

LGCB Board of Directors' Meeting, (Pages 1:1 to 81:24)

1:1 LOUISIANA GAMING CONTROL BOARD

2

3 BOARD OF DIRECTORS' MEETING

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8 THURSDAY, FEBRUARY 20TH, 2020

9

10 Louisiana State Capitol

11 House Committee Room 1

12 900 North Third Street

13 Baton Rouge, Louisiana

14

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16

17 TIME: 10:00 A.M.

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2

1 APPEARANCES

2

3 RONNIE JONES

Chairman (At Large)

4 June 30, 2019

5

6 MARK STIPE

(Attorney)

7 Seventh Congressional District

June 30, 2020

8

9 JULIE A. LEWIS

Fifth Congressional District for Investigational

10 Law Enforcement

11

12 MICHAEL LEGENDRE

Office of Charitable Gaming

13 Director

14

15 JULIE BERRY

(CPA)

16 Third Congressional District

June 30, 2018

17

18 O. LAMAR POOLE, JR.

(Economic/Community Planner)

19 Sixth Congressional District

20

21 HARRY AVANT

(At Large)

22 Fourth Congressional District

June 30, 2024

23

24 ELTON LAGASSE

(At Large)

25 First Congressional District

3

1 APPEARANCES (CONTINUED)

2

3 MAJOR CHUCK McNEAL

Gaming Enforcement Division

4

5 TRUDY SMITH

Confidential Assistant

6

7 LANA L. TRAMONTE

Principal Assistant

8

9 REPORTED BY:

BRITTANY E. VIDRINE, CCR, RPR

10 Baton Rouge Court Reporters

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1 I. CALL TO ORDER

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

5 Ms. Tramonte, would you call the
6 roll.

7 MS. TRAMONTE: Chairman Jones?

8 CHAIRMAN JONES: Here.

9 MS. TRAMONTE: Mr. Avant?

10 MR. AVANT: Here.

11 MS. TRAMONTE: Ms. Berry?

12 MS. BERRY: Here.

13 MS. TRAMONTE: Mr. Jackson?

14 MR. JACKSON: (No response.)

15 MS. TRAMONTE: Mr. Lagasse?

16 MR. LAGASSE: Yes, ma'am.

17 MS. TRAMONTE: Ms. Lewis?

18 MS. LEWIS: Here.

19 MS. TRAMONTE: Mr. Poole?

20 MR. POOLE: Here.

21 MS. TRAMONTE: Mr. Singleton?

22 MR. SINGLETON: (No response.)

23 MS. TRAMONTE: Mr. Stipe?

24 MR. STIPE: Here.

25 MS. TRAMONTE: Colonel Reeves?

1 MAJOR McNEAL: Major McNeal for
2 Colonel Reeves.

3 MS. TRAMONTE: Secretary Robinson?

4 MR. LEGENDRE: Michael Legendre here
5 for Secretary Robinson.

6 CHAIRMAN JONES: We have a quorum,
7 and we may conduct business.

8 II. PUBLIC COMMENTS

9 CHAIRMAN JONES: Anyone in the
10 audience want to make -- offer any
11 comments, public comments on anything on
12 the agenda today? Now would be the
13 appropriate time. Okay.

14 III. APPROVAL OF THE MINUTES

15 CHAIRMAN JONES: We'll then move to
16 approval of the minutes. Did I have a
17 motion to waive reading and approve the
18 minutes of the January 2020 meeting?

19 MS. BERRY: So moved.

20 CHAIRMAN JONES: Ms. Berry.

21 MR. AVANT: Second.

22 IV. REVENUE REPORTS

23 CHAIRMAN JONES: Any objection?
24 Without objection, we'll now call for
25 Revenue Reports.

8

1 Good morning.

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

6 The 15 operating riverboats
7 generated Adjusted Gross Receipts of
8 \$143,963,554 in January. This total
9 represents a decrease of \$11 million or
10 7% from last month, but an increase of
11 \$7 million or 5% from last January. As
12 information, this January had one
13 additional Friday than last January.

14 Adjusted Gross Receipts for fiscal
15 year 2019-2020 to date are
16 \$1 billion 36.6, a decrease of
17 \$37.6 million or 3% from fiscal year
18 2018-2019.

19 During January, the state collected
20 fees totaling \$30,952,164. As of
21 January 31st, 2020, the state collected
22 almost \$223 million in fees for fiscal
23 year 2019-2020.

24 Next is a summary of the January
25 2020 gaming activity for Harrah's

9

1 New Orleans found on page three.

2 During January, Harrah's generated
3 \$24,441,634 in gross gaming revenue, a
4 decrease of \$2 million or 7.5% from last
5 month, but an increase of approximately
6 \$1.6 million or 7.3% from last January.

7 Revenues for fiscal year 2019-2020
8 to date are \$167.7 million, a minimal

9 decrease of .1% from fiscal year
10 2018-2019.

11 During January, the state received
12 \$5,081,967 in minimum daily payments. As
13 of January 31st, 2020, the state
14 collected \$35 million in fees for fiscal
15 year 2019-2020.

16 Next I will present the revenues for
17 Slots at the Racetracks.

18 During January, the four racetrack
19 facilities combined generated Adjusted
20 Gross Receipts of \$27,574,260, a decrease
21 of \$1.5 million or 5% from last month,
22 and a decrease from January 2019 of 1%.

23 Adjusted Gross Receipts for fiscal
24 year 2019-2020 to date are \$195 million,
25 a decrease of \$4.2 million or 2% from

10

1 fiscal year 2018-2019.

2 During January, the state collected
3 \$4,183,015 in fees. As of January 31st,
4 2020, the state has collected almost
5 \$30 million in fees for fiscal year
6 2019-2020.

7 Overall in January, Riverboats, Land
8 Based, and Slots at Racetracks combined
9 generated \$196 million in AGR, and
10 \$40 million in state fees.

11 These revenues represent an increase

12 of \$8.3 million or 4.4% from January
13 2019.

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

17 CHAIRMAN JONES: I'll take that.

18 Are there any questions, Board Members?

19 There are no questions.

20 MS. JACKSON: Harrah's New Orleans
21 is required to maintain at least 2,400
22 employees and a biweekly payroll of
23 \$1,750,835. This reports covers pay
24 periods in January 2020.

25 For the first pay period, the

11

1 Division verified 2,444 employees with a
2 payroll of \$2,137,000. For the second
3 pay period, the Division verified 2,433
4 employees with a payroll of \$2,146,000;
5 therefore, Harrah's met the employment
6 criteria during January.

7 CHAIRMAN JONES: Board Members, any
8 questions? There are no questions?

9 MS. JACKSON: Thank you.

10 CHAIRMAN JONES: Thank you.

11 Jim? Good morning.

12 MR. BOSSIER: Morning.

13 Good morning, Chairman Jones and
14 Board Members. My name is Jim Bossier

15 with the Louisiana State Police, Gaming
16 Enforcement Division here to report video
17 gaming statistics for January 2020 as
18 shown on page one of your handout.

19 Sixteen new video gaming licenses
20 were issued during January: Nine bars,
21 and seven restaurants.

22 Six new applications were received
23 by the Gaming Enforcement Division during
24 January and are currently pending in the
25 field: Four bars and two restaurants.

12

1 The Gaming Enforcement Division
2 assessed \$850 and collected \$7,700 in
3 civil penalties in January, and there are
4 currently \$3,950 in outstanding fines.

5 Please refer to page two of your
6 handout.

7 There are presently 12,903 video
8 gaming devices activated at 1,634
9 locations. Net device revenue for
10 January 2020 was \$52.1 million, a
11 \$1.1 million decrease when compared to
12 December 2019, and a \$2.9 million
13 increase when compared to January 2019.

14 Net device revenue so far for fiscal
15 year 2020 is \$357 million, a
16 \$16.1 million or 4.7% increase when
17 compared to fiscal year 2019.

18 Page three of your handout shows the
19 comparison in net device revenue.

20 Total franchise fees collected
21 during January 2020 were \$15.6 million, a
22 \$300,000 decrease when compared to
23 December 2019, and a \$900,000 increase
24 when compared to January 2019.

25 Total franchise fees collected for
13

1 fiscal year 2020 are \$106.9 million, a
2 \$4.8 million increase or 4.7% when
3 compared to fiscal year 2019.

4 Page four of your handout shows a
5 comparison of franchise fees.

6 Does anybody have any questions?

7 CHAIRMAN JONES: Board Members, any
8 questions on video poker? There are no
9 questions.

10 MR. BOSSIER: Thank you.

11 V. COMPLIANCE REPORTS

12 CHAIRMAN JONES: Thank you.

13 We will now call for the quarterly
14 compliance report.

15 Good morning.

16 MR. GATHE: Good morning, Chairman
17 Jones, Board Members. I'm Assistant
18 Attorney Jeremy Gathe. Today I'll
19 present the staff reports on riverboat
20 and racetrack casino licensees compliance

21 with employment and procurement
22 conditions for the fourth quarter of
23 2019.

