

LGCB Board of Directors Meeting, (Pages 1:1 to 118:24)

1:1 LOUISIANA GAMING CONTROL BOARD

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4 BOARD OF DIRECTORS' MEETING

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9 Thursday, May 19, 2011

10 Natchez Room - Galvez Building

11 602 North Fifth Street

12 Baton Rouge, Louisiana

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16 TIME: 10:00 A.M.

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1 APPEARANCES:

2

3 DANE K. MORGAN

4 Chairman

5

6 VELMA ROGERS

7 Vice-Chairman

8

9 AYRES BRADFORD

10 Board Member

11

12 ROBERT JONES

13 Board Member

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15 MARK STIPE

16 Board Member

17

18 JAMES SINGLETON

19 Board Member

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21

22 ELLIS BLOUNT

23 Board Member

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1 APPEARANCES CONTINUED:

2

3 MAJOR MARK NOEL

4 Ex-Officio Board Member

5

6 LANA TRAMONTE

7 Executive Assistant to the Chairman

8

9 REPORTED BY:

10 SHELLEY G. PAROLA, CSR, RPR

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1 PAGE

2 I. CALL TO ORDER 7

3 II. COMMENTS FROM THE CHAIR 8

4 III. APPROVAL OF THE MINUTES 8

5 IV. REVENUE REPORTS 9

6 V. CASINO GAMING ISSUES

7 A. Update by Louisiana State

8 Police on Mississippi River

9	level, Amelia Belle and Baton	
10	Rouge Casinos	14
11	B. Consideration of request by	
12	Eldorado Resorts, LLC, for	
13	approval of Financial	
14	Transactions	39
15	C. Consideration of Certificate	
16	of Compliance for the Alternate	
17	Riverboat Inspection of the	
18	gaming vessel of L'Auberge du	
19	Lac Casino - No. R011001707	49
20	D. Consideration of Certificate of	
21	Compliance for the Alternate	
22	Riverboat Inspection of the	
23	gaming vessel of DiamondJacks	
24	Casino - No. R010800195	49
25	E. Update on Creative Casinos,	

5

1	PAGE	
2	L.L.C. d/b/a Mojito Pointe	
3	- No. R016502995	62

4 VI. VIDEO GAMING ISSUES

5	A. Consideration of the following	
6	truckstop applications:	
7	1. Pilot Corporation Tennessee	
8	d/b/a Pilot Travel Center	
9	#082 - Casino - No.	
10	48005165385	72
11	2. Pilot Corporation Tennessee	

12	d/b/a Pilot Travel Center	
13	#665 - Casino - No. 0906516327	72
14	VII. PROPOSED SETTLEMENTS/APPEALS FROM	
15	HEARING OFFICERS DECISIONS	
16	1. In Re: Bayou Beer Garden d/b/a	
17	Bayou Beer Garden - No.	
18	3601116006 (proposed settlement)	80
19	2. In Re: Paul Stone Properties,	
20	LLC, d/b/a Beer 30 - No.	
21	2700115852 (proposed settlement)	82
22	3. In Re: Michael Theriot - No.	
23	P040001046 (proposed settlement)	83
24	4. In Re: Catfish Queen Partnership	
25	In Commendam d/b/a Belle of Baton	

6

1	PAGE	
2	Rouge Casino - No. SAR	
3	10-1-03-035-0610 (proposed	
4	settlement)	85
5	5. In Re: AJ's Bar and Grill, LLC	
6	d/b/a AJ's Bar and Grill - No.	
7	1001115956 (proposed settlement)	88
8	6. In Re: R.T & C.T., L.L.C. d/b/a	
9	Starfish Daiquiri - No.	
10	2603110417	89
11	7. In Re: R.T. & C.T., L.L.C.	
12	d/b/a Starfish Restaurant - No.	
13	2603210220 (proposed settlement)	89
14	8. In Re: Who Dat Grill & Sports	

15	Club, LLC d/b/a Who Dat Grill &	
16	Sports Club - No. 2600215922	
17	(appeal)	109
18	9. In Re: Plantation Bar & Grill,	
19	L.L.C. d/b/a Plantation Bar &	
20	Grill - 4400215664 (appeal)	112
21	VIII. PUBLIC COMMENTS	116
22	IX. ADJOURNMENT	116
23		
24		
25		

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1 I. CALL TO ORDER

2 CHAIRMAN MORGAN: Come to order.

3 Morning. Let's come to order, please.

4 Call the roll.

5 THE CLERK: Chairman Morgan?

6 CHAIRMAN MORGAN: Here.

7 THE CLERK: Miss Rogers?

8 MS. ROGERS: Here.

9 THE CLERK: Mr. Bradford?

10 MR. BRADFORD: Here.

11 THE CLERK: Mr. Jones?

12 MR. JONES: Here.

13 THE CLERK: Mr. Stipe?

14 MR. STIPE: Here.

15 THE CLERK: Mr. Singleton?

16 MR. SINGLETON: Here.

17 THE CLERK: Miss Noonan? [No

18 response.] Mr. Blount?

19 MR. BLOUNT: Here.

20 THE CLERK: Colonel Edmonson?

21 MAJOR NOEL: Major Noel for Colonel
22 Edmonson.

23 THE CLERK: Secretary Bridges? [No
24 response.]

25 II. COMMENTS FROM THE CHAIR

8

1 CHAIRMAN MORGAN: We have a quorum.

2 I just want to remind everyone that we
3 anticipate being back at the Capitol
4 next month. Of course that depends on
5 how the session goes. We'll -- that's
6 correct, right? We'll be at the
7 Capitol?

8 THE CLERK: No. The meeting's the
9 week before the session ends.

10 CHAIRMAN MORGAN: We'll try to be at
11 the Capitol, but if not, we'll let you
12 know. The other thing is, again, just
13 want to thank the Public Service
14 Commission to allow us to use their
15 facilities.

16 III. APPROVAL OF MINUTES

17 CHAIRMAN MORGAN: Item III is
18 Approval of the Minutes. Is there any
19 public comment on our minutes? Hearing
20 none, members, do you have any questions

21 with regards to the minutes? If not,
22 we'll entertain a motion to waive formal
23 reading --

24 MR. BRADFORD: I move.

25 CHAIRMAN MORGAN: -- by

9

1 Mr. Bradford, seconded by --

2 MS. ROGERS: Second.

3 CHAIRMAN MORGAN: -- Miss Rogers.

4 Is there any objection?

5 IV. REVENUE REPORTS

6 CHAIRMAN MORGAN: Hearing none, Item
7 IV, Revenue Reports.

8 MS. JACKSON: Good morning, Mr.

9 Chairman, Board Members, my name is
10 Donna Jackson with the Louisiana State
11 Police Gaming Audit Section.

12 The following is the riverboat
13 revenue report for April 2011. During
14 April, 13 operating riverboats generated
15 Adjusted Gross Receipts of \$139,644,432,
16 an increase from April 2010 of almost
17 \$4 million or 3 percent. Adjusted Gross
18 Receipts for fiscal year 2010-2011 to
19 date are \$1,372,000,000, a minimal
20 increase of .5 percent or \$6 million for
21 fiscal year 2009-2010.

22 During April, the State collected
23 fees totaling \$30,023,553. As of

24 April 30th, 2011, the State has
25 collected \$295 million in fees for

10

1 fiscal year 2010-2011.

2 Next is a summary of the April 2011
3 gaming activity for Harrah's New Orleans
4 found on page three. During April
5 Harrah's generated \$29,299,259 in gross
6 gaming revenue, a decrease of
7 8.4 percent or \$2.7 million from
8 April 2010. Fiscal year-to-date gaming
9 revenues for 2010-2011 are \$293 million,
10 up \$2.5 million or 1 percent from fiscal
11 year 2009-2010. During April, the State
12 received \$4.9 million in minimum daily
13 payments. As of April 30th, 2011, the
14 State has collected almost \$66 million
15 in fees for fiscal year 2010-2011.

16 Slots at the Racetracks revenues are
17 shown on page four. During April the
18 four racetrack facilities combined
19 generated Adjusted Gross Receipts of
20 \$33,549,105, an increase of \$700,000 or
21 2 percent from April 2010.

22 Adjusted Gross Receipts for fiscal
23 year 2010-2011 to date are \$323 million,
24 an increase of one percent or almost
25 \$2 million from fiscal year 2009-2010.

1 During April the State collected \$5
2 million in fees. As of April 30th,
3 2011, the State has collected
4 \$49 million in fees for fiscal year
5 2010-2011.

6 Overall, riverboats, landbased and
7 Slots at the Racetracks generated
8 \$202 million, which is \$2 million or one
9 percent more than last April.

10 Are there any questions before I
11 present the Harrah's employee
12 information?

13 CHAIRMAN MORGAN: Any indication why
14 landbased was down?

15 MS. JACKSON: I did speak with them,
16 and he said it was a whole percentage.
17 Just that they fell more this month than
18 last April.

19 MS. ROGERS: One percent.

20 MS. JACKSON: A whole percentage.

21 CHAIRMAN MORGAN: Any questions?

22 MS. JACKSON: Once again, I've
23 included the spreadsheet for the
24 employee numbers in the chart folders.
25 Harrah's New Orleans is required to

12

1 maintain at least 2,400 employees in a
2 bi-weekly payroll of \$1,750,835. This
3 report covers the two pay periods in

4 April 2011.

5 For the first pay period, the Audit
6 Section verified 2,451 employees with a
7 payroll of \$2,087,000. For the second
8 pay period, the Audit Section verified
9 2,460 employees with a payroll of
10 \$2,101,000. Therefore, Harrah's met the
11 employment criteria during April.

12 CHAIRMAN MORGAN: Any questions?
13 [No response.] Thank you. Video Gaming.

14 MR. BOSSIER: Good morning, Chairman
15 Morgan and Board Members. My name is
16 Jim Bossier with the Louisiana State
17 Police Gaming Audit Section. I'm
18 reporting video gaming information for
19 April 2011 as shown on page one of your
20 handout.

21 During April 2011, eighteen new
22 licenses were issued: Twelve bars and
23 six restaurants. Eleven new
24 applications were received during April
25 and are currently pending in the field:

13

1 Five bars and six restaurants.

2 During April 2011, the Gaming
3 Enforcement Division assessed \$2,100 and
4 collected \$4,250 in penalties. There
5 are currently \$1,600 in outstanding
6 fines. Please refer to page two of your

7 handout.

8 There are presently 14,576 video
9 gaming devices activated at 2,192
10 locations.

11 Net device revenue for April 2011
12 was \$52,098,626, a \$4.7 million decrease
13 or 8.3 percent when compared to net
14 device revenue from March 2011, and a
15 \$155,000 increase, or three-tenths of
16 one percent when compared to April 2010.

17 Net device revenue for fiscal year
18 2010-2011 to date is \$514,635,322, a
19 \$7 million increase or 1.4 percent when
20 compared to net device revenue for
21 fiscal year 2009-2010. Page three of
22 your handout shows a comparison of net
23 device revenue.

24 Total franchise fees collected for
25 May 2011 -- excuse me, for April 2011

14

1 are \$15,491,191, a \$1.5 million decrease
2 when compared to March 2011, and a
3 \$46,000 increase when compared to
4 April 2010.

5 Total franchise fees collected for
6 fiscal year 2010-2011 to date are
7 \$153,213,473, a \$2 million or 1.3
8 percent increase when compared to last
9 year's franchise fees. Page four of

10 your handout shows a comparison of
11 franchise fees. Does anybody have any
12 questions?

13 CHAIRMAN MORGAN: Questions? [No
14 response.] Thank you.

15 V. CASINO GAMING ISSUES

16 A. Update by Louisiana State Police on
17 Mississippi River level, Amelia Belle and
18 Baton Rouge Casinos

19 CHAIRMAN MORGAN: Item V, Casino
20 Gaming Issues. I asked that several of
21 the general managers in the affected
22 areas be here today and also State
23 Police. We'll take the State Police
24 first. They'll give us an update. As I
25 understand, the Baton Rouge Casino is in

15

1 relatively good shape there. You might
2 want to touch on Amelia Belle, and then
3 if there's any additional information.

4 MR. TRAHAN: Good morning, Chairman,
5 Board Members. I'm Lieutenant Buzzy
6 Trahan, Louisiana State Police Gaming
7 Enforcement Division. To my left is
8 Sergeant Matthew Sinanan. Sergeant
9 Sinanan is the enforcement sergeant over
10 the two properties here in Baton Rouge.

11 To my right is Sergeant Gary
12 Williams. Sergeant Williams is the

13 enforcement sergeant over the Amelia
14 Belle Casino.

15 We're here this morning to give you
16 an update on the river levels and the
17 impact it's had on operations of
18 riverboats. So I'll go ahead and turn
19 it over to Sergeant Williams. He can
20 update you on Amelia, and then if you
21 have any questions, we'll be happy to
22 answer those.

23 SERGEANT WILLIAMS: Good morning,
24 Mr. Chairman and Board Members. In
25 reference to the Amelia Belle, at this

16

1 point a reading was taken this morning
2 at six forty-two hundred hours [sic] and
3 the Bayou Boeuf East, which ultimately
4 affects the Amelia Belle itself, is at
5 3.5 feet, and that's two feet below the
6 compliance standards of the ADA, which
7 is 5 feet. And if it reaches 5 feet,
8 then that boat is going to be deemed to
9 be unsafe.

