

Directors' Meeting, Board of, (Pages 1:1 to 84:24)

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1 LOUISIANA GAMING CONTROL BOARD

2 BOARD OF DIRECTORS' MEETING

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7 THURSDAY, SEPTEMBER 17, 2020

8 HOUSE COMMITTEE ROOM 1

9 LOUISIANA STATE CAPITOL

10 900 NORTH THIRD STREET

11 BATON ROUGE, LOUISIANA

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14 TIME: 10:00 A.M.

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1 APPEARANCES

2

3 CHAIRMAN MIKE NOEL

Chairman

4 Second Congressional District

June 30, 2025

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6 JULIE BERRY

(CPA)

7 Third Congressional District

June 30, 2024

8

9 ELTON LAGASSE

(At-Large)

10 First Congressional District

June 30, 2021

11

12 HARRY AVANT

(At-Large)

13 Fourth Congressional District

June 30, 2024

14

15 CLAUDE D. JACKSON

(At Large)

16 Fourth Congressional District

June 30, 2021

17

18 O. LAMAR POOLE, JR.

(Economic/Community Planner)

19 Sixth Congressional District

June 30, 2025

20

21 JULIE A. LEWIS

(Investigative and Law Enforcement)

22 Fifth Congressional District

June 30, 2024

23

24

25

3

1 APPEARANCES CONTINUED

2

3 FRANCESCA HAMILTON-ACKER

(Attorney)

4 Third Congressional District

June 30, 2026

5

6 PAUL T. WEST

(Public-Business Administration)

7 Second Congressional District

June 30, 2026

8

9 MICHAEL LEGENDRE

Department of Revenue

10

11 NATALIE THURMAN

Principal Assistant

12

13 REPORTED BY:

14 SHELLEY G. PAROLA, CSR, RPR

Baton Rouge Court Reporters

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1 I. CALL TO ORDER

2 CHAIRMAN NOEL: All right, good
3 morning everyone. We'll go ahead and
4 call the meeting to order.

5 Miss Thurman, would you go ahead and
6 call the roll.

7 MS. THURMAN: Chairman Noel?

8 CHAIRMAN NOEL: Here. Mr. Avant?

9 [No response.]

10 Miss Berry?

11 MS. BERRY: Here.

12 MS. THURMAN: Mr. Jackson?

13 MR. JACKSON: Here.

14 MS. THURMAN: Mr. Lagasse?

15 MR. LAGASSE: Yes, ma'am.

16 MS. THURMAN: Miss Lewis?

17 MS. LEWIS: Here.

18 MS. THURMAN: Mr. Poole?

19 MR. POOLE: Here.

20 MS. THURMAN: Miss Hamilton-Acker?

21 MS. HAMILTON-ACKER: Here.

22 MS. THURMAN: Mr. West?

23 MR. WEST: Present.

24 MS. THURMAN: Colonel Reeves.

25 MAJOR NAAQUIN: Major Naquin for

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1 Colonel Reeves.

2 MS. THURMAN: Secretary Robinson?

3 MR. LEGENDRE: Michael Legendre for
4 Secretary Robinson.

5 MS. THURMAN: We have a quorum.

6 II. PUBLIC COMMENT

7 CHAIRMAN NOEL: All right, at this
8 time, do we have any public comment on
9 any matter that's before the Board
10 today? [No response.] All right, no
11 public comment. Thank you.

12 III. APPROVAL OF MINUTES

13 CHAIRMAN NOEL: We'll move to
14 Approval of the Minutes. Do I have a
15 motion to waive the reading and approve
16 the minutes of the August 20, 2020,
17 meeting?

18 MS. BERRY: So moved.

19 CHAIRMAN NOEL: Second by, Mr.
20 Poole. All right, thank you.

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

22 Any opposed? [No response.]

23 No opposition, the motion passes.

24 IV. REVENUE REPORTS

25 CHAIRMAN NOEL: Our next agenda item

8

1 is our Revenue Reports. Miss Jackson,
2 this is your turn.

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

7 As you're aware, some of the
8 condition closures were necessary due to
9 the threat of Hurricane Marco and the
10 impact of Hurricane Laura. The closures
11 ranged from one to six days. In
12 addition, the casinos remain limited on
13 capacity and gaming positions in play
14 due to COVID-19 guidelines.

15 The 14 operating riverboats
16 generated Adjusted Gross Receipts of
17 \$113,162,444 in August. This total
18 represents a decrease of \$23.8 million
19 or 17 percent from last month, and a
20 decrease of \$51.3 million or 31 percent
21 from last August. This is the first
22 full month that promotional play is
23 excluded from revenue which totaled
24 \$13.8 million.

25 Adjusted Gross Receipts for fiscal

9

1 year 2020-2021 to date are \$250 million,

2 a decrease of \$67 million or 21 percent
3 from fiscal year 2019-2020.

4 During August the State collected
5 fees totaling \$24,329,925. As of
6 August 31, 2020, the State collected
7 \$53.8 million in fees for fiscal year
8 2020-2021.

9 Next is a summary of the August 2020
10 gaming activity for Harrah's New Orleans
11 found on page three. During August,
12 Harrah's generated \$11,792,041 in gross
13 gaming revenue, a decrease of
14 \$1.2 million or 9.3 percent from last
15 month, and a decrease of \$11.5 million
16 or 4 percent from last August. Revenues
17 for the fiscal year 2020-2021 to date
18 are \$24.8 million, a decrease of
19 \$19 million or 43 percent from fiscal
20 year 2019-2020. During August the State
21 received \$5,095,890 in minimum daily
22 payments. As of August 31, 2020, the
23 State collected \$10 million in fees for
24 fiscal year 2020-2021.

25 Next I will present the revenues for

10

1 Slots at the Racetracks. During August,
2 the four racetrack facilities combined
3 generated Adjusted Gross Receipts of
4 \$23,68,622, a decrease of \$4 million or

5 14.5 percent from last month, and a
6 decrease from August a 2019 of
7 \$6.2 million or 21 percent.

8 Adjusted Gross Receipts for fiscal
9 year to 2020-2021 to date are \$51.3
10 million, a decrease of \$7.8 million or
11 13 percent from fiscal year 2019-2020.

12 During August, the State collected
13 \$3.6 million in fees. As of August 21,
14 2020, the State has collected \$7.8
15 million in fees for fiscal year
16 2020-2021.

17 Overall in August, Riverboats Land
18 Based and Slots at the Racetracks
19 combined generated \$148.6 million in AGR
20 and \$33 million in state fees. These
21 revenues represent a decrease from
22 August 2019 of \$69 million or 31.7
23 percent.

24 Any questions before I present the
25 video gaming information?

11

1 CHAIRMAN NOEL: Any questions
2 anyone? [No response.]

3 Please proceed.

4 MS. JACKSON: Nine new video gaming;
5 licenses were issued in August: Two
6 bars, six restaurants and one device
7 owners.

8 Six new video gaming applications
9 were received by the Video Gaming
10 Enforcement Division during August and
11 are currently pending in the field:

12 Four bars and two restaurants.

13 The Gaming Enforcement Division
14 assessed \$1,500 and collected \$7,750 in
15 penalties during August. There are
16 presently \$4,750 in outstanding fines.

17 Please refer to page two of your
18 handout.

19 There currently 12,300 video gaming
20 devices activated at 1,481 locations.

21 Net device revenue for August 2020
22 was \$53.3 million, a \$1.4 million
23 increase when compared to August 2019,
24 and a \$9.2 million decrease when
25 compared to July 2020.

12

1 Net device revenue so far for fiscal
2 year to 20 is \$116.1 million, a
3 \$14.1 million, or 13.8 percent, when
4 compared to fiscal year 2019. Page
5 three of your handout shows a comparison
6 of net device revenue.

7 Total franchise fees collected
8 during August 2020 were \$16.3 million, a
9 \$2.8 million decrease when compared to
10 July 2020, and \$700,000 increase when

11 compared to August 2019.
12 Total franchise fees collected for
13 fiscal year to 2020 are \$35.4 million, a
14 \$4.8 million increase, or 15.9 percent,
15 when compared to fiscal year 2019. Page
16 four of your handout shows a comparison
17 of franchise fees.

18 Does anyone have any questions?

19 CHAIRMAN NOEL: Any questions for
20 Miss Jackson? [No response.] Thank you,
21 appreciate it.

22 V. Casino Gaming COVID-19 Update - Wade Duty
23 Louisiana Casino Association

24 CHAIRMAN NOEL: I guess the new item
25 will be an update from -- regarding the
13

1 casino gaming industry and COVID, and
2 I'll ask Mr. Wade Duty from the
3 Louisiana Casino Association to brief
4 us.

5 MR. DUTY: Good morning, Board
6 Members. I'm Wade Duty, Executive
7 Director of Louisiana Casino
8 Association.

9 You heard a piece of the story
10 presented by Miss Jackson relative to
11 the decline in gaming revenues. I think
12 the short takeaway there is we're down
13 about a third in gaming revenues.

