

LGCB - Board of Directors' Meeting - 9-21-17, (Pages 1:1 to 88:24)

1:1 LOUISIANA GAMING CONTROL BOARD

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3 BOARD OF DIRECTORS' MEETING

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8 THURSDAY, SEPTEMBER 21, 2017

9

10 Louisiana State Capitol

11 House Committee Room 1

12 900 North Third Street

13 Baton Rouge, Louisiana

14

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16

17 TIME: 10:00 A.M.

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2

1 APPEARANCES

2 RONNIE JONES

Chairman (At Large)

3 June 30, 2019

4

5 FRANKLIN AYRES BRADFORD

(Economic Planner)

6 Fifth Congressional District

June 30, 2019

7

8 MARK STIPE

(Attorney)

9 Seventh Congressional District

June 30, 2020

10

11 JAMES SINGLETON

(Public/Business Administration)

12 Second Congressional District

June 30, 2020

13

14 CLAUDE D. JACKSON

(At large)

15 Fourth Congressional District

June 30, 2018

16

17 ROBERT W. GASTON, III

(At Large)

18 Sixth Congressional District

June 30, 2021

19

20 JULIE BERRY

(CPA)

21 Third Congressional District

June 30, 2018 (Arrived after roll call)

22

23 RICHARD PATRICK

(Law Enforcement)

24 Fifth Congressional District

Appointed January 27, 2017

25

3

1 APPEARANCES CONTINUED

2

3 PAUL EDMONSON

Louisiana State Police

4

5 MICHAEL LEGENDRE

Office of Charitable Gaming

6 Director

7

8 LANA TRAMONTE

Executive Assistant

9

10 TRUDY SMITH

Confidential Assistant

11

12 REPORTED BY:

13 BRITTANY E. VIDRINE, CCR, RPR

Baton Rouge Court Reporters

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22 Gaming vessel of Louisiana Casino
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1 I. CALL TO ORDER

2 CHAIRMAN JONES: Good morning and
3 welcome to the -- what month are we in --
4 September meeting of the Louisiana Gaming
5 Control Board.

6 Miss Tramonte, would you call the
7 role, please, ma'am.

8 THE CLERK: Chairman Jones?

9 CHAIRMAN JONES: Here.

10 THE CLERK: Mr. Bradford?

11 MR. BRADFORD: Here.

12 THE CLERK: Mr. Stipe?

13 MR. STIPE: Here.

14 THE CLERK: Mr. Singleton?

15 MR. SINGLETON: Here.

16 THE CLERK: Mr. Jackson?

17 MR. JACKSON: Here.

18 THE CLERK: Mr. Gaston?

19 MR. GASTON: Here.

20 THE CLERK: Miss Berry?

21 MS. BERRY: Here.

22 THE CLERK: Mr. Patrick?

23 MR. PATRICK: Here.

24 THE CLERK: Colonel Reeves?

25 MR. EDMONSON: Paul Edmonson in for

7

1 Colonel Reeves.

2 THE CLERK: Secretary Robinson?

3 (Not present.)

4 II. PUBLIC COMMENTS:

5 THE COURT: We have a quorum, and we
6 may conduct business. Is anyone present
7 today who would like to make a public
8 comment on any matter before the Board on
9 our agenda today? No one?

10 III. APPROVAL OF THE MINUTES

11 CHAIRMAN JONES: Could I ask for a
12 motion to waive reading and approve the
13 minutes of the August board meeting?

14 MS. BERRY: So moved.

15 CHAIRMAN JONES: By Miss Berry and a
16 second by Mr. Gaston.

17 Any objection? Without objection,
18 the minutes are adopted.

19 Before we proceed, if you would, if
20 you haven't already done so, please
21 silence your phones and such, because
22 we've got a lot of business to conduct
23 today, so we won't be interrupted.

24 I'd like to call for revenue reports
25 now.

8

1 IV. REVENUE REPORTS

2 CHAIRMAN JONES: Good morning.

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

7 The 15 operating riverboats
8 generated Adjusted Gross Receipts of
9 \$147,646,879 in August. This total
10 represents a decrease of \$32 million or
11 18 percent from last month, and a
12 decrease of \$2.6 million or almost 2
13 percent from last August. As
14 information, last month had one
15 additional Saturday than this month. In
16 addition, the Lake Charles market was
17 negatively affected by Hurricane Harvey.

18 Adjusted Gross Receipts for fiscal
19 year 2017-2018 to date are \$327.6
20 million, a decrease of 870,000 or .3
21 percent from 2016-2017.

22 During August, the State collected
23 fees totaling \$31,744,079. As of August
24 31st, 2017, the State collected \$70
25 million in fees for fiscal year

9

1 2017-2018.

2 Next is a summary of the August 2017
3 gaming activity for Harrah's New Orleans

4 found on page three. During August,
5 Harrah's generated \$21,320,586 in gross
6 gaming revenue, a decrease of \$2.7
7 million or 11 percent from last month,
8 but an increase of \$2 million or 11
9 percent from last August. Revenues for
10 fiscal year 2017-2018 to date are \$45
11 million, an increase of \$3.7 million or 9
12 percent from fiscal year 2016-2017.

13 During August, the State received
14 \$5,095,890 in minimum daily payments. As
15 of August 31st, 2017, that State
16 collected \$10 million in fees for fiscal
17 year 2017-2018.

18 Next I will present the revenues for
19 Slots at the Racetracks. During August,
20 the four racetrack facilities combined
21 generated Adjusted Gross Receipts of
22 \$25,106,270, a decrease of \$6.4 million
23 or 20 percent from last month, and a
24 decrease from August 2016 of 2 percent.

25 Adjusted Gross Receipts for fiscal

10

1 year 2017-2018 to date are \$56.6 million,
2 a slight 1 percent increase from fiscal
3 year 2016-2017.

4 During August, the State collected
5 \$3,808,621 in fees. As a August 31st,
6 2017, the State has collected \$86 million

7 in fees for fiscal year 2017-2018.
8 Overall in August, Riverboats, Landbased
9 and Slots at the Racetracks combined
10 generated \$194 million in AGR and \$40.6
11 million in state fees. These revenues
12 represent a decrease from August 2016 of
13 .5 percent.

14 Any questions before I present the
15 Harrah's employee information?

16 CHAIRMAN JONES: August is typically
17 kind of flat; isn't it?

18 MS. JACKSON: As compared to July.
19 July is typically a much stronger month.

20 CHAIRMAN JONES: Yeah. And I think
21 the storms this past month probably -- I
22 know they had a huge impact in the lake
23 Charles area --

24 MS. JACKSON: Right.

25 CHAIRMAN JONES: -- and are

11

1 continuing to do so. I think what our
2 casino experience after storms like that
3 tells us is that revenues drop, but
4 within a few months, they actually come
5 back and may spike for a couple of
6 months. So recovery is right around the
7 corner, I hope.

8 Are there any questions of State
9 Police? There are no questions.

10 MS. JACKSON: Harrah's New Orleans
11 is required to maintain at least 2,400
12 employees and bi-weekly payroll of
13 \$1,750,835. This reports covers pay
14 periods in August 2017. For the first
15 pay period, the Division verified 2,614
16 employees with a payroll of \$2,154,000.
17 For the second pay period, the Division
18 verified 2,612 employees with a payroll
19 of \$2,136,000. Therefore, Harrah's met
20 the employment criteria during August.

21 Questions?

22 CHAIRMAN JONES: Questions? The
23 Board is clear.

24 MS. JACKSON: Thank you.

25 CHAIRMAN JONES: Thank you very

12

1 much.

2 Jim. Good morning, sir.

3 MR. BOSSIER: Morning. Good morning
4 Chairman Jones and Board Members. My
5 name is Jim Bossier with the Louisiana
6 State Police Gaming Enforcement Division
7 here to report video gaming statistics
8 for August 2017 as shown on page one of
9 your handout.

10 Thirteen new video gaming licenses
11 were issued during August: Six bars, six
12 restaurants and one truckstop. Nine new

13 applications were received by the Gaming
14 Enforcement Division during August and
15 are currently pending in the field: Five
16 bars and four restaurants. The Gaming
17 Enforcement Division assessed \$33,535.74
18 and collected \$6,000 in fines during
19 August, and there are currently
20 \$14,266.07 in outstanding fines. Please
21 refer to page two of your handout.

22 There are presently 13,141 video
23 gaming devices activated at 1,742
24 locations.

25 Net device revenue for August 2017

13

1 was \$46.3 million, a \$100,000, or
2 three-tenths of 1 percent increase when
3 compared to July, and a \$2 million
4 increase, or 4.7 percent, when compared
5 to August 2016.

6 Net device revenue so far the fiscal
7 year 2018 is \$92.5 million, a \$2 million
8 increase, or 2.3 percent, when compared
9 to fiscal year 2017. Page three of your
10 handout shows a comparison of net device
11 revenue.

12 Total franchise fees collected
13 during August 2017 were \$13.9 million, a
14 \$15,000 increase when compared to July
15 2017 and a \$600,000 increase when

16 compared to August 2016. Total franchise
17 fees collected for fiscal year 2017 are
18 \$27.7 million, a \$600,000 change when
19 compared to fiscal year 2017. Page four
20 of your handout shows a comparison of
21 franchise fees.

22 Does anybody have any questions?

23 CHAIRMAN JONES: Board Members, any
24 questions for video poker? There are no
25 questions.

14

1 MR. BOSSIER: Thank you.

2 CHAIRMAN JONES: Thank you, Jim.

3 V. CASINO GAMING ISSUES

4 A. Consideration of Certificate of Compliance
5 for the Alternate Riverboat Inspection of the
6 gaming vessel of Louisiana-1 Gaming, L.P.
7 d/b/a Boomtown New Orleans - No. RO12600196

8 CHAIRMAN JONES: Now moving to
9 Casino Gaming Issues and first up is
10 Consideration of Certificate of
11 Compliance for the Alternate Riverboat
12 Inspection of the gaming vessel of
13 Louisiana-1 Gaming.