10 We are getting constant reports,
11 daily reports from May the 10th up until
12 present on the water levels in that
13 specific bayou as well as the other
14 areas surrounding, from the Army Corps
15 of Engineers and the coast guard. They

16 have several other issues that may cause
17 temporary closure of that vessel, and
18 one is if the roads become impassable in
19 that area. The roads in that parish,
20 St. Mary, in the Amelia area, is 5.5, I
21 think, above sea level in that area near
22 that vessel, and staffing. They have
23 70 percent of their employees that live
24 in the Morgan City area and west, and
25 those areas are the low-lying areas

17

1 that, you know -- where they're going to
2 potentially have severe flooding. If
3 that happens, they will not be able to
4 staff that boat adequately enough to
5 keep it open for operations.

6 We've been monitoring that, as well.
7 At this point, that hadn't become a
8 problem, as well if it's a mandatory
9 evacuation for the Amelia area or St.
10 Mary Parish as a whole. They've taken
11 several measures in reference to a
12 temporary closure. They've been doing
13 daily reviews as well as training with
14 the high seas in reference to the
15 shutdown procedures for, you know,
16 severe weather closings and any
17 closings.

18 They've been in constant

19 communication with State Police. We've
20 been in constant communications with the
21 sheriff's office, as well as Troop C and
22 Troop I, in reference to the road
23 conditions in that area. They have
24 given us information of a skeletal crew
25 that they would keep onboard if that

18

1 vessel is temporarily closed, and it
2 exceeds what the IEC has required. We
3 have that, as well as the generators
4 have been tested daily. They've
5 acquired enough fuel that if they lose
6 shore power, that -- or if the waterways
7 reach 7 feet, they may lose power on the
8 vessel, and they have acquired enough
9 fuel that keep that boat actually
10 powered for up to two months.

11 So at this point, it's just a wait
12 and see approach on what happens with
13 the weather, as well as the water in
14 that area. We are monitoring that
15 today. We are going to do it over the
16 weekend, and from a meeting that I
17 attended on yesterday, they're
18 projecting the water in that area should
19 start rising about Tuesday or Wednesday
20 of next week.

21 CHAIRMAN MORGAN: Any idea how high?

22 SERGEANT WILLIAMS: They keep giving
23 -- they have three different maps, and
24 they keep giving different numbers. But
25 it should get to the point where it

19

1 may -- we may have to shut that vessel
2 down.

3 CHAIRMAN MORGAN: That's the
4 question. What's the worst case
5 scenario?

6 SERGEANT WILLIAMS: Worst case
7 scenario, they're predicting there's
8 going to be 11 feet of water in Morgan
9 City. I think Morgan City has a maximum
10 of seven that they can handle, so I'm
11 not sure. They're just giving us
12 different -- different readings.
13 They've secured -- the National Guard
14 has secured a bulkhead with hesco
15 baskets around the vessel as well as the
16 area, but they really don't know how
17 much water's going to come into that
18 from the Atchafalaya, but the good thing
19 is, it's not going to be something
20 that's going to happen overnight.

21 CHAIRMAN MORGAN: Sure.

22 SERGEANT WILLIAMS: We should be
23 able to monitor it, and I think when we
24 got to either 4.5 or 4.7 feet, we need

25 to start getting concerned and, you

20

1 know, putting parameters in place to do
2 something.

3 CHAIRMAN MORGAN: Just so the board
4 will know, the Attorney General's Office
5 drafted orders that I signed and State
6 Police have that they can execute on the
7 properties to shut them down in
8 emergency orders for -- in effect of ten
9 days, and we can reissue the order at
10 that time. But I went ahead and signed
11 those and provided them to the State
12 Police just in case of a -- they're not
13 able to communicate with any of the
14 other board, but they'll have the
15 authority to take the appropriate
16 action.

17 Do you want to give us an update on
18 Baton Rouge, and we'll entertain any
19 questions.

20 SERGEANT SINANAN: Yes, sir.
21 Chairman and Board Members, the river
22 level in Baton Rouge currently is 44.8
23 feet, and according to the National
24 Weather Service 28-day forecast, it's
25 going to stay that way until May 30th.

21

1 44.8 feet, although it is high, doesn't

2 present any direct dangers to these
3 properties at this time that we're aware
4 of. Everything seems to be running
5 smoothly.

6 According to the same forecast, it's
7 not expected to go down until 39.5 feet,
8 around the 40-foot marker, until
9 June 14th, and that's as far as they
10 predict with the current forecast.

11 The Division has directed both
12 casinos to take some extra measures to
13 make sure that the patrons and employees
14 are kept safe. Hollywood Casino's
15 brought in a second barge and attached
16 it to the north end to help protect the
17 boat in case of anything coming down the
18 river.

19 Security personnel, they've issued
20 two extra security officers to handle
21 the parking lot, to patrol the parking
22 lot to keep people away from the areas
23 of the parking lot that has some water,
24 and I think right now it's about
25 20 percent of the parking lot does have

22

1 water on it; but with the water
2 stabilizing, she should not lose any
3 more.

4 They also have a member of the

5 marine crew walking the exterior parts
6 of the boat to make sure that patrons
7 aren't on the outer decks of the vessel.
8 So those areas are closed off. The
9 Belle of Baton Rouge entrance is down to
10 the main promenade. The other, the
11 employee prom, has been closed down due
12 to the tiger bladders that are on the
13 levee. So the only entrance to the
14 vessel itself is through the main prom.

15 They have also instituted a -- they
16 have instituted a 24-hour fire watch on
17 the outer deck. They have two marine
18 personnel walking at all times keeping
19 people off of the decks so that no one
20 can get on the exterior decks, and they
21 have an extra security guard plus the
22 two that are already at the prom to keep
23 people from getting too close to the
24 water on the levee side.

25 So the Division has also -- the guys

23

1 in my section are working extra hours,
2 not our normal hours. We were coming
3 out later at night, we're coming out on
4 weekends, as well and double-checking to
5 make sure that everything is continuing
6 to flow the way it should and all the
7 people are in the proper place to

8 maintain safety.

9 In regards to the Pinnacle project,
10 all construction at the Pinnacle project
11 has been ceased by Pontchartrain Levee
12 District. They cannot do any
13 construction within 1,500 feet of the
14 levee as long as the water is at current
15 state, which is 17 feet at Carrollton --
16 Carrollton Gauge. The only construction
17 that can be done is minor work on the
18 power plant, which they are doing, but
19 they can't drive any heavy equipment.
20 They can't have anything like that until
21 the water levels drop back down. They
22 can also access the barges only to keep
23 the ballast where it needs to be for
24 safety reasons.

25 The Pontchartrain Levee District has

24

1 said that they will not allow them to do
2 anything until the gauge at Carrollton
3 is 15. Once the gauge at Carrollton
4 hits 15, they can start resuming work on
5 River Road, but they cannot do any
6 excavating. So they can't do any
7 digging, driving pilings or anything of
8 that nature, and they also can't get
9 within 300 feet of the levee at that
10 point.

11 When the river drops to 13 at
12 Carrollton Gauge, they can actually
13 start to do some excavation but only for
14 natural grade. They can't dig down too
15 far, but when the river drops to 11 feet
16 at Carrollton Gauge, they can resume all
17 construction.

18 According to the --

19 CHAIRMAN MORGAN: When will that be?

20 SERGEANT SINANAN: As of right now,
21 the 28-day forecast for July -- is
22 July 14th, and it's 15.5 at Carrollton,
23 so they won't even be -- it will be
24 after June. Once they can start
25 construction, once it gets to 15 which

25

1 will be sometime after June, they're
2 saying the projected completion time on
3 the River Road Project is two to three
4 weeks from the date they start back, and
5 they can then turn it over to DOTD.
6 That would be a complete River Road
7 Project; it will be done, and would
8 simply be waiting on DOTD to give the
9 final approval.

10 But, again, that's going to be two
11 to three weeks once they're allowed to
12 start, and as of right now, June 14th it
13 will be 15.5 at Carrollton.

14 CHAIRMAN MORGAN: Very good. I want
15 to publicly compliment the Major and
16 Lieutenant and Sergeants of State Police
17 for their diligence and keeping me
18 informed. I get regular e-mails and I
19 appreciate it, and I've been more at the
20 boats in Baton Rouge than I've been at
21 my work at State Police; but I
22 appreciate them, and I want to have --
23 open it up for any questions of the
24 board of State Police, and if there
25 aren't any, we'll have the general

26

1 managers come forward and talk a little
2 bit to elaborate more if they need to on
3 what's going on. Any questions?

4 MR. BRADFORD: I just have one quick
5 comment. If you don't mind, would you
6 let Dane know when that Carrollton Gauge
7 hits 11 so we can record that at our
8 office.

9 SERGEANT SINANAN: Yes, sir.

10 MR. BRADFORD: That might be helpful
11 for scheduling.

12 CHAIRMAN MORGAN: I'm sure -- I'm
13 sure Mr. Perry is here. All right.
14 Thank you very much. We'll get -- I
15 don't know if Mr. Woods, are you here?

16 MR. WOODS: Yes, Chairman.

17 CHAIRMAN MORGAN: Mr. Woods is the
18 General Manager at Amelia Belle, and I
19 promised I'd get him out of here early.
20 He's got to head back down and sandbag.
21 Introduce yourself, and just if you have
22 anything to elaborate.

23 MR. WOODS: Yes. My name is Bruce
24 Woods. I'm the General Manager of the
25 Amelia Belle Casino. Good morning, Mr.

27

1 Chairman and Board Members.

2 Well, Mr. Chairman, you know, up at
3 Amelia we feel pretty confident that the
4 protective measures that the parish
5 officials have taken are going to be
6 effective. As you know, the original
7 estimate was that the Atchafalaya was
8 going to crest at 13 feet. Even at
9 13 feet the Mayor of Morgan City did not
10 think he needed to order an evacuation.

11 Since then, the projection has
12 dropped to 11 feet. During that time,
13 the parish officials that work closely
14 with the state officials, with the Army
15 Corps of Engineers, to help build up the
16 levees and other protective measures.
17 With the river coming slower than
18 anticipated, that has given him more
19 time to take the measures to protect the

20 community.

21 Speaking with community officials,
22 they obviously are concerned because the
23 effects could be devastating for that
24 community if things were to get
25 extremely negative, but they're also

28

1 very confident that the aggressive,
2 proactive measure they've taken is going
3 to protect the community.

4 Our vessel at Bayou Beouf East, we
5 don't feel it's in any danger. Based
6 upon computer simulations that the
7 parish had taken prior to when they
8 first found out about this potential
9 threat, Bayou Beouf East, even if the
10 Atchafalaya was to reach, you know,
11 extreme levels, say 17, 18 feet --
12 obviously, those are just simulations
13 and things could change realistically --
14 but we don't anticipate that Bayou Beouf
15 East is going to get to 5 feet or over
16 4.6, 4.7 feet.

17 Just today, the Atchafalaya has
18 risen two inches since yesterday; where
19 Bayou Beouf East has actually decreased
20 an inch and a half. So there is a
21 correlation between the Atchafalaya and
22 where we're at. As the Sergeant

23 mentioned when he was up here, we
24 anticipate that in the event that we
25 would have to close, it would be for

29

1 concerns for our team members and for
2 the community. That would affect us
3 prior to the river affecting our vessel.

4 You know, our vessel is built to
5 stay moored up to 10. If Bayou Beouf
6 East was to reach 10 feet, our bulkhead
7 is built to 7.75 feet. Our land is at a
8 6-foot elevation. So we feel very
9 comfortable, and, again, we've been
10 working closely with the parish
11 officials, with State Police and other
12 community leaders to make sure that
13 we're fortified in the event that things
14 were to become extreme in that area.
15 But the general consensus is that the
16 parish officials have been very
17 proactive. They feel very confident in
18 the steps they have taken. We feel
19 confident.

20 We have a -- we have created a list
21 showing exactly where all of our team
22 members live, so we're looking at that
23 to see, in the event that there was some
24 flooding in various areas and it
25 affected our ability to staff the

1 vessel, we would begin the shutdown
2 procedures. That was in conversation
3 with the State Police, but the main
4 thing is, you know, we're going to work
5 closely with the community, make sure
6 our team members are safe. We're not
7 going to do anything that's
8 irresponsible for the community, but at
9 this time we don't anticipate we would
10 have to shut down. Obviously, it's
11 important for our team members to be
12 able to earn a paycheck. We want to be
13 able to keep our vessel open for them to
14 do that, as long as we can responsibly.

15 In addition to that, it can
16 certainly give a certain level of
17 comfort in the community that we are
18 able to stay open. Speaking with our
19 representative for the parish, he
20 certainly has encouraged us to stay
21 open, and his opinion is that we would
22 have no need to shut down, as well.

23 CHAIRMAN MORGAN: Y'all have got the
24 best buffet down there.

25 MR. WOODS: Thank you, sir.

1 CHAIRMAN MORGAN: It was jam packed
2 yesterday.

3 MR. WOODS: Yes, sir, it was.

4 CHAIRMAN MORGAN: Okay. Any
5 questions? [No response.] Thank you
6 and your company for your diligence. I
7 appreciate it. Keep us posted.