14 I wanted to touch on several areas,
15 if I could, and this should be brief.
16 So one of the questions we see is, "What
17 is open?" The casinos are open with the
18 exception of the DiamondJacks facility,
19 two varying degrees, both because of
20 COVID impacts and the impacts of
21 Hurricane Laura. The casino floors
22 remain at 50 percent rated occupancy
23 with 75 percent of the gaming positions
24 open.

25 Some casinos are not operating

14

1 24-hours a day, and this is due both to
2 decreased customer demand and also some
3 staffing challenges. Restaurants, now
4 because of the transitioned to Phase 3,
5 are 75 percent capacity, but most
6 buffets -- actually all buffets actually
7 still remain closed.

8 The hotel occupancy is down 20 to 45
9 percent occupancy from previous year,
10 same month, and some locations
11 particularly on the western side of the
12 state, if you subtract out the relief
13 workers who are occupying these hotels
14 to support recovery efforts in Lake
15 Charles, the occupancy level drops in
16 some cases to 35 percent. So we're

17 still seeing significant player
18 reluctance to engage and travel
19 overnight and stay in the facilities at
20 this point.

21 Again, a lot of this is skewed, and
22 a lot of this is early data because of
23 the impact of Hurricane Laura roughly
24 two-and-a-half weeks ago.

25 Customer volume, casinos admission

15

1 for most operators are hovering around
2 35 percent less than the same month
3 prior year. Notably absent are some of
4 our more mature players, those age 55
5 and older, which have previously formed
6 a large portion of our core
7 demographics. So these folks are
8 apparently choosing to not venture out
9 as -- as aggressively as some of the
10 younger counterparts, and, again, they
11 also are more commonly engaged in other
12 demands on their time for care of family
13 members, recovery efforts and so on.

14 Staffing status, with the
15 elimination of bar services as part of
16 Phase 1, Phase 2 and sort of Phase 3,
17 the continuance of the restriction on
18 food and beverage services, on hotel
19 occupancy levels the need for staffing

20 in those areas has been greatly reduced
21 as there are no services needed to be
22 supported.

23 Conversely, in other areas,
24 particularly gaming positions on the
25 gaming floor, we are struggling to

16

1 adequately staff some of those areas as
2 those employees in some cases and, in
3 fact, in many cases are caring for
4 others at home or have other commitments
5 that are more pressing. Where possible,
6 we have transitioned employees from low
7 demand areas to high demand areas, so
8 we're trying to move folks around to
9 keep them gainfully employed in the
10 areas where we have the greatest need
11 for them.

12 I do want to give a little
13 recognition to some of the efforts that
14 the casino companies have engaged in
15 during this time period, and this is by
16 far just brushing the surface. This was
17 kind of a snapshot based on a quick
18 request that I made. Despite casino
19 closures due to virus and hurricane
20 impacts, the casinos have continued to
21 support both employees and communities.
22 This ranges from casinos continuing to

23 pay health care benefits for their
24 furloughed employees into August and
25 even into September due to the virus

17

1 shutdowns. Additionally, some companies
2 such as Penn National funded hurricanes
3 specific relief funds. They donated
4 \$500,000 as seed money to hurricane
5 relief effort for Hurricane Laura, and
6 additionally they have created a company
7 wide fund for employees relative to
8 virus assistance that so far accumulated
9 \$1.9 million of which they have begun
10 disbursements. So they are doing what
11 they can organically as well as trying
12 to keep the doors open and keep people
13 working.

14 Impact of Phase 3, this one's only
15 six days old. Regrettably, we are of
16 the viewpoint that we did not move into
17 Phase 3. We moved into Phase 1.75. We
18 previously had alcohol service on the
19 casino floor without any virus
20 restrictions. We were maintaining
21 social distancing. We were observing
22 health care protocols, and because we
23 are also Title 26 licensees, which is
24 the alcohol licensing program, in
25 addition to Title 27, which is the

1 gaming licensing structure, we were
2 swept into the governor's order
3 mandating alcohol service be terminated
4 at 10:00 p.m.

5 So, again, very early data, but we
6 seem -- on Friday nights we're seeing a
7 6 percent decrease in customer volume,
8 11 percent on Saturday and 22 percent on
9 Sunday. So this one change has driven
10 our revenue and customer volume down
11 about 19 percent. We are hopeful that
12 this decision can be revisited. We
13 think there are significant distinctions
14 between casino alcohol service on the
15 floor versus the Flora-Bama, basically
16 to be brunt about it. We are not a
17 college bar. We have sufficient
18 staffing to maintain the -- this first
19 one required for social distancing. Our
20 cleaning protocols I think have been
21 judged by many outsiders to be superior
22 to many other efforts. So, again, we're
23 hopeful that this can be revisited as
24 soon as possible.

25 We're also not aware that our

1 contact tracing, when you look at new
2 case origination, has not back to

3 casinos as being any particular hotspot.
4 So, again, we understand the balance of
5 public health issues versus economic
6 concerns, but we think we are a
7 different animal, to be blunt about it.

8 Takeaway really is that until some
9 of the restrictions change, we're still
10 largely in Phase 2. Even though the
11 State has gone onto Phase 3, we still
12 maintain our 50 percent capacity.

13 Customer response has been appreciated,
14 and the customer cooperation has been
15 appreciated; but we have not seen the
16 volume, as I've already outlined, that
17 we are hopeful will return. So until
18 things get better, things won't get
19 better. That's really the takeaway.

20 I'll be happy to take any questions
21 that you may have.

22 CHAIRMAN NOEL: Any questions from
23 the Board for Mr. Duty? [No response.]

24 All right, thank you very much.

25 VI. Video Gaming COVID-19 update - Stan Guidroz,

20

1 President - Louisiana Video Gaming Association

2 CHAIRMAN NOEL: Next up is the Video
3 Gaming Update with regard to COVID-19
4 from Stan Guidroz, President of the
5 Louisiana Video Gaming Association.

6 MR. GUIDROZ: Good morning,
7 Chairman, Board Members. My name is
8 Stan Guidroz, President of the Louisiana
9 Video Gaming Association, representing
10 the video poker industry.

11 I'd like to first start by thanking
12 Chairman Noel and Chairman Jones for the
13 leadership in the Gaming Task Force. It
14 was a positive experience being a part
15 of the gaming industry coming together
16 working with the gaming protocols as
17 well as the right to engage in the
18 gaming industry. We thank you.

19 As you know, Phase 2 truckstops are
20 operating at 50 percent occupancy and 75
21 percent device restrictions. We're
22 happy to report that we have had no
23 reported outbreaks at any of our
24 locations. Their cleaning and screening
25 protocols, social distancing and use of

21

1 the physical barriers appear to be
2 having the desired effect. Most of the
3 operators have also taken the approach
4 that unless you can see a guest at an
5 enabled machine, they are not allowed to
6 enter the casino floor. So, in other
7 words, no loitering or roaming generally
8 around the casino regardless of

9 additional capacity.

10 Other members have reported being
11 inspected several times for compliance
12 due to COVID-19 protocols. All of them
13 have passed each inspection. I also
14 attribute these results to the highly
15 regulated nature of the industry and our
16 licensees' commitment to compliance.

17 The term "compliance fatigue" has
18 become a very familiar term in our
19 management meetings, but we shall finish
20 this marathon.

21 Because of the compliance of our
22 operators and the results of the
23 industry's ability to maintain a safe
24 environment At the appropriate time, I
25 would suggest that keeping the occupancy

22

1 restriction at current level, while
2 allowing additional 9 to 12 devices at
3 these establishments, would enable the
4 properties to generate more revenue
5 without any additional risk for the
6 state and the operators.

7 Today's challenge we hear, as Wade
8 had mentioned, is our members finding it
9 hard to remain fully staffed. Due to
10 the nature of the virus, the contact
11 tracing and also the impact of COVID

12 stimulus and unemployment payments that
13 have had on job applicants, these things
14 have made it very difficult to recruit
15 new employees.

16 Unfortunately, the video gaming --
17 video poker machines located at
18 three-machine locations, bars, hotels
19 and restaurants have not done so well.
20 This segment has been hit, not only
21 having had to shutdown twice, but again
22 in Phase 3 has had some reverse effect
23 on restaurant hours of operation. We're
24 hopeful that as we move forward, there
25 will be a more systematic approach to

23

1 capacity restrictions and our
2 distinction between bar types will be
3 reached as we move forward.

4 As the industry recovers and
5 continues to recover from this pandemic,
6 something that would be very helpful
7 would be the new Central System and the
8 technology that comes with it. We're
9 doing very well to do what we can to
10 control the virus, and anything we can
11 do to help the State transition to the
12 new Central System would be a tremendous
13 boost to the speed in which the video
14 poker segment can recover.

