

LGCB - Board of Directors' Meeting 2-21-19, (Pages 1:1 to 41:24)

1:1 LOUISIANA GAMING CONTROL BOARD

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3 BOARD OF DIRECTORS' MEETING

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8 THURSDAY, FEBRUARY 21, 2019

9

10 House Committee Room 1

11 Louisiana State Capitol

12 900 North Third Street

13 Baton Rouge, Louisiana

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17 TIME: 10:00 A.M.

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2

1 APPEARANCES

2

3

4 RONNIE JONES

Chairman (At Large)

5 June 30, 2019

6 MARK STIPE

(Attorney)

7 Seventh Congressional District

June 30, 2020

8

9 JAMES SINGLETON

(Public/Business Administration)

10 Second Congressional District

June 30, 2020

11

12 JULIE BERRY

(CPA)

13 Third Congressional District

June 30, 2024

14

15 ELTON LAGASSE

(At Large)

16 First Congressional District

June 30, 2021

17

18 HARRY AVANT

(At Large)

19 Fourth Congressional District

June 30, 2024

20

21 MAJOR CHUCK MCNEIL

Louisiana State Police

22

23

24

25

3

1 APPEARANCES CONTINUED

2

3

4 MICHAEL LEGENDRE

Louisiana Department of Revenue

5

6 LANA TRAMONTE

Executive Assistant

7

8 TRUDY SMITH

Confidential Assistant

9

10 REPORTED BY:

11 SHELLEY G. PAROLA, CSR, RPR

Baton Rouge Court Reporters

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23 A. Consideration of the Casino
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25 the City of New Orleans 31

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2 VIII. CONSIDERATION OF THE FOLLOWING

3 PROPOSED SETTLEMENT:

4 1. In Re: Catfish Queen
5 Partnership in Commendam d/b/a
6 Belle of Baton Rouge -
7 No. R011700009
8 (SAR: 18-1-03-139-4184) 34

9 IX. ADJOURNMENT 39

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1 I. CALL TO ORDER

2 CHAIRMAN JONES: Good morning and
3 welcome to the February meeting of the
4 Louisiana Gaming Control Board.

5 Miss Tramonte, would you call the
6 roll.

7 MS. TRAMONTE: Chairman Jones?

8 CHAIRMAN JONES: Here.

9 MS. TRAMONTE: Mr. Stipe?

10 MR. STIPE: Here.

11 MS. TRAMONTE: Mr. Singleton?

12 MR. SINGLETON: Here.

13 MS. TRAMONTE: Miss Berry?

14 MS. BERRY: Here.

15 MS. TRAMONTE: Mr. Patrick? [No
16 response.]

17 Mr. Lagasse?

18 MR. LAGASSE: Yes, ma'am.

19 MS. TRAMONTE: Mr. Avant?

20 MR. AVANT: Here.

21 MS. TRAMONTE: Colonel Reeves.

22 MR. MCNEIL: Major McNeil for
23 Colonel Reeves.

24 MS. TRAMONTE: Secretary Robinson.

25 MR. LEGENDRE: Michael Legendre for

7

1 Secretary Robinson.

2 CHAIRMAN JONES: We have a quorum,
3 and we may conduct business. I'll ask
4 if you have a cellular phone, mobile
5 device that you put it on silent, if you
6 would please and take your calls
7 outside.

8 II. PUBLIC COMMENT

9 CHAIRMAN JONES: At this time, I'd
10 like to offer the opportunity for anyone
11 in the audience that wants to make a
12 comment about anything in the agenda
13 today to come up. And there is no one.

14 III. APPROVAL OF THE MINUTES

15 CHAIRMAN JONES: So can I ask for
16 motion to waive reading and approve the
17 minutes.

18 MS. BERRY: So moved.

19 CHAIRMAN JONES: Miss Berry, second
20 by Mr. Singleton.

21 Any objection? [No response.]

22 Without objection the motion
23 carries.

24 IV. REVENUE REPORTS

25 CHAIRMAN JONES: We'll now call for

8

1 Revenue Reports. Good morning.

2 MS. JACKSON: Chairman Jones, Board
3 Members, my name is Donna Jackson with
4 Louisiana State Police Gaming

5 Enforcement Division.

6 The 15 operating riverboats
7 generated Adjusted Gross Receipts of
8 \$137,006,947 in January. This total
9 represents a decrease of \$26 million or
10 16 percent from last month and a
11 decrease of \$2.8 million or 2 percent
12 from last January.