8 MR. WOODS: Thank you, sir.

9 CHAIRMAN MORGAN: Jeff, John, y'all
10 want to come forward? Just briefly, if
11 you can introduce yourself and elaborate
12 on anything that the State Police didn't
13 cover, and we, again, publicly just
14 appreciate your -- both of you
15 representing your companies; and y'all
16 take it very serious and in my opinion
17 have done everything that State Police
18 and myself have asked, and I appreciate
19 that.

20 MR. CHASZAR: John Chaszar, General
21 Manager of Hollywood Casino in Baton
22 Rouge. As the river crests at 45 feet,
23 we, as this whole situation progressed
24 from the very beginning -- we started
25 taking proactive measures purchasing

32

1 traffic control barriers. We stepped up
2 security in the parking lot.
3 Unfortunately for us, we were one of the
4 first signs of flooding here in Baton
5 Rouge. A corner of our parking lot

6 actually sits at 39 feet, and so we
7 started flooding several days ago in
8 that corner, which is not unusual for
9 this time of year for us.

10 We've added security on the boat as
11 far as deck watch; we've put signage up
12 to keep people off the decks. We had
13 some concerns about our power boxes in
14 connection from landbased to the boat
15 being inundated with water, and that
16 would have happened at about
17 45-and-a-half feet, so we continue to
18 monitor that connection. But as we all
19 know, we used to be self-contained in
20 the past, so that was not an issue. We
21 had some concerns about the data
22 communication between slot machines and
23 the servers, so in the meantime we ran a
24 temporary backup cable for that, so we
25 are prepared for any consequence there.

33

1 The parking lot, we pulled surveyors
2 to find out at what point we'd lose
3 certain portions of the parking lot.
4 Even at 47 and a half feet, we still
5 would have had half of our parking, but
6 the biggest concern was our boarding
7 ramp at 47 feet would have gave us the
8 possibility with wakes of water entering

9 the connection between the boarding
10 ramps.

11 We brought in an extra barge for
12 protection, especially after last, I
13 believe, Saturday's event north of us.
14 We're in good shape right now. Right
15 now we have two security officers in the
16 parking lot keeping everybody away from
17 the water. We have about a 7-foot
18 barrier between the edge of the water
19 and where we're allowing customers to
20 walk on now. We've done a lot of lookie
21 loo traffic control.

22 CHAIRMAN MORGAN: I can personally
23 attest that you're doing your jobs.

24 MR. CHASZAR: Thank you.

25 CHAIRMAN MORGAN: You kept me away

34

1 from the water.

2 MR. MICHIE: I'm Jeff Michie,
3 General Manager of the Belle of Baton
4 Rouge. This has been a -- we're
5 comfortable at the 45-foot level now
6 that that's the expected crest and the
7 expected -- you know, that's as high as
8 it's going to get. Like John was
9 saying, where our concern would have
10 been if it got up to about the 47-foot
11 level, where it would affect the ship to

12 shore power, and where the boxes would
13 start to get wet, we'd have to go
14 permanently on ship's power if it would
15 have got to about 47, 47 and a half
16 feet.

17 But for us it's been an effort or in
18 a contingency plan, you know, through
19 this starting about two weeks ago. We
20 have our, you know, approved shutdown
21 procedures. We've worked through, you
22 know, making multiple sand bags and
23 working through different things that
24 make sure that the safety of our guests
25 and the safety of our employees is of

35

1 paramount importance. Everything that
2 we did was based on that in our
3 communications with the State Police and
4 with the East Baton Rouge Police
5 Department. We've worked closely with
6 both those groups in making sure that
7 people stay off the levee.

8 Once the Governor -- excuse me, the
9 Mayor gave the order to keep people off
10 the levee, we've -- you know, working
11 with the State Police we put extra
12 security out there on our promenade to
13 make sure that people didn't get too
14 close to the water, didn't mess with

15 tiger booms and just, you know -- we
16 have a lot of lookie loo, a lot of
17 people coming up to -- through our
18 facility to look at the water and take
19 pictures. It's actually been pretty
20 interesting to see these one of the few
21 places between us and USS Kidd that
22 people over the last seven days could
23 come up and actually see what it looks
24 like of a flood of this size.

25 But, you know, we feel that the

36

1 efforts that we took with the extra
2 security, the 24-hour what we call fire
3 watch around the boat to make sure that
4 there were no -- people didn't get out
5 on the deck, and also a part of that
6 fire watch was to make sure -- it was an
7 extra eyes for our captain. Our Captain
8 is always up in the pilot house, but the
9 fire watch and the mates walking around
10 just to make sure -- you know, there's a
11 lot of things that float up and float
12 down that river. It's an extra pair of
13 eyes 24 hours to watch for anything that
14 could put us in danger.

15 Part of our contingency planning was
16 to see if we had to disembark, if we had
17 to leave, if a boat or a barge got

18 loose, you know, what would we do? And
19 we planned for that through our Coast
20 Guard drills. We can evacuate the
21 casino -- depending on the time of the
22 day, the day of the week -- we can
23 evacuate the casino patrons within five
24 to six minutes, and we could be out and
25 disembarked and untied our in the river

37

1 within 20 minutes. So we went that far
2 in our drills to actually do that. We
3 know we can through our work that we've
4 done.

5 So we feel that, you know, we're
6 fortunate that the river is at the level
7 it's at and don't anticipate having to
8 close at all.

9 MS. ROGERS: What about attendance
10 have you noticed?

11 MR. MICHIE: For us it's been --
12 there hasn't been any drop off. We're
13 getting a lot of phone calls, and I know
14 that John is also, of people concerned
15 about us being closed, you know, every
16 day. And especially as it comes into
17 the busy holiday weekend with Bayou
18 Country Fest down at LSU, there's a lot
19 of concern that we're not going to be
20 open, but, you know, we're active out

21 there in the media making sure to let
22 people know that we're open for
23 business.

24 MR. CHASZAR: Being a publicly held
25 company, I really can't comment on

38

1 numbers, but I can tell you that it's
2 better than being closed.

3 CHAIRMAN MORGAN: Any other
4 questions? [No response.] Thank you
5 very much. Appreciate it.

6 MR. CHASZAR: Thank you.

7 CHAIRMAN MORGAN: And I think
8 Mr. Parington, why don't you come up
9 real quick.

10 MR. PARINGTON: Sure.

11 CHAIRMAN MORGAN: Can you give us
12 briefly, elaborate on any additional
13 that State Police said with regard to
14 the project.

15 MR. PARINGTON: Sure. He was very
16 accurate. I mean, that report was right
17 on. We will continue to work with the
18 authorities, the levee board, the Corps.
19 We'll monitor the water levels, and as
20 soon as we get back working, we're going
21 to get back working. So we still
22 anticipate a summer of 2012 opening.

23 CHAIRMAN MORGAN: Well, I was going

24 to have you before the board next month,
25 but we might put that off to get a

39

1 little bit of an update on the project.

2 MR. PARINGTON: Okay. That would be
3 great.

4 CHAIRMAN MORGAN: Y'all definitely
5 will have to be before the board to get
6 an extension, so we'll work on that.

7 Any questions with regard? [No
8 response.]

9 B. Consideration of request by Eldorado
10 Resorts, LLC, for approval of Financial
11 Transactions

12 CHAIRMAN MORGAN: Item B,
13 Consideration of the Request by Eldorado
14 Casinos for approval of the Financial
15 Transactions. We have the Office of
16 State Police.

17 MS. MALONE: Good morning, Chairman
18 Morgan and Members of the Board. I'm
19 Maggie Malone with the Gaming Audit
20 Corporate Securities.

21 Eldorado Resorts, parent to
22 Louisiana licensee Eldorado Shreveport,
23 is petitioning the Board for approval of
24 refinancing their corporate debt, as
25 well as standalone debt with Eldorado

40

1 Shreveport. As shown in sources of uses
2 chart in your report on page three, the
3 planned refinancing rolls Eldorado
4 Resorts and Eldorado Shreveport debt
5 accrued for tendered premiums and
6 transaction fees into a new credit
7 facility and senior secured notes. The
8 notes will be privately placed -- a
9 privately place offering under SEC Rule
10 144A with no registration agreement, so
11 the notes will not be exchanged for
12 publicly traded notes in the future.

13 Eldorado Shreveport actually has
14 \$155 million in notes outstanding;
15 however, over 31 million of these notes
16 are held by Eldorado Resorts and will
17 not be refinanced by outside sources.
18 The intercompany debt will be written
19 off and converted to equity by Eldorado
20 Resorts. The new debt will be secured
21 by both Eldorado Shreveport and Eldorado
22 Resorts Casino in Reno. This debt will
23 be pushed down or allocated to
24 Shreveport -- Eldorado Shreveport and
25 Eldorado Resorts and Eldorado Reno based

41

1 on a percentage of debt refinanced for
2 each property. The pushed down amount
3 will be documented by intercompany

4 promissory notes at an interest rate
5 that will be consistent with the
6 refinanced debt.

7 The new \$15 million term loan under
8 the new credit facility requires
9 \$5 million in annual principal
10 repayments over its three-year term.
11 Eldorado Resorts projects sufficient
12 revenues to maintain the interest and
13 principal payments on the debt and
14 covers capital expenditures.

15 As part of this transaction as shown
16 on page 19, the management contract
17 currently in place between Eldorado
18 Shreveport and Eldorado Resorts will be
19 terminated and replaced with a one-year
20 administrative services agreement with
21 year-to-year renewal options.

22 In conclusion, Eldorado Resorts and
23 Eldorado Shreveport are requesting the
24 Board's approval of two financing
25 transactions: A \$30 million credit

42

1 facility and \$180 million in 144A
2 privately placed notes. No financial
3 issues came to our attention to preclude
4 the Board's approval of Resorts
5 refinancing transaction.
6 Representatives of Eldorado Resorts will

7 now say a few words about the
8 transaction and answer any questions,
9 Mr. Bob Jones and Jeff Barbin.

10 MR. BARBIN: Good morning, Chairman
11 Morgan and Board Members. My name is
12 Jeff Barbin with Phelps Dunbar
13 representing Eldorado. Today with me is
14 Bob Jones to my right. He's the CFO of
15 Eldorado Resorts. Mike Whitemaine is
16 the General Manager in Shreveport.
17 Robert Erlin is the Assistant General
18 Manager in Shreveport, and Ian Carnes is
19 the Director of Table Games.

20 We're happy to answer any questions
21 you have. I really wanted to take a
22 moment to thank the board, staff,
23 members of the Attorney General's Office
24 and the State Police, and particularly
25 the State Police, the audit staff,

43

1 jumped through hoops to get us to this
2 day as they typically do, and we're very
3 appreciative.

4 This is a deal that came up. We had
5 a window of opportunity. We met with
6 these guys about a month ago and sort of
7 impossible conditions to get to where we
8 are today, and have done a lot of work
9 to get us here. And it looks like we're

10 going to make that window. So we're
11 real appreciative of the work that's
12 done and happy to answer any questions
13 you have.

14 CHAIRMAN MORGAN: Can you elaborate
15 on the management contract and the
16 termination of, the purpose of that?

17 SPEAKER 1: We had an existing
18 management contract under the old
19 agreement where we had a base management
20 fee of \$2-and-a-half million a year. We
21 support the property in terms of IT
22 management and shared services. For
23 example, all the payroll is done in
24 Reno, and we have cost associated with
25 that. So on this ongoing basis, even

44

1 though it's a consolidated thing now, we
2 wanted to maintain that \$3 million.
3 That's what we're estimating it be on a
4 recurring annual basis. So it's really
5 on a consolidated basis it washes out,
6 but on an individual property basis
7 people performing, we measure the
8 performance in terms of compensation.

9 CHAIRMAN MORGAN: Any questions?

10 MR. STIPE: Say that again, the base
11 is -- right now the base is 2.5 for this
12 particular facility.

13 SPEAKER 1: Yeah.

14 MR. STIPE: And it can go up if

15 there are some --

16 SPEAKER 1: Yeah, under the old
17 agreement we had a base of \$2.5 million
18 per year. We also had an incenti
19 management fee based upon EBIDA
20 performance. Those are fees associated
21 that with the base fees were running
22 around \$4.7 million a year based on
23 that, and part of the reason that was
24 done originally is under the bond
25 agreement, that was one way cash could

45

1 come out to the investors. You know, we
2 had issues with restricted payments and
3 things like that.

4 Under the current deal, there is no
5 incenti management fee. It's a flat
6 \$3 million a year on a recurring basis
7 as opposed to any incentives.

8 MR. STIPE: For any particular --

9 SPEAKER 1: Yes, sir.

10 CHAIRMAN MORGAN: Anyone else?
11 What's the pleasure of the Board?

12 MR. STIPE: I move.

13 CHAIRMAN MORGAN: Mr. Stipe moves to
14 approve. The motion would be the
15 \$180 million senior secured notes with

16 \$30 million credit facility. Is there a
17 second?

18 MS. ROGERS: I second.

19 CHAIRMAN MORGAN: Second by Miss
20 Rogers. Is there any objection? [No
21 response.] Hearing none, it's approved.

22 MR. BARBIN: Thank you very much.

23 C. Consideration of Certificate of
24 Compliance for the Alternate Riverboat
25 Inspection of the gaming vessel of

46

1 L'Auberge du Lac Casino - No. R011001707

2 CHAIRMAN MORGAN: Item C,
3 Consideration of Certificate of
4 Compliance for Alternate Riverboat
5 Inspection of the gaming vessel of
6 L'Auberge du Lac Casino, No. R011001707.

