equipment associated with
4 a permanently moored riverboat and
5 performance of the routine and emergency
6 duties.

7 MR. THOMPSON: The Attorney
8 General's Office and the Louisiana State
9 Police have looked at this matter and
10 the information submitted by ABSC and
11 now submit it to the Board for decision.

12 CHAIRMAN JONES: Before I open it up
13 for questions, I want to share with my
14 board members the fact that we had met
15 on some issues that arose with regard to
16 this consideration, I guess, back in the
17 summer, I think it was, having to do
18 with fire department response and man
19 overboard issues; and as a result of
20 that, the new manager and management
21 team were made aware of what the issues
22 were, and the Casino Association
23 facilitated a meeting about one month
24 ago that I attended on your behalf.

25 We met with the fire department

30

1 representatives from Westlake, the
2 compliance officer for the boat, the
3 general manager and some others. I
4 spent about two hours talking about how
5 the department would respond, what's

6 expected of them, and ironically they
7 had conducted a fire drill the day
8 before.

9 The fire department is very familiar
10 with the inside of the boat, the
11 interior of the boat, what the
12 challenges would be. We talked about
13 alternate response in the event there's
14 a train track between Westlake Fire
15 Department and this vessel. We talked
16 about what would happen in the event
17 that there's a train on the tracks, to
18 immediately go to mutual aid. The Lake
19 Charles Fire Department has a station
20 just across the bridge. The response
21 time would be very quick.

22 I'm very satisfied that all the
23 issues that were raised back in the
24 summer have been resolved. I see no
25 safety issues with related to -- that

31

1 would be related to emergency response
2 whatsoever.

3 Do you have any questions of -- Mr.
4 Stine.

5 MR. STINE: On behalf of the Board,
6 I want to thank you for holding the
7 meeting because the safety of our
8 citizens are very, very important, and I

9 move approval.

10 CHAIRMAN JONES: Do we have any
11 other questions?

12 MR. GASTON: I'd like to second but
13 also just the team work -- the team work
14 I see is just also here, that the
15 working together to take care of the
16 citizens. It blows me away as an old
17 Bureaucrat. I see bureaucracy is
18 working better than ever.

19 CHAIRMAN JONES: I've been in
20 bureaucracy a long time. We're going to
21 get it right eventually.

22 We have a motion by Mr. Stine. Do I
23 have a second?

24 MR. GASTON: Second.

25 CHAIRMAN JONES: I have a second.

32

1 All in favor? [Collective "aye."] Any
2 opposition? [No response.] Motion
3 passes. Thank you very much.

4 D. Consideration of renewal application for
5 riverboat gaming license of Horseshoe
6 Entertainment, L.P., d/b/a Horseshoe
7 Bossier City - No. R010800198

8 CHAIRMAN JONES: We now take up:
9 Consideration of renewal application for
10 riverboat gaming license of Horseshoe
11 Entertainment, L.P., doing business as

12 Horseshoe Bossier City, RO10800198.
13 Good morning.
14 MS. MOORE: Good morning,
15 Mr. Chairman, Board Members. I'm
16 Assistant Attorney General, Charmaine
17 Moore, and with me are auditor, Evie
18 Ficklin, and Trooper Eddie Daigle of
19 State Police. Representatives of
20 Horseshoe are also present today. We
21 are here in the matter of the renewal of
22 the riverboat license of Horseshoe
23 Entertainment, L.P., doing business as
24 Horseshoe Bossier City Casino & Hotel
25 located in Bossier City, Louisiana.

33

1 Riverboat licenses are issued for
2 five-year terms, and the license of
3 Horseshoe is due to expire on
4 November 22nd of this year. As part of
5 the renewal process, our office worked
6 with counsel for the licensee to review
7 the license conditions previously placed
8 upon Horseshoe by the Board in an effort
9 to update the license conditions.

10 Conditions were initially placed on
11 the licensee in November of 1993 when it
12 was issued a certificate of preliminary
13 approval for riverboat gaming
14 operations. Thereafter in 2003, 2007,

15 and 2009, additional conditions were
16 placed on Horseshoe's license. All
17 conditions that were completed,
18 satisfied and no longer applicable were
19 removed, and some substantive changes
20 were made to conditions, and there was
21 some editing of other conditions. The
22 licensee has accepted and agreed to be
23 bound by the conditions.

24 A proposed resolution, subject to
25 the proposed Statement of Conditions

34

1 authorizing the renewal of the license
2 commencing November 22nd, 2014, has been
3 prepared if the Board approves the
4 renewal.

5 At this time, Auditor, Evie Ficklin,
6 will present her findings to the Board,
7 and then Trooper Daigle will present his
8 findings. Representatives of the
9 licensees will be available to answer
10 any questions the Board may have.

11 CHAIRMAN JONES: Thank you. Miss
12 Ficklin.

13 MS. FICKLIN: Yes. Good morning,
14 Mr. Chairman and Board Members. I'm
15 Evie Ficklin. I'm an auditor with the
16 Louisiana State Police.

17 In the Shreveport/Bossier City

18 gaming market, Horseshoe Bossier
19 competes with five other riverboats,
20 including Margaritaville, the newest
21 property which commenced operations
22 June 15, 2014. Although impacted by its
23 increased competition in its local
24 gaming market and by travel casinos in
25 Oklahoma, Horseshoe Bossier continues to

35

1 lead in adjusted gross revenues in the
2 Shreveport/Bossier City market as shown
3 in the Adjusted Gross Revenue Schedule
4 on page four.

5 Caesars provided Horseshoe Bossier's
6 historical and projected capital
7 expenditures on page six. Management
8 also included schedules identifying how
9 Caesars spent and plans to spend the
10 funds allocated to capex. As noted,
11 Horseshoe has significant outlays for
12 capital expenditures in 2012 and 2013
13 for hotel improvements.

14 Horseshoe Bossier's financial
15 statements begin on page seven.
16 Horseshoe's income losses in 2012 and
17 2013 are largely attributable to the
18 impairments to goodwill and intangible
19 assets in 2012 and 2013 respectively.
20 Based on information provided in

21 Horseshoe's financial statements, the
22 impairments were due in large part to
23 the weak economic conditions.

24 Horseshoe Bossier is one of 50
25 casinos owned and/or managed by Caesars

36

1 Entertainment Operating Company or CEOC.
2 CEOC is majority owned 89.3 percent or
3 the ultimate parent of CEOC and
4 Horseshoe Caesars Entertainment
5 Corporation. Caesars conducts its
6 business through CEOC and Caesars
7 Entertainment Resort Company, a
8 wholly-owned Caesars subsidiary.
9 Caesars also holds an approximate
10 57 percent beneficial interest in
11 Caesars Growth Partners, LLC, a joint
12 venture between Caesars and Caesars
13 Acquisition Company.

14 As stated in CEOC's financial
15 disclosures, CEOC is a highly leveraged
16 company. Recently Caesars and CEOC have
17 executed various transactions to improve
18 Caesars' financial posturing,
19 restructuring of its nearest term debt,
20 retiring certain debt, the sale of
21 approximately 5 percent for CEOC shares
22 to institutional investors, and the
23 granting of an additional 6 percent to

24 certain Caesars' employees who are stock
25 listing, and amending its credit

37

1 facility to allow more flexibility under
2 its senior secured leverage ratio.