14 Yes sir.

15 MR. GASTON: Could I interpret
16 before we get in to the more serious? I
17 just want to commend our Chairman. This
18 is an awesome award that he has received.

19 It's on the front of this thing: 2017
20 Regulator of the Year for North America,
21 Ronnie Jones. (Applause.)

22 I had to embarrass you. But this is
23 a great honor, and Louisiana is very
24 honored.

25 CHAIRMAN JONES: And Miss Tramonte

15

1 will be abruptly pistol whipped when we
2 return to the office today.

3 MR. STIPE: So they'll really be mad
4 when you find out she's got autographed
5 copies.

6 CHAIRMAN JONES: I appreciate that.
7 What I told the people who were
8 conferring that award, they must have run
9 through all of the states and ended up
10 with one left, and so it was a shallow
11 pool, but I appreciate it.

12 MR. GASTON: You're a hardworking
13 man.

14 CHAIRMAN JONES: Well, what I will
15 tell them in two weeks when I'm out there
16 is that, you know, it's not really about
17 me. It's about my staff. It's about
18 State Police; it's about the Attorney
19 General, and this is really a team
20 effort. And my name will just happen to
21 be on the award, but this really isn't

22 about me. But I appreciate that.

23 May I proceed?

24 MR. GASTON: Yes sir. Not to
25 embarrass you.

16

1 CHAIRMAN JONES: We were somewhere
2 in the middle of Consideration of
3 Certificate of Compliance for the
4 Alternate Riverboat Inspection of the
5 gaming vessel Louisiana-1 Gaming, L.P.
6 doing business with Boomtown New Orleans,
7 No. R012600196.

8 MR. LEWIS: Good morning, Chairman
9 Jones, Board Members, I'm Assistant
10 Attorney General Kanick Lewis, Jr. With
11 me is Mr. John Reinert of ABSC.

12 We're here this morning for the
13 matter of the issuance of the Certificate
14 of Compliance to Louisiana-1 Gaming doing
15 business as Boomtown Casino New Orleans.
16 On August 17th, 2017, ABSC began the
17 inspection process for the approval of
18 Boomtown New Orleans' Certificate of
19 Compliance. For more on this, I now turn
20 it over to Mr. Reinert.

21 MR. REINERT: Good morning, Chairman
22 and Board Members. I'm John Reinert from
23 ABS Group -- Consulting here to report
24 the annual certification for Boomtown

25 Casino Harvey. The inspectors, Doug

17

1 Chapman and Pete Bullard, did, on August
2 8th, 2017, attend the riverboat Boomtown
3 Belle II to conduct the annual inspection
4 in ordinance with the alternative
5 inspection of riverboat gaming vessels in
6 the State of Louisiana.

7 The inspectors reviewed fire
8 protection equipment, egress routes,
9 mooring systems, safety -- life safety
10 items and conducted a fire drill on the
11 port side third deck. The deficiencies
12 found during the inspection are found on
13 page six of your report.

14 A follow-up to all deficiency items
15 was conducted on September 5th. All
16 items were corrected and found
17 satisfactory. This can be found in the
18 supplemental report.

19 The 2017 annual survey as required
20 by the Louisiana Gaming Control Board is
21 complete and presents no safety concerns
22 to its patrons or employees on the
23 riverboat. It is the recommendation of
24 the ABS Group Consulting that Boomtown
25 Casino Harvey be issued a Certificate of

18

1 Compliance.

2 MR. LEWIS: We now present these
3 findings to the Board and request that
4 upon your accepting the report as
5 submitted by ABSC, you will move for the
6 approval of Louisiana-1 Gaming doing
7 business as Boomtown Casino New Orleans'
8 Certificate of Compliance.

9 CHAIRMAN JONES: Any questions,
10 Board Members? Mr. Singleton.

11 MR. SINGLETON: Move approval.

12 MR. JACKSON: Sir.

13 CHAIRMAN JONES: We have a motion
14 and a second. Any objection to the
15 issuance of the Certificate of
16 Compliance? Without objection, the
17 certificate is issued. Thank you.

18 B. Consideration of request for Manning Variance by
19 Louisiana Casino Cruises, Inc., d/b/a Hollywood
20 Baton Rouge Casino - No. R011700193

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

25 CHAIRMAN JONES: Next up we're going

19

1 to take two items on the agenda. One is
2 Consideration of the Request for Manning
3 Variance by Louisiana Casino Cruises,
4 Inc., doing business as Hollywood

5 Baton Rouge Casino, No. R011700193, and
6 Consideration of the Certificate of
7 Compliance for the Alternate Riverboat
8 Inspection of the gaming vessel of
9 Louisiana Casino Cruises, Inc., doing
10 business as Hollywood Baton Rouge Casino,
11 No. R011700193.

12 Gentlemen.

13 MR. LEWIS: Good morning, again I'm
14 Assistant Attorney General, Kanick Lewis,
15 Jr., and with me is Mr. John Reinert of
16 ABSC. We're here this morning for the
17 matter of the approval of the manning
18 variance and for the Certificate of
19 Compliance for Louisiana Casino Cruises,
20 Inc., doing business as Hollywood Casino
21 Baton Rouge.

22 ABSC completed the review and the
23 inspection for the approval of
24 Hollywood's manning variance, as well as
25 the Certificate of Compliance.

20

1 For more on this, I now turn it over
2 to Mr. Reinart.

3 MR. REINERT: Good morning, Chairman
4 and Board Members. I'm John Reinert from
5 ABS Group Consulting here to report on
6 the requested changes to the Hollywood
7 manning variance.

8 As part of the initial assessment
9 for Hollywood Casino's manning variance
10 conducted in 2012, it was noted that the
11 Army Corps of Engineers' permit required
12 two barges moored up river from the
13 gaming platform. This was based on
14 recommendations by the U.S. Coast Guard
15 in a letter dated 19 October, 1993.
16 Since that time, Hollywood has maintained
17 barges on-site but wanted to reevaluate
18 the need for the two barges.

19 A risk assessment was done last year
20 and completed in a report dated 29
21 November, 2016. In the risk assessment,
22 it was recommended that the barges can be
23 removed without increase to risk of
24 collision for breakaway barges, but the
25 dolphins for the current fendering system

21

1 be left in place. It was also
2 recommended to include instructions for
3 evacuation of patrons in the forward
4 entrance ramp if the forward entrance
5 ramp became damaged.

6 Our conclusions and recommendations
7 were reviewed by the U.S. Coast Guard and
8 the Army Corps of Engineers. They both
9 had no objections to our findings.

10 The second part of the review is to

11 update changes in designated riverboat
12 staff to provide adequate CPR, first
13 responder and first-aid. We have no
14 objections to this change, as the
15 riverboat staff will be provided adequate
16 CPR, first responder and first-aid
17 training. All these changes will update
18 the emergency response from Hollywood's
19 staff and will remain -- the reliability
20 to safeguard the public and employees
21 aboard.

22 It is the recommendation of ABS
23 Group Consulting that a revised manning
24 variance for Hollywood Casino be
25 approved.

22

1 Good morning, Chairman and Board
2 Members. I'm John Reinert from ABS Group
3 Consulting here to report the annual
4 certification for Hollywood Casino. The
5 inspectors, Doug Chapman and Pete
6 Bullard, did, on June 6th, 2017, attend
7 the riverboat Casino Rouge to conduct the
8 annual inspection in accordance with the
9 alternative inspection of riverboat
10 gaming vessels in the State of Louisiana.

11 The inspectors reviewed fire
12 protection equipment, egress routes,
13 mooring systems, inspected the machinery

14 spaces and conducted a fire drill on the
15 main deck of the casino floor. The
16 deficiencies found during the inspection
17 are found on page six of your report.

18 A follow-up of all deficiency items
19 was done on June 14th through August 22d.

20 All deficient items were corrected and
21 found satisfactory. The deficiencies
22 corrected can be found in the
23 supplemental report.

24 The 2017 annual survey as required
25 by the State of Louisiana Gaming Control

23

1 Board is complete and to date does not
2 present any safety concerns to its
3 patrons or employees on the riverboat.

4 It is the recommendation of ABS Group
5 Consulting that Hollywood Casino be
6 issued this Certificate of Compliance.

7 MR. LEWIS: We now present these
8 findings to the Board and request that
9 upon your accepting the reports for the
10 manning variance and the Certificate of
11 Compliance submitted by ABSC, you will
12 move for the issuance for the approval of
13 the manning variance and for the issuance
14 of the Certificate of Compliance for
15 Hollywood Casino.

16 CHAIRMAN JONES: Thank you. For the

17 benefit of my Board Members, we got here
18 today after a series of meetings at the
19 request initially of the licensee with
20 respect to the barge, and I think all of
21 your know that -- that when it comes to
22 safety, nothing is more important in
23 terms of what we represent for the state.
24 And we're always going to.

25 So I was a little bit concerned,

24

1 initially, but I have to say ABSC did an
2 incredible job on the -- on the report.
3 I learned a whole lot more than I even
4 pretended to know about -- about the
5 river and the risk, and I'm very
6 satisfied that we've gotten to a
7 reasonable recommendation here; and I
8 thank you ABSC for the expert help there.
9 We appreciate it.

10 MR. REINERT: Thank you.

11 CHAIRMAN JONES: Are there any
12 questions from the Board? Do I have a
13 motion to accept ABSC's recommendation
14 for riverboat staffing for Hollywood
15 Baton Rouge Casino riverboat gaming
16 vessel and issue a Certificate of
17 Compliance which will incorporate the
18 approved staffing?