24 I'll begin with the riverboats. The
25 fourth quarter reports are taken from

14

1 figures reported by the 15 operating
2 riverboats to the Louisiana Gaming
3 Control Board. In the fourth quarter of
4 2019, approximately 12,225 people were
5 employed by the riverboat industry. Of
6 that number, 12,024 were Louisiana
7 residents, 7,743 were minorities, and
8 6,909 were women.

9 Seven licensees achieved total
10 compliance this quarter, and they are
11 Sam's Town Hotel and Casino, Golden
12 Nugget, Horseshoe Casino, Boomtown
13 New Orleans, Treasure Chest Casino, Isle
14 of Capri Casino St. Charles, and
15 L'Auberge Lake Charles.

16 Next I'll address employment. Six
17 licensees did not meet their total
18 employment goals, and they are
19 DiamondJacks Casino and Resort, which
20 achieved 396 out of a goal of 650, Belle
21 of Baton Rouge, which achieved 326 out of
22 a goal of 450, Hollywood Casino, which
23 achieved 354 out of a goal of 450, Amelia

24 Belle, which achieved 290 out of a goal
25 of 325, Boomtown Casino Bossier, which

15

1 achieved 453 out of a goal of 650, and
2 Eldorado Resort Casino, which achieved
3 888 out of a goal of 950.

4 All licensees either met or exceeded
5 their goals in all of the subcategories
6 under the main category of employment.

7 Next I'll address procurement. The
8 licensees are grouped according to three
9 subcategories which appear in your
10 report. Those subcategories are
11 Louisiana, minority, and female
12 procurement.

13 Under Louisiana procurement one
14 licensee did not achieve compliance with
15 its voluntary conditions, and that
16 licensee is Margaritaville Resort Casino,
17 which achieved 79.9 out of a goal of 90%.

18 Under the subcategory of minority
19 procurement, two licensees did not
20 achieve compliance with its voluntary
21 conditions, and those licensees are
22 Margaritaville Resort Casino, which
23 achieved 9.2 out of a goal of 10%. And
24 Boomtown Casino Bossier, which achieved
25 9.3 out a goal of 10%.

16

1 For female procurement, all
2 licensees either met or exceeded their
3 goals.

4 Are there any questions with regard
5 to the riverboats?

6 CHAIRMAN JONES: Board Members, any
7 questions with respect to the riverboats
8 before we move on to any other sectors?

9 Just a couple of quick comments.
10 Employment voluntary condition goals have
11 been a problem for a while, and what I'm
12 going to ask -- and we're aware of that,
13 so are the general managers. And I'm
14 going to ask State Police Audit to look
15 at the properties who didn't make it in
16 this quarter because they didn't make it
17 in the previous quarters, and perhaps do
18 some analysis in comparison to admissions
19 and revenue for those same periods.

20 I don't know what the solution is.
21 I can't produce customers for you-guys.
22 And I know just enough about business to
23 know that you have to make money to have
24 employees, and in many of these markets,
25 admissions are down. So I understand

17

1 that. And that's why I haven't been
2 knocking on your door and fussing at you
3 about it.

4 You hit on all the other
5 subcategories, Louisiana minority and
6 women, and I thank you for that. So
7 you're doing a good job there with the
8 employees that you do have.

9 With respect to procurement, you're
10 continuing to be where you need to be.
11 The two that didn't make it this quarter
12 were less than 1% of their goal. That's
13 pretty substantial. And, you know, those
14 were two outliers. If you look at the
15 previous three quarters, they made their
16 goals.

17 So I thank all the general managers
18 for the attention they're paying the
19 procurement. That makes my job easier
20 when there's a legislative session when I
21 have to talk to legislators about whether
22 or not this is promoting Louisiana
23 economy by buying Louisiana goods,
24 particularly in those subcategories. So
25 I just want to thank you for that. I

18

1 appreciate it.

2 Please continue.

3 MR. GATHE: I'll now move on to the
4 racetracks.

5 In the fourth quarter of 2019,
6 approximately 14,000 people were employed

7 by the racetrack casino industry. Of
8 that number, 1,140 were Louisiana
9 residents, 722 were minorities, and 826
10 were women.

11 Two racetrack casinos achieved total
12 compliance this quarter, and they're
13 Evangeline Downs and the Fairgrounds.

14 Delta Downs did not achieve its
15 Louisiana employment condition. It
16 achieved 59.6 out of the 80% condition.

17 And Louisiana Downs did not achieve its
18 female employment condition, it achieved
19 54.8 out of the 60% condition.

20 And are there any questions
21 regarding the racetracks?

22 CHAIRMAN JONES: Any questions,
23 Board Members? There are no questions.

24 MR. GATHE: Thank you.

25 I'm done, but I'm on the agenda for
19

1 the next one.

2 CHAIRMAN JONES: Okay. Before we
3 move to casino gaming issues, let me -- I
4 didn't announce this when I should have.
5 I've been reminded.

6 Once this legislature begins, you
7 know we are relocated to another
8 location. So we'll be moving our next
9 three monthly meetings, unless they

10 adjourn early, to the LaSalle Building.
11 We appreciate the Department of Revenue
12 for permitting us to use the auditorium
13 over there. Those are Monday meetings,
14 not Thursday meetings. That's at 617
15 North Third Street, for those of you who
16 haven't been there. It's the auditorium
17 on the first floor. So mark your
18 calendars accordingly.

19 VI. CASINO GAMING ISSUES

20 A. Consideration of Renewal Application for
21 the Riverboat Gaming License of
22 Belle of Orleans, LLC d/b/a Amelia Belle
23 Casino, No. R013600020

24 CHAIRMAN JONES: Okay. We will now
25 move to Casino Gaming Issues. First up,

20

1 Consideration of Renewal Application for
2 the Riverboat Gaming License of Belle
3 Orleans, LLC, doing business as Amelia
4 Belle Casino, No. R013600020.

5 Good morning.

6 MS. WARE: Good morning.

7 MR. GATHE: Chairman Jones, Board
8 Members, Assistant Attorney General
9 Jeremy Gathe appearing today with
10 Trnessia Ware of Louisiana State Police,
11 Audit Division and Investigator Riley
12 Blackwelder of Louisiana State Police,

13 Gaming Enforcement Division.

14 As you stated, this matter is the
15 renewal of the riverboat license of Belle
16 of Orleans, LLC, doing business as Amelia
17 Belle Casino, located in Amelia,
18 Louisiana.

19 Riverboat licenses are issued for a
20 five-year term, and this license is now
21 due to expire on March 24th, 2020.

22 Pursuant to Louisiana Revised
23 Statute 27:75(A), the Board is required
24 to act on any renewal application no
25 later than 30 days prior to the

21

1 expiration of the current license.

2 At this time, Trnessia Ware from the
3 Audit Division and Investigator Riley
4 Blackwelder will now report their
5 findings to the Board.

6 MS. WARE: Good morning, Chairman
7 Jones, and Members of the Board. My name
8 is Trnessia Ware with Louisiana State
9 Police, Corporate Securities Audit.

10 Licensee Belle of Orleans, LLC,
11 doing business as Amelia Belle Casino
12 65-year renewal of its license.

13 Amelia Belle is 100% owned by
14 Peninsula Gaming, LLC, which is directly
15 owned by Boyd Gaming Corporation, the

16 ultimate parent to Amelia Belle.

17 Because of Amelia Belle's close
18 proximity to New Orleans, the Division
19 associates the Amelia Belle Casino with
20 the New Orleans Gaming Market.

21 The New Orleans market includes
22 three riverboat casinos, one land based
23 casino, and one slots at the racetrack
24 facility.

25 For fiscal year 2018-2019, Amelia

22

1 Belle ranked fourth in the New Orleans
2 Gaming Market with gross receipts of
3 approximately 45 million.

4 As shown on page five of our report,
5 Amelia Belle spent 528,000 for
6 maintenance and capital expenditures in
7 2018, and 141,000 for 2019.

8 The licensee projects to spend
9 approximately 1.9 million for maintenance
10 and capital expenditures in 2021, and
11 1 million per year for years 2021 through
12 2023.

13 Boyd Aquisition has a management
14 services agreement with Peninsula Gaming
15 to assist the casino in performing
16 certain administrative services.

17 Peninsula pays Boyd Aquisition a fee
18 equal to 2% of net revenues, plus 5% of

19 EBITDA.

20 Boyd Gaming Corporation has a
21 corporate support service fee agreement
22 with Boyd Aquisition. The stated purpose
23 of this agreement is to provide economic
24 and efficiency-related benefits at the
25 corporate level. The fee is calculated

23

1 on an annual basis by Boyd's financial
2 analysis and budgeting department.

3 In conclusion, no financial issues
4 came to our attention to preclude the
5 Board from approving Amelia Belle's
6 license for a period of five years,
7 effective March 24th, 2020.