15 Now, in regards to Hurricane Laura,
16 as is the case in many disasters like
17 this, many of us have worked hard to
18 reopen as fast as we can to provide
19 support to our emergency responders.
20 Several truckstops have reopened in
21 Calcasieu Parish. Some will have to
22 completely rebuild. And our device
23 owners have reported that many of our
24 three-machine locations will not reopen
25 after damages from Hurricane Laura that

24

1 the compounded the impact from the prior
2 shutdowns.

3 Again, Mr. Chairman, I'd like to
4 thank you again for allowing the video
5 poker industry to collaborate on the
6 solutions facing the Louisiana gaming
7 industry. Thank you very much.

8 CHAIRMAN NOEL: Thank you, Stan. I
9 do want to ask you, you mentioned the
10 potential of increasing the number of
11 devices. Could you do that and still
12 maintain the proper distancing and/or
13 barriers?

14 MR. GUIDROZ: Yea, it's a unique
15 venue. Most of the properties have
16 barriers applied to all positions. The
17 protocols are in place. The average

18 truckstop has 9 to 12 machines turned
19 off at the moment, and we're having the
20 results we're having. So, yes, I think
21 it would be the same case. I think
22 you'd see most operators will allow only
23 the number of people in for the number
24 of machines they have without any
25 additional capacity so the answer would

25

1 be yes.

2 CHAIRMAN NOEL: Thank you. Any
3 other questions from the Board? [No
4 response.] Thank you.

5 Just as a new -- I had -- State
6 Police had reported to me just the other
7 day that in Calcasieu or in that Lake
8 Charles area where we have approximately
9 41 locations that were initially now --
10 and you mentioned some are already
11 coming back on line, and this includes
12 bars and truckstops and restaurants, so
13 a portion of those, again, are also
14 impacted by their -- their ability to
15 open is impacted by COVID, and it
16 represents just under 400 machines in
17 that area that have been down and are
18 slow to coming back. Thank you.

19 MR. GUIDROZ: Thank you.

20 VII. Updates on Lake Charles Properties after

21 Hurricane Laura
22 A. Boyd Racing, LLC, d/b/a Delta Downs
23 Racetrack Casino and Hotel - No.
24 T011002086

25 CHAIRMAN NOEL: All right. So our
26

1 next item we have updates from Lake
2 Charles properties with regard to impact
3 of Hurricane Laura. I believe first we
4 have a video -- the State Police has
5 some aerial footage that we're going to
6 play. Captain Bradley, you can get that
7 started, and Steve Kuypers with Delta
8 Downs will give us a quick overview. We
9 do have handouts I think that were
10 passed to board members that if we can't
11 get it cued up, we'll just -- we'll go
12 low tech with the handouts.

13 CAPTAIN BURGESS: Folks, my name is
14 Captain Pat Burgess, State Police. This
15 is just a run through of each of the
16 four Lake Charles properties starting
17 with L'Auberge, then Golden Nugget, then
18 Isle of Capri and Delta Downs. So, Mr.
19 Kuypers, yours will actually be the last
20 property on the list, as luck would have
21 it.

22 We utilized different drones for
23 this with different operators, so this

24 is a fairly new system, so some of the
25 footage will be more video in nature and

27

1 some will be still shots. It's just a
2 matter of what was available at the time
3 in those geographical locations.

4 BOARD MEMBER: Is this different
5 time periods or all in one particular
6 week?

7 CAPTAIN BURGESS: Within a few --
8 couple days of each other, so I think
9 Delta Downs was a couple of days
10 afterwards, but this was several days
11 into impact.

12 As you'll see, the Isle of Capri,
13 the boat's back at its original location
14 on these stills so we don't have an
15 actual photo of when the boat broke off
16 and was over by the bridge, but we do
17 have clips of those areas that I can
18 point out to you.

19 Beginning with the Isle of Capri
20 (video footage/photographs), this is the
21 Golden Nugget now. That's going to be
22 the island where the boat struck the
23 bridge, Delta Downs. That's it.

24 CHAIRMAN NOEL: Thank you very much.

25 Now, we'll move into Mr. Kuypers'

28

1 presentation for Delta Downs and give us
2 a little more incident insight into the
3 property.

4 MR. KUYPERS: Good morning Chairman,
5 Commissioners, my name is Steve Kuypers.
6 I'm the General Manager at Delta Downs
7 Racetrack Casino and Hotel.

8 And there's two things before I
9 begin the presentation is, number one,
10 we'd like to thank you very much for
11 having us up here to say, for the next
12 couple of minutes, the story that took
13 place with Hurricane Laura, and the
14 other thing is -- which is probably the
15 most important thing -- is that we have
16 been in touch with every single team
17 member, contacted them; and they're all
18 accounted for, and they're all alive,
19 which is the most important thing.

20 The other thing is that every horse
21 that was there that evening came out
22 unscathed. So team members, horses made
23 it through this nightmare.

24 So with that if I could begin, I
25 think you have a pamphlet in front of

29

1 you, so let's go through it. First of
2 all, as you know, Tuesday, August 25th,
3 the Calcasieu made a mandatory

4 evacuation order. We immediately closed
5 Delta Downs. We did have a minimal
6 staff remain to secure the property.
7 Then Thursday morning, the 27th, Laura
8 hit, 150-mile an hour winds and rain
9 pounded -- again, pounded Delta Downs
10 causing extensive damages to the
11 property -- unbelievable damages. I've
12 never seen anything like it in my life.

13 And this is the heartbreaking part
14 of the whole thing, we have 458 team
15 members. We have 136 from Vinton; we
16 have 107 from the surrounding Lake
17 Charles area. That's a total of 243
18 team members. Right now we're
19 estimating over 80 percent of them lost
20 everything, homes, clothes, nothing. We
21 went the next day to try to go to team
22 members' homes. We went there. It is
23 just overwhelming to see people, their
24 homes, what they're doing. They don't
25 even know how to start.

30

1 But we will get through it because
2 we're a team; we're a family, and we're
3 going to strive and we're going to make
4 it.

5 Next page, please. The next day --
6 we have a relationship with Yates

7 Construction -- a long-term
8 relationship. They were on the ground.
9 They sent in a bunch of people to assess
10 the damages and create a plan to open.
11 Wind damage to the roofs, exterior walls
12 and racetrack infrastructure was totally
13 obvious, which you could see from some
14 of these pictures.

15 The water was everywhere. We went
16 down first thing in the morning, 7:00 in
17 the morning, and there was waterfalls
18 coming into the casino and into the
19 pavilion. As I said, all teams members
20 were accounted for.

21 Next page, please. The roof in
22 certain areas on Tower No. 1 and on the
23 casino floor came off causing damage to
24 everything underneath it. To date Tower
25 No. 1, which has 202 rooms, is totally

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1 closed off where we have to go through
2 and fix the windows, fix basically every
3 single room including the furniture
4 that's in there. The casino floor also.
5 Everything came down. Machines got wet,
6 carpet got wet. The infrastructure, of
7 all the electricity and everything was
8 damaged. Rooftops, HVAC units,
9 elevators, electrical system, fire alarm

10 systems, IT systems, surveillance
11 cameras -- and the list goes on and on
12 and on -- all needed to be repaired.

13 Next page, please. Certain repairs
14 were made to prepare for the opening of
15 the property, and I'd like to say, with
16 the help of Lieutenant Funderburk, the
17 regulators and everybody else, we opened
18 yesterday, three weeks to the date. We
19 have the casino floor open. We have the
20 food court open. Rosewater will be open
21 on Friday, along with Tower No. 2, which
22 is about 170 rooms, will open on Friday,
23 too.

24 We could not have done it without
25 the help of everybody working together

32

1 as a team, and I cannot thank enough
2 Lieutenant Funderburk and his staff that
3 were there for us the entire time and
4 made this opening successful.

5 In the future, however, in the
6 months to come, we need to put a new
7 roof on both the casino and also on
8 Tower No. 2. We need to replace the
9 casino and pavilion carpet. We need to
10 replace all of the slot bases on the
11 casino floor. We need to replace the
12 windows on Tower No. 1, and we have to

13 replace the lookout and the buffet
14 totally, as you saw in those pictures,
15 that big sort of space at the end. That
16 was the lookout that was damaged and the
17 buffet.

18 Next page, please. These are a
19 couple of pictures of what was the
20 elevator closet, we called it, the
21 elevator on the casino roof was totally
22 damaged, caved in on the -- on the
23 right-hand side is the hotel roof where
24 you can see the damage where certain
25 areas of the actual roof came off and

33

1 water came in.

2 Our next page, please. Here's the
3 hotel lobby. These pictures do not do
4 justice to the water that was all over
5 the place. The only place in the
6 entire, let's say, pavilion casino that
7 was not damaged was the food court.
8 Remember that, please, because in slides
9 to come that played a big part in being
10 able to support the team members, first
11 responders you'll see coming up.

12 Next page, please, and here's the
13 damage to hotel Tower No. 1. It's nine
14 floors. The roof got ripped off, water
15 poured into the ninth floor and, of

16 course, water goes down eighth floor,
17 seventh floor, fifth floor, fourth
18 floor. Finally at the fourth floor, we
19 were able to sort of cap it off;
20 however, we have to replace all those
21 floors including making sure that the
22 first, second and third did not get any
23 water damage.