19 MS. BERRY: So moved.

20 CHAIRMAN JONES: Who moved? Miss
21 Berry moved and Mr. Patrick seconded.

22 Any objection? Without objection,
23 the motion carries. Thank you,
24 gentlemen.

25 MR. LEWIS: Thank you.

25

1 D. Consideration of Petition of Caesars
2 Entertainment Corporation for Approval of Merger
3 of Caesars Acquisition Company into Caesars
4 Entertainment Corporation and Related Issues

5 CHAIRMAN JONES: And now to the
6 headliner: Consideration of Petition of
7 Caesars Entertainment Corporation for
8 Approval of Merger of Caesars Acquisition
9 Company into Caesars Entertainment
10 Corporation and Related Issues.

11 Staff and I have discussed
12 sequencing of the presentations and would
13 like to proceed in the following order:
14 We'll have Charmaine Moore, who is Deputy
15 Director and Assistant Attorney General,
16 who is going to introduce the matter. CC
17 will make a brief presentation, after
18 that followed by reports by Audit and
19 State Police.

20 Ms. Moore, the floor is yours.

21 MS. MOORE: Good morning, Chairman
22 Jones, Members of the Board, Charmaine

23 Moore, Assistant Attorney General.
24 Caesars Entertainment Corporation
25 has petitioned the Board for approval of

26

1 certain transfers of ownership of its
2 three licensees: Jazz Casino Company,
3 LLC, doing business as Harrah's
4 New Orleans Casino; Horseshoe
5 Entertainment, L.P., doing business as
6 Horseshoe Bossier City; and Harrah's
7 Bossier City Investment Company, LLC,
8 doing business as Harrah's Louisiana
9 Downs.

10 The transfers and related matters
11 including the necessary financing, all of
12 which require Board approval, are part of
13 the bankruptcy reorganization plan of
14 Caesars Operating Company and various
15 subsidiaries.

16 The plan provides for the creditors
17 to receive a combination of cash, CEC
18 common stock and the real property and
19 improvements of several gaming entities
20 owned and operated by Caesars, including
21 Horseshoe and Louisiana Downs. The plan
22 calls for, among other things, the merger
23 of the CAC, which is Caesars Aquisition
24 Corporation, with and into Caesars
25 Entertainment Corporation. This transfer

1 result -- this merger results in a
2 transfer of Jazz Casino Company doing
3 business an Harrah's New Orleans Casino.

4 The plan also calls for the
5 effectual conversion by merger of CEOC
6 and Harrah's New Orleans Management
7 Company. These mergers result in the
8 transfers of Horseshoe and Louisiana
9 Downs. The plan also calls for the
10 creation of a REIT entity named VICI
11 Properties, Inc., into which the real
12 estate assets of Horseshoe and Louisiana
13 Downs will be transferred; the transfer
14 of the REIT entity to certain bankruptcy
15 creditors and the leaseback of the
16 property to Horseshoe and Louisiana
17 Downs; the issuance of approximately 31
18 percent of CEC common stock to certain
19 bankruptcy creditors, and the significant
20 dilution of the ownership interests of
21 Apollo and TPG in Caesars.

22 Upon effectuation and completion of
23 the plan, Caesars will retain the
24 ownership and control of all gaming
25 entities and operations.

1 If it is the Board's pleasure to
2 approve the transactions, a Resolution

3 has been prepared for the Chairman's
4 signature. In addition, various
5 conditions have been placed on the
6 Board's approval of the transactions.
7 CEC, CEOC and VICI have agreed to the
8 conditions and executed an acknowledgment
9 and acceptance of those conditions. Most
10 of the conditions concern reporting
11 requirements in connection with the lease
12 to be entered into between a subsidiary
13 of VICI Properties as lessor and
14 Horseshoe and Louisiana Downs as lessees.

15 Representatives from Caesars are
16 here today and would like to address
17 Board at this time.

18 CHAIRMAN JONES: Please come
19 forward. Good morning, gentlemen,
20 welcome back.

21 MR. WEST: Good morning.

22 CHAIRMAN JONES: Deja vu all over
23 again.

24 MR. WEST: Good morning,
25 Mr. Chairman, Board Members, my name is

29

1 Paul West. I am local outside regulatory
2 counsel for Caesars Entertainment
3 Corporation. Obviously, we're very
4 pleased to be here today. It's been a
5 long time coming. As Charmaine -- Miss

6 Moore said, we're seeking your approval
7 of CEOC's long anticipated emergence from
8 bankruptcy. Also present with us today
9 to my right is Tim Donovan, Executive
10 Director, General Counsel and Chief
11 Regulatory Compliance Officer of Caesars.
12 To his right is Eric Hession, Chief
13 Financial Officer of CEC. Sue Carletta
14 is with us, Vice-President and Deputy
15 Compliance Officer; John Payne, who I
16 know many of you, if not all of you, know
17 is here, who is currently the CEO of
18 CEOC, but will become the CEO of VICI --
19 COO of VICI. Dan Real, who I do know
20 you-all know is here as well and is the
21 Regional President of Caesars, and Ed
22 Pitoniak is here who is going to be the
23 CEO of these VICI properties.

24 We've distributed a PowerPoint
25 presentation, which we will walk through

30

1 with you. If you're aware, there's
2 several approvals, as Miss Moore stated,
3 which we seek, but they actually fit into
4 a few very general categories. First,
5 the merger of CAC into CEC; second, the
6 issuance of the Caesars Entertainment
7 stock and convertible notes as part of
8 the plan of reorganization; third, the

9 real estate -- the sale of the real
10 estate by Horseshoe Bossier and Louisiana
11 Downs and a subsequent leaseback of that
12 property; and lastly, the financing.

13 Our presentation will be as follows:
14 Mr. Donovan will provide a brief overview
15 of the bankruptcy, then Mr. Hession will
16 provide a financial overview, and
17 Mr. Donovan will close.

18 Tim.

19 MR. DONAVAN: Good morning, Chairman
20 Jones, Members the Board, Staff. It
21 is -- it's always a personal pleasure to
22 be here in Louisiana in Baton Rouge.
23 I've been here quite a bit over -- more
24 recently, but it's, indeed, a special
25 pleasure to be here today to bring to,

31

1 you know, a close a long journey that
2 we've been on for several years. And so
3 I'm happy to be here. I'm happy to be
4 here personally and happy to be here
5 professionally on behalf of Caesars
6 Entertainment.

7 I am Tim Donovan. I'm the -- as
8 Paul mentioned, I am the Chief Legal
9 Officer, General Counsel and Chief
10 Regulatory and Compliance Officer for
11 Caesars Entertainment. We do have a -- a

12 slide presentation, and if I can manage
13 this correctly, I'll go slide by slide
14 and just give a little bit of background
15 of this journey we've been on.

16 So on January 15th, 2015, CEOC and
17 numerous of its subsidiaries filed to
18 reorganize under Chapter 11 in the U.S.
19 Bankruptcy Court of the Northern District
20 of Illinois. It's been a long road, but
21 after approximately 18 months, we did
22 enter into a plan of reorganization and
23 reached an agreement that was confirmed
24 by the court, and that was done earlier
25 this year. I believe that was almost

32

1 two -- you know, the second anniversary
2 of our filing by off by a couple of days.

3 The plan was, therefore, confirmed
4 on January 17th of this year, and we have
5 been working, you know, with your staff
6 and your team, Chairman Jones, as well as
7 working internally trying to get to a
8 place that we could finally emerge and
9 close the transition; and, of course,
10 part of that obviously is getting the
11 necessary regulatory approvals.

12 I'm pleased to say that, assuming
13 today goes well, we will have just one
14 more jurisdiction to receive approval

15 from, that being Missouri, and that is
16 scheduled for Wednesday of next week.
17 After that, we will proceed to close on
18 the myriad of transactions that are
19 involved and called for under the plan of
20 reorganization, and we hope to accomplish
21 that October 2nd, that time frame.

22 So as it's been mentioned already,
23 the plan at a high level involves a
24 merger between CAC, Caesars Acquisition
25 Corporation, and CEC, Caesars

33

1 Entertainment Corporation. Following
2 that merger, CAC will cease to exist, and
3 CEC will be the sole surviving holding
4 company, if you will. The stockholders
5 of both companies have approved the
6 merger. That happened earlier this year,
7 and existing in that merger -- existing
8 stockholder of CAC will receive
9 approximately 27 percent of the CEC
10 resulting entity. And I'm sorry to be
11 using acronyms, and I'll just, again,
12 remind: CAC is Caesars Aquisition Corp,
13 and CEC is Caesars Entertainment
14 Corporation, and then another acronym is
15 CEOC, which is Caesars Entertainment
16 Operating Company.

17 Apollo and TPG, the private equity

18 company that took Caesars Entertainment
19 back in 2007, 2008, their existing stock
20 in CEC will be contributed to the
21 creditors as part of the consideration
22 for the affirmance of the plan and part
23 of the consideration to emerge from
24 bankruptcy.

25 Following the merger, however,

34

1 because of their interest in CAC, they
2 will continue, after the merger, to hold
3 stock in the resulting CEC each with
4 approximately about a 7 percent interest
5 in CEC at closing. Their co-investors
6 will own approximately another 7 percent,
7 so in total, approximately 21 percent
8 will be owned among Apollo, TPG and their
9 co-investors.

10 The plan also calls for the creation
11 of a real estate investment trust, a
12 REIT, which will own the vast majority of
13 CEOC's real estate. Indeed, it will own
14 all of CEOC's -- Caesars Entertainment
15 Operating Company's real property --
16 domestic real property as a result of
17 this plan of emergence. CEC will also
18 issue new convertible notes to CEOC
19 creditors in the amount of \$1.1,
20 \$1.2 billion with an interest rate of 5

21 percent, and they are convertible into
22 approximately 18.6 percent of CEC on a
23 fully diluted basis as calculated on day
24 of emergence. And, obviously, that may
25 change over the period of those

35

1 convertible notes.