7 MR. TYLER: Chairman Morgan, Board
8 Members, I'm Assistant Attorney General
9 Michael Tyler, and today I'm joined by
10 John Francic of the ABSC. We come
11 before you seeking the acceptance of the
12 alternate inspection report of the
13 L'Auberge du Lac in Lake Charles,
14 Louisiana, as performed and prepared by
15 ABSC and renewal of the certificate of
16 compliance for L'Auberge.

17 On April 11th, 2011, L'Auberge began
18 the alternate inspection process for the

19 renewal of its certificate of
20 compliance. For more on this process
21 and the findings of the alternate
22 inspection of L'Auberge, I now turn this
23 presentation over to John Francic of
24 ABSC.

25 MR. FRANCIC: Morning, Chairman and

47

1 Board Members. I'm John Francic of ABS
2 Consulting here to report the results of
3 the annual inspection of the L'Auberge
4 Casino.

5 The surveyors for ABS Consulting,
6 Eddie Elsenburg and John Kahler, did
7 attend the riverboat L'Auberge du Lac on
8 April 11th. The inspection was carried
9 out in accordance with the Louisiana
10 Gaming Control Board riverboat gaming
11 checklist. The emergency generator was
12 tested during dock, and ship and
13 emergency lighting found to be in
14 compliance. Fire protection equipment
15 and the CO2 systems, fire extinguisher,
16 fire hoses found in good order with the
17 exception of a few painted sprinkler
18 heads.

19 In addition, the fire doors found to
20 be latched open. A fire control plan
21 was verified and found to be

22 satisfactory. Bilge system and water
23 tight doors are found satisfactory;
24 mooring system was inspected and found
25 satisfactory, and the fire and boat

48

1 equipment approved competency,
2 performed satisfactory.

3 A follow-up survey was conducted on
4 May 4th, and the painted sprinkler heads
5 were replaced, and the fire door behind
6 was fitted with a magnetic latch. As a
7 result of the follow-up survey, the
8 vessel was found to be in full
9 compliance. It is the recommendation of
10 ABS Consulting that the L'Auberge du Lac
11 Casino be reissued a certificate of
12 compliance.

13 MR. TYLER: We now present these
14 findings to this honorable board for
15 acceptance and request that upon
16 accepting the inspection report, the
17 Board will move for the renewal of the
18 certificate of compliance for L'Auberge.

19 CHAIRMAN MORGAN: Thank you. Any
20 questions? Any public comment? Hearing
21 none --

22 MR. BRADFORD: Move for acceptance.

23 CHAIRMAN MORGAN: Mr. Bradford moves
24 for acceptance of the renewal -- to

25 approve of the renewal -- accept the

49

1 certificate and approve the renewal. Is

2 there a second?

3 MR. JONES: Second.

4 CHAIRMAN MORGAN: Second by Mr.

5 Jones. Is there any objection? Hearing

6 none, it's approved.

7 D. Consideration of Certificate of

8 Compliance for the Alternate Riverboat

9 Inspection of the gaming vessel of

10 DiamondJacks Casino - No. R010800195

11 CHAIRMAN MORGAN: Item D,

12 Consideration of Certificate of

13 Compliance for the Alternate Riverboat

14 Inspection of the gaming vessel

15 DiamondJacks Casino. This would be to

16 actually accept them into the program

17 and issuing a certificate.

18 MR. TYLER: Yes. Chairman Morgan,

19 Board Members, I'm Assistant Attorney

20 General Michael Tyler, and today I'm

21 joined by John Francic of ABSC. We come

22 before you seeking the acceptance of the

23 alternate inspection report and

24 supplemental follow-up report of

25 DiamondJacks Casino in Bossier City,

50

1 Louisiana, as performed and prepared by

2 ABSC, and the issuance of a certificate
3 of compliance to DiamondJacks Casino.

4 On March 8th, 2011, DiamondJacks
5 began the alternate inspection process
6 for the initial issuance of its
7 certificate of compliance. A follow-up
8 inspection was conducted on May 5th,
9 2011. For more on these processes and
10 the findings of the alternate inspection
11 of DiamondJacks, I now turn this
12 presentation over to John Francic of
13 ABSC.

14 MR. FRANCIC: Morning, Mr. Chairman
15 and Board Members, I'm John Francic with
16 ABS Consulting here to report the
17 results of the initial inspection with
18 the United States Coast Guard for the
19 DiamondJacks Casino for entering into
20 Louisiana Gaming Control Board Alternate
21 Riverboat Inspection Program.

22 The surveyors for ABS Consulting
23 were Eddie Elsenburg and Richard Goss.
24 They did attend the riverboat Margaret
25 Mary on March 8th, April 5th and

51

1 May 5th. The inspection was carried out
2 in accordance with the Louisiana Gaming
3 Control Board riverboat gaming checklist
4 and found the following items deficient.

5 The general alarm bell on the second
6 deck was tested and found
7 nonoperational. A follow-up exam was
8 conducted on April 5th and found
9 satisfactory. Ceiling tiles were found
10 missing throughout the work spaces and
11 were reexamined on April 5th and found
12 satisfactory. The steering system was
13 found nonoperational. It was retested
14 on May 5th and found satisfactory. Fire
15 safety plans were inaccurate and
16 reexamined on May 5th and found
17 satisfactory. Vessel expansions were
18 found deteriorated and were in need of
19 repair. They were reexamined on May 5th
20 and found satisfactory.

21 Starboard navigational lights were
22 not operational and was reexamined on
23 April 5th and found satisfactory. A
24 boat drill was conducted on March 8th
25 and was found not satisfactory due to

52

1 the fact that the outboard motor was not
2 working. A follow-up boat drill was
3 done on April 5th and found
4 satisfactory. Cable penetrations
5 throughout the water tight bulkheads
6 were not being maintained throughout the
7 vessel. Follow-up exams were conducted

8 and progress has been made in repairing
9 deficient items. This item is not of
10 concern since the vessel is an immobile.

11 Bow thrusters and Z drives were not
12 found operation on March 8th. The Coast
13 Guard did not issue repair item over the
14 course of their inspection due to the
15 fact the vessel system protects itself
16 and is not be navigated on open the open
17 river. The vessel's paddle wheel was
18 tested and found operational. The
19 paddle wheel will provide the vessel's
20 main propulsion system since the Z drive
21 and bow thruster is not working.

22 We have been working diligently with
23 the Coast Guard and DiamondJacks for the
24 past year in preparing the vessel for
25 entering into the State's program. The

53

1 staff at DiamondJacks Casino has been
2 very cooperative in getting the items
3 repaired, and ABS Consulting feels that
4 they're ready for the State program.

5 It is the recommendation of ABS
6 Consulting that DiamondJacks be issued a
7 certificate of compliance for one year.

8 MR. TYLER: With that, all the items
9 with regard to the vessel's propulsion
10 are outstanding, it is felt that these

11 outstanding items should have no bearing
12 on this particular vessel's ability to
13 receive a Certificate of Compliance.
14 ABSC acknowledges that this vessel has
15 sufficient propulsion via its paddle
16 wheel, and under Louisiana Revised
17 Statute 27:4423, which is the definition
18 of a riverboat, a paddle wheel is the
19 only thing that is required for the
20 vessel to have propulsion. It does not
21 require the bow thrusters or the Z
22 drives.

23 In addition, this particular vessel
24 sits in coffer cell that causes this
25 particular vessel to be locked into its

54

1 mooring site by land or other immovable
2 structures that prevent this particular
3 vessel from entering into the water body
4 upon which it sits. Even further, a
5 subsequent change in the law -- in the
6 gaming law has mandated that riverboat
7 gaming vessels shall not cruise while
8 conducting gaming operations, so,
9 therefore, the use and requirement of
10 the bow thrusters and the Z drives on
11 this particular vessel should not be
12 necessary.

13 Even further than that, during the

14 period that the vessel was under its
15 U.S. Coast Guard issued certificate of
16 inspection, the U.S. Coast Guard did not
17 require the vessel to use or repair the
18 outstanding bow thrusters and Z drives.

19 Before I move this matter towards
20 this honorable board for acceptable and
21 approval, I would like to give
22 DiamondJacks' attorney, Joseph Brantley,
23 an opportunity to speak.

24 MR. BRANTLEY: Mr. Chairman, Members
25 of the Board, I'm Joseph Brantley. I

55

1 represent Legends Gaming and
2 DiamondJacks. As you all know -- and I
3 believe you have a copy of the letter
4 that I wrote to the Chairman in
5 connection with my involvement with this
6 matter -- when it became apparent that
7 it was going to be rather expensive to
8 repair the Z drives or the bow thruster,
9 I got involved, and I contacted the
10 district Coast Guard who advised, as
11 Michael just advised you, that they
12 really had no interest in the repair of
13 these two items because they were giving
14 up jurisdiction.

15 Not only that, these are not
16 navigational items; they're not

17 propulsion items and not supported by
18 any statute or regulation. They're
19 merely maneuvering items, the bow
20 thruster more or less for mooring and
21 parking, which this vessel doesn't need
22 to do because it sits in the cofferdam
23 and is permanently tied and affixed to
24 the dock.

25 Likewise, the Z drives, if you're

56

1 familiar with those in-board/outboard
2 engine, they sit beneath, and they
3 rotate 360 degrees in order to give
4 maneuvering. The -- there's no
5 functional use for either of these two
6 items; and we've requested that they be
7 waived and the funds that we would use
8 would be reallocated for capital
9 improvements within the casino itself,
10 which we are already looking into and
11 have allocated approximately \$600,000
12 for refurbishing, for wallpaper and some
13 other items, and we respectfully request
14 that we be allowed to be taken into the
15 program and that we be granted a waiver
16 for the repair or any further function
17 for any further functionality of the Z
18 drives and the bow thrusters.

19 MR. TYLER: Therefore, even with the

20 outstanding items considered, we present
21 the inspection findings to this
22 honorable board for acceptance and
23 request that upon accepting the
24 inspection report, the Board will move
25 to accept DiamondJacks Casino into the

57

1 alternate inspection program and for the
2 issuance of a certificate of compliance
3 to DiamondJacks Casino.

4 CHAIRMAN MORGAN: Mr. Brantley
5 alluded to needing a waiver. As I
6 understand it, just the motion's all we
7 need to -- the program -- does the
8 motion need to carry a waiver in the
9 motion?

10 MR. TYLER: If the Board wants to
11 take up the fact of a waiver in the
12 motion, it can. Given the fact that,
13 number one, the law only requires for
14 paddle wheel to be able to drive the
15 boat, number one, and number two, the
16 boat's not going to be able to cruise
17 per state law, and given the fact that
18 it's pretty much locked into a coffer
19 cell, I don't see at this point in time
20 the need will be there to grant that
21 waiver, but if it makes the operator
22 feel comfortable so as this issue won't

23 come back up again from the standpoint
24 of enforcing them to or maybe urging
25 them to fix or correct the Z drives and

58

1 the propulsion items, then this board
2 can consider granting a waiver on the
3 items so as to just put that whole issue
4 to bed at this point in time.

5 MR. BRANTLEY: If I might add one
6 other thing: We consulted with State
7 Police, the Attorney General's Office,
8 Mr. Tyler, Mr. Gautreaux. I think
9 Mr. Tyler even spoke with Kevin Meyer of
10 the Coast Guard. We basically advised
11 him the same thing he advised me, and I
12 classify it as a waiver or an exemption
13 so that we don't have to, in effect,
14 spend unnecessary money. It's money
15 that would be spent that we could
16 allocate and intend to allocate for
17 capital improvements that would be of
18 absolutely no use to the boat and no
19 benefit, and certainly, there's no
20 health or safety issues -- life or
21 safety issues that are involved.

22 CHAIRMAN MORGAN: You've written a
23 letter to ask for a waiver, and I don't
24 know that a waiver is necessary. I
25 think my point is that you can be

1 accepted into the program.

2 MR. BRANTLEY: Yes, sir.

3 CHAIRMAN MORGAN: And I'm really
4 hesitant with this board to issue
5 waivers and cutting out pieces of this
6 program. I think we can accept you into
7 it with those components not working and
8 still comply with law and still be in
9 the program, is my point.

10 MR. BRANTLEY: I think that would be
11 correct, yes, sir.

12 CHAIRMAN MORGAN: Board members, any
13 questions?

14 MR. STIPE: I just have a couple.
15 As to ABS, your testimony is that
16 there's no problem with DiamondJacks
17 being included in the program?

18 MR. FRANSIC: Yes, that's correct.

19 MR. STIPE: And your testimony is
20 that the issues concerning the Z drive
21 and the bow thrusters do not relate to
22 life safety issues or safety issues,
23 generally?

24 MR. FRANSIC: That's correct.

25 MR. STIPE: And your recommendation

1 is a certificate of compliance be issued
2 for this facility?

3 MR. FRANSIC: That's correct.

4 MR. STIPE: That's all I have.

5 MS. ROGERS: I have a question.

6 Just for point of clarification, in some
7 of your recommendations you have
8 outstanding versus acceptable.

9 MR. FRANSIC: Acceptable means that
10 we went back onboard and reexamined it,
11 so it is acceptable according to the way
12 it should have been done in the first
13 place.

14 MS. ROGERS: It's not outstanding.

15 MR. FRANSIC: It's not outstanding,
16 correct.

17 MS. ROGERS: Thank you.

18 CHAIRMAN MORGAN: Any other
19 questions?

20 MR. SINGLETON: I just have one. I
21 guess my question relates to you said if
22 you don't have to do this, that money
23 would go into capital improvement. Is
24 that what I'm understanding you to say?