3 In conclusion, the Board is being
4 asked to consider the renewal of
5 Horseshoe Bossier's gaming license for a
6 period of five years effective
7 November 22nd, 2014. We find no
8 financial impediments to the Board's
9 approval on this renewal application,
10 and licensing will now present the
11 results of its investigation.

12 TROOPER DAIGLE: Good morning. I'm
13 Trooper Eddie Daigle with the Louisiana
14 State Police Gaming Enforcement
15 Division.

16 A renewal suitability investigation
17 was conducted on Horseshoe
18 Entertainment, L.P., doing business as
19 Horseshoe Bossier City Casino & Hotel,
20 all associated entities and key
21 personnel. This investigation consisted
22 of inquiries through federal, state and
23 local law enforcement agencies,
24 computerized criminal history databases,
25 financial and civil institutions and

38

1 gaming regulatory agencies.
2 Tax clearance request form were
3 forwarded to the Internal Revenue
4 Service and the Louisiana Department of
5 Revenue in order to ensure the
6 applicants are current in their tax
7 filings.

8 During this renewal suitability
9 investigation, I discovered no
10 information which would preclude the
11 continuing license of Horseshoe
12 Entertainment, L.P., and all associated
13 entities and key personnel.

14 At this time, I'd gladly answer any
15 questions you may have.

16 CHAIRMAN JONES: Did you have
17 anything else, Charmaine, before we go
18 to questions?

19 MS. MOORE: No, nothing else.

20 CHAIRMAN JONES: Before we hear from
21 senior representatives, do you have any
22 questions for Miss Moore, Miss Ficklin,
23 or Mr. Daigle?

24 MAJOR MERCER: Neither the State
25 Police or Attorney General's Office or

39

1 State Police Audit Section, y'all don't
2 have any concerns with any of the civil
3 matters that was discussed in here? I

4 realize you said you didn't, but what
5 about the Grand Jury that's convened on
6 the Caesars Palace, which I realize is
7 not in Louisiana but it also -- anything
8 may effect the licensee in Louisiana
9 that happens in another state, also.

10 TROOPER DAIGLE: The last updates
11 there was no new information on it other
12 than what was reported.

13 MAJOR MERCER: So we really don't
14 know what that's about?

15 MS. FICKLIN: Are you talking about
16 the IRS?

17 MAJOR MERCER: I'm talking about the
18 United States Department of Treasury and
19 the investigating Desert Palace which is
20 actually Caesars Palace.

21 TROOPER DAIGLE: There's no updates
22 on it.

23 MAJOR MERCER: Okay. But you don't
24 really see that as a concern at this
25 point.

40

1 TROOPER DAIGLE: At this point, no,
2 sir.

3 MAJOR MERCER: All right. Thank
4 you.

5 CHAIRMAN JONES: And nothing would
6 prevent the Board from coming back and

7 revisiting the issue if something
8 developed in that regard.

9 MAJOR NOEL: Mr. Chairman, I just
10 want to add: We have been monitoring
11 that situation along with some previous
12 Caesars' issues that grew out of
13 Massachusetts last year, and so I just
14 wanted to let you know we are
15 monitoring, and will continue to, that
16 Grand Jury.

17 CHAIRMAN JONES: Great. Thank you.
18 Mr. Stine.

19 MR. STINE: A follow-up line of
20 questioning in regard to contingent
21 possible issues, the significance of the
22 sale of the CEOC shares, the suit of the
23 bondholders and the lien holders with
24 respect to that. First, has it -- has a
25 trial date been set at all?

41

1 MS. FICKLIN: Not to my knowledge,
2 but I prefer probably to let Caesars
3 speak to some of that because it is
4 litigation.

5 MR. STINE: Yes. I plan to ask
6 questions on that, but with respect to
7 the possibility that CEOC bondholders
8 would prevail, do you see a problem with
9 respect to the debt instruments, et

10 cetera, with regard to Harrah's?

11 MS. FICKLIN: I think we would
12 probably address that in a post trial
13 matter, and I wouldn't want to address
14 or make any conjectures ahead of time on
15 something like that. But I know that
16 whatever the outcome of any
17 adjudication, I guess, would be, it
18 would be something that we would look
19 at, too. So, I mean, it wouldn't go
20 unnoticed --

21 MR. STINE: Okay.

22 MS. FICKLIN: -- but we do monitor
23 it.

24 MR. STINE: I understand. It's
25 uncertain at this point. Thank you.

42

1 CHAIRMAN JONES: Any other questions
2 of the panel at this point? [No
3 response.] At this time, we'd like the
4 representatives from the vessel, the
5 property. Thank you, ladies and
6 gentlemen.

7 Please have seat and introduce
8 yourselves. Welcome back to the Board.

9 MR. WEST: Good morning, Chairman
10 Crane [sic] and Board Members. My
11 name's Paul West. I'm an attorney with
12 Baker Donelson representing Caesars

13 Entertainment, in this case Horseshoe
14 Bossier. With me to my right is Dan
15 Real, who is the president of the south
16 region for Caesars which includes this
17 property, and I think you're all
18 familiar with Jay Russell, who is a
19 regional counsel based in New Orleans.
20 We also have with us Derek Frost, who is
21 the comptroller and V.P. of Finance at
22 the property, and Sue Carletta from Las
23 Vegas, who is the vice-president in
24 charge of compliance, so we may have to
25 rotate a few people out.

43

1 But Mr. Real will make a statement,
2 and we're happy to discuss whatever you
3 want to discuss.

4 MR. REAL: Morning, Chairman Jones,
5 Board Members. Thank you for allowing
6 me to speak today on behalf of Horseshoe
7 Bossier City.

8 As we all know, it's a very
9 competitive market, and we're very proud
10 to represent the number one casino in
11 the market. And I can assure you we're
12 not taking that position lightly or for
13 granted as you can see by the capex that
14 we're putting back into the property,
15 \$10 million to renovate the entire

16 hotel.

17 We've redone all of the carpet,
18 \$2 million to update the entire buffet.
19 We've added two high limit salons.
20 We've expanded our high limit slot area,
21 almost \$4 million in a pool, day club,
22 nightclub bar experience that had just
23 been completed; and we're continuing to
24 talk about some new exciting amenities
25 that you'll hear about down the road.

44

1 We love being in Bossier City. As I
2 said, it's a competitive market, but the
3 Horseshoe brand and our commitment to
4 the market is a perfect fit.

5 Two other key pillars I just want to
6 touch on briefly, before we take
7 questions, is our commitment to
8 employees and to the community, as well.
9 To the community, our contributions are
10 widely known, but it's not just
11 financial. We literally do thousands of
12 hours of volunteer work in the
13 Shreveport/Bossier community. Almost
14 any event you would go to in the area
15 you're likely to run into one of our
16 employees, and then from the employees
17 standpoint, we're very proud of our pay
18 and benefits package.

19 But in addition to that, something
20 that I think is relative to this
21 conversation, is our company prides
22 itself on great customer service, and we
23 literally pay out millions of dollars
24 each year in service bonuses to
25 employees to the front line on up. And

45

1 we analyze many things at Caesars
2 Entertainment, and what we do is we
3 evaluate service very closely. And the
4 Horseshoe Bossier City property is
5 number one in the entire Caesars
6 organization in customer service from
7 feedback from our customers, and
8 something we're very proud of. And Mike
9 Rich and the employees on the team take
10 very serious, have driven that upward in
11 the past few years, and to be number one
12 in the entire company says a lot about
13 the employees and the team. So as you
14 can tell, I'm very proud of the
15 organization.