2 CEC board will be a new board. It
3 will consist of eleven members, eight of
4 whom must be independent directors.
5 Well, actually, frankly, I believe it
6 will from a pure definition under the
7 NASDAQ rule, which we are a NASDAQ listed
8 company, that more than eight will fit
9 the definition of independent under the
10 NASDAQ rules, but the plan of
11 reorganization required that at least
12 eight of the eleven be independent.

13 Relative to the State of Louisiana
14 and our operations here, the REIT will
15 own the real estate associated with
16 Horseshoe Bossier City, Harrah's
17 Louisiana Downs, and it will have a call
18 right for the Harrah's New Orleans real
19 estate assets; and that call, you know,
20 can be exercised at any point in time
21 over, I want to say, a three -- maybe
22 it's a five-year period.

23 UNIDENTIFIED SPEAKER: Five.

24 MR. DONAVAN: Five-year period.

25 The subsidiaries of CEC will operate

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1 all of the operations -- you know, all of
2 the casino operations and virtually all
3 related operations of the three Louisiana
4 properties, and, indeed, that the same
5 would be true for all of the other
6 properties -- real estate that's
7 contributed to the REIT whereby the
8 operation still remain with CEC and its
9 subsidiaries.

10 So this just depicts a reasonably
11 simplistic manner what the final
12 structure will look like on day of
13 emergence.

14 So with that, I'll turn it over to
15 Eric, and he'll walk through the
16 financial impact here.

17 MR. HESSION: Thanks, Tim.

18 I appreciate you giving the
19 opportunity to walk through this. I know
20 the staff has conducted an extensive
21 amount of work into the detailed
22 financials, so what I'll do is just cover
23 it at a high level and then be available
24 for any questions that you might have on
25 any of the specifics.

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1 But the key takeaway from this
2 restructuring is that the balance sheet
3 and the ultimate ability to generate cash
4 from the Caesars enterprise perspective
5 is greatly improved relative to the
6 situation we were in prior to the
7 restructuring. And from a debt
8 perspective, we'll be reducing
9 approximately \$10 billion worth of debt.
10 Prior to entering into the restructuring
11 in 2014, we had roughly \$23.5 billion
12 worth of debt. You can see this in the
13 chart on the left-hand side.

14 When we emerge, we'll have roughly
15 \$14.6 billion worth of debt, and that
16 includes three different components.
17 One, a component of \$8.5 billion, which
18 is traditional debt, and that consists of
19 bank and bond financing that we're
20 familiar with. The white box reflects
21 the capitalization of the lease payment.
22 So although that is an expense that's
23 being paid annually, it is an obligation
24 for the company, and it's an appropriate
25 representation from a financial

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1 perspective to capitalize that in some
2 form and treat it as debt.

3 We've shown here -- that's about \$5

4 billion, which is about eight times the
5 annual lease payment. That's
6 traditionally the way that it's looked at
7 from the rating agencies and from
8 investors. And then on top of that,
9 there's a \$1.1 billion convert, which is
10 the gray bar that Tim's highlighted
11 earlier. That convert will likely be
12 converted into equity due to the way it's
13 priced; however, to be complete, we've
14 shown it here as debt, which it could
15 ultimately be if the company were to fail
16 to perform. So ultimately an approximate
17 9 to \$10 billion reduction in debt
18 relative to what we were prior to the
19 emergence.

20 From a leverage perspective, similar
21 results. We were roughly 14 times
22 levered in 2014, and then again including
23 all of these three components, we'll be
24 around 5.7 times leverage. The base
25 traditional debt is 4.2, and again, if

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1 you back up to convert, we're 5.3 times
2 levered. That's roughly in line with the
3 peers, both the Opco peers (phonetic)
4 that you're familiar with with Penn and
5 Pinnacle, and also fully owned asset
6 peers, like MGM and Eldorado and some of

7 the others.

8 From a fixed charge perspective, our
9 annual obligations have also been reduced
10 significantly from approximately \$2.7
11 billion in 2014 down to 1.2, \$1.3 billion
12 projected at emergence. That consists of
13 both the lease payment, which is shown at
14 640, and then interest expense of 637.

15 One thing I would note is that the
16 637 of interest expense includes bonds
17 and some Legacy capital structures that
18 are priced at very high rates. We're
19 able to refinance those and, in fact, are
20 approaching the market currently, and we
21 expect another approximately \$150 million
22 or so of reduced interest expense as a
23 result of those refinancings and
24 simplification. So this 1.27 should fall
25 by another 125 to \$150 million when we're

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1 all complete with our capital structure
2 refinancings.

3 From a COEC perspective, obviously
4 the debt is primarily being reduced on
5 the CEOC side because that's the entity
6 that went into restructuring. The
7 ultimate obligations on CEOC will be a
8 term loan of \$1.235 billion. That's
9 already syndicated and committed by a

10 lending group at LIBOR plus 250 basis
11 points, so an excellent execution. That
12 will reduce the -- both effective rate
13 and the absolute dollars spent on
14 interest because of the size of the debt
15 obligation coming down. The annual rent
16 of 640 consists of three discreet
17 payments: One, \$465 million for all of
18 the properties except Caesars Palace; one
19 for \$165 million for Caesars Palace
20 itself, and then \$10 million for the golf
21 course assets, in aggregate \$640 million.

22 As Tim noted, the parent company CEC
23 will provide a guarantee for the lease
24 payments, and then as I've referred to
25 earlier, our cost of capital or cost of

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1 borrowing, rather, falls quite
2 dramatically from 10 percent
3 pre-restructuring down to 3.44, 4.4
4 percent range today; and that's in
5 addition to the quantum of debt that will
6 be falling, as well.

7 From a company perspective, what
8 this does is that is really sets us to be
9 able to move forward and have free cash
10 flow and have a solid balance sheet.
11 When we emerge, we'll have roughly
12 \$2 billion in cash on the balance sheet,

13 and we'll be generating between 5 and
14 \$600 million worth of cash per year.
15 That will provide a great amount of
16 flexibility that our company hasn't had
17 for probably the prior eight to ten-year
18 period, where we have had -- where we've
19 been struggling with our leverage and our
20 interest expense. It will allow us to
21 invest in the properties and further
22 invest in technology and in our people so
23 that we're able to continue to advance
24 the business and make sure that we're on
25 the cutting edge of the technology and of

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1 the gaming industry.

2 In particular, one of the areas that
3 we're very excited about is being able to
4 put technology to work both in the back
5 of the house and the front of the house.
6 Back of the house, as you know, casinos
7 operate with significant Legacy IT
8 related systems. We're excited to be
9 able to move those to the Cloud and other
10 the systems. It will allow us to operate
11 more effectively. What that does, then,
12 is translates in to the front of the
13 house in the customer facing environment
14 where we will be able to integrate with
15 applications, be able to integrate with

16 our employees on the floor being able to
17 provide offers and more real-time
18 interaction with the customers. We're
19 calling it the casino of the future, but
20 really it's a technology push that will
21 allow us to really make sure that our
22 product and our offerings to the
23 customers stay relevant.

24 So that's an area where we'll really
25 be able to put our foot forward and be

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1 able to create an environment for the
2 customers and employees that will provide
3 us -- sustain us into the future.

4 So with that, we'll pause and see if
5 there are any questions or anything else
6 at this time.

7 CHAIRMAN JONES: Board, do you want
8 to wait until State Police Auditors have
9 presented the forum?

10 MS. BERRY: I just have one.

11 CHAIRMAN JONES: Yes ma'am,
12 Miss Berry.

13 MS. BERRY: Back to your lower cost
14 of capital.

15 CHAIRMAN JONES: Pull your
16 microphone down.

17 MS. BERRY: The lower cost of
18 capital seems to be very -- very, very

19 well structured down. Is that pretty
20 well fixed?

21 MR. HESSION: So it's -- as I
22 mentioned, there's one additional
23 financing that we're currently in the
24 market contemplating right now. Assuming
25 that is completed as we've drawn it out,

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1 we will be approximately 25 to 30 percent
2 fixed and 70 percent variable, and our
3 plan is to enter into some swap
4 transactions to convert that variable
5 debt into a little bit more fixed, given
6 the fact that we are a consumer-basing
7 business, and consumers tend to --
8 consumer health is roughly correlated to
9 interest rates. As interest rates rise,
10 consumers -- or consumers will be doing
11 better and in that interest rates will
12 rise. We feel like we're somewhat
13 insulated. So probably something between
14 40 and 50 percent fixed, and then 50 to
15 60 percent variable is ultimately where
16 we would end up.

17 MS. BERRY: Ultimately, but right
18 now we're looking at 70/30.

19 MR. HESSION: 70/30, but these swap
20 transactions can be entered in to very
21 quickly, so I would anticipate before the

22 end of the year that we would execute
23 that swap to change some of our variable
24 rate to fixed. It's not a complicated
25 transaction, and it's just a contractual

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1 agreement with a bank.

2 MS. BERRY: I was just concerned
3 with the talk of the interest rates
4 rising --

5 MR. HESSION: Right.

6 MS. BERRY: -- how well y'all were
7 going to be fixed in there. That would
8 help a lot.

9 MR. HESSION: That's right.

10 MS. BERRY: Just keep a close eye on
11 that. Thank you. That's it.

12 CHAIRMAN JONES: Thank you.

13 MR. DONAVAN: Mr. Chairman?

14 CHAIRMAN JONES: Yes.

15 MR. DONAVAN: I would be remiss if I
16 give up this microphone before I give
17 great thanks to yourself and to members
18 of your staff. So I'd like to you, if
19 you wouldn't mind, and y'all give me just
20 a minute to just specifically call out
21 the names of the people that have been so
22 instrumental on getting us here to this
23 day.