8 Licensing will now present their
9 findings.

10 MR. BLACKWELDER: Good morning,
11 Chairman Jones, Members of the Board.
12 I'm Investigator Riley Blackwelder with
13 the Louisiana State Police, Gaming
14 Enforcement Division.

15 The Division conducted an
16 investigation in regards to the five-year
17 renewal -- license renewal of Belle of
18 Orleans, LLC, doing business as Amelia
19 Belle Casino and its subsidiaries. This
20 investigation included their officers,
21 directors, and persons with a 5% more

22 ownership in the companies.

23 This investigation consisted of
24 inquiries through the federal, state, and
25 local enforcement agencies, computerized

24

1 criminal history databases, financial and
2 civil institutions and gaming regulatory
3 agencies.

4 At the conclusion of this
5 investigation, I discovered no
6 information which would keep the Board
7 from allowing the Belle of Orleans, LLC,
8 doing business as Amelia Belle Casino,
9 its subsidiaries or any of its officers,
10 directors or board members to be allowed
11 to continue participating in the
12 Louisiana Gaming Industry.

13 MR. GATHE: If it is the Board's
14 pleasure to approve the renewal
15 application of Belle of Orleans, LLC,
16 doing business as Amelia Belle Casino, a
17 resolution has been prepared for your
18 consideration.

19 CHAIRMAN JONES: Thank you. Board
20 Members, do we have any questions with
21 respect to this application? There are
22 no questions.

23 Do I have a motion to adopt the
24 resolution?

25 We have Mr. Lagasse. Seconded by

25

1 Ms. Lewis.

2 Ms. Tramonte, would you read the
3 resolution.

4 MS. TRAMONTE: [As read]: "On the
5 20th day of February, 2020, the Louisiana
6 Gaming Control Board did, in a dually
7 noticed public meeting, consider the
8 license renewal application of Belle of
9 Orleans, LLC, d/b/a Amelia Belle Casino,
10 and upon motion, dually made and
11 seconded, the Board adopted the following
12 resolution.

13 Be it resolved that the riverboat
14 casino license of Belle of Orleans, LLC,
15 d/b/a Amelia Belle Casino, No.
16 R013600020, be renewed for a term of five
17 years commencing March 24th, 2020,
18 subject to all conditions previously
19 placed on this license.

20 Thus done and signed in Baton Rouge,
21 Louisiana, this 20th day of February,
22 2020.

23 Mr. Avant?

24 MR. AVANT: Yes.

25 MS. TRAMONTE: Ms. Berry?

26

1 MS. BERRY: Yes.

2 MS. TRAMONTE: Mr. Lagasse?

3 MR. LAGASSE: Yes.

4 MS. TRAMONTE: Ms. Lewis?

5 MS. LEWIS: Yes.

6 MS. TRAMONTE: Mr. Poole?

7 MR. POOLE: Yes.

8 MS. TRAMONTE: Mr. Stipe?

9 MR. STIPE: Yes.

10 MS. TRAMONTE: Chairman Jones?

11 CHAIRMAN JONES: Yes. And it

12 carries unanimously. The application is

13 approved. Thank you.

14 B. Consideration of Renewal Application for the

15 Riverboat Gaming License of St. Charles

16 Gaming Company, LLC d/b/a Isle of Capri Casino

17 Hotel Lake Charles - No. R011700174

18 CHAIRMAN JONES: Next up is

19 Consideration of the Renewal Application

20 of the Riverboat Gaming License of

21 St. Charles Gaming Company, LLC, doing

22 business as Isle of Capri Casino Hotel

23 Lake Charles, No. R011700174.

24 Good morning.

25 MS. LANDRY: Good morning, Chairman

27

1 Jones, Board Members. I'm Assistant

2 Attorney General Lisha Landry appearing

3 with Ms. Patricia Bell from Louisiana

4 State Police, Audit Division, and Master

5 Trooper Jeremy Landry with the Louisiana
6 State Police, Gaming Enforcement
7 Division.

8 We're here today in the matter of
9 the renewal of the riverboat gaming
10 license of St. Charles Gaming Company,
11 LLC, doing business as Isle of Capri
12 Casino Hotel Lake Charles, which is
13 located in Westlake, Louisiana.

14 Pursuant to Louisiana Revised
15 Statute 27:75(A), the Board is required
16 to act on any renewal application no
17 later than 30 days prior to the
18 expiration of the current license.

19 Riverboat licenses are issued for a
20 five-year term, and this license is now
21 due to expire on March 29th, 2020.

22 The Office of State Police has
23 reviewed the financial circumstances of
24 the licensee and completed its
25 suitability investigations of the

28

1 licensee, its parent companies and
2 principals.

3 At this time, Ms. Bell and Trooper
4 Landry will report their findings to the
5 Board.

6 MS. BELL: Good morning, Chairman
7 Jones and Members of the Board. My name

8 is Patricia Bell with Louisiana State
9 Police, Corporate Securities Audit.

10 Licensee St. Charles Gaming Company,
11 LLC, doing business as Isle of Capri
12 Casino Hotel Lake Charles seeks the
13 five-year renewal of its license.

14 Eldorado Resorts, Inc., owns a 100%
15 ownership interest in Isle Lake Charles
16 through two Louisiana companies, Isle of
17 Capri Casino, LLC, and IOC Holdings, LLC.
18 Isle Lake Charles is one of three
19 riverboat casinos in the Lake Charles
20 market, along with one slots at the track
21 casino. For fiscal year 2018-2019, Isle
22 Lake Charles ranked fourth in the Lake
23 Charles market with gross receipts
24 approximating 100 million.

25 As shown on page five of our report,

29

1 Isle Lake Charles spent approximately
2 7 million for capital expenditures and
3 maintenance in 2019.

4 The licensee projects it will spend
5 approximately 135 million in the
6 aggregate for capital expenditures for
7 years 2020-2024, while transitioning from
8 a riverboat to an onshore facility per
9 the Board's approval in December of 2019.

10 Isle pays Eldorado corporate and

11 management fees and a shared services
12 fee. The corporate overhead services fee
13 is determined based on the size of the
14 property and the services provided.

15 For 2015 through 2019, Isle paid
16 approximately 9 million for corporate
17 overhead services. The management fee is
18 based on either 4% of revenue less taxes
19 or 2% of revenue less taxes plus 10% of
20 operating revenues.

21 For 2015 through 2019, Isle paid
22 approximately 18 million in management
23 fees. Isle pays a shared services fee
24 annually for contractual expenses shared
25 with other Eldorado subsidiaries.

30

1 For 2018 and 2019, Isle paid
2 approximately 319,000 in shared services
3 fees.

4 In conclusion, no financial issues
5 came to our attention to preclude the
6 Board from approving the Isle
7 Lake Charles license for a period of five
8 years effective March 29, 2020.

9 Licensing will now present their
10 findings.

11 MASTER TROOPER LANDRY: Good
12 morning, Chairman Jones and Members of
13 the Board. I'm Master Trooper Jeremy

14 Landry with Louisiana State Police,
15 Gaming Enforcement Division.

16 The Division conducted an
17 investigation in regards to the five-year
18 license renewal of St. Charles Gaming
19 Company, doing business as Isle of Capri
20 Lake Charles and its subsidiaries.

21 The investigation included their
22 officers, directors and persons with a 5%
23 more ownership interest in the companies.

24 The investigation consisted of
25 inquiries through local, federal, and

31

1 state law enforcement agencies,
2 computerized criminal history databases,
3 financial and civil institutions, and
4 gaming regulatory agencies.

5 At the conclusion of this
6 investigation, I discovered no
7 information which would keep the Board
8 from allowing St. Charles Gaming Company,
9 doing business as Isle of Capri
10 Lake Charles, its subsidiaries, or any of
11 its officers, directors or board members
12 to be allowed to continue participating
13 in the Louisiana Gaming Industry.

14 MS. LANDRY: If it's the Board's
15 pleasure to renew the riverboat gaming
16 license of St. Charles Gaming Company,

17 LLC, doing business as Isle of Capri
18 Casino Hotel Lake Charles, a proposed
19 resolution has been prepared for the
20 Board's adoption and the Chairman's
21 signature.

22 CHAIRMAN JONES: Thank you.

23 Board Members, are there any
24 questions with respect to this
25 application for Isle of Capri? There are

32

1 no questions.

2 Do I have a motion?

3 MS. BERRY: I'll move.

4 CHAIRMAN JONES: Mr. Avant, and the
5 second, Ms. Berry.

6 Ms. Tramonte, would you read the
7 resolution.

8 MS. TRAMONTE: [As read]: "On the
9 20th day of February, 2020, Louisiana
10 Gaming Control Board did, in a dually
11 noticed public meeting, consider the
12 license renewal application for
13 St. Charles Gaming, LLC, d/b/a Isle of
14 Capri Casino Hotel Lake Charles, and upon
15 motion dually made and second, the Board
16 adopted this resolution.