16 I would like to reiterate what
17 Mr. Stine and Mr. Gaston said about the
18 team work and the camaraderie and
19 bureaucracy overcoming what that stigma
20 is. Whether it's Colonel Edmonson,
21 Major Noel, in New Orleans I speak very

22 finely of Lieutenant Hodges, and in
23 Shreveport/Bossier, Lieutenant Ingram is
24 -- they're great partners. We
25 understand what our expectations are and

46

1 the responsibility of us as operators,
2 and I'm very proud the way we handle
3 that on a day-to-day basis.

4 So thank you for allowing me to
5 share that, and we're very happy to take
6 any questions.

7 CHAIRMAN JONES: Dr. Gaston.

8 MR. GASTON: Mr. Chairman, in my
9 previous life before I purged myself of
10 my sins, I had weekly visits at the
11 Horseshoe, and this is a first-class
12 operation.

13 MR. REAL: Thank you.

14 MR. GASTON: I mean, first-class.
15 The courtesy is unbelievable. They were
16 very receptive to taking money from
17 everybody there. They did is damn good
18 job of that, Mr. Chairman.

19 Anyhow, at the proper time, I'd like
20 to move approval for this.

21 CHAIRMAN JONES: We'll recognize
22 that at the proper time, and you may
23 still visit the casino.

24 MR. GASTON: Yes, but it was a lot

25 of fun to try to beat those people.

47

1 CHAIRMAN JONES: And I encourage you
2 to visit all the properties in your
3 area, and I genuinely believe that in
4 order to better understand the industry
5 that we're in charge of regulating,
6 you've got to get out in the weeds once
7 in a while and just -- you don't have to
8 tell anybody you're coming. Just show
9 up, walk around, look around. I just
10 think it's really important. So you may
11 go back, Dr. Gaston.

12 MR. GASTON: Thank you.

13 CHAIRMAN JONES: Mr. Stine.

14 MR. STINE: I want to note you're
15 completely purged.

16 CHAIRMAN JONES: I don't want to
17 know that, okay, not on the record.

18 MR. STINE: He was unclear on that.

19 Mr. Real, I wanted to compliment you
20 on the satisfaction scores of the
21 associates and the customers. That's
22 impressive --

23 MR. REAL: Thank you.

24 MR. STINE: -- and also compliment
25 not only your operation, but all the

48

1 operations in this state for what they

2 give back to the communities. That's
3 not known many times unless you live in
4 that community --

5 MR. REAL: Yes.

6 MR. STINE: -- that supports
7 different things, so I'm grateful for
8 that.

9 But with regard to -- of course,
10 you've suffered declines as a result of
11 Margaritaville moving in, and you
12 continue to be the leader but share --
13 your volume has dropped --

14 MR. REAL: Yes.

15 MR. STINE: -- as you'd expect it
16 to. Looking forward -- and that's what
17 we have to do is look prospectively and
18 see what your revenues look like in the
19 future, and I see where you expected a
20 decline -- or at least your projections
21 are 189 through 2014. Is that what you
22 anticipate you'll hit or somewhere in
23 that neighborhood?

24 MR. REAL: Let me just -- I want to
25 make sure that I'm certain there. We're

49

1 right in that ballpark, yes.

2 MR. STINE: Okay. But then you go
3 forward and you're 196 in 2015; 198 in
4 2016; 2017, 200 million; 2018, 202;

5 2019, 204, which still doesn't get you
6 back to where you once were, and I
7 understand, because of the competition.

8 MR. REAL: Sure.

9 MR. STINE: But you feel reasonably
10 sure with respect -- because we're
11 having to count on revenue projections
12 in order to make all these numbers come
13 true.

14 MR. REAL: We are confident in the
15 numbers we put forward. You can never
16 tell. We take the biggest bets, and
17 some of the downfall is not just with
18 competition. We've had some customers
19 have some great success. That's part of
20 being the Horseshoe brand.

21 So with knowing what has happened
22 with our revenue, with the marketing
23 plans that we have put forward for this
24 period of time and with our focus on the
25 non-gaming amenities which we're

50

1 continually bringing forward with the
2 pool and some of the other items that
3 we're going to be addressing over the
4 next few years, I'm fairly confident
5 that we're well positioned to maintain
6 not only market leadership, but to
7 achieve these numbers.

8 MR. STINE: Okay. Thank you.

9 CHAIRMAN JONES: Mr. Stipe.

10 MR. STIPE: And I looked at the
11 capital expenditures for the past five
12 years and looked at what you had
13 projected for this coming five years,
14 and, I guess, you know, our structure is
15 we have a finite number of facilities,
16 and I certainly understand. I've
17 learned with your organization that
18 you've got a lot different demands on
19 capital expenditure.

20 Your projections for the next five
21 years are, I would say, significantly
22 lower than what you've spent the
23 previous five years. As a facility
24 ages, if you accept that it's a
25 competitive market, I would expect to

51

1 see those capital expenditures higher in
2 the next five years then the past five
3 years, not lower.

4 MR. REAL: Sure.

5 MR. STIPE: And so maybe you could
6 speak to, you know, what the plan is to
7 maintain a facility that is -- to
8 maintain and improve the facility, and
9 given our structure, given the fact that
10 you have a finite number, given the fact

11 you know how many are in the market, you
12 know, the capital that you're going to
13 invest in this facility.

14 MR. REAL: Absolutely. One thing I
15 would point out is we have touched
16 almost every single customer facing area
17 within the past couple of years, so
18 every single hotel room has been updated
19 and touched. The entire facility has
20 brand-new carpet. We've added brand-new
21 facilities throughout the operation.

22 Some of our investment in the future
23 will be with third party, potentially,
24 and they bring their own capital dollars
25 forward. So if we have new food outlets

52

1 and other amenities moving forward,
2 that's an opportunity.

3 One thing I can assure you is the
4 property has never looked better than it
5 does today, other than maybe from day
6 one, and we're committed to that moving
7 forward. This number put forward is an
8 estimate as we move forward. We do
9 believe that the property is in pristine
10 condition right now, and as-needed we
11 will maintain the number one position in
12 the market because we will have a
13 pristine facility. We'll never allow

14 that to diminish.

15 So I'm very confident in the
16 position that I'm in. Every time we
17 have a need to move forward and the
18 capital is needed to put into the
19 facility, it's been there, and I believe
20 it will continue to be there.

21 MR. STIPE: And so if you -- I want
22 to make sure I heard you correctly. If
23 you contract out a section or you
24 subcontract out or you sublease out a
25 section of your property to a third

53

1 party, their capital investment, their
2 improvements are not counted in these
3 projection numbers that you've included?

4 MR. REAL: Correct.

5 MR. STIPE: All right. Do you have
6 an estimate or a projection or a
7 prognostication of how much of your
8 facility will be subleased out?

9 MR. REAL: No. It's an ongoing
10 piece. As you see in Nevada and other
11 markets, the key to the success has been
12 non-gaming amenities. In addition to
13 offering the best gaming in town, you
14 have to remain in a situation where
15 maybe where Mr. Gaston would come back
16 and not gamble but have a great meal and

17 maybe go for a swim in our pool.
18 We view that this industry continues
19 to move forward in a way that we have to
20 be flexible and be able to move in a
21 direction that we might not even realize
22 today. Our company is prepared to do
23 that, and I think we're leading the
24 charge in that area in many of our
25 markets right now.