24 Next page, please. The racetrack,
25 these areas have been destroyed or

34

1 heavily damaged. The backside
2 restaurant, the feed store, the tote
3 board, the safety rail, the entire fence
4 around the racetrack, the starting
5 gates, and every single 90 -- there are
6 90 of them -- light pole has to be taken
7 down because every single one was either
8 cracked, bent or broken.

9 However, we have a plan, and the
10 plan is that we would like to start --
11 if everything works well -- by the end
12 of November we will be running the
13 thoroughbred race at Delta.

14 Next page, please. Here's what's
15 left of the tote board. Next page,
16 please. Here is the starting gate. You
17 can see it was just flipped on its side.

18 Next page, please. The next three

19 pages are the most important for Boyd
20 Gaming. Boyd Gaming is a totally unique
21 company. It is all about supporting and
22 taking care of the team members and the
23 community. There's a saying, happy team
24 members make happy customers, plain and
25 simple.

35

1 The first question that our
2 President and CEO, Keith Smith, would
3 ask every time he'd call and Bill Boyd,
4 the Executive Chairman of the Board,
5 was," How are the team members; what are
6 we doing for them; what do we need to do
7 for them?" Before they asked anything
8 about the infrastructure of the
9 property, it was all about the team
10 members. That is unique, and I'm proud
11 to be part of Boyd Gaming.

12 Full paying benefits have been paid
13 for every single team member through
14 this nightmare. Boyd Gaming extended
15 cash grants and financial aid to every
16 single team member that needed it. Boyd
17 Gaming also has a crisis fund that every
18 single 26 other properties are now
19 pouring in money and support so we will
20 be able to help the team members after
21 the insurance. I guess a lot of them

22 don't have insurance. We'll have a
23 crisis fund to see if we can't get them
24 on their feet.

25 Next page, please. The community,

36

1 we house 50 first responders; we house
2 70 team members. This is where the food
3 court came in .we started the next day
4 supplying 2,000 meals a day for first
5 responders and the sheriff's office to
6 provide those meals, breakfast, lunch
7 and dinner, to all the officers that
8 were working out there on the field. We
9 did this for two weeks. The number now
10 is about 150 as things get back on its
11 feet and some these officers and staff,
12 different shifts and, of course, they
13 don't need the support, but we're there
14 for them.

15 We also provided 750 meals a day for
16 the team members, first responders and
17 all the construction crew that are still
18 at the casino fixing us. And we
19 provided a hundred meals for the Vinton
20 Knight of Columbus for all the Vinton
21 residents.

22 Next page, please, as I said, Boyd
23 is a unique company. They just made an
24 announcement yesterday that they're

25 donating \$150,000 to the American Red

37

1 Cross, \$100,000 to the Second Harvest
2 Food Bank, a total of \$250,000 to those
3 two agencies who help so much in the
4 community in Southwest Louisiana. Boyd
5 is committed to \$1.5 million in relief
6 to date to help our team members and the
7 Southwest Louisiana community get back
8 on its feet, and we will get back on its
9 feet.

10 Thank you for letting me tell you
11 the story.

12 CHAIRMAN NOEL: Thank you, Steve.

13 Do we have any questions for
14 Mr. Kuypers? [No response.]

15 Very good. I appreciate the update
16 and appreciate what you're doing.

17 MR. KUYPERS: Thank you.

18 2. PNK (Lake Charles), LLC d/b/a L'Auberge Lake
19 Charles - No. R011001707

20 CHAIRMAN NOEL: Next we have
21 L'Auberge Lake Charles, I believe Mr.
22 Karl Rove, that will present some
23 information.

24 B. PNK (Lake Charles), LLC d/b/a L'Auberge Lake
25 Charles No. R011001707

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1 MR. ROVE: Good morning, Chairman

2 and Board. I would like to start with
3 just a big thank you to the Chairman, to
4 all of LSP who have the been available
5 through this crisis, Mayor Nic Hunter
6 and Mancuso and many other of our state
7 leaders and our local leaders to speak
8 for just being available and picking up
9 the phone when we needed them.

10 You can turn to page three, and I'll
11 walk you through what's going on at
12 L'Auberge. As all of you know, you know
13 the dates it impacted the casino, 12
14 midnight -- or 12:00 p.m. I'm sorry, 12
15 in the afternoon on August 25th, and at
16 that point it was very clear from me and
17 from my CEO and my COO that our customer
18 safety and our team member safety was
19 our top priority, and we wanted to get
20 them out.

21 Following the hurricane we closed
22 early because there was a chemical plant
23 fire nearby, as most of you know. That
24 was a chlorine plant, and because of the
25 state of our building, we were without

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1 power, and our life safety system was
2 compromised at the moment. We decided,
3 let's evacuate the building temporarily
4 until we knew that our customers were

5 safe and that that fire was contained.

6 We are open. Our hotel remained
7 open the whole time other than that
8 short shutdown because of the fire. We
9 had over 800 responders housed at
10 L'Auberge. We have Entergy there. We
11 have over 400 rooms of Entergy, and we
12 just extended them through October 16th;
13 and we extended it because we are
14 committed to rebuilding the community.

15 DPSO is there, Calcasieu is there,
16 sheriff deputies are staying with us,
17 the Louisiana State Police and
18 Interstate, who is our remediation
19 company, was there, as well as the World
20 Central Kitchen and many construction
21 teams and EDS, if you don't know, is
22 Environmental Disaster Services, has a
23 man camp in our parking lot with over
24 1,500 people staying there as well, and
25 they're feeding them and the community.

40

1 You saw the pictures from the drone.
2 What you saw there was a lot of the
3 exterior damage, the EIFS. The EIFS is
4 our exterior, the finishing system. And
5 what you can't see there is there's just
6 thousands of missile impacts -- of small
7 missile impacts on the EIFS which is

8 going to be significant and created a
9 lot of wind driven water damage in the
10 hotel and throughout the public areas in
11 the back of the house.

12 The casino floor itself sustained
13 very little damage, some issues with our
14 buckles that hold the casino, the barge
15 in place, but very little damage on the
16 casino floor, but we're estimating
17 anywhere from \$75 million to a \$100
18 million insurance claim, and that does
19 not include business interruption.

20 The cleanup has begun. I wish I
21 had another video to show you. It looks
22 much better today than it did the day
23 after the storm. It's exciting to see
24 what we've been able to accomplish in
25 that short period of time with the

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1 support of many of the people in this
2 room, and that's the community of Lake
3 Charles and Interstate as well.

4 The pool area, you can see on page
5 four a little bit of a before and after,
6 and today it looks even better. Page
7 four on the right side of the page, you
8 can see where the elevator shafts were
9 destroyed, and they've already been
10 repaired and we're able to use our

11 parking garage already.

12 The video that you were watching
13 earlier -- and I need to comment --
14 that -- that -- that is a series of
15 rooms from floors 18 to 21. It ripped
16 the side of the room off, and you can
17 see right into the room, so significant
18 damage on floors 18 to 21. And they are
19 permanently closed right now, and we
20 have already started a full cut, which
21 means everything on those top four
22 floors are already being removed.

23 The rest of the water damage
24 throughout the building is significant,
25 and, you know, going -- I had a small

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1 team with me at the property during the
2 storm, and you would hear the storm
3 ripping things off of the building; and
4 then the wind would just blow the water,
5 and it would just find the easiest way
6 to get the wind into the building and
7 the water into the building.

8 We'll end up replacing the entire
9 wood floor, for those of you that have
10 been there, all of the carpet in the
11 promenade areas. Some of our retail
12 outlets we've already started the
13 remediation removing drywall, repairing

14 it, and the only things that were really
15 untouched was the buffet and Ember.

16 While we have opened -- as you know
17 we did open our casino on the 11th --
18 September 11th, so a little over 2 weeks
19 after, and we've been able to also open
20 Jack Daniel's. We've also been able to
21 open Ember and our Modern Pantry
22 Restaurant, which he we did that so we
23 could take care of those first
24 responders staying in the hotel and give
25 them something different than what they

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1 have in the parking lot.

2 On page five, I want to talk a
3 little bit about our team members, and
4 like I said, we made team members a
5 priority. And similar to what
6 Mr. Kuypers said about Boyd, I feel the
7 same way about Penn Gaming. I mean, I
8 am very proud of what we have been able
9 to do and our support. And we have a
10 little over 1,400 team members, 1,453 to
11 be exact, and we had immediately reached
12 out to all of our team members to do
13 welfare checks; and all of our team
14 members are safe and have been accounted
15 for as well.

16 Eighty percent of our team members

17 were displaced during the storm and up
18 to two weeks after the storm, and we're
19 starting to see those team members
20 return. The issue now is power. Water
21 has returned. We're still under a boil
22 advisory. But a lot of them are saying,
23 hey, until we have power, we can't come
24 back, and we are not forcing any team
25 members back. That's the last thing

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1 we're going to do. We're gonna -- take
2 your time, do what have to do. Your
3 priority is not L'Auberge. Your
4 priorities are your family and your
5 well-being.