17 Be it resolved that the riverboat
18 casino license of St. Charles Gaming,
19 LLC, doing business as Isle of Capri

20 Casino Hotel Lake Charles, No.
21 R011700174, be renewed for a term of five
22 years commencing March 29th, 2020,
23 subject to all conditions previously
24 placed upon the license.

25 Thus done and signed in Baton Rouge,

33

1 Louisiana, this 20th day of February,
2 2020.

3 Mr. Avant?

4 MR. AVANT: Yes.

5 MS. TRAMONTE: Ms. Berry?

6 MS. BERRY: Yes.

7 MS. TRAMONTE: Mr. Lagasse?

8 MR. LAGASSE: Yes.

9 MS. TRAMONTE: Ms. Lewis?

10 MS. LEWIS: Yes.

11 MS. TRAMONTE: Mr. Poole?

12 MR. POOLE: Yes.

13 MS. TRAMONTE: Mr. Stipe?

14 MR. STIPE: Yes.

15 MS. TRAMONTE: Chairman Jones?

16 CHAIRMAN JONES: Yes.

17 And the application is approved.

18 I would just note that we had
19 groundbreaking two days ago at the Isle
20 for their movement onto land adjacent to
21 their berthing site, so construction has
22 begun over there. We're happy that

23 Eldorado is making a commitment to that
24 property and investing the money, and
25 it's going to be a win/win for that area.

34

1 So thanks for hosting that, Jeff. We
2 appreciate it. Thank you.

3 MS. LANDRY: Thanks.

4 VII. CONSIDERATION OF PROPOSED SETTLEMENTS &
5 APPEAL IN THE FOLLOWING:

6 1. In Re: Monico, Inc., d/b/a Tastee #21
7 No. 3601208537 (settlement)

8 CHAIRMAN JONES: We'll now move to
9 Consideration of Proposed Settlements and
10 Appeal in the following cases, and first
11 up a settlement in regard to Monico,
12 Inc., doing business as Tastee #21,
13 No. 3601208537.

14 Good morning.

15 MS. MURRAY: Good morning,
16 Chairman Jones, Board Members. I'm
17 Assistant Attorney General Alonna Murray
18 here in the matter of the settlement of
19 Monico Inc., doing business as Tastee
20 #21.

21 This settlement addresses the
22 licensee's failure to maintain a valid
23 ATC permit while operating a licensed
24 Type II video poker establishment, and
25 their failure to timely notify the

1 Division that its ATC permit expired.

2 The licensee's ATC permit expired on
3 May 31st of 2019. On August 19th of
4 2019, the Division conducted a compliance
5 inspection and observed that the ATC
6 permit was expired.

7 On August 20th of 2019, the
8 licensee's ATC permit was renewed and
9 made effective as of June 1st of 2019.

10 Between June 1st and August 19th of 2019,
11 the licensee operated video draw poker
12 machines and earned a profit from said
13 devices.

14 The settlement amount is \$3,000 and
15 takes into consideration all of the
16 factors surrounding the violations
17 committed by the licensee in this case.

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

21 I'd be happy to answer any questions
22 you may have at this time.

23 CHAIRMAN JONES: Thank you. Board
24 Members, any questions with respect to
25 this proposed settlement? There are no

1 questions.

2 Do I have a motion? Ms. Lewis.

3 Ms. Berry. Any objection? Without
4 objection, the settlement is approved.

5 Thank you.

6 MS. MURRAY: Thank you.

7 2. In Re: The Phoenix Bar Complex, LLC d/b/a
8 Phoenix - No. 3601114959 (settlement)

9 CHAIRMAN JONES: Next up is in
10 regard to the Phoenix Bar Complex, LLC,
11 doing business as Phoenix,
12 No. 3601114959.

13 MS. MURRAY: Good morning, Chairman
14 Jones and Board Members. I'm Assistant
15 Attorney General Alonna Murray here in
16 the matter of the settlement of the
17 Phoenix Bar Complex, LLC, doing business
18 as Phoenix.

19 This settlement addresses the Type I
20 licensee's failure to timely submit the
21 required annual fee and supporting
22 documents.

23 On February 26th of 2019, the
24 Division mailed a video gaming advisory
25 notice to the licensee informing them of

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1 the requirement to submit the annual fee
2 and forms no later than July 1st of 2019.

3 On November 6th of 2019, the
4 Division received the required annual
5 renewal forms and fee.

6 The civil penalty contained in the
7 settlement is \$750, which is an amount
8 consistent with violations of this type.

9 The settlement has been signed by
10 the hearing officer and is now before the
11 Board for final approval. I'd be happy
12 to answer any questions you may have.

13 CHAIRMAN JONES: Thank you. Board
14 Members, any questions with respect to
15 the Phoenix proposed settlement? There
16 are no questions.

17 Do I have a motion? We have a
18 motion by Mr. Poole, seconded by
19 Mr. Avant. Any objection? No objection.

20 The motion for settlement is
21 approved.

22 MS. MURRAY: Thank you.

23 CHAIRMAN JONES: Thank you.

24 3. In Re: Maloney Sept, LLC d/b/a Big Easy Travel
25 Plaza - No. 3601509389 (settlement)

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1 CHAIRMAN JONES: Next up in regard
2 to Maloney Sept, LLC, doing business as
3 Big Easy Travel Plaza - No. 3601509389.

4 Good morning.

5 MR. GATHE: Good morning,
6 Chairman Jones, Board Members. Assistant
7 Attorney General Jeremy Gathe present
8 before the Board in the matter of the

9 settlement of Maloney Sept, LLC, doing
10 business as Big Easy Travel Plaza.

11 The settlement addresses several
12 violations of gaming law by the licensee.

13 The licensee is a Type V licensed
14 establishment located in Orleans Parish.

15 The penalty amount contained in the
16 settlement is \$30,000. The settlement
17 amount was a mutually agreed upon amount
18 by the licensee and the Division.

19 Settlement amounts are factored on a
20 case-by-case basis and with regard to
21 this case, the Division assessed the
22 nature of the violations, the totality of
23 the circumstances, and previous case
24 history in making its decision to settle
25 the matter and the appropriate penalty

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1 amount.

2 The licensee committed numerous
3 violations of gaming law. Some of those
4 violations include the licensee's failure
5 to maintain an on-site restaurant at the
6 licensed establishment, it's failure to
7 notify the Division that it evicted the
8 operator of its on-site restaurant, it's
9 operation of video draw poker devices
10 without an on-site restaurant, and not
11 responding to the Division's requests in

12 a timely manner.

13 In addition to the nature of the
14 violations, the Division looked into
15 previous case history with comparable
16 factual patterns in determining an
17 appropriate settlement amount. Other
18 similarly situated licensees have settled
19 for comparable settlement amounts as in
20 this case.

21 After a compliance conference with
22 the Division, the licensee has corrected
23 all of its violations and has assured the
24 Division of how it will remain compliant
25 with Louisiana Gaming Law. And has also

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1 agreed to have a compliance officer at
2 the licensed establishment available to
3 the Division at all times.

4 Hearing Officer Ponder has signed
5 off on the settlement, and it is now
6 before the Board for final approval. And
7 I'd be happy to answer any questions that
8 you may have at this time.

9 CHAIRMAN JONES: Board Members, any
10 questions with respect to the Big Easy
11 Travel Plaza's proposed settlement?

12 There are no questions.

13 Do I have a motion? Mr. Lagasse and
14 Ms. Berry. Any objections? No

15 objections.

16 Settlement is approved. And if
17 anybody from Big Easy is out there
18 listening, I will just say this, the
19 patience of this Board is not infinite
20 and next time it could be very different.

21 MS. ROVIRA: Hello, Mr. Chairman,
22 Allison Rovira on behalf of Big Easy.
23 And the licensee fully understands that
24 they have to remain in compliance at all
25 times.

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1 CHAIRMAN JONES: Thank you.

2 MS. ROVIRA: So they're aware.

3 Thank you.

4 4. In Re: LTSGO, LLC d/b/a LTSGO, LLC -
5 No. 3601605082 (settlement)

6 CHAIRMAN JONES: We next move to the
7 proposed settlement of LTSGO, LLC, doing
8 business as LTSGO, LLC - No. 3601605082.

9 MR. GATHE: Chairman Jones, Board
10 Members, Assistant Attorney General
11 Jeremy Gathe present before the Board in
12 the matter of the settlement of LTSGO,
13 LLC, doing business as LTSGO, LLC.

14 The settlement addresses the
15 licensee's failure to notify the Division
16 of a transfer of ownership interest.

17 The licensee is a Type VI licensed

18 establishment located in Orleans Parish.

19 On January 29th, 2019, Bobbie Jean
20 Maloney died. On June 25th, 2019, the
21 Division received notice of the death of
22 Ms. Maloney from the licensee.