54

1 So what that will look like,
2 Mr. Stipe, I'm not sure, but I can tell
3 you we do realize how we got to be
4 number one in the market; and we have no
5 intentions of letting go, and that would
6 be a key part of this.

7 CHAIRMAN JONES: I'll tell you one
8 of the things that your properties in
9 Vegas, your properties have seen that
10 there's a lot more revenue coming in now
11 for non-gaming activities --

12 MR. REAL: Yes.

13 CHAIRMAN JONES: -- and I think that
14 was part of the reasoning with the pool
15 area. Tell me a little bit about that
16 because I'm past my days of being in a
17 bathing suit in public.

18 MR. REAL: I share that with you.
19 It's been a great addition. Now, it's

20 only been a few months, and we've had
21 some weather on the weekends. It's a
22 weekend driver. It's an amenity for our
23 Diamond and Seven Star customers, but
24 it's also to drive new blood to the
25 market, if you will, some younger

55

1 demographic type individuals who may or
2 may not game. And it's an exciting
3 addition to the property.

4 We have DJs; we have live music; we
5 show the football games out there. It's
6 a day club; it's a nightclub, and it's
7 really been integrated well into our
8 main corp business. And we're going to
9 continue to grow on that. We're
10 continuing to evolve. We're not in the
11 six figure per day DJ business that
12 Vegas is in, but we are in an upgraded
13 amenity type environment; and that's
14 exactly the purpose that its suiting
15 right now.

16 We have moved a little bit, to be
17 honest, with our programming. We're
18 learning as we go. It's brand new to
19 the market, but we're very happy it's
20 there; and it's a big part of our
21 future.

22 CHAIRMAN JONES: Great.

23 Mr. Singleton.

24 MR. SINGLETON: I was reading the
25 other day and maybe -- is Harrah's in

56

1 Tunica still one of your properties or
2 was?

3 MR. REAL: It was.

4 MR. SINGLETON: And it's closing or
5 has closed?

6 MR. REAL: It has closed.

7 MR. SINGLETON: Any particular
8 reason you can give? Because I'm
9 concerned about if you're closing one
10 and you're bragging about another one,
11 is there a problem somewhere that we're
12 dealing with?

13 MR. REAL: Sure. Mr. Singleton, I
14 really believe it's a market-by-market
15 issue right now. Tunica is going
16 through a very difficult time, similar
17 to Atlantic City where you've seen some
18 other properties close. I believe
19 Horseshoe Bossier City is in no -- not
20 anywhere near that type of situation or
21 position at this point in time. We're
22 very bullish about the relationship that
23 we have in Bossier/Shreveport and that
24 property, again, number one.

25 Harrah's Tunica was in a unique

1 situation where we had three casinos in
2 the market. We still have two in the
3 market. Horseshoe Tunica is doing very
4 well, relatively speaking, and we
5 consider our Horseshoe doing very well,
6 as well.

7 So I understand the question. I do
8 think as you look at the gaming industry
9 as a whole, it is completely a
10 market-by-market situation right now
11 where there is some oversaturation in
12 some markets. Right now we view this
13 market as highly competitive, and we
14 feel very comfortable about the future
15 of Horseshoe Bossier City.

16 CHAIRMAN JONES: Board Members, any
17 other questions? Mr. Stine.

18 MR. STINE: I guess it's an
19 appropriate time in your comments --
20 and, Mr. Singleton, thank you for
21 bringing it up -- but the casinos that
22 are closing: I mean, you closed one in
23 Atlantic City, as well.

24 MR. REAL: Yes.

25 MR. STINE: Caesars is highly

1 leveraged; and, I guess, you know, this
2 Board is being asked the question of

3 renewal, and as we think about it, the
4 alternative of not being renewed is not
5 pleasant for you or the citizens or this
6 Board.

7 But what if -- what if as you go
8 through time more of these -- these
9 casinos close? What is the plan that --
10 and I don't know if that's a question
11 for you as general manager of Harrah's
12 or Caesars' representatives up the food
13 chain to describe what are -- what is
14 the rationale if these things continue
15 to -- I mean, as it is, we have
16 \$20 billion worth of debt, and as I look
17 at that -- and I'm going to get to my
18 question and this concerns me, the debt
19 burden.

20 The trial of the CEOC shares, the
21 note that bondholders -- and, Paul, this
22 might be a question for you. Has a
23 trial date been set for that?

24 MR. WEST: No, sir. In fact, there
25 are two lawsuits -- there's actually

59

1 three lawsuits. Some certain creditors,
2 the people who appear here have kind of
3 followed Caesars around the country at
4 all of these hearings, they filed a
5 lawsuit against Caesars. Caesars filed

6 a separate lawsuit against them asking
7 them to refrain from badmouthing Caesars
8 and interfering with Caesars' business.

9 Neither of those suits have even
10 been answered. Caesars has not formally
11 answered their suit, and the bondholders
12 have not formally answered Caesars'
13 suit. So it's -- you know, it's way
14 early in the process. As these
15 discussions continue, you know, nobody's
16 even sure those lawsuits will proceed.

17 MR. STINE: It's somewhat
18 groundbreaking for the industry to
19 release yourself, if you will, from
20 guarantees of bonds and loans that were
21 made in the past in the form of a new
22 note indenture. What happens if this --
23 what is the plans -- what does Caesars
24 have plans for if they lose this suit?

25 MR. WEST: First off, Caesars

60

1 doesn't expect to lose the suit, and I
2 really think it's conjecture way down
3 the road. And I'm sure there are many
4 discussions that I am not party to or
5 privy to at levels much higher than
6 myself, but I can assure you, as we
7 discussed back in April and May, Caesars
8 is spending 24 hours a day, seven days a

9 week working on all these issues and
10 working with these lienholders. They're
11 in constant negotiation and constant
12 discussion, and as we said back in April
13 or May, the majority of the creditors
14 are working with Caesars. Nobody wants
15 a train wreck, and everybody's trying to
16 get to a position where it benefits both
17 creditors and --

18 MR. REAL: Mr. Stine, if I could --
19 I'm sorry. I can't speak to the --
20 they're obviously complicated and
21 ongoing negotiations that are continuing
22 as we speak, but I will reiterate what
23 we came forward to the Board with a few
24 months ago when we were talking about
25 the transition of Harrah's New Orleans,

61

1 and that is the commitment to the market
2 and the property. We have -- I can tell
3 you in my position, as someone
4 responsible for Harrah's New Orleans and
5 this property we're speaking of now, the
6 direction that I'm given on a daily
7 basis is to keep focused on what our job
8 is, and that is to be great citizens in
9 the community, take care of our
10 employees and to be the best operator we
11 possibly can. That has not changed even

12 through all of this noise that's going
13 on right now, and I'm very proud of that
14 fact that what we brought forward is
15 what we continue to offer the market.

16 So it's impossible to know in the
17 future. I would like to take a second
18 to say I do think it's an important time
19 for the Board and for the operators in
20 Louisiana to possibly use this time to
21 not only wonder what the future holds
22 for our organization but for the
23 industry as a whole and to be forward
24 thinking and not get caught off guard.
25 So whether we do bring something forward

62

1 that is different and unique to
2 Louisiana, I think now is the apt time
3 to consider that, and I think that's as
4 important as the operator's function.