6 Ninety-five percent of our team
7 members experienced some damage to their
8 home, and remember, I've got 1,400 team
9 members. Seventy-five percent of our
10 team members are still without power;
11 15 percent of our team members
12 experienced moderate to major damage,
13 and 5 percent of them -- and we expect
14 this number to grow as they return --
15 have experienced a total home loss.
16 It's pretty devastating.

17 Some of the things that Penn has
18 done, immediately two days after the
19 storm, is our CEO, Jay Snowden,

20 committed to 60 days of pay, which
21 includes your health benefits. So if we
22 don't get you back right away because we
23 can't get something open, we're going to
24 pay you for 60 days. What we found is
25 many of our team members are using that

45

1 to live outside of Lake Charles to
2 survive right now.

3 We have over \$2.5 million in
4 contributions which includes the full
5 pay for the 60 days. Our team member
6 hurricane relief fund, which we seeded
7 it with \$500,000; we are providing hot
8 meals for our team members. We added a
9 laundry service for our team members and
10 their families so they can come up to
11 L'Auberge and drop off laundry and get
12 their laundry done, and there's no
13 charge for that, and a return to work
14 incentive which I'm very proud that
15 we're working with Barstool Sports. We
16 were talking and said, it puts more
17 money in their pocket, it makes sense
18 and will help them out. And we'll talk
19 about that a little bit more on the
20 second page.

21 On page six, just to talk a little
22 bit about what we've done in the

23 community -- and, again, we have made --
24 and this came direct from Jay Snowden --
25 we are making our community, our team

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1 members our top priority. And we have
2 participated and/or given out over
3 \$100,000 meals. And I don't know if
4 many of you have heard of World Central
5 Kitchen. I had not heard of them prior
6 to this disaster. They called us up and
7 said, hey, we're coming in. This is
8 what we do. We need a place to set up
9 and our buffet is closed, and we said,
10 hey, you get to have our buffet. And
11 they have come in and are preparing
12 anywhere 10 to 15,000 meals a day for
13 the community. They've now since moved,
14 left as of yesterday and are going over
15 to Alabama for Hurricane Sally.

16 We also partnered with Louisiana
17 Hospitality Company Foundation, and they
18 came in and helped serve meals as well.
19 So you saw Drago was there Jambalaya
20 Girl -- Wing Stop is a relationship we
21 have with one of our better customers --
22 Acme Oyster House. We asked them if
23 they would come in and just feed the
24 community, feed our team members and
25 feed first responders, and they've been

1 fantastic.

2 We've also donated \$50,000 to the
3 United Way and the Southwest Louisiana
4 Community Foundation. These are very
5 important to our community. They're
6 very important to Mayor Nic Hunter. It
7 was important to support Mayor Nic
8 Hunter in this endeavor --

9 Ongoing fundraising efforts, we are
10 going -- we have the box donations; we
11 are going to match those donations up to
12 \$15,000. We're working with Barstool
13 Sports, and I'll talk a little bit more
14 about that on the seventh page, and the
15 Some F & B proceeds that we're working
16 towards as well to commit to the
17 hurricane foundation and our team
18 members.

19 So Barstool Sports, one of the
20 conversations I had with Nic Hunter --
21 you're probably wondering why Barstool
22 Sports. Barstool Sports has over 70
23 million followers on different channels
24 of social media, and we're setting up a
25 podcast with their CEO, Erika Nardini,

1 and with Mayor Nic Hunter so he can keep
2 the disaster on the national scene and

3 drive that, and then we're also working
4 with -- Barstool Sports, they're doing a
5 Lake Charles strong hoodie and a
6 T-shirts that where a hundred percent of
7 the proceeds will to our team member
8 hurricane relief fund along with United
9 Way of Southwest Louisiana and the
10 Community Foundation of Southwest
11 Louisiana as well.

12 I just wanted to again thank you and
13 let you know that we are committed to
14 our team members and our community, and
15 that is our top priority.

16 CHAIRMAN NOEL: Thank you. Do we
17 have any questions for Mr. Rove?

18 BOARD MEMBER: So when you said your
19 employees, you had a payment plan, when
20 does that begin?

21 MR. ROVE: So that started two days
22 after the hurricane, and we're paying
23 them for 60 days whether they are called
24 back to work or not. And I'll give you
25 an example. Laundry is not going to

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1 open for a little while. We had
2 significant damage in, not only to the
3 building itself but also to the
4 machinery, so that might not be open for
5 two to three weeks. So then you have

6 the issue with city water. So all of
7 those laundry team members that are not
8 back will continue to be paid until we
9 can reopen laundry and bring them back
10 to work, and that is through the next 60
11 days. So you still have -- a little
12 over a month left of that.

13 MS. BERRY: What percentage of your
14 employees of your member team do you
15 think will be back with you in 60 days?

16 MR. ROVE: Yeah, that's a great
17 question. Right now we have about 400
18 team members back -- a little over 400.
19 What we are hearing is it's they do not
20 want to come home until they have power,
21 and so when we put this together, you
22 probably had the City of Lake Charles
23 maybe 25, 30 percent of the city had
24 power. As of today we're probably about
25 50, 55 percent of power.

50

1 I imagine, board member, that as the
2 city -- as we get more power and the
3 water comes off the boil advisory and we
4 reopen more, it's -- it will be close
5 to, I would think, 80 percent by the
6 time the -- by the time we stop making
7 those 60 -- that 60-day commitment to
8 them, if not more.

9 We're working very hard to get the
10 property open. What we're hearing from
11 our team members is they want a
12 distraction. They want to come in.
13 They want to work. They love the
14 incentive plan that pays them above and
15 beyond what they're currently getting
16 paid, and it's a day rate incentive plan
17 so it's -- we made it worth their while.

18 MS. BERRY: Appreciate that. It's
19 just I can't even imagine not even
20 having a home and having to go to work,
21 but thank you for supporting them while
22 they're going through all of that during
23 this.

24 MR. ROVE: Yeah, look, I will tell
25 you, you know, we've made it very clear

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1 as we've made these phone calls that we
2 will not make anyone feel pressure to
3 return, not what we're going to do --

4 MS. BERRY: That's correct.

5 STPHAO: -- so...

6 MS. BERRY: Thank you.

7 STPHAO: Thank you.

8 C. Golden Nugget Lake Charles, LLC - No.

9 R016502995

10 CHAIRMAN NOEL: Okay. Next I
11 believe is Golden Nugget.

12 MR. HENNIGAN: Morning. Thank you,
13 Chairman, Members of the Board. You
14 should have a packet for Golden Nugget
15 as well.

16 CHAIRMAN NOEL: Yes, sir.

17 MR. HENNIGAN: Okay. I just wanted
18 to reiterate the fact that --

19 CHAIRMAN NOEL: Greg, can you
20 announce your --

21 MR. HENNIGAN: I'm sorry. My name
22 is Greg Hennigan. I'm the General
23 Manager of the Golden Nugget. Thank you
24 for having me here.

25 So we also had all of your team

52

1 members make it through safely; they're
2 all accounted for. We're actually
3 housing quite a few of them on property
4 now. You'll see the first slide, there
5 that's taken at 7:00 p.m. the night
6 before the storm and actually a
7 beautiful night. You would never guess
8 a storm was on the way. The next slide
9 actually shows what it looks like 12
10 hours later. It actually looks like it
11 went from summer to winter, you know, in
12 about 12 hours.

13 Comparatively to the other
14 properties, we probably faired a little

15 better. Most of our damage -- if you
16 turn to slide four you'll see some of
17 the damage. We had 29 sliding glass
18 doors pop out during the storm, blew
19 open, and as such we found mattresses
20 around the property. We found other
21 items from the rooms among the debris on
22 the property.

23 If you'll -- slide number five also
24 shows some of the roof damage that we
25 sustained, and that's the -- the most

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1 damage that we got was the roof damage.
2 The rubberized roof on our hotel tours
3 just peeled right off, and then the
4 water would pour into the hotel rooms.

5 The casino floor was actually
6 relatively undamaged, as well as our
7 restaurants and our corridors. Almost
8 all of our interior damage was related
9 to the hotel rooms. And since then with
10 remediation, we're down to about 90
11 rooms still out of order. Everything
12 else we've done back into our inventory.

13 And then slide six and seven show
14 some of the efforts or some of what's
15 going on on the property. It was really
16 about, you know, too much water pouring
17 in then not enough water to get back up

18 and running, and it's amazing what you
19 can't do without water. So without
20 water there's no air conditioning, and
21 without air conditioning, there's no
22 computer service. So we found it
23 difficult do simple tasks like even make
24 room keys for people to check into the
25 hotel because our computer server was

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1 down, no point of sale terminal. So we
2 couldn't check people in because that
3 server was down, and just ringing things
4 up at the restaurant.