13 Adjusted Gross Receipts for fiscal
14 year 2018-2019 to date are
15 \$1,074,000,000, a decrease of
16 \$14 million or 1 percent from fiscal
17 year 2017-2018.

18 During January the State collected
19 fees totaling \$29,456,494. As of
20 January 31st, 2019, the State collected
21 \$231 million in fees for fiscal year
22 2018-2019.

23 Next is a summary of the
24 January 2018 -- 2019 gaming activity for
25 Harrah's New Orleans found on page

9

1 three. During January, Harrah's
2 generated \$22,787,804 in gross gaming
3 revenue, a decrease of \$4.6 million or
4 16.8 percent from last month, but an
5 increase of \$2.3 million or 11.5 percent
6 from last January. Revenues for fiscal
7 year 2018-2019 to date are almost \$168

8 million, an increase of \$4.4 million or
9 3 percent from fiscal year 2017-2018.

10 During January, the State received
11 \$5,095,890 in minimum daily payments.

12 As of January 31st, 2019, the State
13 collected \$35 million in fees for fiscal
14 year 2018-2019.

15 Next I'll present the revenues for
16 Slots at the Racetracks. During
17 January, the four racetrack facilities
18 combined generated Adjusted Gross
19 Receipts of \$27,887,066, a decrease of
20 \$2.7 million or 9 percent from last
21 month, but an increase from January 2018
22 of \$1.4 million or 5 percent.

23 Adjusted Gross Receipts for fiscal
24 year 2018-2019 to date are almost \$200
25 million, an increase of \$4 million or

10

1 2 percent from fiscal year 2017-2018.

2 During January, the State collected
3 \$4,230,468 in fees. As of January 31st,
4 2019, the State has collected
5 \$30 million in fees for fiscal year
6 2018-2019.

7 Overall in January, Riverboats,
8 Landbased, and Slots at the Racetracks
9 combined generated \$187.7 million in AGR
10 and \$38.8 million in fees. These

11 revenues represent a decrease from
12 January 2018 of \$900,000 or .5 percent.

13 Are there any questions before I
14 present the Harrah's employee
15 information?

16 CHAIRMAN JONES: Board Members, any
17 questions? [No response.]

18 No questions.

19 MS. JACKSON: Harrah's New Orleans
20 is required to maintain at least 2,400
21 employees and a bi-weekly payroll of
22 \$1,750,835. This report covers pay
23 periods in January 2019.

24 For the first pay period, the
25 Division verified 2,584 employees with a

11

1 payroll of \$2,238,000. For the second
2 pay period, the Division verified 2,575
3 employees with a payroll of \$2,235,000.
4 Therefore, Harrah's met the employment
5 criteria during January.

6 CHAIRMAN JONES: Any questions? [No
7 response.]

8 No questions.

9 MS. JACKSON: Thank you.

10 CHAIRMAN JONES: Thank you for the
11 cheery news.

12 Jim.

13 MR. BOSSIER: Good morning, Chairman

14 Jones and Board Members. My name is Jim
15 Bossier with the Louisiana State Police
16 Gaming Enforcement Division here to
17 report video gaming statistics for
18 January 2019 as shown on page one of
19 your handout.

20 Twenty-one new video gaming licenses
21 were issued during November -- excuse
22 me, during January: Eight bars, nine
23 restaurants, one truckstop and three
24 device owners'.

25 Five new applications were received

12

1 by the Gaming Enforcement Division
2 during January and are currently pending
3 in the field: Three bars, one
4 restaurant and one truckstop.

5 The Gaming Enforcement Division
6 assessed \$5,746 and collected \$21,891 in
7 fines during January, and there are
8 currently \$3,122 in outstanding fines.

9 Please refer to page two of your
10 handout.

11 There are presently 12,929 video
12 gaming devices activated at 1,679
13 locations.

14 Net device revenue for January 2019
15 was \$49.2 million, a \$2.9 million, or
16 5.6 percent, decrease when compared to

17 December 2018, and a \$4.9 million
18 increase, or 11 percent, when compared
19 to January 2018.

20 Net device revenue so far for fiscal
21 year 2019 is \$341 million, a
22 \$17 million, or 5.2 percent, increase
23 when compared to fiscal year 2018. Page
24 three of your handout shows a comparison
25 of net device revenue.