5 MR. STINE: And I respect that, and
6 I thank you for those comments, because
7 that's what this Board is trying to
8 understand. The industry's moving so
9 quickly in a declining way.

10 MR. REAL: Yes.

11 MR. STINE: I mean, I look at the
12 assets that were impaired by Caesars
13 over the last several years is just
14 incredible, which says you made a bet in

15 the past that didn't pay off, and you
16 are reducing those assets as a result of
17 that not being coming true as you'd
18 hoped it would.

19 And the impairment of the 125 to
20 \$140 million worth of goodwill that you
21 had in Harrah's, that completes the
22 goodwill for that facility; is that
23 correct? You've impaired half of the
24 goodwill, am I to understand?

25 MR. REAL: Are you speaking about --

63

1 MR. STINE: Just Harrah's --

2 MR. REAL: Harrah's?

3 MR. STINE: Horseshoe, forgive me.

4 If I'm not mistaken, Horseshoe had
5 goodwill of roughly \$140 million?

6 MR. REAL: I'll have to turn to my
7 finance experts on this one.

8 MR. STINE: Okay. As he comes up, I
9 see where you've impaired your asset by
10 \$64 million one year and --

11 MR. STIPE: Sixty-seven.

12 MR. STINE: "Sixty-seven"?

13 MR. STIPE: Sixty-seven.

14 MR. STINE: -- sixty-seven the next
15 year. I guess there's no more.

16 SPEAKER: If you just give us one
17 second, he's pulling the information.

18 MR. REAL: This is Derek Frost.
19 He's the Vice-President of Finance.

20 CHAIRMAN JONES: Have a seat.

21 MR. FROST: Mr. Chairman, Board
22 Members. Mr. Stine, to answer your
23 question, no, we have no continued
24 impairments expected in the future.

25 MR. STINE: Okay.

64

1 MR. FROST: The future are
2 contingent on market conditions. We see
3 a stabilization, hopefully, in the
4 northwest Louisiana market and no
5 impairments in the future.

6 MR. STINE: Okay. You have more
7 goodwill in Horseshoe to impair, but you
8 don't anticipate impairing any more.

9 MR. FROST: That's correct, sir.

10 MR. STINE: And that's based on
11 proforma that you've expressed here
12 today and the rationale for the
13 five-year renewal?

14 MR. FROST: That's right.

15 MR. STINE: Thank you.

16 CHAIRMAN JONES: Mr. Stipe.

17 MR. STIPE: And while you're up
18 here, I guess, if you can speak to this
19 Board, because when I look at the cash
20 flows and I look at the capital

21 expenditures in the market, from a cash
22 flow standpoint, the facility looks to
23 be -- you know, I realize it was a
24 pretty good impairment the last couple
25 of years, but from the statement of cash

65

1 flows, this facility seems to be -- the
2 capital expenditures projected are not
3 what they have been in the past five
4 years. You -- he doesn't, because he's
5 operating this particular facility, but
6 you, it seems to me, have -- have maybe
7 a better sense of the different
8 pressures of capital expenditures that
9 may not go into this.

10 I wonder if you could kind of give
11 us some assurance that this is not going
12 to be used as a facility where money
13 goes out and no investment is made into
14 it; that over the next five years we're
15 going to continue, you're going to
16 continue to improve the facility to make
17 the capital expenditures you projected
18 and more and that we're going to spend
19 energy subcontracting, subleasing out
20 some of these to other entities that are
21 going to improve the facility.

22 MR. FROST: Yes, sir, Mr. Stipe,
23 most definitely our property is

24 committed to capital investment.

25 Obviously, we have projections that we

66

1 set forth which are in the 2 percent of
2 net revenue for that which is normal for
3 the industry.

4 Speaking to the previous five years,
5 we did have the hotel renovations, which
6 was in excess of \$12 million capital.

7 The useful life of that product now
8 doesn't encapsulate the next five years.

9 So I would expect even that our next
10 renewal in five years you would see
11 their capital investments to increase.

12 MR. REAL: And, Mr. Stipe, if I just
13 may add: I understand you're comparing
14 what we have -- we have done in the past
15 five years, the prior five years. I
16 would put those numbers up against
17 almost any other mid-major casino in the
18 United States as far as commitment from
19 a capital dollar standpoint of an
20 existing facility.

21 So I see it's logical to compare
22 next five to prior five, but this was a
23 significant investment to put into a
24 facility such as Horseshoe Bossier City
25 to prepare it for the future, not so

67

1 much as an ongoing nickel-and-diming of
2 the facility.

3 CHAIRMAN JONES: Miss Noonan.

4 MS. NOONAN: Speaking to the capital
5 expenditures, we see the actual that was
6 done, but what was -- do you know what
7 was actually forecast? Is this over and
8 above what was actually forecast, and do
9 you usually see a trend of your capital
10 expenditures going over what you
11 forecast?

12 MR. FROST: As a corporation, I
13 can't speak to what was forecasted for
14 these here. That predates my position
15 with the organization, but to echo
16 Mr. Real's point, these are very
17 aggressive numbers that we put forth
18 into the Horseshoe Bossier property and
19 starting in 2011, '12, '13 and '14.

20 MR. REAL: What I will say,
21 Miss Noonan, for sure is the pool
22 project was not committed that far out
23 in advance. That was something that was
24 added. It was a competitive decision.
25 We made that actually within the last 36

68

1 months, and I would envision something
2 very similar.

3 I think these numbers put forward

4 are strong and respectable to keep the
5 property in the condition it's in now
6 and anything from a competitive
7 standpoint. The great thing about our
8 company is if you put together a project
9 that will improve the operation, you get
10 an opportunity to present that and the
11 best cases win. So that's how we look
12 at our capital for the future.

13 MS. NOONAN: Thank you.

14 CHAIRMAN JONES: I think we have a
15 motion. One last comment: I want to
16 acknowledge you guys have set a high bar
17 for everybody else in Bossier, and we
18 appreciate that. You guys have quality
19 service. It shows in the surveys,
20 something that Harrah's should be very
21 proud of, and you sort of set a
22 standard. And my expectation and the
23 expectations of this Board are that the
24 other boats have to step up; and we
25 expect great things from them because

69

1 you've already got a record of some
2 great things in that market, and we
3 thank you for that.

4 MR. REAL: Thank you very much.

5 CHAIRMAN JONES: I think that
6 Dr. Gaston already offered, I guess --

7 I'm sorry.

8 MR. GASTON: Yeah. I'd like to
9 offer my motion again, and I want to
10 commend the people here from Caesars,
11 Harrah's for the answering of the
12 questions, the specificity of it and
13 their excellent presentation. It's
14 going to be what it's going to be. I
15 think it's going to be well.

16 CHAIRMAN JONES: We have a motion.
17 Do I have a second?

18 MAJOR MERCER: I'll second.

19 CHAIRMAN JONES: All right, Major
20 Mercer. Would you read the resolution
21 into the record, Miss Tramonte.

22 THE CLERK: On the 18th day of
23 September, 2014, the Louisiana Gaming
24 Control Board did, in a duly-noticed
25 public meeting, consider the license

70

1 renewal application of Horseshoe
2 Entertainment, L.P., doing business as
3 Horseshoe Bossier City Casino & Hotel,
4 and upon motion duly made and second,
5 the Board adopted this resolution.