24 So I would like to especially thank

25 you, Lana Tramonte, Judy [sic] Smith.

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1 They've worked -- in fact, Miss Smith
2 actually got in her car and drove me to a
3 meeting on one morning when I caught her
4 in her office on a day off, I might add.
5 So I appreciate that. I've grown to
6 really enjoy your staff.

7 I'd also like to thank the State
8 Police, Captains Hale and Schutz,
9 Investigators Verrett and Landry. I got
10 to know Mr. Landry quite well as we sat
11 through many interviews together.

12 State Police Gaming Audit, Lonna
13 Willingham, Evie Ficklin and Donna
14 Jackson, and the Attorney General's
15 Office, Charmaine Moore and Chris Hebert.
16 All of their work was not -- without them
17 we wouldn't be there today, and they've
18 been so cooperative and have been so kind
19 in facilitating in what was a very, very
20 complex transaction and a very, very
21 complex situation.

22 So I felt like I needed to
23 specifically give them a shout-out.

24 CHAIRMAN JONES: Thank you very
25 much. We appreciate it.

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1 MR. WEST: Mr. Chairman, at the

2 time, we'll take a seat and let State
3 Police come up and give their report, and
4 then, as I introduced, we have many
5 people here who can answer any questions
6 at all. I'd like to add my thanks, also,
7 to all of you who have been very patient
8 over the last two years putting this
9 thing together. It's been a long road,
10 but it's good to be here.

11 CHAIRMAN JONES: Thank you, Paul.

12 Come on down. Good morning.

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

17 Debtor CEOC's plan to exit
18 bankruptcy involves the creation of
19 several new companies primarily to form
20 the REIT, transfers of interest through
21 mergers, a transfer and spinoff of the
22 debtor's real property assets to the REIT
23 and multiple financial transactions.

24 The major financial transactions on
25 the Opco side of the REIT that will be

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1 executed on the plan effective date
2 include: Large contributions of cash and
3 equity by parent Caesars; approximately,
4 \$2.965 billion in escrowed cash from the

5 2016 sale of Caesars Interactive
6 Entertainment social and mobile gaming
7 business; and new financing by CEOC, LLC,
8 our new COEC.

9 New CEOC will replace debtor CEOC
10 under the plan. The Caesars sources and
11 uses of funding schedule in connection
12 with the debtor's plan is shown on page
13 42 in our report.

14 Caesars will make significant
15 contributions to the restructure under
16 the plan in exchange for a settlement of
17 all outstanding claims debtor CEOC may
18 have against Caesars. Those
19 contributions include: Caesars issuance
20 of approximately \$1.1 billion in new 5
21 percent convertible notes with a
22 seven-year term that will be issued to
23 certain other debtors, non-first lien
24 creditors and are convertible into
25 approximately 18.6 percent diluted CEC

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1 equity; Caesars issuance of approximately
2 \$6.8 billion of its common stock.

3 Caesars has committed to repurchase \$1
4 billion of that issuance and the
5 remaining \$5.1 billion before certain
6 adjustments will be used in the
7 settlement of claims in litigation;

8 commitment to purchase 100 percent of new
9 CEOC's common equity for \$700 million in
10 cash, and a contribution of approximately
11 \$768 million as of June 30th, 2017, in
12 connection with the bank guarantee
13 settlement with the debtor's first lien
14 bank creditors. A more complete schedule
15 of Caesars contribution is shown on page
16 43.

17 To partially fund the plan, new CEOC
18 will enter into a new \$1.435 billion
19 credit agreement comprised of a \$1.235
20 billion Term B loan facility and a \$200
21 million revolver. Included in the
22 agreement is a provision for up to a \$350
23 million incremental loan. While the
24 \$1.235 billion Term B loans will be fully
25 drawn at closing, there are no plans to

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1 use the resolver. New CEOC will
2 distribute the proceeds from the
3 syndication of the Term B loans to the
4 debtor's first lien bank lenders and its
5 first lien note holders in partial
6 satisfaction of claims.

7 After the restructure, Caesars will
8 have approximately \$8.4 billion
9 outstanding in long term debt, not
10 including the capitalization of that

11 lease. Of that debt, new CEOC will have
12 approximately \$1.6 billion outstanding, a
13 significant reduction from the,
14 approximately, \$18 billion in January of
15 2015 when it filed the reorganization.
16 Caesars anticipated capital structure
17 after the restructure transactions is
18 shown on page 63.

19 On the Propco side, or the REIT
20 side, VICI Properties 1, LLC, or VICI
21 Property, will enter into new financing
22 agreements, as well as its subsidiary,
23 CPLV, LLC. Both entities are indirectly
24 owned one hundred percent by their REIT
25 entity, VICI Properties, Inc. VICI

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1 Propco will enter into a new \$1.961
2 billion senior secured credit facility
3 and distribute the proceeds from the
4 borrowing to the debtor's first lien bank
5 creditors, issue \$435 million in first
6 lien notes and distribute the notes to
7 the debtor's first lien note holders, and
8 issue approximately \$1.758 billion in 8
9 percent second lien notes that will be
10 allocated between the debtor's first lien
11 creditors.

12 In connection with the distributions
13 of the Propco debt, certain other

14 creditors have the option to satisfy
15 their claims in Propco common stock
16 instead. The up to \$2.2 billion in debt
17 incurred by CPOV is debt incurred in
18 connection with Caesars Palace Las Vegas.
19 The majority owners of Caesars will
20 change with the debtor's exit from
21 bankruptcy. Subsequent to the exit, the
22 majority ownership in Caesars will be
23 held by its former creditors.

24 No financial issues came to our
25 attention to preclude the Board's

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1 approval of these financial transactions
2 that will be executed in connection with
3 debtor CEOC's exit from bankruptcy.
4 Investigator Dale Landry will now present
5 his report.

6 TROOPER LANDRY: Good morning,
7 Mr. Chairman Jones and Members of the
8 Board. My name is William Landry. I'm
9 an investigator with the Louisiana State
10 Police Gaming Enforcement Division.

11 The Division conducted an updated
12 suability investigation on Caesars
13 Entertainment Corporation and its
14 subsidiaries and their officers,
15 directors and persons with a 5 percent
16 more ownership interest in the companies.

17 This investigation consisted of inquiries
18 through Federal, State and local law
19 enforcement agencies, computerized
20 criminal histories, databases, financial
21 and civil institutions and gaming
22 regulatory agencies.

23 At the conclusion of this
24 investigation, I discovered no
25 information which would preclude the

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1 Board from granting a finding of
2 suitability for Caesars Entertainment
3 Corporation and its subsidiaries or any
4 of its officers, directors or board
5 members.

6 And at this time, I'll gladly answer
7 any questions you may have.

8 CHAIRMAN JONES: Mr. Stipe.

9 MR. STIPE: In terms of -- first of
10 all, thank you for the various reports on
11 this, which if it's over 95 pages, it
12 must be time-consuming, right? In terms
13 of the information you did have, however,
14 the lease, the management and the support
15 agreement, those were reviewed by your
16 office and the Attorney General's Office;
17 is that correct?

18 MS. MOORE: Our office reviewed
19 them.

20 MR. STIPE: You've given us
21 summaries of what those are, but that's
22 not -- your recommendation to us is that
23 those lease agreements are acceptable.

24 MS. MOORE: Correct. We didn't see
25 a problem with any of them.

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1 MR. STIPE: All right. And as I
2 understand the process, we have not had
3 the effective date, commencement date,
4 trigger date, whatever you want to say,
5 of the plan itself. Where we are is, the
6 plan's been approved. We're in the
7 middle of getting all the regulatory
8 approvals; and then once all those are
9 approved, I suppose they'll be a motion
10 for a commencement date or something
11 along those lines, and they'll execute on
12 this plan.

13 MS. MOORE: Correct.

14 MR. STIPE: Right. And then once
15 they execute on this plan, then the
16 conditions is -- are that they will
17 forward us all of the executed documents,
18 and we'll make sure that they comport
19 with what has been reviewed by your
20 officer already.

21 MS. MOORE: Yes.

22 MR. STIPE: There are capital

23 expenditures that the -- Caesars has to
24 make in connection with the REIT owned
25 property; is that accurate? Is that

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1 fair?

2 MS. MOORE: (Nods head.)

3 MR. STIPE: And the way it's
4 structured is there are -- Caesars owns
5 more than 20, more than 30 properties.
6 There are aggregate amounts. They are
7 not -- they are not minimum amounts per
8 each property in this payout?

9 MS. MOORE: That is correct.

10 MR. STIPE: So we really need to
11 look to Caesars to be able to make sure
12 that these properties are being
13 maintained and that there's capital
14 expenditures and that their value's being
15 enhanced within our jurisdiction --

16 MS. MOORE: Yes.

17 MR. STIPE: -- is that fair?

18 And the capital expenditures --
19 well, if this is better directed, then
20 tell me, but the capital expenditures
21 that they're projecting, what type of
22 expenditures are those? And if it's
23 better directed to them, that's fair.

24 MS. MOORE: Yeah, I think they can
25 answer that better.

1 MR. STIPE: Okay. And that's all I
2 have.

3 CHAIRMAN JONES: Do we have any
4 other questions for State Police or the
5 Attorney General's Office? The Board
6 appears to see be clear. Thank you.

7 Tim, did you or Eric want to come
8 forward or anyone else you wanted to.
9 Good morning.

10 MR. DONAVAN: Good morning.

11 CHAIRMAN JONES: Back to you,
12 Mr. Stipe.

13 MR. STIPE: Before I get -- a couple
14 of assets that I think were mentioned
15 when we first started this. The World
16 Series of Poker or whatever that -- the
17 licensing rights, where did that end up
18 in this proceeding?