13

1 Total franchise fees collected for
2 January 2019 were \$14.7 million, a
3 \$900,000 decrease when compared to
4 December 2018, and a \$1.4 million
5 increase when compared to December --
6 January 2019.

7 Total franchise fees collected for
8 fiscal year 2019, are \$102.1 million, a
9 \$5.7 million increase, or 5.2 percent,
10 when compared to fiscal year 2018. Page
11 four of your handout shows a comparison
12 of franchise fees.

13 Does anybody have any questions.

14 CHAIRMAN JONES: Board Members, any
15 questions? [No response.]

16 There are no questions.

17 MR. BOSSIER: Thank you.

18 CHAIRMAN JONES: Thank you, Jim.

19 MR. BOSSIER: You're welcome.

20 CHAIRMAN JONES: Just a quick
21 editorial note, video poker looked
22 better than riverboat, at least month to
23 month. January is a really hard month
24 for riverboat, and we're sort of, like,
25 the canary in the coal mine. Many

14

1 months like this are going to be tough
2 on the State budget.

3 I guess some light at the end of the
4 tunnel is -- and some of you may be
5 aware of this -- the Governor's Office
6 has asked the Department of Economic
7 Development to have a study conducted --
8 essentially a market analysis of gaming
9 in Louisiana, and that contract was let
10 about a month ago to Spectrum, which is
11 an internationally recognized firm. And
12 our staff -- some of you, in fact, may
13 have been providing information to
14 Spectrum. We expect a report from them
15 with a good overview of the industry in
16 this state in terms of whether or not
17 there are over-served markets,
18 underserved markets, what the influence
19 any legalization of sports betting might
20 have on the state, what competitive
21 disadvantages we have compared to the
22 tribal casinos, the four properties that

23 will be opening in Arkansas.
24 So we expect to have that report
25 before the legislature convenes, and I'm

15

1 hopeful that it's going to give this
2 Board and the legislature and the
3 executive branch some direction about
4 where gaming should proceed in the
5 state. Things are getting more
6 competitive, not less competitive, and
7 I'm hopeful that Spectrum is going to be
8 able to provide us sort of a road map
9 for the future. I think it's really
10 important for the state and for economic
11 development.

12 V. COMPLIANCE REPORTS

13 CHAIRMAN JONES: So we'll talk about
14 compliance now. You bring good news.

15 MR. GATHE: Absolutely.

16 Good morning, Chairman Jones, Board
17 Members, I'm Assistant Attorney General
18 Jeremy Gathe. Today I'll present the
19 staff reports on riverboat and racetrack
20 casino licensees' compliance with
21 employment procurement conditions for
22 the fourth quarter of 2018. I'll begin
23 with the riverboats.

24 The fourth quarter reports are taken
25 from figures reported by the 15

1 operating riverboats to the Louisiana
2 Gaming Control Board. In the fourth
3 quarter of 2018, approximately 12,833
4 people were employed by the riverboat
5 industry. Of that number, 12,615 were
6 Louisiana residents, 7,998 were
7 minorities and 7,266 were women.

8 Eight licensees achieved total
9 compliance this quarter, and they are
10 Sam's Town Casino and Golden Nugget,
11 L'Auberge Baton Rouge, Horseshoe Casino,
12 Boomtown New Orleans, Isle of Capri
13 Casino St. Charles, Eldorado Resort
14 Shreveport and L'Auberge Lake Charles.

15 Next I'll address employment. Five
16 licensees did not meet their total
17 employment goals, and they are:
18 DiamondJacks Casino & Resort, which
19 achieved 406 out of a goal of 650; Belle
20 of Baton Rouge Casino, which achieved
21 398 out of a goal of 450; Hollywood
22 Casino, which achieved 363 out of a goal
23 of 450; Amelia Belle, which achieved 284
24 out of a goal of 325, and Boomtown
25 Casino Bossier, which achieved 485 out

1 of a goal of 650.

2 All licensees either met or exceeded

3 their goals in all the subcategories
4 under the main category of employment
5 with the exception of Treasure Chest
6 Casino, which failed to meet its female
7 employment goal. It achieved 50.7 out
8 of a goal of 51.86 percent.