6 Be it resolved that the license
7 R010800198 to conduct riverboat gaming
8 issued to Horseshoe Entertainment, L.P.,
9 d/b/a Horseshoe Bossier City & Hotel, be

10 renewed for a term of five years
11 commencing November 22nd, 2014, subject
12 to the Statement of Conditions to
13 riverboat gaming license of Horseshoe
14 Entertainment, L.P., attached to and
15 made a part hereof.

16 Thus done and signed in Baton Rouge
17 this 18th day of September, 2014.

18 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.

71

1 THE CLERK: Major Mercer?

2 MAJOR MERCER: Yes.

3 THE CLERK: Mr. Jackson?

4 MR. JACKSON: Yes.

5 THE CLERK: Mr. Stine?

6 MR. STINE: Yes.

7 THE CLERK: Chairman Jones?

8 CHAIRMAN JONES: Yes. The motion
9 carries. You've got it for another five
10 years.

11 MR. REAL: Thank you all very much.

12 MR. WEST: And we'd also like to

13 thank State Police and the Attorney
14 General for their usual excellent job
15 and attention.

16 CHAIRMAN JONES: One big group hug.

17 VI. VIDEO POKER ISSUES

18 A. Consideration of the following truckstop
19 applications:

20 1. Pilot Corporation Tennessee d/b/a Pilot
21 Travel Center #199 - No. 0804512585
22 (transfer of interest)

23 2. Pilot Corporation Tennessee d/b/a Pilot
24 Travel Center #655 - No. 0906156327
25 (transfer of interest)

72

1 3. Pilot Corporation Tennessee d/b/a Pilot
2 Travel Center #082 - No. 4800516385
3 (transfer of interest)

4 4. Pilot Corporation Tennessee d/b/a Pilot
5 Travel Center #274 - No. 5002512214
6 (transfer of interest)

7 CHAIRMAN JONES: We now move to
8 video poker. We have consideration of
9 the following truckstop applications,
10 and we're going to take these as -- we
11 have four items on the agenda: Pilot
12 Corporation Tennessee doing business as
13 Pilot Travel Center #199, and that's No.
14 0804512585, transfer of interest; Number
15 2, Pilot Corporation Tennessee doing

16 business as Pilot Travel Center #655,
17 that's No. 0906516327, also a transfer
18 of interest; Pilot Corporation Tennessee
19 doing business as Pilot Travel Center
20 #082, No. 4800516385, transfer of
21 interest, and finally Pilot Corporation
22 Tennessee doing business as Pilot Travel
23 Center #274, that's No. 5002512214, also
24 a transfer of interest.

25 Good morning.

73

1 MS. HIMEL: Good morning, Chairman
2 Jones and Members of the Board. I'm
3 Dawn Himel, Assistant Attorney General.
4 I will be appearing on the matter of the
5 transfer of the four licenses that you
6 just mentioned.

7 Pilot Corporation Tennessee holds
8 the four licenses that you mentioned.
9 They have four truckstops: One in
10 Bossier Parish, one in Caddo, St. John
11 the Baptist Parish, and St. Martin
12 Parish.

13 On September 24th, 2011, Anne
14 Haslam, who was a beneficiary of a trust
15 that owns -- that holds part of the
16 ownership in the licensee, married David
17 Colquitt. As a spouse he was required
18 to submit to suitability, which he did.

19 On April 6th, 2012, Elizabeth
20 Haslam, who is also a beneficiary of a
21 trust, married Matt Kessel Avery, and as
22 a spouse he was required to submit,
23 which he did.

24 During the calendar years of 2010
25 through 2013, various stockholders of

74

1 Pilot Corporation Tennessee made
2 numerous transfers of stock to various
3 trusts. The member of the trust or the
4 beneficiaries are descendants of the
5 previous owners of Pilot, and all
6 beneficiaries of the trust that acquired
7 the stock were either minors or hold
8 less than 5 percent and were not
9 required to submit to suitability. The
10 trustees on the trust had previously
11 submitted to suitability.

12 The shares that were transferred
13 totaled 170,949 shares which only
14 equated to a total of 3.3044 percent of
15 the corporation.

16 Trooper Vincent Lenguyen conducted a
17 suitability investigation of the
18 transfers and the relevant persons and
19 of the marriages, and Sergeant Mike Linn
20 is present this morning standing in for
21 Trooper Lenguyen who could not be

22 present today.

23 SERGEANT LINN: Good morning,
24 Chairman Jones and Board Members.

25 CHAIRMAN JONES: Good morning.

75

1 SERGEANT LINN: I'm Sergeant Mike
2 Linn with State Police Gaming
3 Enforcement Division.
4 Trooper Vincent Lenguyen
5 investigated the transfers of Pilot
6 Corporation Tennessee's stock and
7 conducted a suitability investigation on
8 Mr. Colquitt and Mr. Avery. No
9 information was found related to the
10 transfers that would preclude the
11 continued license of Pilot Corporation
12 Tennessee that would preclude Pilot
13 Corporation Tennessee to participate and
14 continuing to participate in the
15 Louisiana Gaming Industry.

16 MS. HIMEL: The Office of the
17 Attorney General has reviewed the file
18 that was compiled as a part of the
19 investigation, and our review indicated
20 no information that would be found to
21 preclude the continued licensing of
22 Pilot Corporation based on the
23 transfers.

24 CHAIRMAN JONES: Board Members, do

25 you have any questions? Mr. Stine.

76

1 MR. STINE: I think Pilot J was in
2 the news earlier in the year with
3 respect to a IRS and FBI raid on their
4 corporate office regarding, I think,
5 dealing with rebates or something to
6 their, I guess, gift program. I'm not
7 sure exactly what the details were.

8 Can you share with me what that was
9 about in a little bit more detail, and
10 does, in your mind, that action preclude
11 them from being worthy to hold this
12 license?

13 MS. HIMEL: Okay. To clarify, I do
14 have limited knowledge as far as, you
15 know -- the investigation that was
16 conducted was on Pilot TravelCenters,
17 LLC, which is not the licensee here.
18 The licensee is Pilot Corporation.
19 Pilot Corporation does hold a membership
20 interest in Pilot TravelCenters, but the
21 investigation was on Pilot
22 TravelCenters, not the licensee.

23 While suitability of all persons
24 that have to submit to the licensee is a
25 continuing obligation, it's always

77

1 relevant and always important to the

2 Board, this investigation dealt with the
3 transfer of ownership of the stock in
4 Pilot Corporation, so the investigation
5 was relevant to the transferees and the
6 marriages.

7 So while any suitability as far as
8 previous members or anyone that might
9 be -- have associations of the licensee,
10 which is Pilot Corporation and Pilot
11 TravelCenters, LLC, which is the company
12 that was investigated in the
13 investigation that you're talking about,
14 should any information come up saying
15 that anyone that was submitted to
16 suitability on this license was involved
17 or knew, or should any evidence come to
18 light, it would be investigated at that
19 point.

20 MR. STINE: And it's still ongoing,
21 the investigation?

22 MS. HIMEL: As far as the federal
23 investigation?

24 MR. STINE: Yes.

25 MS. HIMEL: I'm not really aware of

78

1 that. I believe so.