19 MR. DONAVAN: It ends up back in the
20 Caesars family.

21 MR. STIPE: And the Total Rewards
22 Program, all the intellectual property,
23 all the database of information, who owns
24 that?

25 MR. DONAVAN: It comes back to the

1 Caesars family. It actually never left,
2 but it stays with the Caesars family

3 post-emergence.

4 MR. STIPE: All right. And the
5 Caesars -- I'm going to call it Caesars
6 Operating. Caesars Operating will
7 operate the two -- the Louisiana Downs
8 and the Horseshoe; is that right?

9 MR. DONAVAN: That's correct. It
10 will be done through, you know,
11 subsidiaries, but that's correct. All of
12 the operations are still with the same
13 folks that they were before.

14 MR. STIPE: And then as to the land,
15 the casino in New Orleans, is Caesars
16 operating providing services to that
17 casino in New Orleans?

18 MR. DONAVAN: Yes.

19 MR. STIPE: What type of services?

20 MR. DONAVAN: Basically, the same
21 services that are being conducted today.
22 So really at a property level, you won't
23 see any changes other than, you know,
24 natural changes that happen with any
25 company. You won't see any changes in

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1 the people, the people who are operating
2 it, the managers of those people. It
3 will stay the same as it is today
4 post-emergence.

5 MR. STIPE: And the employee

6 requirements that are embedded in the
7 contract will remain?

8 MR. DONAVAN: Yes.

9 MR. STIPE: And so they will
10 continue to be W-2 employees of that
11 entity directly attributed to debt.

12 MR. DONAVAN: Yes.

13 MR. STIPE: Not relying on any
14 allocation of employees or services from
15 the operating company in support of that
16 facility.

17 MR. DONAVAN: No. Only the same
18 back support that's being provided has
19 been provided by corporate for, you know,
20 a number of years including, you know,
21 people such as myself as the general
22 counsel.

23 MR. STIPE: The capital
24 expenditures, there's an aggregate
25 requirement as I -- if I misstate this,

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1 please correct me, but there's an
2 aggregate requirement that you need to
3 make in terms of the total dollar for all
4 of the facilities, which is 30 plus,
5 correct?

6 MR. DONAVAN: That's correct.

7 MR. STIPE: Okay. There is no
8 allocation for the individual facilities.

9 MR. DONAVAN: That's correct, with
10 the exception of Caesars Palace because
11 that's a separate financing and a
12 separate lease.

13 MR. STIPE: It's a very nice place,
14 but I'm really not worried --

15 MR. DONAVAN: No, I know. I just
16 wanted to answer your questions.

17 MR. STIPE: And I appreciate that.
18 I appreciate that.

19 One of the concerns that I always
20 have is under our structure there are a
21 finite number of facilities that can be
22 operated where you have multiple
23 jurisdictions, multiple entities, there
24 is the temptation to allocate capital
25 expenditures to those other

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1 jurisdictions. And, in fact, one of the
2 concerns, I think, when this first came
3 to the Board was those two facilities in
4 north Louisiana becoming orphans as
5 someone represented to us.

6 Can you speak to that to this Board
7 in terms of how those two facilities fit
8 into your corporate structure and why we
9 don't need to worry about that.

10 MR. DONAVAN: Yes. And if you allow
11 me, I'm going to defer to the two

12 gentlemen on either side.

13 MR. REAL: So, Mr. Stipe, there's no
14 doubt --

15 CHAIRMAN JONES: Introduce yourself.

16 MR. REAL: Oh, I'm sorry. Dan Real,
17 Regional President of the South, and I am
18 over all three properties despite the
19 difference between New Orleans and
20 Northwest Louisiana.

21 Hopefully you've seen even through
22 the transition going to CGP and now back
23 to where we were going to go to one
24 entity, all three properties, in my
25 opinion, have been run with the highest

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1 regard, and I have spent quite a bit of
2 time, as these gentlemen will tell you,
3 preparing a master plan for Louisiana.
4 We believe in Louisiana. We have been
5 here for a while. It's a great
6 regulatory environment. I am personally
7 now seven years in New Orleans. I am
8 probably the most bullish that you will
9 find on that property, in particular, and
10 believe that the future for Harrah's
11 New Orleans is extremely bright,
12 specifically around non-gaming and
13 hospitality assets. We have the second
14 floor, some of the things that I've

15 discussed with you, and actually we've
16 only shown you the beginning.
17 Louisiana Downs, very difficult
18 property. Horse racing, as you know,
19 is -- it's a struggle now. When I go to
20 the racetrack, and I go quite a bit, I am
21 not surrounded by many people my age or
22 younger. But what I will tell you is
23 this month, for example, in August, the
24 four racetracks were down 2 percent when
25 compared to August the prior year.

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1 Louisiana Downs was up 18 percent. We
2 are trying many different things. We
3 moved the Super Derby to the turf. We
4 were able to pick up turf rates from
5 Lloyd Gaming, and we are -- we've added a
6 brand-new wall in the facility to make
7 sure that when you walk in, you feel like
8 you're surrounded by people. Energy is
9 very important, so volume drives volume.

10 Horseshoe Bossier City remains
11 number one in the market. It is the
12 number one property. It's the Legacy
13 property of Jack Binion. I've tried to
14 honor that since day one. If you walk
15 through, even though it's one of our
16 older properties, it has received quite a
17 bit of capital, the brand-new pool and

18 everything else that we've done, to make
19 sure that that property remains number
20 one.

21 There is nothing that has ever been
22 discussed with my team or my bosses as us
23 going in any other direction other than
24 making sure all three Louisiana
25 properties thrive, and right now I'm

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1 pretty proud the way even after the gut
2 punch we kind of took with the smoking
3 ban, we're on our way back, if you look
4 at the numbers. And we're fighting and
5 we're fighting hard, and that's what you
6 can expect when you walk into our
7 properties.

8 Mr. Bradford, I don't want to use
9 the conversation we just had, but you
10 just walked through one of our properties
11 with your wife, spotless. One other
12 thing I want to mention, Mr. Stipe, when
13 I took over Louisiana Downs, they were in
14 the bottom quartile of service in our
15 entire company, and we value that very,
16 very much. We look at it, measure it.
17 We look at it every way you possibly can.

18 Mike Rich has done an amazing job
19 with Louisiana Downs and Bossier City,
20 and now those are literally the number

21 one and two number properties in service
22 in our entire company. So the asset
23 itself, it's a challenge right now.

24 Racing itself is a challenge, but as you
25 know, the funds for those races are

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1 driven by slot -- slot revenue, and we're
2 trying to find a way. Being nine miles
3 away from everyone else at a time when
4 some slot houses are struggling has made
5 it a challenge, but I'm very proud to
6 tell you that we have been improving; and
7 Louisiana Downs this year is going to
8 beat the company plan.

9 I'm not sure what the long-term
10 trajectory is of that property, but as
11 long as I'm involved, I can give you my
12 word. We spend every waking hour of
13 every day to make sure the three
14 Louisiana properties are about as nice as
15 they can possibly be, and I fight for
16 capital quite hard, as Eric will be able
17 to tell you.

18 MR. STIPE: And just as a matter --
19 so when I see these capital expenditure
20 projections, what does that represent?
21 What categories are on those projections?

22 MR. HESSION: Eric, yeah, maybe I
23 can address that. When we -- so we set a

24 multi-year capital plan at a very high
25 level. This year, for example, we are

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1 targeting to spend \$670 million in
2 aggregate with the company. Next year it
3 will be down from that, \$540 million.
4 The reduction is due to fewer room nights
5 being renovated. That's a heavy consumer
6 of capital. That 540 next year is still
7 well in excess of our long-term, what we
8 believe is required to maintain the
9 operations. So we are spending more than
10 what we ultimately believe we'll need to
11 spend in the long-term, and it's well in
12 excess of the minimums as required that
13 you referred to in the plan.

14 When we then split it up to the
15 property levels, we do estimates based on
16 historical needs and certain -- if they
17 have a hotel or if they don't have a
18 hotel, but ultimately in the long run
19 those are simply placeholders at the
20 properties. So, for example, in
21 New Orleans, we're showing roughly \$10
22 million a year of capital. Next year,
23 however, that's going to be around 20
24 because we have some extra projects that
25 we want to allocate capital to.

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1 Each year we try to get more
2 tactical in terms of as the year comes
3 closer and closer and say, these are the
4 rooms we're going to renovate; these are
5 the special projects we're going to do;
6 these are the major things we're going to
7 accomplish. And then we also have a
8 certain number of slot machines that we
9 do each year, roofs that have to be
10 replaced, carpet and so forth and
11 maintenance, and so that's how we put our
12 plan together. If there's an
13 opportunity, though, for a particular
14 property with respect to its competitive
15 dynamic or there's an opportunity where
16 we seek to expand or do some other, you
17 know, approach that would require
18 additional capital, we absolutely shift
19 it, and we move it around each year. And
20 we have debates between where the capital
21 is most effectively used, and we can even
22 increase it beyond our targeted amounts
23 if there are projects that justify it.

24 So that's kind of how we think about
25 it, the capital that we have in aggregate

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1 in Louisiana kind of from a placeholder
2 standpoint, but with the long-term is
3 around 15 to \$20 million a year. But as

4 I noted, next year, for example, it will
5 be much higher than that due to the
6 projects that we've identified.

7 MR. STIPE: And what percentage of
8 that is the IT initiative that you talked
9 about?

10 MR. HESSION: Those numbers are
11 excluding that. So we have incremental
12 capital of around a \$100 million that we
13 spend at the corporate level, and a
14 significant portion of that is IT
15 related; and all the properties get to
16 benefit from that, but it's in addition
17 to this. Those numbers were the actual
18 capital that's physically at the
19 properties.