23 The Division's records indicated
24 that Ms. Maloney held a 14.29%
25 ownership -- membership interest in the

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1 licensee.

2 The licensee failed to notify the
3 Division within ten calendar days of
4 Ms. Maloney's death in violation of
5 Louisiana Gaming Law.

6 At the time of her death,
7 Ms. Maloney died intestate, unmarried,
8 and with no descendants. She was
9 survived by her parents, Robert and Bonny
10 Maloney, and her siblings, Kurt Maloney,
11 Robert S. Maloney, Jr., Julie
12 Maloney-Wenck, and Craig S. Maloney.

13 Ms. Maloney's father, Robert S.
14 Maloney, died on June 2nd, 2019.
15 Ms. Maloney's 14.29% membership interest
16 in the licensee transferred to her
17 siblings in equal shares subject to a
18 usufruct of her living parent, Bonny B.
19 Maloney.

20 There is no judgment of possession

21 at this time; however, naked ownership
22 transferred to Ms. Maloney's siblings
23 upon her death.

24 Ms. Maloney's siblings and her
25 mother, Bonny B. Maloney, have previously

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1 met suitability in connection with this
2 license.

3 The Division found no information to
4 preclude Ms. Maloney's siblings and
5 Bonny B. Maloney's continued
6 participation in the gaming industry, and
7 the licensee is now compliant with
8 Louisiana Gaming Law.

9 The civil penalty contained in the
10 settlement is \$500. The settlement has
11 been signed by Hearing Officer Ponder,
12 and is now before the Board for final
13 approval.

14 And I'll be happy to answer any
15 questions that you may have regarding
16 this matter.

17 CHAIRMAN JONES: So "LTSGO" is Let's
18 Go?

19 MR. GATHE: Let's Go.

20 CHAIRMAN JONES: Board Members, any
21 questions?

22 MS. BERRY: I just --

23 CHAIRMAN JONES: Yes, ma'am,

24 Ms. Berry.

25 MS. BERRY: I just found my answer,

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1 I think, but I'm just going to clarify.

2 They have ten days after the date of

3 death to notify --

4 MR. GATHE: Of a transfer of

5 ownership. So any time there's a

6 transfer of ownership, ten days after

7 that date. And her death sparked the

8 transfer of ownership.

9 MS. BERRY: Okay. That was it.

10 Thank you.

11 CHAIRMAN JONES: Okay. Any other

12 questions? There are no other questions.

13 Do I have a motion? By Mr. Poole,

14 and seconded by Mr. Stipe. Any

15 objection? Without objection, the

16 settlement is approved.

17 5. In Re: Maloney Cinque, LTD d/b/a The Carnival

18 Club - No. 3601500165 (settlement)

19 CHAIRMAN JONES: And last settlement

20 up is in regard to Maloney Cinque, LTD,

21 doing business as The Carnival Club - No.

22 3601500165, a settlement.

23 MR. GATHE: Chairman Jones, Board

24 Members, Assistant Attorney General

25 Jeremy Gathe present before the Board in

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1 the matter of the settlement of Maloney
2 Cinque, LTD, doing business as The
3 Carnival Club.

4 The settlement addresses the
5 licensee's failure to notify the Division
6 of a transfer of ownership interest. The
7 licensee is a Type V licensed
8 establishment located in Orleans Parish.

9 On January 29th, 2019, Bobbie Jean
10 Maloney died. On June 25th, 2019, the
11 Division received notice of the death of
12 Ms. Maloney from the licensee.

13 The Division's records indicated
14 that Ms. Maloney held a 20% membership
15 interest in the licensee.

16 The licensee failed to notify the
17 Division within ten calendar days of
18 Ms. Maloney's in violation of Louisiana
19 Gaming Law.

20 At the time of her death,
21 Ms. Maloney died intestate, unmarried and
22 with no descendants. She was survived by
23 her parents, Robert and Bonny Maloney and
24 her siblings, Kurt Maloney, Robert S.
25 Maloney, Jr., Julie Maloney-Wenck, and

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1 Craig S. Maloney.

2 Ms. Maloney's father, Robert S.
3 Maloney died on June 2nd, 2019.

4 Ms. Maloney's 20% membership
5 interest in the licensee transferred to
6 her siblings in equal shares subject to
7 the usufruct of her living parent,
8 Bonny B. Maloney.

9 There's no judgment of possession
10 available at the time; however, naked
11 ownership transferred to Ms. Maloney's
12 siblings upon her death.

13 Ms. Maloney's siblings have
14 previously met suitability in connection
15 with this license.

16 Ms. Maloney's mother, Bonny B.
17 Maloney, met suitability on January 9th,
18 2020.

19 The Division found no information to
20 preclude Ms. Maloney's siblings and
21 Bonny B. Maloney's continued
22 participation in the gaming industry, and
23 the licensee is now compliant with
24 Louisiana Gaming Law.

25 The civil penalty contained in this

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1 settlement is \$500. The settlement has
2 been signed by the hearing officer and is
3 now before the Board for final approval.

4 And I'd be happy to answer any
5 questions that you have at this time.

6 CHAIRMAN JONES: Board Members, any

7 questions with respect to this proposed
8 settlement? There are no questions.

9 Do I have a motion? Ms. Berry.

10 Ms. Lewis.

11 Any objection? Without objection,
12 the motion carries and the settlement is
13 approved. Thank you.

14 MR. GATHE: Thank you.

15 6. In Re: S&I Investment, LLC d/b/a

16 S&I Investment, LLC - No. 4900617125

17 In Re: Arnaudville Petroleum, LLC d/b/a Tiger Deli

18 No. 4900216854

19 In Re: S&I Investment, LLC d/b/a Diamond Jubilee -

20 No. 3601517512

21 CHAIRMAN JONES: And we'll call up

22 now for appeal in regard to S&I

23 Investment, LLC, doing business as S&I

24 Investment, LLC, No. 4900617125.

25 In regard to Arnaudville Petroleum,

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1 LLC, doing business as Tiger Deli,

2 No. 4900216854.

3 And in regard to S&I Investment,

4 LLC, doing business as Diamond Jubilee,

5 No. 3601517512.

6 This is an appeal from the Division

7 appealing the hearing officer's decision.

8 So the Division will go first.

9 And I don't need to remind you,

10 we've all had the record. I've read it
11 at least three times, okay. So we know
12 what's there. Let's don't plow old
13 ground. I just want to hear your
14 arguments as to why you think the hearing
15 officer was wrong and why you think the
16 hearing officer was correct.

17 MR. PICOU: Good morning. Assistant
18 Attorney General Charlie Picou here on
19 behalf of Louisiana State Police, Gaming
20 Enforcement Division. I'd also like to
21 reserve time for a rebuttal, if possible,
22 after the licensee's argument.

23 CHAIRMAN JONES: Okay.

24 MR. PICOU: So this matter is before
25 the Board on appeal of Division of her --

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1 the hearing officer's decision that
2 granted motion for clarification of the
3 licensee, and also declared this
4 honorable Board's notice improper and
5 insufficient.

6 The law relied upon here is 49:955
7 (A) -- Louisiana Revised Statute
8 49:955(A) and (B). 955(A) requires
9 reasonable notice, pretty much. 955(B)
10 sets forth four distinct requirements of
11 a notice.

12 If you take a look at all three

13 notices that have been issued in this
14 case, you'll see that all the
15 requirements are met. Just quickly to
16 run through them, the first requirement
17 is the statement of the time, place and
18 nature of the hearing. That's at the end
19 of the notice. The -- upon reading that,
20 the licensee then requested a hearing.
21 That requirement was met.

22 Second requirement being a statement
23 of the legal authority and jurisdiction,
24 which is covered in the first and last
25 sentence of each notice.

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1 One of the main issues of the
2 contention here was the third
3 requirement, which was a requirement to
4 reference the particular sections of the
5 statutes and rules involved. And it was
6 the Division's contention and position
7 that the hearing officer expanded the
8 law, went beyond the law in this
9 particular -- in this regard. Her
10 decision states that the nature -- that
11 the stat- -- the Board's notice must
12 state the nature of a particularity of
13 the alleged violation. That is not
14 written or stated anywhere in the law.
15 As you can see, in plain reading of it,

16 just so -- for reference it's on page two
17 and three of the Division's memorandum
18 and support of appeal. That's where you
19 can find the 955(B).

20 Again, a plain reading of that will
21 not show that language whatsoever in
22 there. In fact, the first paragraph of
23 each notice has in bold writing not only
24 the sections of the statute, which is
25 required by law, but also the

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1 subsections, subparagraphs, paragraphs,
2 clauses. You get the picture. It goes
3 into great detail in regard to citing and
4 referencing the statutes as required by
5 law.

6 The fourth requirement also requires
7 a short and plain statement of the issues
8 of the matter asserted. Now, as you
9 said, you know, you can see by the large
10 pile of paper in front of you that we
11 didn't cut the -- the Board didn't cut
12 any corners in addressing the facts and
13 details in this matter.