25 MR. BRANTLEY: Yes, sir.

61

1 MR. SINGLETON: How do we assure
2 that that will happen?

3 MR. BRANTLEY: We can document it
4 for the Board and would certainly do
5 that.

6 CHAIRMAN MORGAN: Pull your mike up.

7 MR. BRANTLEY: I'm sorry, sir. We
8 can document that for the Board and
9 certainly will do that. We've got an
10 allocation of approximately \$600,000 at
11 this point in time, and I have an
12 itemization which I'll be happy to
13 supply to the Board. Some of that money
14 has already been spent and was going to
15 be spent, but if we don't have to make
16 these repairs, which as I mentioned are
17 really not necessarily, certainly not
18 for life and safety, we can assign more
19 money to capital improvements.

20 This is an older property, and we
21 have every intent to continue to upgrade
22 it and have been so doing since the
23 license was granted back in 2006.

24 MR. SINGLETON: Okay.

25 MR. BRADFORD: Mr. Chairman, I offer

62

1 a motion that this request here be
2 accepted into the alternate
3 certification program, and that we also
4 approve the certificate of compliance.

5 MR. SINGLETON: I'll second.

6 CHAIRMAN MORGAN: We have a motion
7 by Mr. Bradford, seconded by
8 Mr. Singleton. Is there any public

9 comment on this issue? Hearing none, is
10 there any objection to the motion?

11 Hearing none, it's approved.

12 E. Update on Creative Casinos, L.L.C., d/b/a
13 Mojito Pointe - No. R016502995

14 CHAIRMAN MORGAN: Item E is just an
15 update on Creative Casinos Mojito
16 Pointe. The election was held
17 April 30th, and a 77 percent approval
18 rate, I believe. Is that close?

19 MR. DUNCAN: Close.

20 CHAIRMAN MORGAN: If you would give
21 us a brief update.

22 MR. DUNCAN: Good morning, Mr.
23 Chairman, Members of the Board. My
24 name's Kelly Duncan from Jones Walker
25 Law Firm, and to my left is Billy Rimes

63

1 who is the Government Relations
2 Consultant for Creative Casino. The
3 sort of good news and bad news, the bad
4 news is that Dan Lee isn't here. The
5 good news is he's in New York having
6 very, very fruitful meetings relative to
7 the raising of the financing for this
8 project, so it's with his regret that
9 he's not here today, and I'm certainly a
10 poor second.

11 The other good news, as the Chairman

12 has announced, is there is, indeed, a
13 sound endorsement of the project by the
14 people of Calcasieu Parish, 77 percent
15 approval. That -- the results of that
16 election come before the Calcasieu
17 Police Jury today. It's on the agenda
18 for certification and promulgation of
19 the results; and the significance of
20 that is that that will then trigger a
21 certain time period before -- by which,
22 rather, a construction escrow account
23 will be entered into by Creative Casinos
24 and this board relative to the \$10
25 million construction escrow amount, and

64

1 that would be by or before June 2. We
2 frankly anticipate it will be before
3 then. So those are very good
4 developments.

5 Another development that I'd like to
6 mention to this board is -- and I think
7 is very important to all the board
8 members and everyone in the state,
9 frankly, is that there has been an
10 overall settlement relative to all of
11 the issues between Pinnacle and Creative
12 Casinos and Dan Lee, and that relates
13 not only to the actions brought by
14 Pinnacle in Louisiana relative to also

15 the Lake Charles Port Authority, but
16 also the Nevada litigation.

17 In connection with that settlement,
18 there's been certain agreements relative
19 to cooperative efforts on the part of
20 both properties, which frankly we think
21 are going to be very much favorable to
22 the Lake Charles area making it even
23 more of a desirable destination for
24 gaming. We think this is a great
25 development both for the parties

65

1 involved, but frankly for state as well.

2 Unless the Chairman wants, I won't
3 go into the various details of that. I
4 think that -- I think later on we'll be
5 actually presenting those documents to
6 the Board and to the A.G.'s Office.

7 A recent development that Billy
8 Rimes might address for you if you're
9 interested is the -- what's happening in
10 Texas. That's obviously important
11 relative to how Lake Charles does. As I
12 appreciate it, the legislation or
13 proposed legislation for gaming there is
14 all but dead, but Billy can expound upon
15 that.

16 MR. RIMES: Well, I've spent the
17 last two weeks in Austin; and the only

18 viable legislative instrument was on the
19 House side, and it died on the calendar.
20 They did not meet the requirement of
21 advancing the legislation in a timely
22 fashion. So for all practical purposes,
23 that's dead.

24 There was a brief skirmish last week
25 on the Senate side, but several senators

66

1 stepped up and said if any legislation
2 was even talked about on the Senate
3 side, they would go into a filibuster
4 mode and kill everything. So cooler
5 heads prevailed. And, you know, in the
6 legislative business, it's not over
7 until it's over, and it's not over in
8 Texas until the 31st of this month. But
9 for all practical purposes, everything
10 that we've -- are monitoring right now
11 is pretty much dead for this year.

12 MR. DUNCAN: I wanted to add that
13 the team -- management team for the
14 Creative Casinos continues to be Bill,
15 Larry Lapinski, whom you all know as the
16 former general manager of L'Auberge, as
17 well as at Horseshoe, has agreed to come
18 on in that same capacity at Creative
19 Casinos, as well as Chief Operating
20 Officer.

21 Additionally, Kirk England, who was
22 in charge of architecture and
23 construction for Harrah's has come on as
24 Senior Vice-President of Design and
25 Construction. Lastly, Kevin McGeehan,

67

1 who is with the Los Angeles law firm
2 Irell & Manella, who's done a lot of
3 work for gaming companies throughout his
4 career, will be joining Creative as
5 general counsel.

6 I also wanted to comment on the fact
7 that after substantial diligence and
8 discussions, Creative Casinos has
9 entered into or is in the process of
10 entering into a guaranteed maximum price
11 contract with Yates Construction. They
12 had hoped to be able to find someone in
13 Louisiana who could be the general
14 contractor.

15 Unfortunately, the only company that
16 was large enough for a project of this
17 size was Shaw. Shaw says this frankly
18 it isn't their core business. They're
19 busy, as we all know, building --
20 building nuclear plants. I guess maybe
21 some of that's changed a little bit, but
22 that frankly doesn't fit within what
23 they do. The good news, of course, is

24 that Yates will have plenty of
25 subcontractors, all of whom, to the

68

1 extent possible, will be ones from
2 Louisiana.

3 Lastly, I suppose on the -- I want
4 to mention is the financial situation.
5 The last increment for the \$10 million
6 funding probably will come from the
7 Howard family, which was one of the
8 initial equity investors. There are
9 some other investors who have expressed
10 an interest, and that just remains to be
11 seen. We'll know what the answer to
12 that is in the next couple of days.

13 In the meantime, as I mentioned, Dan
14 Lee is in New York, and I believe he's
15 going to Boston tomorrow to arrange the
16 balance of the financing which will be
17 likely a \$250 million high yield debt
18 financing with a \$50 million lease
19 facility for furniture and fixtures, and
20 then there would be a \$150 million
21 balance which would include obviously a
22 cushion for unforeseen events for
23 construction interest and the like which
24 will be done through either the initial
25 public offering or by going to the

69

1 private equity market. And there's pros
2 and cons on each.

3 The markets continue to be strong.
4 That's important. So, obviously, to the
5 extent they do remain strong, Dan is
6 doing what he can to get the best deal
7 for Creative so as to not obviously
8 have -- try to reduce the fees and
9 interest and so forth to the extent
10 possible.

11 With all this in mind, they're
12 aiming for construction to start in
13 September. Yates believes they'll take
14 20 months to build this project. If
15 that's the case, and, of course, it's
16 subject to unforeseen events, that would
17 put them several months ahead of the
18 year-end 2013 date, which is discussed
19 in the conditions to the license.

20 So that's my report. I'm happy to
21 answer any questions to the extent that
22 I can.

23 CHAIRMAN MORGAN: Just thank you and
24 your company, and I don't know,
25 Mr. Parington at Pinnacle really has

70

1 shown good faith on both parts. Good
2 for Louisiana first, in my opinion, and
3 doing what's best for your company, but

4 settling these lawsuits. That was
5 obviously a concern, but we really
6 appreciate that and send my regards to
7 Mr. Sanfilippo for that, also certainly
8 Dan Lee.

9 I'll open it up to any questions.

10 MR. JONES: In Texas didn't the
11 Senate try to do some kind of end run or
12 something? Exactly what happened there?

13 MR. RYMES: Well, they were in --
14 they were actually in conference
15 committee on the budget, and several
16 senators floated the idea in the
17 conference committee of trading some
18 votes for the budget for letting the
19 gaming bill. The unfortunate thing or
20 fortunate thing for us, they've cut out
21 casinos, so it's just slots without
22 tracks on the House side, and that was
23 the -- that was the idea floated in the
24 conference committee in the Senate.

25 There was one particular senator

71

1 from Fort Worth who stepped up and said,
2 if you try anything at all, I will
3 filibuster, and I will kill everything
4 including the budget. And, apparently,
5 they take that lady very seriously over
6 there in Texas because that ended any

7 further discussions.

8 MR. JONES: So the budget deal is
9 done?

10 MR. RYMES: The budget is not done.
11 Everything but education is done, and
12 hopefully that will get done this week.
13 They have until next Wednesday to
14 produce a final conference committee
15 report.

16 MR. JONES: And the House bill is --

17 MR. RYMES: The House bill never saw
18 the light of day.

19 MR. JONES: Well, it came out of
20 committee.

21 MR. RYMES: It came out of
22 committee, but it never got on the
23 calendar for final passing.

24 MR. JONES: Just one other question:
25 Physically, how are you going to get

72

1 into the property to start construction
2 without going over L'Auberge property?
3 Have y'all figured that one out yet?
4 Off the access road or --

5 MR. RYMES: Yeah. We'll actually be
6 building some new access roads.

7 MR. DUNCAN: Part of the settlement
8 actually gets into that, and so I think
9 actually it's going to be an

10 improvement, not only for the access,
11 it's going to be an improvement for the
12 community as a whole in that area.

13 MR. JONES: Okay.

14 CHAIRMAN MORGAN: Any other
15 questions? Thank you. Board Members,
16 Mr. Gautreaux wrote a very detailed
17 memorandum that I think y'all have in
18 your packet. It explains everything. I
19 won't necessarily have him come up
20 unless you have any questions. If
21 you'll just review the information, and
22 we can take it up at another meeting.

23 VI. VIDEO GAMING ISSUES

24 A. Consideration of the following truckstop
25 applications:

73

- 1 1. Pilot Corporation Tennessee d/b/a
2 Pilot Travel Center #082 - Casino -
3 No. 4800516385 (new truckstop)
- 4 2. Pilot Corporation Tennessee d/b/a
5 Pilot Travel Center #665 - Casino -
6 No. 0906516327 (new truckstop)

7 CHAIRMAN MORGAN: Item VI, Video
8 Gaming Issues. Is there any public
9 comment on Items A.1. or 2? Hearing
10 none.

11 MR. WAGNER: Good morning, Mr.
12 Chairman, Members of the Board. I'm

13 Johnathan Wagner, Assistant Attorney
14 General on behalf of State Police. Both
15 of these truckstops that are on the
16 agenda arise out of identical facts,
17 persons and so forth, so with your
18 permission, I'd like to present them to
19 you both at once. They will require
20 procedurally that two motions and two
21 votes be made --

22 All right. As I stated before, I'm
23 before you in regard to the two original
24 applications for Pilot Corporation (TN)
25 which stands for Tennessee, doing

74

1 business as Pilot Travel Center #082 and
2 Pilot Travel Center #665. Pilot
3 Corporation (TN) is a foreign
4 corporation which registered to do
5 business in Louisiana on February 28th,
6 1991. It is applying for two Type 5
7 licenses. The #082 truckstop facility
8 is located on Highway 51 in St. John the
9 Baptist, and #665 facility is located in
10 Greenwood, which is Caddo Parish.

11 On its application, Pilot lists its
12 ownership as follows: James Haslam,
13 III, 29.3439 percent; James Haslam, II,
14 1.9191 percent; William E. Haslam,
15 27.1085 percent; Elizabeth L. Haslam QSS

16 Trust, 5.7707 percent: Beneficiary,
17 Elisabeth L. Haslam; trustee, James A.
18 Haslam, II; the Anne G. Haslam QSS
19 Trust, 5.7707 percent: Beneficiary,
20 Anne G. Haslam; trustee, James A.
21 Haslam, II; the William E. Haslam QSS
22 Trust, 5.7707 percent: Beneficiary,
23 William E. Haslam, Jr.; trustee, James
24 A. Haslam, II; the Susan W. Haslam QSS
25 Trust, 7.2701 percent: Beneficiary,

75

1 Whitney H. Johnson (middle name Susan);
2 trustee, James A. Haslam, II; Cynthia
3 Allen Haslam QSS Trust, 7.2701 percent:
4 Beneficiary, Cynthia H. Arnholt;
5 trustee, William E. Haslam; the Cynthia
6 Ann Haslam Bailey Trust, 9.7761 percent:
7 Beneficiary, Cynthia A. Bailey;
8 co-trustees, William E. Haslam and James
9 A. Haslam, III, for a total of
10 100 percent ownership.