20 CHAIRMAN JONES: Mr. Bradford.

21 MR. BRADFORD: I fed Mark most of
22 those questions. I just want y'all to
23 know that, and I didn't think it was fair
24 for him to get all of the questions.

25 Mine is an easy question, but first of

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1 all, I do also want to thank you, the
2 staff, everybody that worked so hard on
3 this, Charmaine and Evie and Lana and
4 Bill and Trudy, everybody. It's amazing.
5 And I was reading this stack of stuff,
6 and I read it three times; and it

7 reminded me of when I went to college, I
8 originally was majoring in accounting,
9 and it reminded me quickly why I changed
10 my major. My word. This is just a
11 mountain of stuff.

12 So my quick question is: Concerning
13 the Harrah's New Orleans real estate, why
14 was it a call rather than put into the
15 deal with the REIT?

16 MR. HESSION: Sure, I could probably
17 address that. It's through the
18 negotiations that the lenders had with
19 the equity holders. That -- those --
20 there were three properties that were
21 identified. It's primarily the three
22 properties that are not in Las Vegas that
23 are outside of CEOC, and the reason why
24 the call is valuable to the REIT is that
25 REITs tend to trade at a multiple of,

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1 say, 13 to 16 times; and they're able to
2 buy this at a pre-agreed price of ten
3 times. And so there's value to be
4 created there.

5 I would expect the REITs will likely
6 call the properties. It depends from a
7 New Orleans perspective because that
8 property is ultimately leased as it is,
9 and so that would have to change for them

10 to call it. So, you know, it would be
11 speculative, but whether they called the
12 New Orleans property, I don't know. I do
13 not think they'll call the other two, as
14 well, but that's how it was reached.

15 MR. DONAVAN: And they're all
16 subject to getting -- prior to any
17 transfer regulatory approval, and I can
18 just add to Eric's answer, if you look at
19 the three properties, including
20 New Orleans, that are the subject of the
21 call option, so they really are to --
22 they're in areas where the REIT will own
23 the real estate of all the other
24 operations in that area but for the three
25 they have a call right on. So in the

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1 case in Louisiana, it adds to the other
2 two, the New Orleans operations, which
3 then would be they would own all the real
4 estate in Louisiana that we -- that we
5 operate.

6 The same is true in Atlantic City.
7 One of the other properties is Harrah's
8 in Atlantic City. It is only one of the
9 three properties in Atlantic City that
10 wasn't in CEOC and therefore wasn't, you
11 know, moved as part of the REIT, and as
12 Eric alluded to, the same is true in the

13 State of Nevada, except for the strip.
14 All of the properties except for the
15 strip properties which are -- which
16 remain owned by CAC or CEC, not CEOC,
17 will be consolidated in a REIT, and that
18 property is Laughlin. All of the other
19 properties in Nevada off the strip are in
20 the REIT, as well.

21 So that's the rationale behind those
22 three properties.

23 MR. BRADFORD: Thank you.

24 CHAIRMAN JONES: Are there any other
25 question from the Board? Did you have a

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1 question, Miss Berry?

2 MS. BERRY: He got my questions
3 already.

4 CHAIRMAN JONES: Okay. There being
5 no further questions, did you have
6 anything to close with, Miss Moore, or
7 we're done?

8 Then I will make a motion to --

9 MR. BRADFORD: So moved.

10 CHAIRMAN JONES: Okay. I have to
11 say that Mr. Bradford did call last week
12 for the Cliffs Notes on this, and I told
13 him none had been presented. He'd have
14 to read everything.

15 We have a motion from Mr. Bradford

16 to adopt the Resolution. Do I have a
17 second?

18 MR. GASTON: I second.

19 CHAIRMAN JONES: All right,
20 Dr. Gaston.

21 Miss Tramonte, would you read the
22 Resolution into for the record.

23 THE CLERK: On the 21st day of
24 September 2017, the Louisiana Gaming
25 Control Board did, in a duly noticed

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1 public meeting, consider the petition of
2 Caesars Entertainment Corporation for
3 approval of the transfer of the
4 above-named licenses [sic] pursuant to
5 the merger of Caesars Acquisition Company
6 with an into Caesars Entertainment
7 Corporation and mergers of certain
8 subsidiaries of Caesars Entertainment
9 Corporation, including the merger of its
10 operating entity, Caesars Entertainment
11 Company, Incorporated, the transfer and
12 leaseback of the real property,
13 leaseholds and the riverboat vessel
14 utilized by Louisiana Downs and/or
15 Horseshoe Bossier City in conducting
16 gaming operations in Louisiana to and
17 from a real estate investment trust, and
18 the related financing, and upon motion

19 duly made and second, the Board adopted
20 this Resolution:

21 Whereas, on January 17th, 2017,
22 United States Bankruptcy Court for the
23 Northern District of Illinois did approve
24 that certain Third Amended Joint Plan of
25 Reorganization in regard to the voluntary

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1 Chapter 11 bankruptcy case of Caesars
2 Entertainment Operating Company,
3 Incorporated, and its subsidiaries;
4 whereas, Caesars Entertainment Operating
5 Company, Incorporated, Caesars
6 Entertainment Corporation, Caesars
7 Acquisition Company and their
8 subsidiaries desire to implement the
9 approved plan in accordance with the
10 terms and conditions therein and in
11 accordance with the Restructuring Support
12 Agreements and other agreements entered
13 into by the aforementioned as Caesars
14 entities and creditors of the bankruptcy.

15 And, whereas, many of the
16 transactions provided for in the plan and
17 the related agreements to be entered into
18 in connection therewith require Board
19 approval, including, without limitation,
20 the financing of the transactions.

21 Now, therefore, be it resolved that

22 the merger of Caesars Acquisition Company
23 with and into Caesars Entertainment
24 Corporation with Caesars Entertainment
25 Corporation to survive, is hereby

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1 approved.

2 Be it resolved that the merger of
3 Caesars Entertainment Operating Company,
4 Incorporated, with and into Caesars
5 Entertainment Operating Company, LLC,
6 with Caesars Entertaining Company
7 Operating [sic], LLC, to survive, is
8 hereby approved.

9 Be it resolved that the merger of
10 Harrah's New Orleans Management Company,
11 Incorporated, with and into Mergeco
12 Harrah's New Orleans Management Company,
13 LLC, with Mergeco Harrah's New Orleans
14 Management Company, LLC, to survive, is
15 hereby approved.

16 Be it resolved that the transfer of
17 certain real property owned by Harrah's
18 Bossier City Investment Company, LLC,
19 (Louisiana Downs) to Harrah's Bossier
20 City, LLC, and the transfer of certain
21 real property and leaseholds and the
22 riverboat vessel "King of the Red," owned
23 or held by Horseshoe Entertainment
24 Limited Partnership (Horseshoe Bossier)

25 to Horseshoe Bossier City Prop, LLC, are

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1 thereby approved.

2 Be it resolved that the execution of
3 the non-CPLV lease by and among Harrah's
4 Bossier City, LLC, and Horseshoe Bossier
5 City Prop, LLC, as landlords, and Caesars
6 Entertainment Operating Company, LLC,
7 Harrah's Bossier City Investment Company,
8 LLC, (Louisiana Downs) and Horseshoe
9 Limited, LP, as tenants, is hereby
10 approved.

11 Be it resolved that the execution of
12 the Management and Lease Support
13 Agreement by and among Caesars
14 Entertainment Operating Company, LLC,
15 Harrah's Bossier City Investment Company,
16 LLC, and Horseshoe Entertainment, LP, as
17 tenant, non-CPLV Manager, LLC, a
18 subsidiary of Caesars Entertainment
19 Corporation as manager, Caesars
20 Entertainment Corporation as guarantor,
21 and Harrah's Bossier City, LLC, and
22 Horseshoe Bossier City Prop, LLC, as
23 landlord, is hereby approved.

24 Be it resolved that the execution of
25 the Board Observer Agreement by and

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1 between VICI Properties, Incorporated,

2 and Caesars Entertainment Operating
3 Company, LLC, is hereby approved.

4 Be it resolved that the execution of
5 the Call Right Agreement by and between
6 VICI Properties, LP, and Caesars
7 Entertainment Corporation, is hereby
8 approved.

9 Be it resolved that the Caesars
10 Entertainment Corporation and Caesars
11 Entertainment Operating Company's request
12 for approval of debt transactions
13 amounting to \$1,435,000,000 consisting of
14 on a \$1,235,000,000 Term Facility and
15 \$200 million Revolving Credit together
16 with incremental facilities capped at an
17 aggregate maximum principal amount of
18 \$350 million is hereby approved.

19 Be it resolved the issuance of
20 \$1,119,000,000 in 5 percent convertible
21 senior notes by Caesars Entertainment
22 Corporation is hereby approved.

23 Be it resolved that the VICI
24 Property, Incorporated's, request for
25 debt transactions to include

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1 \$1,961,000,000 in senior secured first
2 lien term loans, \$431 million in
3 first-priority senior secured floating
4 rate notes due 2022, up to \$1,758,000,000

5 in 8 percent second-priority senior
6 secured notes due 2023, and a \$50 million
7 revolving facility, is hereby approved.

8 Be it resolved that the approvals
9 granted hereby are subject to the
10 conditions set forth on the attached
11 Acknowledge and Acceptance of Conditions.

12 Thus done and signed in Baton Rouge,
13 Louisiana, this 21st day of September,
14 2017.

15 Mr. Bradford?

16 MR. BRADFORD: Yes.

17 THE CLERK: Mr. Stipe?

18 MR. STIPE: Yes.

19 THE CLERK: Mr. Singleton?

20 MR. SINGLETON: Yes.

21 THE CLERK: Mr. Jackson?

22 MR. JACKSON: Yes.

23 THE CLERK: Mr. Gaston?

24 MR. GASTON: Yes.

25 THE CLERK: Miss Berry?

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1 MS. BERRY: Yes.