14 There's no -- they really didn't
15 leave any stone unturned. There's not
16 much left to the imagination. It states
17 out everything. All the information that
18 we really have -- or the Board had at the

19 time, all information that the Division
20 anticipates presenting at trial, it's all
21 covered in there. There's absolutely no
22 information that's not contained in there
23 that can be provided, no additional
24 information.

25 The hearing officer and the

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1 licensees have also misinterpreted and
2 misapplied a major point of contention,
3 the second paragraph of four of 955(B),
4 which is -- it states that -- again, it's
5 on page three of the memorandum, the
6 Division memorandum. [As read]: "If the
7 agency or other party is unable to state
8 the matters in detail at the time the
9 notice is served, the initial notice may
10 be limited to a statement of the issues
11 involved. Thereafter, application and
12 upon application a more definite and
13 detailed statement shall be furnished."

14 The licensees have argued that a
15 more definite and detailed statement is
16 mandatory because the word "shall" is in
17 there. However, it is our contention
18 that the hearing officer's decision and
19 the licensee has completely ignored the
20 first half of the first sentence of
21 that -- for that statute, which contains

22 the word "if," you know, meaning that
23 something must come first, and also
24 thereafter.

25 It's the Division's contention that

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1 only upon -- only if the Division failed
2 to, I guess, present, I guess, lack of
3 detail in there. And their initial
4 notices, can the licensee then apply for
5 a more definite and detailed statement.
6 Only if we didn't -- for example, an IES.
7 Now, it's not -- not saying it's the
8 legislative intent, but in practical
9 application, if there's an IES, comes in
10 the office, and the -- we only have a
11 certain amount of time to get it out.
12 It's basically for public protection. We
13 need to hurry up and get this notice out.
14 It can't put all the information in
15 there.

16 At that point, we can then -- or the
17 agency, the Board can then issue a notice
18 containing some information, but not all,
19 at which point a party or licensee may
20 then come in and request another -- you
21 know, a detailed statement.

22 However, as interpreted by the
23 licensee and the hearing office, at this
24 point, the -- as interpreted, it would

25 be -- it would expand it to allow pretty

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1 much anybody, any -- any licensee to come
2 in for any reason and challenge any
3 notice.

4 This notice could be 100 pages long
5 and contain everything we have, and it
6 could be in the exact format requested by
7 the licensees; however, if they challenge
8 it, they will be required to -- to then
9 issue another statement, which is beyond
10 the scope of the law. That's our
11 contention.

12 The hearing officer's decision --
13 decision essentially requires the Board
14 to amend notices, reissue -- the Board to
15 reissue a notice to the licensee, which
16 you can see is not written anywhere in
17 that law. Information sought by the
18 licensee is readily available; it can be
19 found on the website for the Board; it
20 can be found in any law book. You know,
21 they've been afforded the opportunity to
22 retain counsel to explain that to them.

23 If the notices contained this much
24 information, as it does, like I said, it
25 would be -- this notice contains all the

55

1 information we have available and intend

2 to present at trial.

3 With that being said, if this -- if
4 this notice is deemed insufficient, it
5 could effectively open the floodgates and
6 allow any licensee, like I said, to come
7 in and challenge it based on form or
8 other legal merit.

9 At the hearing for -- the motion
10 hearing, the licensee was unable to
11 articulate or request any particular
12 point of confusion or any particular
13 point that needs to be changed about the
14 notice. They simply wanted us to take
15 the -- or wanted the Board to take the
16 statutes that were listed in the first
17 paragraph and a couple of them scattered
18 throughout the notice and sort of play a
19 matching game with the violation and the
20 statute. Again, it's our contention
21 that's strictly an issue with the form
22 rather than the merit or the legal
23 requirements of the notice. And that's,
24 again, expanding -- expanding the -- the
25 law. That's our contention.

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1 And the primary reason for the
2 hearing officer's decision was precedent.
3 However, you know, it has gone before the
4 Board a few times, before the hearing

5 office a few times. It has never been
6 determined by the Board. This issue
7 hasn't been addressed by the Board. It
8 has not been considered. And I would
9 say -- or the Division would say that the
10 more -- some more compelling precedent
11 would be the fact that over 3,000 cases
12 have been -- or notices have been issued,
13 approved by this Board, and also affirmed
14 by the hearing officer as proper that are
15 in the exact format of the notices I've
16 presented in these cases.

17 955(B) is not exclusively a gaming
18 statute. It applies to other
19 administrative matters and has been
20 decided by other courts. I've listed
21 that on page eight of the notice -- or
22 the Division's memorandum. I've cited
23 certain cases. However, due process --
24 it's been well established by the courts
25 that due process requires the agency, in

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1 this case, the Board to notify the
2 licensee of the pendency of the action,
3 and just to allow them an opportunity to
4 prepare or to present arguments or
5 opposition, objections.

6 However, in this matter, we've --
7 not only have we allowed them the

8 opportunity, but they've had the
9 opportunity to retain counsel, the
10 opportunity to propound discovery, to
11 attend, you know, compliance conferences,
12 every opportunity to prepare for the
13 hearing.

14 Also in the -- I cited a case -- the
15 Scott case, Scott versus Louisiana
16 Department of Public Safety. In that
17 case, the Fourth Circuit Court of Appeal
18 held that this particular -- the text
19 that is written on page eight of my
20 memorandum; however, it's -- these five
21 sentences basically was sufficient to --
22 sufficient notice for the licensee to --
23 to be notified and to -- basically the
24 Court of Appeals said that any trial
25 judge who challenges that or says that

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1 this is not sufficient notice would be
2 wrong and erroneous.

3 However, our memorandum is nine
4 pages -- nine pages long detailing every
5 single fact and allegation that we have
6 available to us.

7 The notices received by the
8 licensees in this incident -- matter
9 contain much more detail than given in
10 Scott. In fact, the Board's notice has

11 not only satisfied the requirements set
12 forth in 955(B), but also went above and
13 beyond the requirements.

14 The Board's notice inform the
15 licensees of the specific violations
16 alleged in reference to a specific law
17 involved to which, again, like I said,
18 all allegations are out there in the
19 notice. We don't expect any other
20 information to come to light. It would
21 be overly burdensome for the law to --
22 for, you know, the hearing officer to
23 require the Board to issue another
24 notice.

25 Again, like I said, 3,000 notices

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1 have been issued in the last decade. All
2 of them have been found fine. But as
3 applied, as -- if we believe the
4 reasoning of the licensees and the
5 hearing officer's decision, that could
6 easily turn to 6,000 notices. It
7 would -- it's -- where does it end? It's
8 not practical or reasonable to -- to
9 believe that just because a party
10 requires a request, a new notice or an
11 additional statement that it's -- that it
12 should be required without any sort of
13 parameters.

14 At this point, as the hearing
15 officer's decision stands, if the
16 licensee's arguments are true, there are
17 no conditions placed on this requirement.
18 They're just simply saying that the party
19 can come in, challenge the notice, and
20 the Board will automatically have to
21 issue another one or a new statement.
22 Again, that's -- that's not practical.
23 That's not reasonable, and we're not
24 trying to hide the ball from everybody.
25 And we've -- we've offered all the

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1 information we have, and just simply
2 think it's overly burdensome to change
3 the entire -- you know, issue a new
4 notice based simply on form, the
5 contention of the form.

6 Again, this is not the proper -- the
7 proper way to -- basically all the
8 information left will be evidence, and
9 that's -- that's discoverable, you know.
10 That's something that should be attained
11 through discovery, not through this type
12 of motion for these reasons and the fact
13 that the licensee has had every
14 opportunity to prepare for a hearing. We
15 contend that the notices are proper, and
16 request that this honorable Board reverse

17 the hearing officer's decision and
18 declare the notice as proper and
19 sufficient.

20 CHAIRMAN JONES: Thank you. And
21 unless there's an objection, I'd like to
22 hear from the appellee before we open up
23 for any questions.

24 MS. ROVIRA: Good morning,
25 Mr. Chairman --

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1 CHAIRMAN JONES: Good morning.

2 MS. ROVIRA: -- Members of the
3 Board. Allison Rovira on behalf of S&I
4 Investments and Arnaudville Petroleum.

5 I won't belabor the point, as you
6 stated, it's been briefed ad nauseam.

7 There are a few important points
8 that I'd like to bring to the Board's
9 attention, that the hearing officer
10 didn't declare the notices improper and
11 insufficient. She merely ordered that
12 they be amended to include the additional
13 information requested. She did not state
14 a form in which those amendments were to
15 be included. She did not say that the
16 form of the notice was improper. She
17 just said it needed to be amended,
18 whether they are attached, whether
19 it's -- you know, I think that's at the

20 pleasure of the Division to add that
21 additional information.