5 So we ended up after a few days
6 hooking it up to a well on the golf
7 course and pumping in water to our air
8 chillers just so you we could get air
9 conditioning and turn these systems back
10 on.

11 We've also been trucking in water
12 from Texas at a cost of about \$50,000 a
13 day just so people can take showers and
14 have water to drink and we can open our
15 restaurants. And so that's still the
16 case because our water -- we still have
17 trucks that continually running and
18 bring in water every day to us.

19 If you look at slide eight, it shows
20 basically what we're doing is we still

21 have over 700 first responders on
22 property, and many of those are Entergy.
23 And similar to L'Auberge, we committed
24 through October 16th at this time to
25 house those employees that are here to

55

1 restore power. About half of the city
2 right now has power back and half of it
3 does not, and just like -- was like
4 Harold was saying, a lot of our
5 employees don't want to return until
6 they have water -- portable water in
7 their homes as well as electricity.

8 We are back up and running. We also
9 -- last week -- was it last week we
10 opened our doors to the casino, but
11 business is still way down. And the
12 first responders are taking up over 700
13 rooms, and we're also housing about 250
14 employees on property as well, so we --
15 in order to get them back, get them
16 paychecks get them back to work, we said
17 we'll provide you a room, and you can
18 stay with us while you work. So they're
19 taking up quite a few hotel rooms as
20 well.

21 And then we're also working with
22 Christus St. Patrick. They called us
23 and said, you know, we had no heart

24 surgeon here in town; we need a heart
25 surgeon, and since then we've housed a

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1 few more doctors as well on our
2 property. So still got a lot of fire
3 marshals on property as well as other
4 first responders.

5 And on the that last slide, number
6 nine, you'll see basically we turned our
7 buffet into a way to get meals to those
8 first responders -- any first responder
9 and/or employee whether working or not
10 can come to the buffet and pick up meals
11 to go for their families and take those
12 home.

13 So we're happy to be back up and
14 running. Like I said we probably faired
15 a little better than most. We started
16 a -- actually Tilman Fertitta started a
17 fund for -- actually Tilman Fertitta,
18 our owner, started a relief fund for our
19 employees, and he funded the first
20 million dollars. And we are
21 distributing that to our employees to
22 help them get by as well.

23 CHAIRMAN NOEL: Thank you.
24 Questions? No questions. All right,
25 thank you.

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1 And just as a note, too, this
2 applies both to L'Auberge and Golden
3 Nugget, you know, before they opened
4 there were a number of things that they
5 were required to repair or at least
6 ensure for operation such as life safety
7 systems, fire suppression as well as all
8 the different systems that are required
9 to open a casino.

10 MR. HENNIGAN: Yeah, we completed an
11 ABS inspection. They came on our
12 property and made sure everything was
13 running. And fire suppression, we
14 actually brought in some frac tanks and
15 hooked them up to our fire suppression
16 system, and it was a powerful pump to
17 get that up and running as well.

18 CHAIRMAN NOEL: Thank you.

19 MR. HENNIGAN: Thank you.

20 D. St. Charles Gaming Company, LLC d/b/a Isle of
21 Capri Casino Hotel Lake Charles - No.
22 R011700174

23 CHAIRMAN NOEL: And next and last
24 but not least, Mr. Jeff Favre with Isle
25 of Capri.

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1 MR. FAVRE: Chairman, Members of the
2 Board, thank you. If you go to slide
3 two, you can see the boat resting up

4 against the I-10 pillars. Of course, I
5 don't have to get into much detail. My
6 counterparts, you know, went through the
7 same experience as we did, but a little
8 bit different. We made national news,
9 not the kind of national news that I
10 would like to make.

11 But the most important thing is the
12 call from the captain and a crew, the
13 damage was minimal, and we had nine
14 marine crew members on that vessel.
15 Probably one of the worst feelings that
16 I've had to see that boat float away and
17 know that I had nine team members on it
18 and was at the mercy of Hurricane Laura.

19 But fortunately, you know, the boat
20 made it back to its mooring spot, and
21 the crew was safe.

22 And that's the good story. The rest
23 of the story is really not so good. If
24 go into the summary review, the next
25 page, you'll see the Tower Hotel. We

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1 had about 60 percent loss of the
2 interior, 100 percent roof replacement,
3 and the exterior is pending expert
4 assessment. I would say that the
5 60 percent has probably grown to closer
6 to 70 percent as of today. The Inn

7 hotel, approximately 95 percent loss of
8 the interior, 100 percent roof
9 replacement and the exterior per pending
10 expert assessment report.

11 The pavilion and event center,
12 approximately 90 percent loss of the
13 interior, 100 percent roof replacement,
14 exterior pending expert assessment
15 report.

16 And the Grand Palais Riverboat
17 incurred an extensive array of damages,
18 although no noncritical. We will
19 replace the carpet, a lot of little
20 things. Believe it or not, its resting
21 spot against the I-10 bridge did very
22 little damage to the vessel, did no
23 damage to the bridge, so we're very
24 fortunate in that regard.

25 Overall the property sustained

60

1 extensive damage to landscaping and
2 cosmetics. As you can see from the
3 video from the State Police, at least,
4 you know, all of the our properties
5 pretty much insured extensive damage.

6 Moving on to the next slide,
7 sustained extensive damages to the
8 mechanical systems in the hotels,
9 pavilion and event center, which has

10 caused water intrusion throughout, which
11 is altering the scope of the demolition
12 work on a daily basis.

13 Additionally, due to the lack of
14 mechanical systems, we have apparent
15 growth with architectural finishes which
16 also expands the scope.

17 Currently, we have approximately 300
18 workers on-site handling the cleanup and
19 remediation efforts. The equipment
20 being utilized for site services, power
21 generation and climate humidity control
22 is extensive. We have a total of
23 9.5 megawatts being utilized, pretty
24 much enough to power 3,600 homes. The
25 good news is we are -- we are right now

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1 as we speak converting back over to
2 utility power which will be an all-day
3 affair. They're working on that. We
4 started with Entergy, and Signal
5 Restoration is the company that we hired
6 to do our cleanup and remediation
7 efforts, Sulphur Electric and, of
8 course, the team on-site. So hopefully
9 we get back to utility power today, and,
10 you know, we can get that at least
11 behind us.

12 You know, as far as reopening, we

13 can open the boat more than likely
14 today, but the problem is everything on
15 land has extensive damage that will not
16 allow us to reopen at this time. We're
17 diligently doing our due diligence to
18 try and figure out when that time may
19 come, but if I was to give you date
20 today, I would just be making it up. So
21 it's going take us a little time to work
22 through this and figure things out, but
23 we'll eventually get back to conducting
24 business.

25 The next several slides -- I'm not

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1 going to go into them in great detail.
2 It's just pictures of the damages and
3 kind of gives you a glimpse of what we
4 experienced. Honestly speaking, the
5 pictures really don't really do it very
6 much justice. The Chairman was able to
7 come and visit. I think a visit versus
8 the pictures is very much different, and
9 I can tell you that there was damage
10 pretty much all the way through the
11 property in every building, pretty much
12 everywhere you looked, left or right,
13 behind you, in front of you, above you
14 and below you.

15 So kind of moving through, the next

16 slide you'll see, which is the End
17 Hotel, all of our roofs have to be
18 replaced, all of our mechanical systems
19 have to be replaced, in addition to our
20 HVAC. It's going to all have to be
21 replaced. We have -- we have demoed
22 through much the entire End Hotel.
23 We've removed all F&B. We're in the
24 process of doing the same thing within
25 the Tower Hotel. Approximately right

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1 now in the Tower Hotel, we have about 95
2 people staying in it. That number was
3 larger. It keeps getting smaller
4 because we keep, you know, finding
5 moisture in rooms, and we're actually
6 going to try and get everyone out of the
7 hotel by next Friday, the reason being,
8 it's pretty much a construction zone,
9 and it's a life safety issue. And the
10 challenging part is to, you know, find
11 homes for the team members that lost
12 their homes, which I have about 15 or 20
13 staying in the hotel right now, and
14 we're going to find a solution for that.
15 I do not have a solution to communicate
16 to you today, but we will find -- find
17 one. We have first responders; we have
18 law enforcement; we have Signal

19 Restoration. Palmer Construction is
20 staying in our hotel. We're going to
21 have to get them out and, you know,
22 allow the people that need to do the
23 work get it conducted and move forward.

24 Again, as I said, you know, if you
25 just go through these several slides

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1 it's just pictures of the damage. The
2 Parrot -- the iconic Isle of Capri
3 parrot, it has been removed. In this
4 picture here you can kind of see it's
5 kind of mangled and tangled up, but it
6 has been removed since this picture.
7 Those are pictures of the casino
8 hallway, entryway, casino boat. It
9 compromised interior finishes, sustained
10 damages through the property. All
11 public spaces will need remediation.

12 As I said the hotel will certainly
13 need remediation and complete rebuild,
14 and at this time 60 percent -- but as I
15 said more than likely closer to
16 75 percent -- that number will certainly
17 grow.