2 THE CLERK: Mr. Patrick?

3 MR. PATRICK: Yes.

4 THE CLERK: Chairman Jones?

5 CHAIRMAN JONES: Yes. And the

6 Resolution is thereby adopted.

7 Congratulations. Please step away from

8 the table. At the sake of suggesting a
9 group hug, I also want to thank you, the
10 State Police and Attorney General. I
11 mean, this has been arduous. This has
12 been -- you know, and I'm not the
13 smartest guy up here. I'm glad I have
14 some smart people on this Board.

15 We've come a long way in 18 months,
16 and there were days that I wasn't
17 optimistic we were going to get to where
18 we were trying to go to because I didn't
19 know what we were trying to get, but I'm
20 happy for Caesars. I'm really happy for
21 the State of Louisiana because -- and I
22 want to tell you: You've got a great --
23 I told Mark Frissora, when he came in for
24 our Riverboat Task Force, how much we
25 value your team here. John Pain has

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1 mentored some of your people, and I know
2 he'll be stepping away from the
3 operations side. We're going to miss
4 him. He's not leaving the state. That's
5 a good thing. Dan and Mike Rich are
6 great representatives and ambassadors for
7 the company. We expect them to do great
8 things with those properties, and I have
9 every confidence that they will.

10 So thank you for being patient with

11 our staff, but we got here.

12 Congratulations.

13 MR. DONAVAN: Thank you.

14 MR. HESSION: Thank you.

15 VI. CONSIDERATION OF THE FOLLOWING APPEALS:

16 1. In Re: KEAYEA B. SIMMS - No.

17 P040040695

18 CHAIRMAN JONES: We will now move to

19 Consideration of the following two

20 appeals, and the first up is in regard to

21 Keayea B. Simms. That's No. P040040695.

22 Are you here, Miss Simms? Please

23 come up. Have a seat at the table, if

24 you would, please, ma'am. And just to

25 explain to you a little bit about the

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1 process, the Board Members have the

2 entire file for the hearing that you've

3 already been through. So we have all of

4 that evidence. We can't consider any new

5 evidence today whatsoever, okay? So you

6 can't introduce anything that hasn't

7 previously been introduced into the

8 record either in documents, evidentiary

9 form or testimony for the hearing

10 officer, okay?

11 MS SIMMS: Okay.

12 CHAIRMAN JONES: And what we'd like

13 for you to do quite simply is to tell us

14 why the decision of that hearing officer
15 was incorrect.

16 MS SIMMS: Because I think -- well,
17 I'm sorry. I think that it was incorrect
18 because at the time that the decision was
19 made, that the case was still in process,
20 and a plea or, like, a decision has not
21 been made with the court. I had never
22 went to court, had it thrown out, had it
23 not been a felony or anything. The
24 process was still -- the decision was
25 still in process as far as with the

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1 courts.

2 At the time, I was still going back
3 and forth to court. It just was a
4 pending case when he made his decision.

5 CHAIRMAN JONES: Are you telling us
6 that the case has now been dismissed?

7 MS SIMMS: It wasn't dismissed. I
8 pleaded to a misdemeanor and not a
9 felony, and I was given six months of
10 inactive probation.

11 MS. BROWN: Good morning, Chairman
12 Jones, Board Members. I'm Mesa Brown,
13 Assistant Attorney General, appearing on
14 behalf of the Division in the matter of
15 In Re: Keayea Simms.

16 At the time of Miss Simms'

17 revocation hearing, she had a pending
18 charge of issuing worthless checks in the
19 amount of \$2,000. Due to this charge
20 being one that is punishable by more than
21 one year imprisonment and a crime
22 involving fund misappropriation, theft
23 and fraud, Miss Simms is statutorily
24 disqualified from having a gaming permit.

25 Miss Simms filed her appeal stating

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1 that the charge for which her permit was
2 revoked no longer exists. The charge did
3 exist at the time of the hearing so the
4 hearing officer's decision is correct.

5 The Division is asking that the
6 Board affirm the hearing officer's
7 decision or in the alternative remand it
8 back to the hearing office for the
9 presentation of any new evidence that may
10 exist.

11 CHAIRMAN JONES: Board members, are
12 there any questions? Do we have a
13 motion on -- by Mr. Bradford.

14 MR. BRADFORD: Based on the fact
15 that there may be new arguments that you
16 can make at the hearing office, I'm going
17 to move that we remand this back to the
18 hearing officer for further
19 consideration.

20 CHAIRMAN JONES: We have a motion to
21 remand. Do I have a second?

22 MR. JACKSON: Second.

23 CHAIRMAN JONES: By Mr. Jackson.
24 Is there any objection to the
25 motion? Without objection, the matter

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1 will be remanded. Thank you.

2 MS SIMMS: Thank you.

3 2. In Re: Sharon D. Williams - No. P040030319

4 CHAIRMAN JONES: And finally up is
5 Sharon D. Williams, No. P040030319. Is
6 Miss Williams or a representative of Miss
7 Williams here? Please have a seat.

8 Miss Williams, you heard my
9 explanation to Miss Simms.

10 MS. WILLIAMS: Yes, sir.

11 CHAIRMAN JONES: And so the Board
12 has a complete file of your testimony --

13 MS. WILLIAMS: Yes, sir.

14 CHAIRMAN JONES: -- and the evidence
15 presented before the hearing officer, so
16 in very simple terms, could you just tell
17 us why that hearing officer's decision
18 was incorrect.

19 MS. WILLIAMS: When I chose to
20 appeal the decision, those were pending
21 charges that was still pending through
22 the courts, and, of course, I felt like I

23 wouldn't have a fair chance with the fact
24 of it's just a pending charge at this
25 time, so I was wanting to appeal the

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1 decision.

2 CHAIRMAN JONES: Are those charges
3 still pending?

4 MS. WILLIAMS: Yes, sir.

5 CHAIRMAN JONES: Please proceed.

6 MR. PICOU: Good morning, Chairman
7 Jones, Board Members. I'm Assistant
8 Attorney General, Charlie Picou, here in
9 the matter of the appeal of the
10 revocation of Sharon D. Williams' non-key
11 gaming employee permit.

12 On December 16th, 2016, the
13 permittee, Miss Williams, was arrested by
14 the Calcasieu Parish Sheriff's Office for
15 violating Louisiana Revised Statute
16 14:35.2, Simple Battery of Persons with
17 Infirmitities, and Louisiana Revised
18 Statute 14:93.3, Cruelty to Persons with
19 Infirmitities, which is punishable by more
20 than one year of imprisonment.

21 On June 27th, 2017, a revocation
22 hearing was conducted. At that hearing,
23 evidence and testimony was presented by
24 the Division proving that the previously
25 stated charges were currently pending

1 against the permittee. At that hearing,
2 Miss Williams was present and declined to
3 present any testimony or evidence to the
4 contrary.

5 Hearing Officer Reynolds found that
6 the charge of simple battery of persons
7 with infirmities and the charge of
8 cruelty to persons with infirmities
9 remained pending against Miss Williams,
10 and she was unsuitable and disqualified
11 from possessing a non-key gaming employee
12 permit under Louisiana law.

13 To this date, both charges remain
14 pending against the permittee, and at
15 least one of them is punishable by more
16 than one year of imprisonment. We
17 contend that the hearing officer's
18 decision was correct, and based upon
19 these reasons, the Division respectfully
20 requests that you affirm Hearing Officer
21 Reynold's decision to revoke the non-key
22 gaming employee permit of Miss Williams.

23 CHAIRMAN JONES: Board members, any
24 questions?

25 Do I have a motion? Is there a

1 motion, Mr. Jackson?

2 MR. JACKSON: Is it correct you said

3 those charges are still pending?

4 MS. WILLIAMS: Yes, sir.

5 CHAIRMAN JONES: And I think we're
6 somewhat limited in what we can do based
7 on the law, and there is recourse if
8 circumstances change later; but I think
9 based on what we have, I'm going to move
10 to affirm the hearing officer's decision.

11 MR. JACKSON: Second.

12 CHAIRMAN JONES: I have a second.

13 Any objection? Without objection,
14 the matter is affirmed.

15 VII. ADJOURNMENT

16 CHAIRMAN JONES: There being no
17 further business before the Board this
18 morning, do I have a motion to adjourn?

19 MS. BERRY: So moved.

20 CHAIRMAN JONES: By Miss Berry,
21 second by Mr. Patrick.

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1 REPORTER'S PAGE

2

3 I, BRITTANY E. VIDRINE, Certified Shorthand

4 Reporter, in and for the State of Louisiana, the

5 officer before whom this sworn testimony was taken,

6 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, and/or
10 talkovers; that same is the proper method for a
11 Court Reporter's transcription of a proceeding, and
12 that dashes (--) do not indicate that words or
13 phrases have been left out of this transcript;

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

17

18

19

20

21

22

23 BRITTANY E. VIDRINE

Certified Court Reporter #2014025

24 RPR #963689

25

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1 STATE OF LOUISIANA

2 PARISH OF EAST BATON ROUGE

3 I, Brittany E. Vidrine, Certified Court

4 Reporter and Registered Professional Reporter, do

5 hereby certify that the foregoing is a true and

6 correct transcript of the proceedings on September

7 21, 2017, as taken by me in Stenographic machine

8 shorthand, complemented with magnetic tape
9 recording, and thereafter reduced to transcript, to
10 the best of my ability and understanding, using
11 Computer-Aided Transcription.

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

18 Baton Rouge, Louisiana, this 10th day of
19 September, 2017.

20

21

BRITTANY E. VIDRINE, CCR, RPR

CCR NO. 2014025 RPR NO. 963689

23

24