9 Next I'll address procurement. The
10 licensees are grouped according to three
11 subcategories which appear in your
12 report. Those subcategories are
13 Louisiana, minority and female
14 procurement. Under Louisiana
15 procurement, two licensees did not
16 achieve compliance with its voluntary
17 conditions, and those licensees are:
18 Margaritaville Resort Casino, which
19 achieved 85.7 out of a goal of
20 90 percent, and Treasure Chest Casino
21 which achieved 74.10 out of a goal of
22 80 percent.

23 Under the subcategory of minority
24 procurement, one licensee did not
25 achieve compliance with its voluntary

18

1 conditions, and it's DiamondJacks Casino
2 & Resort, which achieved 9 out of a goal
3 of 10 percent.

4 For female, all licensees either met
5 or exceeded their goals.

6 Are there any questions regarding
7 the riverboats?

8 CHAIRMAN JONES: Board Members, any
9 questions on riverboats? [No response.]

10 The employment numbers are
11 concerning to us, and I've had -- I've
12 talked to Brent Stevens, DiamondJacks,
13 on the way over here this morning.

14 We've recently met with Belle of Baton
15 Rouge; I had a personal meeting at
16 Boomtown in Bossier. I don't want to
17 call them problem properties, but the
18 properties that have struggled with
19 employment we've reached out to, and
20 we're in discussions with them.

21 Employment is a centerpiece of
22 economic development, and it's something
23 that we have to pay a lot of attention
24 to it. Maybe I pay too much attention
25 to minority procurement and not enough

19

1 to employment. We can change that
2 focus. But on the good side, once more
3 we're, like, within one property of
4 having everybody in compliance with
5 minority procurement. And I think
6 that's remarkable, and I thank the
7 industry for getting there.

8 L'Auberge Baton Rouge achieved it

9 this time. They were just slightly
10 under it last time; and, of course,
11 DiamondJacks is close, but they're not
12 there. But I appreciate the -- whatever
13 the change in course in terms of working
14 with local businesses, whatever you've
15 done, it's working, and I'm appreciative
16 of that. On behalf of the Board, we
17 thank you for that.

18 Jeremy.

19 MR. GATHE: In the fourth quarter of
20 2018, approximately 1,447 people were
21 employed by the racetrack casino
22 industry. Of that number, 1,184 were
23 Louisiana residents, 760 were minorities
24 and 862 were women.

25 Two racetrack casinos achieved total
20

1 compliance this quarter, and they are
2 Evangeline Downs and Fair Grounds.
3 Delta Downs did not achieve its
4 Louisiana employment condition. It
5 achieved 60.5 out of a goal of
6 80 percent. And Louisiana Downs did not
7 achieve its female employment condition.
8 It achieved 456 out of a 60 percent
9 condition.

10 Are there any questions regarding
11 the racetracks?

12 CHAIRMAN JONES: Board Members, any
13 questions? There are no questions.

14 MR. GATHE: Thank you.

15 CHAIRMAN JONES: Thank you, Jeremy.

16 VI. VIDEO GAMING ISSUES

17 A. Consideration of approval of the truckstop
18 application of Crescent Plantation
19 Holdings, LLC, d/b/a Cane Row Casino -
20 No. 0400517744

21 CHAIRMAN JONES: We'll now move to
22 Video Gaming Issues. First up is,
23 Consideration of application of video
24 gaming license by Crescent Plantation
25 Holdings, LLC, doing business as Cane

21

1 Row Casino, No. 0400517744.

2 Morning, gentlemen.

3 MR. PITRE: Morning, Chairman and
4 Board Members, I'm Assistant Attorney
5 General Earl Pitre, Jr., appearing
6 before the Board in the matter of the
7 application of Crescent Plantation
8 Holdings, LLC, doing business as Cane
9 Row Casino applying for approval of a
10 Type 5 video draw poker gaming license.

11 The establishment is located in
12 Assumption Parish.

13 On July 10th, 2018, the following
14 transactions occurred:

15 Cane Row Casino, LLC, doing business
16 as Cane Row Casino, who previously held
17 a video gaming license for the
18 truckstop, sold the business and
19 business assets to the applicant.