18 As my counterparts mentioned, you
19 know, the most important thing is taking
20 care of our team members, and we did a
21 distribution drive on Tuesday,

22 September 8th, all day for both active
23 and furloughed team members. We had
24 approximately 228 team members that
25 participated. Care packages included a

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1 lot of your necessary supplies, water,
2 toiletries, non-perishable food, paper
3 products, kitchen items, cleaning
4 supplies, clothing, shoes, hygiene,
5 flashlights, pet food. In addition, a
6 hot meal was provided to everyone in the
7 vehicle that came through on that day.

8 Items were received from other
9 properties, food vendors, gaming
10 vendors, organizations both locally and
11 abroad, as well as some of our, you
12 know, more loyal guests. They had
13 reached out to us, which I think is
14 really an awesome gesture, and brought
15 supplies to the property for the team
16 members.

17 There's a list of people there that
18 also contributed. You guys can see the
19 organizations and individuals there.
20 The next care package event will be
21 held -- we were going to have it on
22 Tuesday, September 22nd, but we're
23 actually going to push it back to the
24 following Tuesday because we have stuff

25 coming in from our other properties

66

1 throughout the country, and it will not
2 be there, plus we have some other items
3 left over from the previous distribution
4 drive.

5 We would like to get a better
6 participation rate. We have reached out
7 to our team members which has been a
8 very difficult task to get in touch with
9 them all, but we hope to see them all
10 here in the near future. You can see
11 pictures of the distribution drive that
12 we had that day. You know, it was very
13 exciting to see the team members. They
14 were very excited to see us. It's been
15 very difficult in communicating because
16 we've had problems with computers and
17 systems and just it's been -- it's been
18 a tremendous challenge.

19 Caesars Entertainment, we're doing a
20 grant for a local charity. We're trying
21 to figure out what is the best charities
22 to give to. We'll have a decision on
23 that by the end of the day tomorrow.

24 All employees received a 200 stipend to
25 help with the cost due to the hurricane.

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1 All active employees have remained on

2 payroll and benefits until further
3 notice. We're a non-profit program.
4 Caesars carries a program that offers
5 financial assistance to team members in
6 need available to team members to help
7 with expenses such as medical bills,
8 help with utilities, rent and mortgage
9 payments, home repairs and cleanup.

10 You know, it's been experience, and
11 one that I would love to move on and get
12 behind me. And I think the most
13 important thing is, you know, figure out
14 how to take care of our team members. I
15 mean, and our property is not really in
16 very good shape. And, you know,
17 unfortunately, unlike the other
18 properties, we're not going to be able
19 to open in the near future. You know,
20 we have a lot of work to do, and we're
21 working diligently on getting that work
22 done. And as soon as I have an update
23 that I can convey to you-all, I will
24 certainly do so.

25 CHAIRMAN NOEL: Thank you, Jeff, and

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1 I certainly agree with what -- your
2 earlier statement that pictures and
3 video don't do it justice until you walk
4 through it and really appreciate the

5 immense damage. And that goes for all
6 four properties and the entire Lake
7 Charles community.

8 MS. BERRY: Jeff, it's
9 heartbreaking. I can hear it in your
10 voice. I've been at your property. We
11 had such hope for the first on land
12 casino, and it's just devastating. But
13 there's always the other side. I just
14 have a question. I was thinking as you
15 kept talking about the amount of damage
16 and the percentages of damage, would the
17 insurance ever come in? Would there
18 ever be a point of maybe being able to
19 rebuild? I mean, do they decide?

20 MR. HENNIGAN: The insurance company
21 said they would have a full scope of
22 work report for us at the end of the day
23 today, so unfortunately I haven't been
24 able to see that. But I can tell you
25 that my gut tells me that if it's not a

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1 hundred percent rebuild, then it's going
2 to be very near that.

3 MS. BERRY: It just seems it was,
4 like, one of the other properties in our
5 district, and to me that equates to the
6 amount of damage, and so it would just
7 be, I hope, it comes to that.

8 MR. HENNIGAN: I think it would be
9 fair for me to say that when the dust
10 settles and all is said and done and
11 we've completed the work, we'll have a
12 better product even with what we
13 conveyed to the Board back when I did
14 the land presentation, that I feel
15 comfortable enough to say that the
16 product will be better than what we
17 presented for our land based plan.

18 MS. BERRY: I have to agree with
19 you. You have a ways to go, but you can
20 do it.

21 MR. HENNIGAN: Thank you.

22 MS. BERRY: Thank you.

23 CHAIRMAN NOEL: Mr. West.

24 MR. WEST: Chairman, thank you very
25 much.

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1 You were mentioning communications
2 with your team. Do you have any idea
3 where they're living now, most of them?
4 Is it Texas or is it --

5 MR. HENNIGAN: You know, when we did
6 the distribution drive, we served all
7 226 or 28 that came through, you know,
8 basically asking them that specific
9 question, are you relocated, where are
10 you living, what was the extent of the

11 damage that you received. And what is
12 the most essential, crucial supplies
13 that you need, and a lot of them have
14 not returned.

15 We're just now getting power
16 restored into a lot of places within the
17 parish. I just went back to utility
18 yesterday. So I think a lot of it has
19 to do with power, and so I'm hoping that
20 we see more return because power is
21 being restored. But a lot of them were
22 in Texas either staying with family
23 members, Shreveport area, and like I
24 said, we have, you know, approximately
25 30, 35 within our hotel.

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1 MR. WEST: I was asking, is one of
2 the things that was devastating to the
3 New Orleans area after Katrina was they
4 moved everyone out away, far away, and
5 we could never find a way to get people
6 back closer to their homes, which made
7 the process a lot longer. And it's very
8 difficult to commute, you know.

9 I was asked that question because I
10 was in the area two days ago where I
11 started from Houston, and I worked my
12 way that way. And I saw, and I was
13 thinking -- I said, those poor people.

14 Unless we find a way to get them back --
15 and how do you do that safely and get
16 them closer to their homes so they can
17 start looking at their homes and start
18 figuring out how they -- the process,
19 it's a lot more difficult.

20 So I was -- I got -- you know, I
21 hear your concern and I see your -- and
22 that's why I asked the question because
23 that's the first key.

24 MR. HENNIGAN: It's a challenge. I
25 mean, it's a challenge not only for us

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1 but everyone within the parish. You
2 know, I also went through Hurricane
3 Katrina so, I mean, I've been the
4 fortunate -- unfortunate one to go
5 through two major hurricanes on the
6 eastern eye wall, and hopefully there's
7 not a third. But the logistics -- and
8 just the communication immediately after
9 the storm, even for weeks or potentially
10 months after, it's very difficult.

11 I can say that first responders,
12 Entergy and, you know, all the crews
13 that are working -- there's utility
14 crews from all over -- all over the
15 country, and they are working their
16 behinds off. They're driving in as far

17 as from east of Baton Rouge and all the
18 way from Houston every day so they're
19 eating up three-and-a-half,
20 five-and-a-half hours of productive time
21 in travel because there's just not
22 enough places for them to stay.

23 MR. WEST: Thank you.

24 CHAIRMAN NOEL: Yes, sir.

25 MR. LAGASSE: First, I'd like to

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1 compliment all of you-all, what you're
2 doing to try to keep your employees
3 intact, and we was just talking about,
4 we went through Katrina, too. In fact,
5 in my lifetime, this is number nine for
6 me, okay? So I've been through a few,
7 but I've never been -- seen the
8 destruction what I saw in Lake Charles.
9 I mean, Katrina was bad, but the worst
10 thing about Katrina was the flooding.
11 If it wouldn't have been for the
12 flooding -- I'd say another storm. But
13 I've never seen devastation of houses, I
14 mean, whole tops of houses gone. That
15 was amazing to me.

16 But I wanted to compliment all of
17 you-all that you're trying to keep your
18 people together, trying to help them
19 when they need it, and that's a great

20 aspect for you-all. And thank you very
21 much for doing that.

22 MR. HENNIGAN: Thank you, sir.

23 CHAIRMAN NOEL: Thank you.

24 Any other questions? [No response.]

25 Okay, thank you, Jeff, appreciate

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1 it.

2 MR. HENNIGAN: Thank you, Chairman.

3 VIII. VIDEO GAMING ISSUES

4 A. Consideration of Transfers of Interest

5 for t.he following truckstops:

6 1. Breaux Bridge Gaming, LLC d/b/a Cajun

7 Fire Casino - No. 5000517426

8 2. 24/7 Xpress Associates, LLC d/b/a Sulphur

9 Truckstop & Casino - No. 1000517329

10 3. Riverbend Truckstops and Palace Casinos,

11 Inc. d/b/a Terrebonne Truckstop & Casino

12 No. 55005155516

13 CHAIRMAN NOEL: Our last section on
14 the agenda is some Video Gaming Issues.

15 We have consideration of transfers of
16 interest for the following truckstops.

17 What I'd like to do, I believe, if it's
18 okay with the Attorney General's Office,
19 is we'll consolidate one, two and
20 three --

21 MR. PICOU: Correct.

22 CHAIRMAN NOEL: -- and consider

23 those together. So we have Breaux
24 Bridge Gaming, LLC, doing business as
25 Cajun Fire Casino, No. 5000517426; 24/7

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1 Xpress Associates, LLC, d/b/a Sulphur
2 Truckstop & Casino, No. 1000517329, and
3 Riverbend Truckstops and Palace Casinos,
4 Incorporated., d/b/a Terrebonne
5 Truckstop & Casino, No. 5500515516.