2 MR. STINE: Would the A.G. Office
3 monitor that investigation?

4 MS. HIMEL: State Police monitors

5 it. As far as any investigation by
6 State Police into it, it would be a
7 confidential matter of the Board and
8 State Police at this point if there was
9 investigation.

10 CHAIRMAN JONES: Mr. Stine, I think
11 Major Noel can help you a little bit
12 here.

13 MAJOR NOEL: Yes. That is currently
14 an active investigation by us. We are
15 reviewing those allegations and, I
16 believe, indictments, but at the
17 appropriate time, we'll make a
18 recommendation if we feel it meets
19 suitability. But we are actively
20 looking at it. I just want to let you
21 know that.

22 MR. STINE: And I appreciate that.
23 I'm not understanding the full workings
24 of how the Board works, but when I saw
25 this, and I recalled the news with

79

1 respect to the Pilot J organization, but
2 you have no problems -- the A.G.'s
3 Office has no problems with respect to
4 suitability at this time, what you
5 described today?

6 MS. HIMEL: Right. This is on the
7 transferees, and like I said, they're

8 either minors or they hold less than
9 5 percent so they didn't have to submit.
10 So as far as these transfers go, there's
11 no problem approving it and being able
12 to move in the future on it for an
13 investigation.

14 MR. STINE: Thank you very much.

15 CHAIRMAN JONES: I've also been
16 briefed on it, Mr. Stine, so we're aware
17 of it on our side, as well.

18 Any other questions? No other
19 questions. Do I have a motion to
20 approve the transfer of interest?

21 MS. NOONAN: I'll motion.

22 MR. JACKSON: Second.

23 CHAIRMAN JONES: Miss Noonan and
24 seconded by Mr. Stine. All in favor?

25 [Collective "aye."] Opposed? [No

80

1 response.] Thank you. Motion carries.

2 VII. CONSIDERATION OF APPEALS IN THE FOLLOWING:

3 1. In Re: Marlee Celine, LLC, d/b/a Murphy's
4 Brewhouse - No. 2601112269

5 CHAIRMAN JONES: Consideration of
6 appeals in the following matters. First
7 up is in regard to Marlee Celine, LLC,
8 doing business at Murphy's Brewhouse.
9 That's No. 2601112269. Is a
10 representative here other than the

11 Attorney General's Office? Do we have
12 anywhere here representing Murphy's
13 Brewhouse? [No response.]

14 MS. BROWN: Good morning, Chairman
15 Jones, Board Members. I'm Mesa Brown,
16 Assistant Attorney General, appearing on
17 behalf of the Division in the matter of
18 In Re: Marlee Celine, LLC, case No.
19 26011112269 [sic].

20 Here the licensee is appealing the
21 hearing officer's decision finding the
22 licensee to have violated Louisiana
23 Revised Statute 27:443 by allowing an
24 underaged person to play video draw
25 poker and ordering it to pay a \$1,000

81

1 civil penalty for commission of the
2 violation. Louisiana Revised Statute
3 27:443 prohibits persons under 21 from
4 playing video poker.

5 At the hearing, the Division
6 presented evidence of the licensee's
7 violation, and the licensee did not have
8 any representatives present at the
9 hearing, so no allegations were
10 presented by or on behalf of the
11 licensee at the hearing. The hearing
12 officer's decision was correct in
13 finding that the licensee violated the

14 law in allowing a person under the age
15 of 21 to play video poker, and
16 accordingly, the Division is asking the
17 Board to affirm the hearing officer's
18 decision.

19 CHAIRMAN JONES: Are there any
20 questions? [No response.] This would
21 be the same Murphy's Brewhouse that did
22 not appear for their hearing, correct?

23 MS. BROWN: Correct.

24 CHAIRMAN JONES: And there's no one
25 here from Murphy's Brewhouse today for

82

1 your appeal before the Board? Anyone?

2 [No response.]

3 MAJOR MERCER: I move we affirm the
4 hearing officer's decision.

5 MR. BRADFORD: Second.

6 CHAIRMAN JONES: We have got a
7 motion by Major Mercer and a second by

8 Mr. Bradford to affirm. All in favor?

9 [Collective "aye."] All opposed? [No

10 response.] It's affirmed, please

11 continue.

12 2. In Re: Kim's Seafood, LLC, d/b/a Kim's

13 Seafood - No. 0800214897

14 CHAIRMAN JONES: Please continue.

15 It's Kim's Seafood, LLC, doing business

16 as Kim's Seafood. That's No.

17 0800214897.

18 MS. BROWN: Chairman Jones, Board
19 Members, I'm Mesa Brown, Assistant
20 Attorney General, appearing on behalf of
21 the Division in the matter of Kim's
22 Seafood, LLC, d/b/a Kim's Seafood.

23 Here the licensee, Kim's Seafood, is
24 appealing the hearing officer's decision
25 finding it to have violated Louisiana

83

1 Revised Statute 27:443 by allowing an
2 underaged person to play video poker and
3 ordering Kim's to pay a \$1,000 civil
4 penalty for having committed this
5 violation.

6 The licensee did not have any
7 representatives present at the hearing,
8 so no allegations were presented by or
9 on behalf of this licensee, and at the
10 hearing, the Division presented evidence
11 of the licensee's violation. The
12 hearing officer's decision was correct
13 in finding that the licensee violated
14 the law in allowing a person under 21 to
15 play video poker, and the Division is
16 asking that the hearing officer's
17 decision be affirmed.

18 CHAIRMAN JONES: Is anyone here
19 representing Kim's Seafood this morning?

20 Anyone? [No response.] Are there any
21 questions before we entertain a motion?
22 There are no questions. Do we have a
23 motion? By Mr. Bradford, and a second
24 by Mr. Singleton to affirm. All in
25 favor? [Collective "aye."] All

84

1 opposed? [No response.] The decision's
2 affirmed.

3 3. Gina Lewis - No. V000019495

4 CHAIRMAN JONES: Now in regard to
5 Gina Lewis, that's No. V, Victor,
6 000019495. Good morning.

7 MR. HEBERT: Good morning,
8 Christopher Hebert representing the
9 Louisiana Office of State Police.

10 MS. LEWIS: Good morning, Board,
11 this is Gina Lewis representing myself
12 in this matter.

13 CHAIRMAN JONES: Good morning.
14 Please proceed.

15 MR. HEBERT: On March 6th, 2014,
16 Miss Lewis submitted an application with
17 the Division for a Certified Technician
18 Level 1 video draw poke employee permit.

19 In the application, there's a
20 question which reads, [As read]: "Have
21 you ever been detained, issued a summons
22 or citation, arrested, charged, indicted

23 or forfeited bail for any criminal
24 offense or violation for any reason
25 whatsoever?" Miss Lewis responded to

85

1 this question by placing a checkmark in
2 the box to indicate "no."

3 Additionally, the application has a
4 question which reads, [As read]: "Have
5 you ever been convicted of or pled
6 guilty or nolo contendere to any charge
7 or offense?" Again, Miss Lewis
8 responded to the question by placing a
9 checkmark in the box to indicate "no."