11 Trooper Vincent Lenguyen of State
12 Police conducted the investigation of
13 the applications of both Pilot -- Pilot
14 Corporation Tennessee, and is here to
15 present his office's findings.

16 TROOPER LENGUYEN: Good morning, my
17 name is Trooper Vincent Lenguyen from
18 Louisiana State Police State Enforcement

19 Division. Morning, Members of the Board
20 and Mr. Chairman.

21 As part of the application process
22 for Pilot Corporation, I conducted a
23 suitability and background investigation
24 of all relevant persons associated with
25 the corporation. James Haslam, III,

76

1 Samuel E. Beal, III, William E. Haslam,
2 Cynthia Bailey, Susan Haslam, Robert B.
3 Martin, Cristen Haslam, James Haslam,
4 II, James P. Pardue and Stephen Bailey
5 were previously deemed suitable in
6 conjunction with other licenses held by
7 Pilot Corporation. Updated background
8 checks of these individuals reveal no
9 information that would preclude them
10 from continuing to participate in the
11 Louisiana Gaming Industry.

12 I also conducted a full suitability
13 investigation for the following
14 individuals who have not previously
15 submitted and found no information which
16 would prohibit them from participating
17 in Louisiana's gaming industry. They
18 are Elisabeth Haslam, Hannah Haslam,
19 Cynthia Arnolt, Anne Haslam, Whitney
20 (Susan) Johnson, David Arnolt, William
21 Haslam, Jr., and James Johnson, II.

22 As part of my investigation, I also
23 conducted an on-site inspection which
24 revealed that both truckstop facilities
25 possess the required amenities. Both

77

1 establishments will open with 25 video
2 poker devices each, as 90-day fuel sales
3 numbers are not yet available. After
4 Pilot Corporation submits its 90 days of
5 fuel sale records for each facility, a
6 determination will be made as to the
7 number of devices each facility may
8 operate.

9 MR. WAGNER: The Office of the
10 Attorney General has reviewed the files
11 compiled as a result of the
12 investigations conducted by the Office
13 of State Police. Our review indicates
14 that no information was found to
15 preclude the Board from issuing Pilot
16 Corporation (TN) two Type 5 licenses for
17 the truckstop facilities doing business
18 as Pilot Travel Center #082 and Pilot
19 Travel Center #665. I'll be happy to
20 answer any questions you may have.

21 CHAIRMAN MORGAN: Any questions?

22 MR. STIPE: I do have a couple. As
23 to the Caddo Parish facility, is there
24 an ATC license that's required?

25 TROOPER LENGUYEN: No. It's a dry

78

1 parish, so therefore there's no ATC
2 license can be obtained in a dry parish.

3 MR. STIPE: It's in Caddo?

4 TROOPER LENGUYEN: Yes. In the City
5 of Greenwood, that's the reason why. It
6 have a little portion, section of the
7 town where it's considered dry.

8 MR. STIPE: Okay.

9 TROOPER LENGUYEN: So that's why.

10 MR. STIPE: Okay. All right. I
11 understand. You did not get back
12 responses as to -- from one of the
13 police departments you had sent a
14 request of information.

15 TROOPER LENGUYEN: Yes, Metropolitan
16 Police Department, Washington DC.
17 They -- you know, we contacted them
18 twice. I actually submitted two
19 certified letters, and they never did
20 return anything.

21 MR. STIPE: Why that particular
22 department?

23 TROOPER LENGUYEN: We have a couple
24 of individuals that live there for a
25 short amount of time so, therefore, we

79

1 just conduct all check anywhere a

2 individual lives.

3 MR. STIPE: You believe you have a
4 sufficient response from the other
5 police law enforcement jurisdictions to
6 be able to make a recommendation?

7 TROOPER LENGUYEN: Yes, because we
8 also checked through our database --
9 criminal history database which consist
10 of the whole 50 states, so, you know,
11 there's nothing there.

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

14 CHAIRMAN MORGAN: Anyone else?

15 MR. BLOUNT: Move for approval.

16 CHAIRMAN MORGAN: Okay. Mr. Blount
17 moves for approval of Pilot Corporation
18 Tennessee doing business as Pilot Travel
19 Center #082.

20 MR. BRADFORD: Second.

21 CHAIRMAN MORGAN: Seconded by
22 Mr. Bradford. Is there any objection?
23 Hearing none -- Mr. Blount, on the
24 second one, also?

25 MR. BLOUNT: Yes, sir.

80

1 CHAIRMAN MORGAN: Okay. He makes a
2 motion to approve the Pilot Corporation
3 Tennessee doing business as #665,
4 seconded by Mr. Bradford. Any

5 objection? Hearing none, you're
6 approved.

7 VII. PROPOSED SETTLEMENTS/APPEALS FROM HEARING

8 OFFICERS DECISIONS

9 1. In Re: Bayou Beer Garden d/b/a Bayou
10 Beer Garden - No. 3601116006 (proposed
11 settlement)

12 CHAIRMAN MORGAN: We'll move to Item
13 VII, Proposed Settlements/Appeals from
14 Hearing Officers Decisions. Is there
15 any public comment on any of these other
16 than the attorneys representing their
17 clients? Hearing none, we'll take up
18 No. 1.

19 MS. CHAUBERT: Good morning,
20 Chairman Morgan, Members of the Board,
21 I'm Assistant Attorney General Katie
22 Chaubert appearing in the matter of
23 Bayou Beer Garden, LLC, doing business
24 as Bayou Beer Garden, video gaming
25 license number 3601116006.

81

1 We're here today because Bayou Beer
2 Garden failed to attend a required
3 compulsive gambling class in violation
4 of Louisiana Administrative Code
5 42:XI.2405(E)(7) and Louisiana
6 Administrative Code 42:XI.2421(A)(1).
7 The company wished to settle the matter,

8 and the Division has agreed that they
9 can pay a civil penalty in violation --
10 in settlement of the violation, and the
11 settlement was approved by the hearing
12 officer on April 25th, 2011. So we now
13 submit it for the Board's approval.

14 CHAIRMAN MORGAN: Any questions?

15 MS. ROGERS: How much?

16 MS. CHAUBERT: \$500.

17 MR. BRADFORD: Even though we
18 settle, they still have to attend the
19 compulsive gambling seminar?

20 MS. CHAUBERT: Yes, sir. If they
21 fail to attend the next session, we will
22 be back in front of the hearing officer
23 with the revocation.

24 CHAIRMAN MORGAN: Motion by Miss
25 Rogers, seconded by Mr. Bradford. Is

82

1 there any objection? Hearing none,
2 that's approved. Next item.

3 2. In Re: Paul Stone Properties, LLC, d/b/a
4 Beer 30 - No. 2700115825 (proposed
5 settlement)

6 MS. CHAUBERT: I have the next one,
7 as well.

8 CHAIRMAN MORGAN: Okay.

9 MS. CHAUBERT: Assistant Attorney
10 General, Katie Chaubert, appearing in

11 the matter of the proposed settlement of
12 Paul Stone Properties, LLC, doing
13 business as Beer 30, video gaming
14 license number 2700115825.

15 Paul Stone Properties failed to
16 attend the required compulsive gambling
17 class also in violation of the Louisiana
18 Administrative Code 42:XI.2405(B)(7) and
19 Louisiana Administrative Code
20 42:XI.2421(A)(1). This company is also
21 desirous of settling, and the Division
22 has agreed to allow a \$500 penalty in
23 settlement of the violations. The
24 settlement was approved by the hearing
25 officer on May 9th, 2011, so we now

83

1 submit it for your approval.

2 CHAIRMAN MORGAN: Okay.

3 MR. BRADFORD: I move.

4 CHAIRMAN MORGAN: Mr. Bradford moves
5 for approval.

6 MR. JONES: Second.

7 CHAIRMAN MORGAN: Seconded by
8 Mr. Jones. Is there any objection?

9 Hearing none, that's approved.

10 MS. CHAUBERT: Thank you so much.

11 3. In Re: Michael Theriot - No. PO40001046
12 (proposed settlement)

13 CHAIRMAN MORGAN: Item three is

14 Michael Theriot.

15 MR. HEBERT: Good morning, Chairman
16 and Members of the Board, Assistant
17 Attorney General Christopher Hebert
18 appearing in place of Assistant Attorney
19 General Olga Bogran who handled this
20 matter on the administrative hearing,
21 and on behalf of Louisiana Office of
22 State Police.

23 This matter -- on September 22nd,
24 2010, the Division received notification
25 from the Internal Revenue Service that

84

1 the permittee was not eligible for a
2 required tax clearance. On September
3 30th, 2010, the permittee received, via
4 certified mail, notification that they
5 had 30 days to resolve this tax problem.

6 On February 15th of this year, the
7 Louisiana Gaming Control Board issued a
8 notice of recommendation of suspension
9 and penalty to the permittee alleging
10 the permittee's failure to remain in
11 compliance. Subsequent to the 30-day
12 period allowed by the Division for
13 resolution of this tax issue, the
14 permittee became eligible for the IRS
15 tax clearance.

16 In this matter, the permittee agrees

17 to pay and the Division has agreed to
18 except, in lieu of suspension, a \$250
19 civil penalty. The hearing officer has
20 signed off on this settlement agreement,
21 and we're here to seek Board approval of
22 this settlement.

23 CHAIRMAN MORGAN: What was the tax
24 consequence, out of curiosity?

25 MR. HEBERT: I'm sorry?

85

1 CHAIRMAN MORGAN: Do you know what
2 the tax consequence was?

3 MR. HEBERT: I do not. I do not.

4 CHAIRMAN MORGAN: It exceeded \$350
5 because that's what he's paying here.

6 MR. HEBERT: No. The penalty has
7 nothing to do with whatever the
8 consequence is.

9 CHAIRMAN MORGAN: No, I understand.
10 He should have just paid his taxes.
11 Okay. Any questions?

12 MR. HEBERT: And, actually,
13 Chairman, just to add to that, in order
14 to obtain a clearance, it is not
15 necessary that you actually have paid,
16 only that entered into an agreement.

17 CHAIRMAN MORGAN: Which makes it
18 even more perplexing. I'll make a
19 motion to approve the settlement.

20 MS. ROGERS: Second.

21 CHAIRMAN MORGAN: Seconded by Miss

22 Rogers. Is there any objection? No

23 objection. It's approved.

24 MR. HEBERT: Thank you.

25 4. Catfish Queen Partnership in Commendam

86

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

2 SAR 10-1-03-035-0610 (proposed

3 settlement)

4 CHAIRMAN MORGAN: We have number

5 four, Catfish Queen.

6 MR. HEBERT: I'm also handling that

7 matter.

8 CHAIRMAN MORGAN: Okay.

9 MR. HEBERT: Chairman, Members of

10 the Board, Christopher Hebert

11 representing the Louisiana Office of

12 State Police.

13 MR. DUNCAN: Kelly Duncan from Jones

14 Walker again representing Belle of Baton

15 Rouge.

16 MR. HEBERT: An administrative

17 action notice was issued by this board

18 based upon the following: One of the

19 captains of the Belle of Baton Rouge

20 resigned on December 23rd, 2009. Two --

21 but the other two captains of the Belle

22 could not be located or otherwise

23 refused to work over the Christmas
24 holidays.

25 On January 5th, a lieutenant of the

87

1 Office of State Police received notice
2 from the director of compliance
3 indicating that the boat currently had
4 four captains on staff and only two of
5 the four had non-key gaming employee
6 permits, and the two temporary captains
7 who had to be brought in to work over
8 the holidays did not possess non-key
9 gaming employee permits.

10 It was ultimately determined in this
11 matter that a total of four captains
12 worked on the vessel at various times
13 between December 23rd, 2009, and
14 January 5th of 2010, who did not possess
15 non-key gaming employee permits.

16 In lieu of administrative action in
17 this matter, the settlement agreement
18 included a civil penalty of \$30,000.
19 The hearing officer did sign off and
20 approve the settlement, and we are here
21 this morning seeking Board approval.

22 CHAIRMAN MORGAN: They're in
23 compliance now?

24 MR. HEBERT: Yes, they are.

25 CHAIRMAN MORGAN: Any questions?

1 MR. SINGLETON: \$30,000, is that
2 what I'm seeing?

3 CHAIRMAN MORGAN: Yes, sir.

4 MR. SINGLETON: That's the
5 settlement agreement?

6 CHAIRMAN MORGAN: Yup. Any
7 questions? I'll entertain a motion.

8 MR. BRADFORD: I'll move.

9 CHAIRMAN MORGAN: Mr. Bradford moves
10 approval of the settlement. Second by?

11 MR. BLOUNT: Second.

12 CHAIRMAN MORGAN: Seconded by Mr.
13 Blount. Is there any objection?
14 Hearing none, that's approved.

15 5. In Re: AJ's Bar and Grill, LLC, d/b/a
16 AJ's Bar and Grill - No. 1001115956

17 CHAIRMAN MORGAN: Number five is in
18 reference to AJ's Bar and Grill doing
19 business as AJ's Bar and Grill, proposed
20 settlement.