20 Cane Row C-Store, LLC, who
21 previously operated the convenience
22 store, restaurant and fuel facility,
23 sold its inventory to the applicant and
24 then terminated its sublease with Cane
25 Row Casino, LLC.

22

1 Operation Bayou, LLC, sold all of
2 its rights, title and interest in the
3 immovable property and improvements of
4 the truckstop facility to FAS Land
5 Company, LLC, and CNO Land Company, LLC,
6 and terminated all leases with Cane Row
7 Casino, LLC.

8 And lastly, the applicant will be
9 leasing the truckstop facility from FAS
10 Land Company, LLC, and CNO Land Company,
11 LLC.

12 The members of the applicant are
13 Frank A. Sotile, Jr., and Clifton N.
14 Ourso. Each of them have 50 percent
15 membership interest.

16 Master Trooper James Cannon
17 conducted the suitability investigation

18 of the relevant persons associated with
19 the application and conducted an on-site
20 inspection of the truckstop facility.

21 He is here and will present the State
22 Police's findings to the Board.

23 TROOPER CANNON: Good morning,
24 Chairman and Members of the Board. I'm
25 Master Trooper James Cannon, Louisiana

23

1 State Police.

2 I conducted the suitability
3 investigations on Frank A. Sotile, Jr.,
4 Cherie L. Sotile, Clifton N. Ourso,
5 Melanie S. Ourso and Alex J. Sotile. I
6 found no information that would preclude
7 them from participating in the gaming
8 industry.

9 I also conducted an updated
10 suitability check on Clay J. Simoneaux,
11 Jr., who previously met suitability as
12 manager of the previous licensee. I
13 found no information that would preclude
14 him from continuing to participate in
15 the gaming industry.

16 An on-site inspection was conducted,
17 and it was determined that the
18 establishment meets all criteria set
19 forth in video gaming law as a qualified
20 truckstop facility.

21 All required licenses and permits
22 were posted and valid at the time of the
23 inspection.

24 The establishment consists of 5.589
25 contiguous acres.

24

1 Crescent Plantation Holdings, LLC,
2 applied for a Type 5 truckstop license
3 within 36 months of Cane Row Casino,
4 LLC, being licensed at this location.
5 Cane Row Casino, LLC, doing business as
6 Cane Row Casino, submitted an Intent to
7 Build prior to June 1st, 2010;
8 therefore, they are not subject to the
9 rule that they must be one mile from a
10 school, church, playground, synagogue,
11 public library, residence or building on
12 the Historic Registry.

13 I found no information that would
14 preclude the issuance of a Type 5
15 license to Crescent Plantation Holdings,
16 LLC, doing business as Cane Row Casino.

17 MR. PITRE: The Office of the
18 Attorney General has reviewed the file
19 compiled as a result of the
20 investigation conducted by the Office of
21 State Police. Our review indicates that
22 no information has been found which
23 would preclude approval.

24 CHAIRMAN JONES: Board Members, any
25 questions with respect to this

25

1 application? [No response.]

2 There are no questions. Do I have a
3 motion?

4 By Mr. Stipe and Mr. Avant.

5 Any objection? [No response.]

6 Without objection, the motion
7 carries. The application is approved.

8 B. Consideration of approval of the truckstop
9 application of Easy Money Casino, LLC, d/b/a
10 Easy Money Casino - No. 2900517802

11 CHAIRMAN JONES: Next up is,
12 Consideration of the application of the
13 video gaming license by Easy Money
14 Casino, LLC, doing business as Easy
15 Money Casino, No. 2900517802.

16 MR. PITRE: Chairman Jones, Board
17 Members, I'm Assistant Attorney General
18 Earl Pitre, Jr., appearing before the
19 Board in the matter of the original
20 application of Easy Money Casino, LLC,
21 doing business as Easy Money Casino,
22 applying for approval of a Type 5 video
23 draw poker gaming license.

24 The establishment is located in
25 Lafourche Parish.

26

1 On November 30th, 2018, LML
2 Enterprises, LLC, doing business as
3 Cajun Country Casino, who previously
4 held a video gaming license for the
5 truckstop, sold the business, the
6 business assets and the immovable
7 property and improvements of the
8 truckstop facility to the applicant.

9 Lester J. Naquin, Jr., is the sole
10 100 percent member of the applicant.

11 Criminal Investigator William Landry
12 conducted an updated suitability check
13 of the relevant persons associated with
14 the application and conducted the
15 on-site inspection of the truckstop
16 facility. He is here and will present
17 the Office of State Police's findings to
18 the Board.