10 The application was signed by Miss Lewis
11 under oath before a notary public on
12 February 26th of 2014.

13 A subsequent Louisiana State Police
14 investigation revealed that Miss Lewis
15 had been arrested on four occasions as
16 follows: There was an arrest for
17 obstruction of justice on
18 September 27th, 2000, an arrest for
19 forgery and theft on November 20th of
20 2003, and an arrest for aggravated
21 battery with a dangerous weapon on
22 December 12th, 2006, and an arrest for
23 engaging in a fistic encounter
24 August 14th, 2008. None of these
25 arrests were disclosed by Miss Lewis on

1 the video draw poker employee permit
2 application.

3 Further, the investigation by the
4 Division revealed that the arrests for
5 forgery and theft resulted in a bill of
6 information being issued or filed in the
7 16th Judicial District Court, and
8 Miss Lewis, under the alias of Gina
9 Green, entered a plea of guilty to an
10 amended charge of theft under \$300 on
11 May 6th, 2004; and on that date, she was
12 sentenced to serve six months in parish
13 jail with credit for time served
14 suspended and placed on supervised
15 probation for two years. This
16 conviction was not disclosed by
17 Miss Lewis on the video draw poker
18 employee permit application.

19 The Division argues here that the
20 hearing officer's decision was correct,
21 and that the testimony and evidence
22 supported the finding that Miss Lewis
23 failed to disclose information under
24 oath, which is cause for a denial of an
25 application. Additionally, the hearing

1 officer's decision was correct in that
2 the evidence supported a finding that

3 ten years has not lapsed between the
4 completion of the Miss Lewis's
5 probation, which ended May 6th, 2006,
6 and the date of application for her
7 video draw poker employee permit.

8 Based on the aforementioned reasons,
9 the Division respectfully requests that
10 the Louisiana Gaming Control Board
11 uphold the Hearing Officer Reynold's
12 decision denying the video draw poker
13 employee application of Miss Gina Lewis.

14 CHAIRMAN JONES: Miss Lewis, did you
15 appear for your hearing?

16 MS. LEWIS: Yes, sir.

17 CHAIRMAN JONES: Okay. Let me
18 explain how this has to work.

19 MS. LEWIS: Okay.

20 CHAIRMAN JONES: All this Board can
21 do is consider the information that was
22 presented at that hearing. You can't
23 submit anything new to this Board.

24 MS. LEWIS: Right.

25 CHAIRMAN JONES: What do you have to

88

1 tell us?

2 MS. LEWIS: Well, I'm not here to
3 present anything new to this situation,
4 but I just wanted to speak on my behalf
5 because I didn't speak at the hearing.

6 I figured that my paperwork that I
7 submitted was sufficient, and I guess
8 maybe it wasn't.

9 In regards to the application
10 itself, yes, I do admit to saying "no,"
11 I wasn't convicted of this or that or
12 maybe, but the situation was that I
13 didn't fully read the application. I
14 didn't see where it stated that I needed
15 to let the State know about anything
16 even if it had been expunged, which all
17 of these prior charges had been expunged
18 off my record. So I assumed I didn't
19 need to state it, being that it was
20 expunged, and that's why it wasn't in
21 there.

22 CHAIRMAN JONES: Do you understand,
23 Miss Lewis, that gaming is so very
24 different from every other form of
25 employment --

89

1 MS. LEWIS: Right.

2 CHAIRMAN JONES: -- in terms of --

3 MS. LEWIS: And my situation in
4 regards to that is pretty unique because
5 I'm currently employed by the same
6 casino. I was doing security/cashier
7 for the same casino for the past over a
8 year now; and now I quit doing security,

9 and I'm working on the floor as a
10 hostess, which I need my tech license to
11 do if I'm going to work by myself. But
12 the employees there and the manager, the
13 casino owner, they're all working with
14 me as far as that, so there's always
15 somebody on the floor that can be the
16 Tech 1, but it would be a lot easier if
17 I was able to get my license.

18 CHAIRMAN JONES: What I always tell
19 young men and women who want to be state
20 troopers when they fill out the
21 applications is: Tell us everything up
22 front and we are very forgiving --

23 MS. LEWIS: Right.

24 CHAIRMAN JONES: -- but when it's
25 discovered, there are consequences.

90

1 Are there any questions from the
2 Board Members?

3 MS. NOONAN: I'd like to reiterate
4 something. I just want to reiterate to
5 you that this is not about what you did
6 in your past life. It's about that you
7 didn't disclose it to us --

8 MS. LEWIS: Right.

9 MS. NOONAN: -- and as board
10 members, we have to fill out -- before
11 we become board members, we have to go

12 through the same background checks that
13 you do, and there have been board
14 members, like you maybe not read
15 everything correctly, and have suffered
16 the consequences. So it's because you
17 didn't disclose. It's because you lied
18 on your application, and because you
19 didn't see it, it's just not --

20 MS. LEWIS: Right, it's not an
21 excuse.

22 MS. NOONAN: -- it's not a defense.

23 MR. BRADFORD: Mr. Chairman, as I
24 understand it -- I appreciate you coming
25 today. Correct me if I'm wrong, but

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1 because of the ten-year period, we're --
2 we really cannot do anything here
3 today --

4 MS. LEWIS: Okay.

5 MR. BRADFORD: -- but after that ten
6 years have passed, I would encourage you
7 to write a new application, which is
8 only about a year and a half from now,
9 is that correct, from 2006?

10 MS. LEWIS: Pretty close to two
11 years, right.

12 MR. BRADFORD: So at that time -- we
13 all have a past, and we all grow and
14 become, you know, contributing adults at

15 some point I hope anyway; but I would
16 encourage you to reapply at that time
17 and fill out the application
18 correctly --

19 MS. LEWIS: Okay.

20 MR. BRADFORD: -- and see where it
21 goes.

22 MS. LEWIS: Okay.

23 CHAIRMAN JONES: Do I have a motion?

24 MS. NOONAN: I'll move.

25 CHAIRMAN JONES: To do what, Miss
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1 Noonan?

2 MS. NOONAN: To affirm.

3 CHAIRMAN JONES: Affirm. We have a
4 motion to affirm. Do I have a second?

5 MR. JACKSON: Second.

6 CHAIRMAN JONES: Second by
7 Mr. Jackson. All in favor?

8 [Collective "aye."] Opposed? [No
9 response.] The decision is affirmed.

10 Thank you for coming, Miss Lewis.

11 MS. LEWIS: Thank you.

12 VIII. ADJOURNMENT

13 CHAIRMAN JONES: There being no
14 further business, do I have a motion to
15 adjourn?

16 MR. SINGLETON: Move we adjourn.

17 CHAIRMAN JONES: By Mr. Singleton.

18 MR. JACKSON: Second.
19 CHAIRMAN JONES: Second by
20 Mr. Jackson. All in favor? [Collective
21 "aye."] We stand adjourned.

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1 REPORTER'S PAGE

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

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

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

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24 SHELLEY PAROLA

Certified Court Reporter #96001

25 Registered Professional Reporter

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1 STATE OF LOUISIANA

2 PARISH OF EAST BATON ROUGE

3 I, Shelley G. Parola, Certified Court

4 Reporter and Registered Professional Reporter, do

5 hereby certify that the foregoing is a true and

6 correct transcript of the proceedings in the

7 matter on September 18, 2014, as taken by me in

8 Stenographic machine shorthand, complemented with

9 magnetic tape recording, and thereafter reduced to

10 transcript, to the best of my ability and

11 understanding, using 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 21st day of

19 October, 2014.

20

21

22

SHELLEY G. PAROLA, CCR, RPR

CERTIFICATE NO. 96001

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