21 MS. BROWN: Good morning. Chairman
22 Morgan, Board Members, I'm Mesa Brown,
23 Assistant Attorney General. I'm
24 appearing in the matter of the proposed
25 settlement of AJ's Bar and Grill, LLC,

1 d/b/a AJ's Bar and Grill. Here the
2 licensee failed to have a representative

3 attend a required compulsive gambling
4 training class. Both parties have
5 agreed to settle this matter for a civil
6 penalty of \$500. The hearing officer
7 has approved the settlement, and we now
8 submit it for your approval.

9 CHAIRMAN MORGAN: Any questions?

10 MR. SINGLETON: Move approved.

11 CHAIRMAN MORGAN: Moved by
12 Mr. Singleton to approve.

13 MR. BRADFORD: Second.

14 CHAIRMAN MORGAN: Seconded by
15 Mr. Bradford. Is there any objection?

16 Hearing none, it's approved.

17 MS. BROWN: Thank you.

18 6. In Re: R.T. & C.T., L.L.C., d/b/a
19 Starfish Daiquiri - No. 2603110417
20 (proposed settlement)

21 7. In Re: R.T. & C.T., L.L.C., d/b/a
22 Starfish Restaurant - No. 2603210220
23 (proposed settlement)

24 CHAIRMAN MORGAN: Item six -- six
25 and seven are combined, I assume, right?

90

1 Items six and seven will be the same
2 issue?

3 MS. PICHON: Yes.

4 CHAIRMAN MORGAN: Introduce your
5 case.

6 MS. PICHON: Good morning, Chairman
7 Morgan, Members of the Board. I'm
8 Nicolette Pichon, Assistant Attorney
9 General representing the Office of State
10 Police in both matters, R.T. & C.T,
11 L.L.C, d/b/a Starfish Daiquiri and R.T.
12 & C.T., L.L.C., Starfish Restaurant.

13 MR. PORTEOUS: Good morning, Mr.
14 Chairman and Members of the Board,
15 Timothy A. Porteous on behalf of R.T. &
16 C.T., L.L.C., d/b/a Starfish Restaurant
17 and Starfish Daiquiri.

18 MS. PICHON: At the inspection of
19 both licensed establishments, Starfish
20 Daiquiri and Restaurant, the Division
21 discovered that both the establishments
22 failed to report an individual,
23 Mr. Jerry Vidros, who had the ability to
24 exercise significant influence over the
25 activities of the licensee.

91

1 After submitting a personal history
2 questionnaire to the Division, it was
3 recommended that the individual be found
4 unsuitable. After several failed
5 attempts by the Division to obtain
6 information necessary to the Division's
7 investigation, it was also recommended
8 that both licenses be revoked.

9 During the pending adjudication,
10 Mr. Vidros died. R.T. & C.T., although
11 untimely, eventually complied with the
12 Division's request to take certain
13 actions and provide documentation that
14 would remedy its ongoing noncompliance.

15 Therefore, in lieu of revocation
16 against R.T. & C.T., LLC, Starfish
17 Daiquiri and Starfish Restaurant, the
18 parties have stipulated that the
19 licensee shall pay a total penalty of
20 \$25,000 each for its failure to report
21 an individual who had the ability to
22 exercise significant influence and
23 failure to timely comply with the
24 Division's request.

25 Both settlement agreements have been

92

1 approved by the hearing officer, and we
2 present it for the Board's approval
3 today.

4 CHAIRMAN MORGAN: Okay. Do you have
5 anything?

6 MR. PORTEOUS: No, sir.

7 CHAIRMAN MORGAN: The -- is
8 Mr. Mount has sold the daiquiri
9 business?

10 MR. PORTEOUS: That's correct.

11 CHAIRMAN MORGAN: Still retained

12 ownership of the restaurant?

13 MR. PORTEOUS: Yes, sir.

14 CHAIRMAN MORGAN: I'll be honest, I
15 have a problem with Mr. Mount's actions
16 in this regard with -- we had a case
17 before the board last month, similar
18 circumstance, where the Division
19 petitioned for this person to be removed
20 for ten -- nine years out of gaming for
21 the same action of not -- providing
22 false and misleading information, and
23 that's a suitability issue that I take
24 very seriously as Chairman.

25 MR. PORTEOUS: Mr. Chairman and

93

1 Members of the Board, the suitability of
2 Mr. Mount's never been an issue.

3 CHAIRMAN MORGAN: It is with me if
4 he --

5 MR. PORTEOUS: But it's not been an
6 issue. We've dealt with this issue for
7 about two years now. Unfortunately, the
8 parties who have been involved in this
9 case are very aware of the actions of
10 Mr. Mount and Mr. Vidros. Mr. Vidros is
11 no longer here; he is deceased. He died
12 in January of 2011.

13 Mr. Vidros was probably the problem
14 at these locations. He's the one who --

15 Mr. Vidros and Mr. Mount had a
16 relationship. Unfortunately, he
17 probably was a little bit manipulative
18 and said, look, I will handle
19 everything, and Mr. Mount to his
20 detriment probably allowed it to happen.

21 When we finally had Mr. Vidros and
22 Mr. Mount on the same page back in
23 January -- excuse me, May of 2010, we
24 haven't had any problems with the
25 location. Since Mr. Mount has run his

94

1 establishment without any problems, we
2 have no violations with the State Police
3 and the Division.

4 CHAIRMAN MORGAN: Since when?

5 MR. PORTEOUS: May of 2010.

6 CHAIRMAN MORGAN: May?

7 MR. PORTEOUS: Yes, sir. We've
8 stayed in compliance. Mr. Mount
9 understands what occurred. That's why
10 he understands why we're accepting a
11 substantial fine of \$50,000 -- it's 25
12 on each location -- even though at this
13 point he doesn't even have Starfish
14 Daiquiri anymore, but still accepting --
15 well, we have accepted the settlement,
16 the fine of 25,000, because he
17 understands what happened while Mr.

18 Vidros was alive. And we've stayed in
19 compliance and plan on continuing to do
20 that.

21 CHAIRMAN MORGAN: I appreciate that,
22 but when you sign the forms and you read
23 them, the law requires, if you're the
24 license holder, to demonstrate that you
25 have the ability to operate a business

95

1 in compliance with law. And I
2 personally have issues when we
3 repeatedly get licensees before us who
4 fail to respond to written request by
5 the Division and then provide false
6 information. And I understand the
7 parties have worked this out, but from a
8 Board perspective, I'm looking at the
9 exact same allegations for us to settle
10 and to sanction and to be consistent in
11 our action of application of
12 administrative law. And it's hard to
13 differentiate between the two by the
14 information that's provided to us as a
15 board to make a decision in order to
16 approve.

17 So it concerns me. I don't know how
18 the Board's decision's going to be on
19 this. I don't like the fact of any
20 licensee providing false and misleading

21 information to us as regulator. To me
22 that's -- that's to the core of
23 suitability, and it's represented here
24 that false and misleading information
25 was provided by Mr. -- by his

96

1 representative.

2 MR. PORTEOUS: With all due respect,
3 and I appreciate what you're saying,
4 you're saying "false and misleading";
5 and I'm not sure if you're talking about
6 Mr. Vidros or Mr. Mount, because at this
7 point there's no allegations that
8 Mr. Mount presented false and
9 misleading -- the false and misleading
10 information.

11 CHAIRMAN MORGAN: Y'all need to
12 rewrite the stipulation then here. He
13 signed them.

14 MR. PORTEOUS: Let me make sure
15 about that. And I agreed to them. I
16 just want to make sure we're talking
17 about the same.

18 CHAIRMAN MORGAN: If you look at
19 number five, that's what Mr. Vidros --

20 MR. PORTEOUS: That's correct, and
21 that's the only clarification I was
22 making for the record.

23 CHAIRMAN MORGAN: Okay.

24 MR. PORTEOUS: I'm not sure if we
25 were talking about Mr. Mount or Mr.

97

1 Vidros, but unfortunately the one who
2 provided the false and misleading
3 information was Mr. Vidros. He's not
4 here anymore to defend himself, and we
5 weren't ever going to -- Mr. Vidros.

6 CHAIRMAN MORGAN: Who was the
7 representative on record?

8 MR. PORTEOUS: It is Mr. Mount.

9 CHAIRMAN MORGAN: Where did the
10 information go that the Division
11 requested, to Mr. Mount or --

12 MR. PORTEOUS: It was Mr. Vidros
13 because the Division and the Attorney
14 General -- I guess it would be the
15 Division of State Police, determined
16 that Mr. Vidros was exercising
17 significant influence over the
18 establishment. At that point, they
19 asked him to submit to a suitability
20 determination. He submitted his
21 personal history questionnaire, and they
22 found that he was not truthful and
23 forthcoming with his information, so
24 they asked him to amend it. And then
25 they still felt that Mr. Vidros was not

98

1 forthcoming. That's why they asked for
2 -- they made the recommendation to find
3 Mr. Vidros unsuitable to participate in
4 gaming, and that they were going to
5 revoke the license of the establishment.

6 CHAIRMAN MORGAN: Can you speak to
7 number eight on page three of the
8 settlement where it says, on May the
9 12th, 2010, a follow-up investigation
10 was conducted on Starfish Daiquiris.

11 Mr. Mount stated to the Division that --
12 I think they have a similar statement in
13 the other one; I'm reading off the
14 Daiquiri -- stated that Mr. Mount stated
15 to the Division, I assume that's
16 verbally or in writing, I don't know,
17 that Mr. Vidros was no longer in a
18 management position of Starfish
19 Daiquiri; however, investigation
20 revealed Mr. Vidros was still an
21 authorized signatory of the daiquiri
22 store for the bank account. I mean,
23 that's misleading.

24 MR. PORTEOUS: He was not removed
25 from the bank account at that time, but

99

1 he was removed ten days after that.

2 CHAIRMAN MORGAN: All right. I'll
3 defer to any questions.

4 MR. BRADFORD: Mr. Vidros was found
5 unsuitable in December of 2009, or
6 deemed to be unsuitable?

7 MR. PORTEOUS: Yes, sir. He was
8 deemed -- we never had that
9 determination, and before we ever had a
10 hearing, Mr. Vidros passed away, and at
11 that point --

12 MR. BRADFORD: When did he pass
13 away?

14 MR. PORTEOUS: January 2011.

15 MR. BRADFORD: So this is December
16 of 2009, and then if you could,
17 specifically describe to me the method
18 that says here on May 12th when
19 Mr. Mount said that Mr. Vidros was no
20 longer in the management position.
21 Specifically what transpired there? Was
22 he fired; was he -- was this just kind
23 of smoke and mirrors like, okay, let's
24 tell them you're not in management
25 anymore? Or exactly what happened

100

1 there?

2 MR. PORTEOUS: I had plenty of
3 conversations with Mr. Mount and Mr.
4 Vidros, and I told them, you will
5 actually lose your license if you
6 don't -- if you don't stop exercising

7 significant influence over the business,
8 whether it's in a management position,
9 running the place, doing whatever
10 they're alleging that you've done.

11 Originally, when we asked him to
12 stop, it was my understanding that he
13 still wrote some checks, but in May --
14 actually, it was April 30th is the last
15 time he had -- April 30th of 2010, he
16 had wrote his last check on April 29th.
17 As of May 1st, he had completely removed
18 himself from the business of Starfish
19 Daiquiri or Starfish Restaurant.
20 Mr. Mount had exercised complete
21 influence over that time.

22 MR. BRADFORD: Since May is a new
23 manager in place?

24 MR. PORTEOUS: Mr. Mount always had
25 had a female, as well, at his

101

1 establishment, but Mr. Mount is doing --
2 he's exercising significant influence as
3 we think about it in gaming, whether
4 it's hiring and firing employees,
5 writing checks, making deposits;
6 whatever we think of as exercising
7 significant influence, and as of
8 May 1st, 2010, the establishments, both
9 of them, until they, of course, sold the

10 daiquiri shop, has not had any
11 violations, has not had any problems
12 with the State Police. And no further
13 allegations have been made that anyone
14 other than Mr. Mount was running the
15 business.

16 MR. BRADFORD: Mr. Chairman --
17 sorry.

18 CHAIRMAN MORGAN: Questions?

19 MR. BRADFORD: Well, I just wanted
20 to make a statement that --

21 MR. PORTEOUS: And I do, I want to
22 make it clear: Originally, you said was
23 it just smoke and mirrors? With the
24 conversations I had, I let them know
25 this can't happen the way you-guys think

102

1 it -- you can tell me you're going to
2 remove yourself, but if it's smoke and
3 mirrors, they're going to find out and
4 Mr. Vidros will ultimately have the
5 location shut down because of his
6 actions.

7 At that point, they finally realized
8 this that wasn't a game. It wasn't just
9 something that Mr. Vidros could probably
10 manipulate, and it finally hit both of
11 them that this is actually a serious
12 allegation; and if they don't stop, they

13 would have been shut down. And that's
14 what we were hoping to accomplish, is
15 removing Mr. Vidros. He just didn't --
16 I didn't know him for a long time, but
17 he always thought he could probably just
18 talk himself out of any situation he'd
19 ever been in. And until we realized the
20 serious ramifications, it wasn't smoke
21 and mirrors finally, but it took a
22 little off-the-record discussions that I
23 certainly wouldn't repeat here as far
24 as --

25 MR. BRADFORD: I'd just like to make

103

1 a statement with respect to -- the
2 respect I have for our Chairman on this
3 particular issue, I'm going to give
4 Mr. Mount the benefit of the doubt, and
5 I'm going to agree with the Attorney
6 General's Office. But I will allow more
7 discussion from the Board at this point.