22 Again, the hearing officer's rulings
23 are not contrary to law, and they're not
24 a misapplication of law. I know for a
25 fact that this motion has been brought

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1 before the last four hearing officers
2 that have held that position, and they
3 have all ruled the exact same way.

4 In my -- in my briefs, I cited to
5 four cases. That is all that I could
6 remember having done, and it's difficult
7 to search the Board's rulings, so I
8 didn't find anymore. But there are -- I
9 mean, I've seen it done a long time, and
10 I know that they have all ruled in the
11 same manner as this hearing officer.

12 The law, it allows for this and
13 it's -- it's not -- it's a -- it's
14 mandatory. It uses the word "shall," and
15 shall has always been determined to be
16 mandatory within the law. If the
17 legislature would have intended it to be
18 discretionary, they would have used
19 "may." It's not up for discussion or
20 decision. It's a shall. And upon
21 application, the more definite and
22 detailed statement must be furnished.

23 The Division maintains that their
24 notice -- that the notice is sufficient,
25 but that's subjective.

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1 The sentence in the second paragraph
2 of (B) is not subjective. It is a
3 mandate. Application was made and the
4 more definite and detailed statement must
5 be furnished. The hearing officer did
6 decide this on precedent, as I said, and
7 it's -- the ruling has always been that
8 upon application, there should be more
9 additional information. We ask that
10 additional information in the form of not
11 just merely putting the statute, but
12 explaining or stating how a particular
13 statute was violated. And I understand
14 that this is not done in every
15 circumstance. But in circumstances where
16 the Division is seeking to revoke
17 someone's license and find them
18 unsuitable, it raises the level. It's
19 not going to be a floodgate of this
20 happening. I think that when -- when you
21 go to take someone's license and say
22 they're unsuitable, they have a right to
23 understand why and in a detailed way.
24 That -- they need to know why their
25 license is being revoked or attempting to

1 be revoked.

2 The Division in their memorandum for
3 this appeal, they recognized that the
4 statute states that there must be a more
5 detailed statement; therefore, I think --
6 I really think this matter is moot at
7 this point, because of the fact that
8 they've recognized that in the end of
9 their paragraph. They state that the law
10 allows an additional statement to be
11 furnished by the Division. That's all
12 that we've asked for. That's all that
13 the hearing officer has ruled. And we
14 believe that it should be forthcoming.
15 The reason why the pile of paper is so
16 big in this case is because this is the
17 third appeal of this motion.

18 So I think that's probably all I
19 need to say at this point. I think --
20 and it's mandatory, and it should be
21 furnished.

22 MR. PICOU: I request a rebuttal --
23 rebut, please.

24 CHAIRMAN JONES: May we -- we have a
25 question first, and I'll permit both of

1 you to rebut and close briefly.

2 Mr. Stipe?

3 MR. STIPE: Just, I don't know that
4 I've seen one since I've been on the
5 Board that's nine pages long and has 12,
6 13, 14 citations.

7 Is it maybe just that the hearing
8 officer wants to provide some structure
9 to the -- to the proceeding, almost like
10 a pretrial order? Do you think that's
11 maybe part of what's at work here?

12 MR. PICOU: No, I don't think that's
13 what she had in mind. I think, again, it
14 was strictly based on precedent,
15 because -- and, again, the notice during
16 the hearing officer's decision as written
17 says the Board must amend its notice. It
18 needs to be amended to include the nature
19 with which these statutes were violated,
20 which is beyond the scope of the law.

21 So at this point, the Division
22 cannot take any action because the Board
23 has been ordered to take action. That's
24 the only reason we even mention the
25 allowance for a new statement in our

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1 memorandum. It's not saying it was
2 required. It's just saying that if, in
3 fact, there weren't enough detail in
4 those nine pages, which is a lot, you
5 know, then upon application, it may be if

6 there were not the detail that was
7 required, you know. But since we were
8 able to put that in our initial notice --
9 and, again, nowhere in there does it
10 state that the notice should be amended
11 being in the form of an additional
12 statement, which we contend is not
13 required because we put all that
14 information up front. And I'm not
15 sure -- and, again, it's an issue of
16 form, and that's why the licensees are
17 afforded counsel to take them through --
18 again, simply opening the law book, you
19 can look at the statutes and the facts
20 and put that together.

21 Again, I think it would be overly
22 burdensome for the Board to be required
23 to do that.

24 MR. STIPE: Right.

25 MS. ROVIRA: If I may, Mr. Stipe,

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1 real quick. I believe the hearing
2 officer interpreted it as such that she
3 believed that there needed to be clarity
4 on how each statute was violated.

5 MR. STIPE: Again, I'm looking at
6 the one before -- the notice before, and
7 it's -- I mean, there was one violation,
8 one citation and two paragraphs of fact.

9 So, I mean, in that instance, it's pretty
10 clear.

11 In this instance, you have nine
12 pages of -- a bunch of -- a bunch of
13 cites. I mean, it seems to me -- it
14 seems to me, just to be able to provide
15 some structure to the proceeding from the
16 getgo, you would kind of tailor specific
17 facts to the specific citation, which is
18 essentially what you're doing in the one
19 before, right? It's just, there's only
20 one in this instance. In this instance,
21 we've got nine pages of facts and 12
22 different allegations.

23 MR. PICOU: Right. And the length
24 of the notice varies depending on the
25 facts and circumstances. However, the --

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1 the requirements are all there. It
2 requires a citation to the law and of the
3 facts, you know. Whether it's before the
4 citation or after the citation or coupled
5 with the citation, all we're saying is
6 that it's not required by law, and it
7 would probably be over burdensome for the
8 Board to have to do that.

9 And, again, just the fact that the
10 language of the statute itself, if
11 interpreted as the hearing officer has

12 stated and as the licensees have stated
13 would require amendment and/or issuance
14 of a new statement for any license -- for
15 any notice as long as a party requests
16 it. And that's -- the fact that
17 thereafter and if or even in that
18 statement show that there's requirements
19 that --

20 MR. STIPE: If the party requests
21 it, and the hearing officer orders it?

22 MR. PICOU: Well, if it's -- if
23 the -- well, it's our contention that if
24 the initial notice does not contain all
25 the facts, which ours does, and the party

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1 applies for it, at that point, then it's
2 mandatory. However, if we do -- you
3 know, if we submit everything up front
4 and there's no other information, a
5 party -- for a party to just request it
6 and us -- or the Board be required to
7 submit it, we're saying is overly
8 burdensome. At this point, it could be
9 for any reason, and we're arguing that
10 it's a formality, an issue of form, as
11 opposed to an issue of what's legally
12 required by the statute.

13 MR. STIPE: If this notice is
14 restated, does that create any defenses

15 for you?

16 MS. ROVIRA: It helps the licensee
17 to clearly formulate a defense and to --
18 and to understand exactly what actions
19 that they took that violated what
20 statute.

21 MR. STIPE: I mean, the amended --
22 the amended notice --

23 MS. ROVIRA: Oh, does it create a --
24 no, sir.

25 MR. STIPE: -- it's not going to
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1 create any time --

2 MS. ROVIRA: No, it doesn't.

3 MR. STIPE: -- limitation issues?

4 MS. ROVIRA: No, it doesn't at all.

5 And we still -- I have discovery pending,
6 and we've got a little ways to go here.

7 MR. STIPE: That's all the questions
8 I have.

9 CHAIRMAN JONES: Any other
10 questions, Board Members? Yes, sir.

11 MR. LAGASSE: One question, and
12 understand, I'm not an attorney, so I
13 don't understand the whole legal jargon.
14 But weren't some regulations, some rules
15 violated in this whole situation,
16 whether -- however you interpret it or
17 not, were they not violated?

18 MS. ROVIRA: That's the allegation.

19 MR. LAGASSE: So were they violated
20 in your interpretation?

21 MR. PICOU: Yes, sir. That's our --
22 that's the allegation contained, and
23 the -- and the notice does set forth
24 violation to the law, and it's our
25 contention that the violations were cited

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1 properly and also explained in the
2 notice.

3 MR. LAGASSE: Okay. Thank you.

4 CHAIRMAN JONES: Mr. Stipe?

5 MR. STIPE: Yeah. We haven't had
6 any hearing. I mean, we're strictly --
7 this is strictly about the notice, the
8 adequacy of the notice before the
9 proceeding, correct?

10 MR. PICOU: Correct, correct. We --
11 again, we could -- all the information
12 that is sought, which at this point,
13 would be evidence, could be, you know,
14 provided through discovery which has been
15 filed. It's our -- we're just trying to
16 prevent a scenario where anyone can come
17 in and contend -- and question a notice
18 simply because it's a shall, you know.

19 MS. ROVIRA: If I may just speak to
20 that point. The law allows anyone to

21 come in and -- and contest a notice in
22 any administrative arena. The fact that
23 it's only been done -- I don't know how
24 many times it's been done. I know that
25 it's been done over the last 12, 18 years

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1 since I've been doing gaming, but it
2 hasn't been done -- the floodgates have
3 not opened. But the law does allow
4 anyone to do this, and it's a mandatory
5 requirement.