19 TROOPER LANDRY: Morning, Chairman
20 Jones and Members of the Board, William
21 Landry with the Louisiana State Police
22 Gaming Enforcement Division.

23 I conducted an updated suitability
24 check on Lester J. Naquin, who
25 previously was found suitable as manager

27

1 of a previous licensee. I found no
2 information that would preclude him from
3 continuing to participate in the gaming

4 industry.

5 An on-site inspection was conducted,
6 and it was determined that the
7 establishment meets all criteria set
8 forth in the video gaming law as a
9 qualified truckstop facility.

10 All required licenses and permits
11 were posted and valid at the time of the
12 inspection.

13 The establishment consists of 5.0
14 contiguous acres.

15 Easy Money Casino, LLC, purchased
16 the licensed establishment that was
17 approved for a gaming license on
18 July 17th, 2007; therefore, they're not
19 subject to the rule that they must be
20 within one mile from a school, church,
21 playground, synagogue, public library,
22 residence and buildings on the National
23 Historic Registry.

24 I found no information that would
25 preclude the issuance of a Type 5

28

1 license to Easy Money Casino, LLC, doing
2 business as Easy Money Casino.

3 MR. PITRE: The Office of the
4 Attorney General has reviewed the file
5 compiled as result of the investigation
6 conducted by the Office of State Police.

7 Our review indicates that no information
8 has been found to preclude approval.

9 CHAIRMAN JONES: Board Members, any
10 questions with respect to Easy Money's
11 application?

12 MR. SINGLETON: I move approval.

13 CHAIRMAN JONES: I've got a motion
14 and a second -- Mr. Singleton,
15 Mr. Avant.

16 Any objection? [No response.]

17 Without objection, the application
18 is approved.

19 Thank you, gentlemen.

20 C. Consideration of the transfer of interest of
21 the truckstop WY Properties, LLC, d/b/a
22 Logansport Truck Stop & Casino - No. 1601517239

23 CHAIRMAN JONES: We now move to a
24 transfer. This is, Consideration of the
25 transfer of interest in WY Properties,

29

1 LLC, doing business at Logansport Truck
2 Stop & Casino, No. 1601517239.

3 Good morning.

4 MR. PICOU: Good Morning, Chairman
5 Jones, Board Members. I'm Assistant
6 Attorney General Charlie Picou. Here
7 with me today is Criminal Investigator
8 Glenn Verrett of the Louisiana State
9 Police. We're present before the Board

10 in the matter of the transfer of 100
11 percent membership interest in WY
12 Properties, LLC, doing business as
13 Logansport Truck Stop & Casino.

14 The licensed establishment is
15 located in DeSoto Parish.

16 On September 28th, 2018, Leon
17 Militello, Jr., sold his 100 percent
18 membership interest in the licensee to
19 LSM Gaming, Incorporated, Piker Griffis
20 (phonetic) and Gerald Roth. As a result
21 of the transfer, LSM Gaming now holds
22 60 percent of the membership, Piker
23 Griffis holds 25 percent and Gerald Roth
24 holds 15 percent.

25 James E. Worthey is the 100 percent

30

1 owner of the shares of stock in LSM
2 Gaming. And also on September 28th,
3 2018, Logansport Gaming, LLC, sold the
4 immovable property that the licensed
5 establishment was located on to the
6 licensee.

7 Criminal Investigator Glenn Verrett
8 conducted an investigation of the
9 transfers and will now presents his
10 findings to the Board.

11 TROOPER VERRETT: Good morning, Mr.
12 Chairman and Board Members. I'm

13 Investigator Glenn Verrett, Louisiana
14 State Police. I reviewed the transfers
15 that occurred in the licensee and found
16 no information that would preclude the
17 continuing licensing of WY Properties,
18 LLC, doing business as Logansport Truck
19 Stop & Casino. I conducted a
20 suitability investigation of Gerald Roth
21 and found no information that would
22 preclude him from participating in the
23 gaming industry.

24 I also conducted nan updated
25 suitability checks Piker Griffis, James

31

1 E. Worthey and his wife, Kelly F.
2 Worthey, who have previously met
3 suitability under other video gaming
4 licenses. I found no information that
5 would preclude them from continuing to
6 participate in the gaming industry.