8 MR. BLOUNT: Mr. Chairman?

9 CHAIRMAN MORGAN: Yes, Mr. Blount.

10 MR. BLOUNT: I notice that -- I
11 believe in October of '08, it was
12 determined that Mr. Vidros had been
13 employed for five years or so.

14 MR. PORTEOUS: Yup.

15 MR. BLOUNT: Mr. Mount owned

16 100 percent of this entity?

17 MR. PORTEOUS: That's correct.

18 MR. BLOUNT: Was he not aware that
19 people exercising that kind of control
20 had to be approved?

21 MR. PORTEOUS: I'm sure he was.

22 MR. BLOUNT: Well, why didn't he do
23 something about that?

24 MR. PORTEOUS: Without speaking on
25 behalf of Mr. Vidros and Mr. Mount, like

104

1 I said, this was also said with the
2 Attorney General's Office and with the
3 Division, I believe -- it's my
4 understanding, I should say, that the
5 relationship that Mr. Mount and Mr.
6 Vidros had, it's a relation that had
7 gone on for 30 something years. It's
8 kind of like he just was the one who
9 kind of controlled the relationship. He
10 always was going to handle it for them.
11 It's -- that's the way I understand it,
12 and no matter what he told Mr. Mount, it
13 was always going to be okay regardless
14 of what Mr. Mount probably believed.

15 Jerry always said, I'll handle it;
16 it will be okay, just like he always
17 did, unfortunately.

18 MR. BLOUNT: I agree with the

19 Chairman.

20 MR. SINGLETON: I guess this one
21 just doesn't meet the smell test as far
22 as I'm concerned, and I'm -- since
23 you've been involved with it, you know a
24 whole lot more about it than I do. I'm
25 going to kind of follow your lead on

105

1 this one.

2 CHAIRMAN MORGAN: Well, I appreciate
3 that, and I do in deference to the State
4 Police and to the Attorney General's
5 Office. Y'all are involved in this, but
6 you got to understand what we're looking
7 at in trying to be fair in our
8 application of administrative action.

9 And I don't know the decision of the
10 Board, but I feel more comfortable with
11 approving the Daiquiri settlement
12 because he's out -- Mr. Mount's out of
13 it. He's out of the ownership of that
14 daiquiri, but I have concerns about the
15 restaurant and that he's still in it.

16 And just for the Board's edification, I
17 think between the both companies, he
18 makes about 110,000 a year off of
19 gaming. That's -- I don't know if he
20 profits that, but that's what he reports
21 to the Office of State Police.

22 So the Daiquiri represents about
23 25,000 of that. So it's not like the
24 \$25,000 fine is a significant amount
25 with regard to his participation in

106

1 this -- in my opinion, questionable
2 activity throughout five or six years.

3 Anyway, any other questions by
4 members? The item we have before us, I
5 guess, is a first one under six, so if
6 there's any questions. We need to act
7 on them separately. Do we have -- let
8 me make sure -- he's -- Mr. Mount's out
9 of the Daiquiri?

10 MS. PICHON: Yes.

11 CHAIRMAN MORGAN: That's been --
12 consummated the sale?

13 MS. PICHON: Yes.

14 CHAIRMAN MORGAN: And that's the
15 \$25,000 fine he'll pay for that?

16 MR. BRADFORD: I move we approve the
17 settlement on Item Number Six.

18 CHAIRMAN MORGAN: Mr. Bradford moves
19 to approve.

20 MS. ROGERS: Second.

21 CHAIRMAN MORGAN: And seconded by
22 Miss Rogers. Is there any objection on
23 Item Six? That settlement is approved.
24 Item VII.

25 MR. STIPE: I just move we approve

107

1 that settlement, as well.

2 CHAIRMAN MORGAN: Mr. Stipe moves we

3 approve the settlement in Number Seven.

4 Is there a second?

5 MR. BRADFORD: Second.

6 CHAIRMAN MORGAN: Seconded by

7 Mr. Bradford. The Chair objects. We

8 will take a roll call vote for seven.

9 It would be to approve the settlement.

10 THE CLERK: Okay. Miss Rogers?

11 MS. ROGERS: No.

12 THE CLERK: Mr. Bradford?

13 MR. BRADFORD: Yes.

14 THE CLERK: Mr. Jones?

15 MR. JONES: No.

16 THE CLERK: Mr. Stipe?

17 MR. STIPE: Yes.

18 THE CLERK: Mr. Singleton?

19 MR. SINGLETON: No.

20 THE CLERK: Mr. Blount?

21 MR. BLOUNT: No.

22 THE CLERK: Chairman Morgan?

23 CHAIRMAN MORGAN: No.

24 THE CLERK: It fails.

25 CHAIRMAN MORGAN: I motion we reject

108

1 the settlement and send it back to the

2 hearing officer for hearing -- reject
3 the settlement and send it -- I -- I
4 don't know what the correct legal term
5 is, but refer it back to the hearing
6 office for a hearing. Is there
7 acceptance?

8 MS. ROGERS: Second.

9 CHAIRMAN MORGAN: Seconded by Miss
10 Rogers. Is there objection?

11 MR. BRADFORD: Objection.

12 CHAIRMAN MORGAN: Objection by
13 Mr. Bradford. Roll call vote.

14 THE CLERK: Miss Rogers?

15 MS. ROGERS: Yes.

16 THE CLERK: Mr. Bradford?

17 MR. BRADFORD: No.

18 THE CLERK: Mr. Jones?

19 MR. JONES: Yes.

20 THE CLERK: Mr. Stipe?

21 MR. STIPE: No.

22 THE CLERK: Mr. Singleton?

23 MR. SINGLETON: Yes.

24 THE CLERK: Mr. Blount?

25 MR. BLOUNT: Yes.

109

1 THE CLERK: Chairman Morgan.

2 CHAIRMAN MORGAN: Yes.

3 THE CLERK: That one passes.

4 8. In Re: Who Dat Grill & Sports Club, LLC,

5 d/b/a Who Dat Grill & Sports Club - No.
6 2600215922 (appeal)

7 CHAIRMAN MORGAN: Thank you. Item
8 eight, Who Dat Grill Sports Club, and
9 this is an appeal.

10 MS. WIMBERLY: Yes, it is. Good
11 morning, Chairman Morgan, Members of the
12 Board, I'm Assistant Attorney General,
13 Ashley Wimberly, representing the Office
14 of State Police in the matter of Who Dat
15 Grill & Sports Club, LLC, video gaming
16 license number 2600215922.

17 On March 28th, 2011, Hearing Officer
18 Richard Reynolds issued an order
19 revoking the Type II video poker license
20 of Who Dat Grill for failure to timely
21 submit its annual license form, state
22 sales tax clearance, local sales tax
23 clearance, record update form, copy of
24 its current ATC permit and its \$200
25 annual license fee. This failure to

110

1 submit for the licensee is a direct
2 violation of Louisiana Revised Statute
3 27:311(K)(4)(A) and (B) and LAC
4 42:XI.2405(B)(4)(A) and (B).

5 On April 25th Who Dat filed an
6 appeal from Hearing Officer Reynolds'
7 decision to revoke the video poker

8 license. Who Dat did not file a written
9 argument of appeal with the Board, nor
10 are they here today to make oral
11 arguments. Furthermore, as of today's
12 date, Who Dat has not properly submitted
13 its required forms and fee to State
14 Police, nor has it made any contact with
15 State Police to explain its delinquency.

16 On behalf of the Division, I request
17 that -- that Hearing Officer Reynolds'
18 decision be upheld.

19 CHAIRMAN MORGAN: I just don't
20 understand it. Is there any questions?

21 MR. STIPE: Is Mr. Walker here?

22 MS. WIMBERLY: Not to my knowledge.

23 MR. STIPE: Other than this -- other
24 than this correspondence sent to this
25 docket clerk, have we had any contact

111

1 with him?

2 MS. WIMBERLY: No, sir.

3 MR. STIPE: He's not corresponded
4 with you?

5 MS. WIMBERLY: No, no correspondence
6 to myself or anyone else in the office,
7 to my knowledge.

8 MR. STIPE: He's not contacted you
9 by phone?

10 MS. WIMBERLY: No. We had a

11 compliance conference set up back in
12 December, and he did call about ten
13 minutes prior to the compliance
14 conference saying that he wasn't going
15 to be able to attend. And then before
16 the hearing on the 25th, he called about
17 five minutes prior to that to say that
18 he wasn't able to attend, either. Those
19 are the only times I've spoken to him.

20 MS. ROGERS: So he is alive?

21 MS. WIMBERLY: Yes. As of
22 April 25th.

23 CHAIRMAN MORGAN: Anything else?
24 Any other questions? Entertain a
25 motion.

112

1 MR. STIPE: Move we ratify the
2 decision.

3 CHAIRMAN MORGAN: Mr. Stipe moves to
4 affirm the hearing officer's decision.

5 MR. BRADFORD: Second.

6 CHAIRMAN MORGAN: Seconded by
7 Mr. Bradford. Is there any objection?
8 Any objection? Hearing none, it's
9 approved.

10 9. In Re: Plantation Bar & Grill,
11 L.L.C., d/b/a Plantation Bar & Grill -
12 4400215664

13 CHAIRMAN MORGAN: The next item is

14 Plantation Bar & Grill. Is anyone from
15 Plantation Bar & Grill here?

16 MR. HEBERT: Good morning again,
17 Chairman and Members of the Board.
18 Christopher Hebert representing the
19 Office of State Police in the appeal of
20 Plantation Bar & Grill, LLC, doing
21 business as Plantation Bar & Grill.

22 During the administrative hearing in
23 this matter, the Division presented
24 evidence of the following: Plantation
25 Bar & Grill conducted video gaming

113

1 operations between April 30th, 2010, and
2 August 19th, 2010, approximately 111
3 days without a valid ATC permit. The
4 ATC permit of the licensee had -- has
5 been renewed, and currently the licensee
6 is currently, excuse me, operating with
7 a valid ATC permit. The licensee is
8 subject to the assessment of a civil
9 penalty for violation of Louisiana
10 Revised Statute 27:301(B)(12)(A), and a
11 total of \$3,000 -- or the licensee was
12 ordered to pay a total of \$3,000 for its
13 violation.

14 The Division respectfully requests
15 that the Louisiana Gaming Control Board
16 uphold the decision of the hearing

17 officer or affirm the decision of the
18 hearing officer in this matter.

19 CHAIRMAN MORGAN: I'll open it for
20 any questions. The only -- we don't
21 have the party here. The only thing I
22 would ask the Board is if you affirm,
23 that we modify the order to require the
24 payment to be made within 15 days of
25 this decision, failure to pay will

114

1 result in the automatic revocation so we
2 don't have -- the hearing officer has
3 recommended revocation, but we would ask
4 that we revoke it if they don't pay.

5 Any questions?

6 MR. STIPE: Just, other than this
7 correspondence, which was apparently
8 received April 12th, you've not spoken
9 with anyone from Plantation Bar & Grill?

10 MR. HEBERT: I have not.

11 MR. STIPE: They've not sent you any
12 correspondence, not called you?

13 MR. HEBERT: They didn't.

14 MR. STIPE: No one here today
15 representing them?

16 MR. HEBERT: No.

17 MR. STIPE: I'll move, Mr. Chairman.

18 CHAIRMAN MORGAN: Mr. Stipe -- is
19 there any other questions? Mr. Stipe

20 moves that the hearing officer's order
21 be affirmed and that payment of the
22 civil penalty of \$3,000 be paid by
23 certified check, cashier's check, money
24 order payable to the Louisiana Gaming
25 Control Board within 15 days from

115

1 issuance of this decision. Failure to
2 pay the civil penalty within 15 days
3 will result in revocation of the license
4 without further action.

5 MR. HEBERT: Chairman, if I may, the
6 hearing officer did recommend suspension
7 as opposed -- if they did pay as opposed
8 to --

9 CHAIRMAN MORGAN: This is our
10 directive.

11 MR. HEBERT: Thank you.

12 CHAIRMAN MORGAN: Any question?

13 MR. SINGLETON: Second.

14 CHAIRMAN MORGAN: A second by
15 Mr. Singleton. Is there any objection?
16 Hearing none, that's approved.

17 VIII. PUBLIC COMMENTS

18 CHAIRMAN MORGAN: And Public
19 Comments? [No response.]

20 IX. ADJOURNMENT

21 CHAIRMAN MORGAN: Motion to adjourn.

22 MR. SINGLETON: Move we adjourn.

23 CHAIRMAN MORGAN: Motion by Mr.
24 singleton.

25 MR. BRADFORD: Second.

116

1 CHAIRMAN MORGAN: Seconded by
2 Bradford. Any objection? [No
3 response.] We're adjourned. Thank you.

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1 REPORTER'S PAGE

2

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

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

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

18

19

20

21

22

23

24 SHELLEY PAROLA

Certified Court Reporter #96001

25 Registered Professional Reporter

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 preceding matter on May 19, 2011, as taken by me
8 in Stenographic machine shorthand, complemented
9 with magnetic tape recording, and thereafter
10 reduced to transcript, to the best of my ability
11 and understanding, using Computer-Aided
12 Transcription.

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

19 Baton Rouge, Louisiana, this 23rd day of
20 June, 2011.

21

22

23

SHELLEY G. PAROLA, CCR, RPR

CERTIFICATE NO. 96001

24