6 MR. PICOU: Good morning, Chairman
7 Noel, Members of the Board. I'm
8 Assistant Attorney General Charlie
9 Picou. First I'd like to say, my heart
10 goes out to the community and the people
11 of Lake Charles and all the properties
12 there. You guys are going to come back
13 stronger than ever in time. My heart
14 goes out to you.

15 I'm present today in the matter of
16 the approval of the transfer of interest
17 in the following five licensees: Breaux
18 Bridge Gaming, LLC, doing business as
19 Cajun Fire Casino, 24/7 Xpress
20 Associates, LLC, doing business as
21 Sulphur Truckstop & Casino, and
22 Riverbend Truckstop and Palace Casinos,
23 Inc., doing business as Terrebonne
24 Truckstop & Casino. On August 19, 2019,
25 the following transactions occurred:

1 Daniel J. Baldone (phonetic) transferred
2 39 percent membership interest in Breaux
3 Bridge Gaming, LLC, doing business as
4 Cajun Fire and Casino to Investment
5 Group, LLC. On that same date, Daniel
6 Baldone transferred 10 percent his net
7 device revenue interest in 24/7 Xpress
8 Associates, LLC, doing business as
9 Sulphur Truckstop Casino, to Baldone
10 Investment Group, LLC. And Jamon
11 Baldone transferred 20 percent of his
12 net device revenue interest in Riverbend
13 Truckstops and Casinos, Inc., doing
14 business as Terrebonne Truckstops and
15 Casinos, Inc., to Baldone Investment
16 Group, LLC.

17 Daniel J. Baldone holds 97 percent
18 of the membership interest in Baldone
19 Investment Group, LLC. Dana Baldone
20 Norman holds the remaining 3 percent.
21 Dana Baldone Norman is married to
22 Christopher Scott Norman.

23 Investigator William Landry
24 conducted an investigation of the
25 transfers and is present here this

1 morning to report his findings to the
2 Board.

3 TROOPER LANDRY: Morning, Chairman
4 and Board Members. My name is William
5 Landry. I'm an investigator with
6 Louisiana State Police Gaming
7 Enforcement Division.

8 I investigated the transfers that
9 occurred with the licensees and
10 conducted suitability checks on Dana
11 Baldone Norman and Christopher Scott
12 Norman and an updated suitability check
13 on Daniel J. Baldone. I found no
14 information that would preclude the
15 licensees, their members or the revenue
16 recipient from continuing to participate
17 in the Louisiana gaming industry.

18 MR. PICOU: The Office of the
19 Attorney General has reviewed the files
20 prepared by the Office of State Police
21 and has found no information that would
22 preclude approval.

23 CHAIRMAN NOEL: Thank you. All
24 right, do we have any questions? [No
25 response.] Okay, no questions.

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1 Do we have -- I'd like to ask if
2 there's a motion to approve the
3 transfers of interest in Items 1 through
4 3, a motion to approve.

5 MR. LAGASSE: So moved.

6 CHAIRMAN NOEL: Mr. Lagasse, second
7 by Mr. Poole.

8 All in favor say "aye." [Collective
9 "aye.]

10 Any opposed? [No response.]

11 The motion carries. Thank you.

12 4. Tall Timbers Truckstop & Casino, LLC, d/b/a

13 Tall Timbers Truckstop & Casino - No.

14 4600515641

15 5. Tall Timbers Truckstop & Casino, LLC, d/b/a

16 Eunice Truckstop & Casino - No. 4900515948

17 CHAIRMAN NOEL: All right, we'll

18 take the next two items up in globo,

19 Nos. 4 and 5, Tall Timbers Truckstop &

20 Casino, LLC, d/b/a Tall Timbers

21 Truckstop & Casino - No. 4600515641 and

22 Tall Timbers Truckstop & Casino, LLC,

23 d/b/a Eunice Truckstop & Casino - No.

24 4900515948.

25 MR. PICOU: Good morning again,

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1 Chairman Noel and Board Members. I'm

2 Assistant Attorney General Charlie Picou

3 present in the matter of the approval of

4 the transfers of interest in Tall

5 Timbers Truckstop and Casino, LLC, which

6 holds two Type 5 video draw poker gaming

7 licenses.

8 In part, these transfers were

9 related to the same transaction and
10 occurrence as the previous presentation,
11 as in, on August 19th, 2019, Daniel J.
12 Baldone transferred his 5 percent net
13 device revenue interest in Tall Timbers
14 Truckstop & Casino, LLC, doing business
15 as Tall Timbers Truckstop & Casino, and
16 his 2.5 percent net device revenue
17 interest in Tall Timbers Truckstop &
18 Casino, LLC, doing business as Eunice
19 Truckstop & Casino, to Baldone
20 Investment Group, LLC.

21 Again as previously stated, Daniel
22 J. Baldone holds 97 percent of the
23 membership interest in Baldone
24 Investment Group, LLC. Dana Baldone
25 Norman holds the remaining 3 percent,

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1 and Dana Baldone Norman is married to
2 Christopher Scott Norman.

3 On August 26th, 2019, Frank Joseph
4 Reland (phonetic), who held a
5 33.33 percent membership interest in
6 Tall Timbers Truckstop & Casino, LLC,
7 passed away in testate. On October 2nd,
8 2019, Frank Reland survived his spouse.
9 Margaret Reland was appointed as
10 independent administratrix over his
11 succession.

12 And on October 11th, 2019, Frank
13 Reland's 33.33 percent interest in Tall
14 Timbers Truckstop & Casino, LLC, was
15 divided equally between Margaret Reland
16 and Bennie Reland, his only surviving
17 spouse -- I'm sorry, his only surviving
18 hair.

19 State Police conducted an
20 investigation of the transfers, and
21 Investigator William Landry is present
22 this morning to present his findings to
23 the Board.

24 TROOPER LANDRY: Again, Chairman and
25 Board Members, I conducted an

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1 investigation of the transfers that
2 occurred to Tall Timbers Truckstop &
3 Casino, LLC, and conducted suitability
4 checks on Dana Baldone Norman and
5 Christopher Scott Norman and updated the
6 suitability checks on Damon J. Baldone,
7 Bennie Reland, Julie Reland, Margaret
8 Reland, and the Division has found no
9 information that would preclude any of
10 the licensees or their revenues from
11 continuing to participate in the gaming
12 industry.

13 MR. PICOU: The Office of the
14 Attorney General has reviewed the files

15 prepared by the Office of State Police
16 and has found no information that would
17 preclude approval.

18 CHAIRMAN NOEL: Thank you. Are
19 there any questions from the Board? No
20 questions.

21 And do we have a motion to approve
22 the transfers of interest in agenda
23 Items 4 and 5.

24 MS. BERRY: So moved.

25 CHAIRMAN NOEL: Miss Berry. Second

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1 by Miss Acker.

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

3 Any opposed? [No response.]

4 All right, the motion passes. Thank
5 you.

6 MR. PICOU: Thank you.

7 TROOPER LANDRY: Thank you.

8 IX. ADJOURNMENT

9 CHAIRMAN NOEL: All right, last,
10 Adjournment. I ask for a motion to a
11 adjourn.

12 MR. JACKSON: Motion to adjourn.

13 CHAIRMAN NOEL: Mr. Jackson,
14 seconded by Mr. Poole.

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

16 No opposed. Thank you.

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1 REPORTER'S PAGE

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

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

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

18
19
20

21

22

23

24 SHELLEY PAROLA

Certified Court Reporter #96001

25 Registered Professional Reporter

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1 STATE OF LOUISIANA

2 PARISH OF EAST BATON ROUGE

3 I, Shelley G. Parola, Certified Court

4 Reporter and Registered Professional Reporter, do

5 hereby certify that the foregoing is a true and

6 correct transcript of the proceedings on September

7 17, 2020, as taken by me in Stenographic machine

8 shorthand, complemented with magnetic tape

9 recording, and thereafter reduced to transcript,

10 to the best of my ability and understanding, using

11 Computer-Aided Transcription.

12 I further certify that I am not an

13 attorney or counsel for any of the parties, that I

14 am neither related to nor employed by any attorney

15 or counsel connected with this action, and that I

16 have no financial interest in the outcome of this

17 action.

18 Baton Rouge, Louisiana, this 24th day of

19 November, 2020.

20

21

22

SHELLEY G. PAROLA, CCR, RPR

CERTIFICATE NO. 96001

23

24