7 MR. PICOU: The Office of the
8 Attorney General has reviewed the file
9 prepared by Office of State Police and
10 has determined that there's no
11 information therein that would preclude
12 approval.

13 CHAIRMAN JONES: Very good.

14 Any questions, Board Members? [No
15 response.]

16 There are no questions.
17 Mr. Avant and Miss Berry.
18 Any objection? [No response.]
19 Without objection, the transfer is
20 approved.
21 Thank you, gentlemen.
22 MR. PICOU: Thank you.

23 VII. CASINO GAMING ISSUES

24 A. Consideration of the Casino Support
25 Services Contract with the City of New

32

1 Orleans

2 CHAIRMAN JONES: Casino Gaming
3 Issues, we now move to, Consideration of
4 Casino Support Services Contract with
5 the City of New Orleans that's required
6 by Statute 27:247.

7 Good morning, Charmaine.

8 MS. MOORE: Good morning, Chairman
9 Jones, Members of the Board. I'm
10 Assistant Attorney General Charmaine
11 Moore appearing in the matter of the
12 Casino Support Services Contract for
13 fiscal year 2019-2020 by and between the
14 State of Louisiana by and through the
15 Louisiana Gaming Control Board and the
16 Parish of Orleans by and through its
17 governing authority to the City of New
18 Orleans.

19 The purpose of the Casino Services
20 Contract is to compensate the parish for
21 services provided to the official gaming
22 establishment. R.S. 27:247 requires
23 that the contract be negotiated by the
24 Board and the City prior to March 31st
25 of each year.

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1 The current contract contains no
2 material changes from last year. The
3 term of the contract runs from July 1st,
4 2019, to June 30th, 2020. The amount of
5 the contract is the same as last year,
6 which is \$3.6 million. Payments in the
7 amounts and on the dates agreed to by
8 the City and the Joint Legislative
9 Committee on the Budget require
10 appropriation of the funds by the
11 legislature.

12 Once you authorize the Chairman to
13 sign the contract, it will be submitted
14 to the Joint Legislative Committee on
15 the Budget for approval. Once approved
16 by the Committee, the Chairman may sign
17 the contract.

18 I will be happy to answer any
19 questions you may have.

20 CHAIRMAN JONES: Thank you,
21 Charmaine.

22 Any questions for Miss Moore with
23 respect to the contract? [No response.]

24 Do I have a motion to authorize the
25 Chairman to execute the contract on

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1 behalf of the Board upon approval of the
2 contract by the Joint Legislative
3 Committee on the Budget? Miss Berry,
4 Mr. Singleton.

5 Any objection? [No response.]

6 Without objection, I will sign and
7 so forward. Thank you very much.

8 MS. MOORE: Thank you.

9 VIII. CONSIDERATION OF THE FOLLOWING PROPOSED

10 SETTLEMENT:

11 In Re: Catfish Queen Partnership in
12 Commendam d/b/a Belle of Baton Rouge
13 - No. R011700009
14 (SAR: 18-1-03-139-4184)

15 CHAIRMAN JONES: We now come to
16 Consideration of the Proposed
17 Settlement. This is in regard to
18 Catfish Queen Partnership in Commendam
19 doing business as Belle of Baton Rouge,
20 No. R011700009 (SAR: 18-1-03-139-4184).

21 Good morning, Gentlemen.

22 MR. GATHE: Morning, Chairman Jones,
23 Board Members. I'm Assistant Attorney
24 General Jeremy Gathe present before the

25 Board in the matter of the settlement of

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1 Catfish Queen Partnership in Commendam
2 doing business as Belle of Baton Rouge,
3 and here with me today is Jeff Barbin,
4 the attorney for the licensee.

5 This settlement addresses the
6 licensee's failure to prohibit a
7 self-excluded patron from its gaming
8 establishment. Specifically, the
9 licensee notified the Division that a
10 self-excluded patron had been in the
11 licensee's gaming area. An
12 investigation by the Division revealed
13 that although the self-excluded patron
14 had voluntarily added himself to the
15 state self-exclusion list in 2014, the
16 licensee failed to add the patron to its
17 casino exclusion database.