6 MR. PICOU: I'd like to add that
7 although it allows, there's got to be
8 some sort of guidelines. I mean, and
9 it's set forth in 955(B) in the separate
10 paragraph. If it meets the full
11 requirements and it contains all the
12 information, then there's no ground for a
13 request is what we're saying.

14 You know, like I said, a 100-page
15 notice with everything that we have in it
16 could then be contested even if it were
17 in the format where it's a violation and
18 a statute, and a violation and a statute
19 a party or a licensee could still come in
20 a say, we need another one, and we would
21 have to do it. That's beyond the scope
22 of the law. It's beyond what the law
23 says, and it's improper and not

24 practical. And that's our contention.

25 MR. STIPE: But what would happen

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1 is, they would make an -- they would make
2 a -- file a motion with the hearing
3 officer, and if the hearing officer
4 thought it had merit or that it would
5 provide structure to the proceedings or
6 somehow be helpful to her or him in
7 evaluating the allegations, then the
8 hearing officer would order it. And if
9 it was like the -- like the settlement we
10 had in the case before where you had two
11 paragraphs of one allegation and one
12 alleged violation, then probably don't
13 need structure for that, probably don't
14 need an order for that, and that motion
15 probably wouldn't be granted I don't
16 think, right?

17 MR. PICOU: Yes, sir. And we're
18 saying that it doesn't go on a
19 case-by-case basis. What we're trying to
20 avoid is that it be mandatory across the
21 board simply because we've done it -- or
22 they've done it in the past, we don't
23 always have to do it that way. There are
24 certain circumstances. And a lot of the
25 previous cases were -- they weren't

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1 challenged because they were settled
2 before they even got here. The Board has
3 never heard of this issue, and the Board
4 is not bound by any precedent of the
5 hearing office especially when it comes
6 to the Board's notice. The hearing
7 office cannot dictate what's in the
8 Board's notice. The requirements are
9 dictated by the administrative code,
10 which has been met. All of the
11 requirements of it have been met by the
12 notices. And that's what I'm saying.

13 Again, we're not trying to hide
14 anything. We're just saying we don't
15 have anymore information, and we don't
16 believe the law requires the Board to
17 issue another notice when there is no
18 more information simply because it was
19 requested.

20 CHAIRMAN JONES: Anything else?

21 MR. STIPE: No. I don't have
22 anything else.

23 CHAIRMAN JONES: Are there any other
24 questions for the Board? I'll permit a
25 quick closure and rebuttal from both of

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1 you.

2 MS. ROVIRA: Want me to go ahead?

3 MR. PICOU: Yeah, sure.

4 MS. ROVIRA: I would just like to
5 state again that this is not -- this
6 motion has been filed in the past; it's
7 been filed in, you know, different
8 circumstances, and it has not opened the
9 floodgates. When it has been filed, it
10 has been granted. The Board has amended
11 their notice in whatever way was -- you
12 know, that they felt the hearing officer
13 ordered it to be amended, and I believe
14 that the statute is mandatory. You can't
15 break the parts of the statute up and
16 just -- just use what parts you wish. It
17 says that if the agency or other party is
18 unable to state the matters in detail at
19 the time the notice is served, the
20 initial notice may be limited to a
21 statement of the issues involve. That's
22 a subjective statement. We've got nine
23 pages of a statement of issues involved.

24 [As read]: "Thereafter, upon
25 application" -- application has been

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1 made -- "a more definite and detailed
2 statement shall be furnished." Shall be
3 furnished. That's not up for debate. If
4 they want to change it to "may," then we
5 need to change the law. And that's all I
6 have.

7 CHAIRMAN JONES: You have the
8 opportunity -- have you closed? She
9 jumped ahead of you, so --

10 MR. PICOU: I would just like --

11 MS. ROVIRA: And I apologize for
12 that. I thought you looked at me and you
13 wanted me to go.

14 CHAIRMAN JONES: I'm trying to keep
15 it straight myself.

16 MS. ROVIRA: I figured since it's
17 his motion, he should go last.

18 MR. PICOU: Yeah. I just wanted to
19 talk to you-guys last, you know. But I
20 appreciate you hearing this issue. I
21 know it's a lot of stuff, but, again, our
22 contention is, yeah, it does -- it does
23 say "shall"; however, it also says "if"
24 and "thereafter." And if we were not
25 able to provide an all-inclusive

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1 statement as we did, then we would be
2 able to -- we would be required to submit
3 a new notice upon application.

4 However, since we did provide
5 everything that we anticipate to present
6 at trial, the law does not require it.

7 Again, we'd just like to move
8 forward with the merits of the case and
9 avoid a situation where anyone can come

10 in and delay proceedings just because, as
11 opposed to a genuine issue of, you know,
12 a lacking of a notice that is not in
13 compliance with the law.

14 We feel that the Board's notice in
15 this instance is completely compliant
16 with the law, and that the hearing
17 officer was -- misapplied the law and
18 inappropriately ordered amendment of the
19 notice. And we just request the Board to
20 reverse that decision.

21 CHAIRMAN JONES: Thank you. Any
22 other closing questions?

23 You know, this -- obviously, there's
24 room for different appreciations of what
25 the law requires and what was done. But

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1 I do see a lot at stake. You know, there
2 are opportunities for the hearing officer
3 to require other information -- I think
4 you pointed out the memorandum -- other
5 ways of doing things. I think if I read
6 the record correctly that the appellee
7 had opportunity to find out other
8 information short of this.

9 MS. ROVIRA: No, sir. We've --
10 we've propounded discovery, but we have
11 not received anything back.

12 MR. PICOU: Well, we've been

13 fighting this motion --

14 MS. ROVIRA: Yeah. I mean, this
15 motion has been going on for a while.

16 MR. PICOU: We are prepared to
17 provide that information through
18 discovery.

19 CHAIRMAN JONES: And, you know, I'm
20 just reluctant to change -- to have an
21 appreciation for the need to change
22 things at this stage. And I may not have
23 any agreement among my -- among my board
24 members, but I'm going to move to reverse
25 the hearing officer's decision.

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1 Is there a second?

2 MR. LAGASSE: Second.

3 CHAIRMAN JONES: Seconded by
4 Mr. Lagasse.

5 Would you call the roll?

6 MS. BERRY: Wait. Sir, could you
7 explain how our vote would -- so we don't
8 go through this --

9 CHAIRMAN JONES: Yeah. A "yes" vote
10 will be in agreement with my motion to
11 reverse.

12 MS. BERRY: Yes, sir. To reverse.

13 CHAIRMAN JONES: Yes. You're on --
14 I'm sorry.

15 MS. TRAMONTE: Mr. Avant?

16 MR. AVANT: Yes.
17 MS. TRAMONTE: Ms. Berry?
18 MS. BERRY: Yes.
19 MS. TRAMONTE: Mr. Lagasse?
20 MR. LAGASSE: Yes.
21 MS. TRAMONTE: Ms. Lewis?
22 MS. LEWIS: Yes.
23 MS. TRAMONTE: Mr. Poole?
24 MR. POOLE: Yes.
25 MS. TRAMONTE: Mr. Stipe?

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1 MR. STIPE: No.
2 MS. TRAMONTE: Chairman Jones?
3 CHAIRMAN JONES: Yes. And motion
4 carries, and that decision is reversed.
5 I thank both of you very much.
6 MR. PICOU: Thank you.

7 VIII. ADJOURNMENT

8 CHAIRMAN JONES: We have nothing
9 else on the agenda. Now, motion to
10 adjourn? By Ms. Berry. Seconded by
11 Mr. Lagasse. Without objection, we stand
12 adjourned.

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14 (CONCLUDED AT 11:05 A.M.)

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1 REPORTER'S CERTIFICATE
2 I, BRITTANY E. VIDRINE, Certified Court
 Reporter in and for the State of Louisiana,
3 Registered Professional Reporter, and as the
 officer before whom this testimony was taken, do
4 hereby certify that the foregoing 80 pages are a
 true and correct transcript of the proceedings held
5 before the Louisiana Gaming Commission Board on
 February 20th, 2020, as taken by me in Stenographic
6 machine shorthand, complemented with digital
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7 me or under my personal direction and supervision,
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11 Article 1434 and in rules and advisory opinions of
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12 I further certify that I am not an attorney
13 or counsel for any of the parties, that I am
14 neither related to nor employed by any attorney or
15 counsel connected with this action, and that I have
16 no financial interest in the outcome of this
17 matter.

18 This certificate is valid only for this
19 transcript accompanied by my original signature and
20 original raised seal on this page.

21 Baton Rouge, Louisiana, this 30th day of
22 March, 2020.

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CCR NO. 2014025, RPR NO. 963689

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