18 Additionally, between the dates of
19 May 2017 to July 2018, the self-excluded
20 patron was allowed to sign up for a new
21 player's membership card, allowed to
22 game on the casino floor on numerous
23 occasions and was mailed multiple
24 promotional offers and free play offers.

25 Considering the circumstances and

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1 mitigators of this specific case, the

2 licensee and the Division agree to a
3 civil penalty in the amount of \$100,000.
4 Additionally, as a condition of the
5 settlement, the licensee has implemented
6 remedial measures to prevent violations
7 of this nature from occurring again.
8 Those measures include designating a
9 primary and secondary employee to enter
10 and remove self-excluded patrons into
11 its casino's exclusion database whenever
12 the state list is updated. Audits of
13 the casino's database will be conducted
14 on a monthly basis, and all employees
15 are to receive a training on the proper
16 procedures in preventing self-excluded
17 patrons from entering the property.

18 The settlement has been signed by
19 the hearing officer and is now before
20 the Board for final approval.

21 And at this time, we'll be happy to
22 answer any questions that you have.

23 CHAIRMAN JONES: Did all this
24 activity occur prior to the Board
25 approving the transaction purchase by

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1 Eldorado?

2 MR. GATHE: Yes.

3 MR. BARBIN: Yes.

4 CHAIRMAN JONES: Actually the former

5 owners of this property.

6 MR. GATHE: Yes.

7 CHAIRMAN JONES: Board Members, any
8 questions? Mr. Stipe.

9 MR. STIPE: Does the purchase
10 agreement speak to anything of this size
11 and scope?

12 MR. BARBIN: It does not. Because
13 it was a merger of a publicly traded
14 company and this is a subsidiary of that
15 publicly traded company, there was no
16 purchase price adjustment.

17 MR. STIPE: Okay.

18 CHAIRMAN JONES: Before I ask for
19 the motion, I just -- on behalf of the
20 Board, we take these matters very
21 seriously. I mean, part of what we're
22 supposed to do is promote economic
23 development in the state through
24 gambling. A piece of that is making
25 sure that we try and protect those

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1 people who have problem gambling habits,
2 quite frankly, and we've got a good
3 program in this state. And if people
4 have the determination to place
5 themselves on a self-exclusion list, we
6 expect the properties to honor those
7 names and do whatever is necessary to

8 make sure those names are in the
9 database. And from time to time if we
10 find someone who's on that
11 self-exclusion list and for whatever
12 reason finds themselves on a property, we
13 expect State Police to take appropriate
14 action in those cases.

15 We take this very seriously. We
16 believe in this. We believe that this
17 program is important. This is an
18 egregious violation over a long period
19 of time. It should not have happened,
20 and I will tell Tony Rodio that to his
21 face. This should not have happened.
22 It's an embarrassment to this Board, but
23 I understand that this was not
24 Eldorado's actions or inaction. So I'm
25 not fussing at you-guys, okay?

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1 So I will now take a motion to
2 approve the settlement. Mr. Stipe,
3 Mr. Avant.

4 Any objection? [No response.]

5 Without objection, the settlement is
6 approved.

7 Thank you, gentlemen.

8 IX. ADJOURNMENT

9 CHAIRMAN JONES: And that brings us
10 to our last item on the agenda which is

11 a motion to adjourn.

12 MR. SINGLETON: I move we adjourn.

13 CHAIRMAN JONES: Miss Berry and Mr.

14 Stipe -- I mean, Mr. Singleton.

15 Without objection, we stand

16 adjourned.

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1 REPORTER'S PAGE

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3 I, SHELLEY PAROLA, Certified Shorthand

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

5 officer before whom this sworn testimony was

6 taken, do hereby state:

7 That due to the spontaneous discourse of this

8 proceeding, where necessary, dashes (--) have been

9 used to indicate pauses, changes in thought,

10 and/or talkovers; that same is the proper method

11 for a Court Reporter's transcription of a

12 proceeding, and that dashes (--) do not indicate

13 that words or phrases have been left out of this

14 transcript;

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

18

19

20

21

22

23

24 SHELLEY PAROLA

Certified Court Reporter #96001

25 Registered Professional Reporter

41

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 February

7 21, 2019, 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 27th day of
19 March, 2019.

20

21

22

SHELLEY G. PAROLA, CCR, RPR

CERTIFICATE NO. 96001

23

24