

LGCB Board of Directors Meeting, (Pages 1:1 to 51:24)

1: 1 LOUISIANA GAMING CONTROL BOARD

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3 BOARD OF DIRECTORS' MEETING

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8 MONDAY, APRIL 16, 2018

9

10 LaSalle Building

11 LaBelle Hearing Room

12 617 North 3rd Street

13 Baton Rouge, Louisiana

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17 TIME: 10:00 A.M.

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1 APPEARANCES

2

3 RONNIE JONES

Chairman (At Large)

4 June 30, 2019

5

6 FRANKLIN AYRES BRADFORD

(Economic Planner)

7 Fifth Congressional District

June 30, 2019

8

9 MARK STIPE

(Attorney)

10 Seventh Congressional District

June 30, 2020

11

JAMES SINGLETON

12 (Public/Business Administration)

Second Congressional District

13 June 30, 2020

14

15 CLAUDE D. JACKSON

(At large)

16 Fourth Congressional District

June 30, 2018

17

18 ROBERT W. GASTON, III,

(At large)

19 Sixth Congressional District

June 30, 2021

20

21 JULIE BERRY

(CPA)

22 Third Congressional District

June 30, 2018

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3

1 APPEARANCE CONTINUED

2

3 RICHARD E. PATRICK

(Law Enforcement)

4 Fifth Congressional District

July 30, 2018

5

6 ELTON LAGASSE

(At large)

7 First Congressional District

June 30, 2021

8

9 MIKE LEGENDRE

Director, Office of Charitable Gaming

10

11 LANA TRAMONTE

Executive Assistant

12

13 TRUDY SMITH

Confidential Assistant

14

15 REPORTED BY:

16 SHELLEY G. PAROLA, CSR, RPR

Baton Rouge Court Reporters

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1		PAGE
2	I. CALL TO ORDER	7
3	II. PUBLIC COMMENTS	8
4	III. APPROVAL OF MINUTES	8
5	IV. REVENUE REPORTS	8
6	V. VIDEO GAMING ISSUES	
7	A. Consideration of transfer of	
8	interest in the following	
9	truckstop:	
10	1. St. Martin Truck and Casino	
11	Plaza, LLC, d/b/a St. Martin	
12	Truck and Casino Plaza - No.	
13	5000516580	14
14	VI. CASINO GAMING ISSUES	
15	A. Consideration of Certificate	
16	of Compliance for the Alternate	

17	Riverboat Inspection of the	
18	Gaming vessel of Treasure Chest	
19	Casino, LLC, d/b/a Treasure	
20	Chest Casino - No. R012600098	17
21	B. Consideration of Certificate of	
22	Compliance for the Alternate	
23	Riverboat Inspection of the	
24	gaming vessel of PNK Lake	
25	Charles, LLC, d/b/a L'Auberge	

5

1	PAGE	
2	Lake Charles - No. R011001707	20
3	C. Consideration of petition for	
4	Approval of Debt Refinancing	
5	Transactions by Gaming &	
6	Leisure Properties, Inc.	23
7	D. Consideration of Application for	
8	Shelf Approval of Debt	
9	Transactions by Caesars	
10	Entertainment Corporation	27

11 VII. RULEMAKING

12	A. Consideration of institution of	
13	rulemaking procedures for amendment	
14	of LAC 42:XI.2415.B (Gaming	
15	Establishments - Security)	38
16	B. Consideration of institution of	
17	rulemaking procedures for amendment	
18	of LAC 42:III.2723 (Internal	
19	Controls; Slots - Jackpots)	41

20 C. Consideration of institution of  
21 rulemaking procedures for amendment  
22 of LAC 42:XI.2405.B.11 (Force  
23 Majeure - Truck Stop Waivers) 43

24 VIII. CONSIDERATION OF PROPOSED SETTLEMENT

25 IN THE FOLLOWING:

6

1 PAGE

2 1. In Re: Tu and Vo, LLC, d/b/a  
3 T & B Restaurant - No. 2604217471 47

4 IX. ADJOURNMENT 49

5

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1 I. CALL TO ORDER

2 CHAIRMAN JONES: Good morning and

3 welcome to the April meeting of the

4 Louisiana Gaming Control Board.

5 Miss Tramonte, would you call the

6 roll.

7 THE CLERK: Chairman Jones?

8 CHAIRMAN JONES: Here.

9 THE CLERK: Mr. Bradford?

10 MR. BRADFORD: Here.

11 CHAIRMAN JONES: Mr. Stipe?

12 MR. STIPE: Here.

13 CHAIRMAN JONES: Mr. Singleton?

14 MR. SINGLETON: Here.

15 THE CLERK: Mr. Jackson?

16 MR. JACKSON: Here.

17 THE CLERK: Mr. Gaston?

18 MR. GASTON: Here.

19 THE CLERK: Miss Berry?

20 MS. BERRY: Here.

21 THE CLERK: Mr. Patrick?

22 MR. PATRICK: Here.

23 THE CLERK: Mr. Lagasse?

24 MR. LAGASSE: Here.

25 THE CLERK: Colonel Reeves? [No

1 response.]

2 Secretary Robinson?

3 MR. LEGENDRE: Mike Legendre here

4 for Secretary Robinson.

5 II. PUBLIC COMMENTS

6 CHAIRMAN JONES: We have a quorum.

7 We may conduct business. Does anyone in

8 the audience wish to comment on any

9 matter before the Board's -- before the

10 Board today on our agenda?

11 III. APPROVAL OF MINUTES

12 CHAIRMAN JONES: Hearing no comment,

13 we'll move to Approval of the Minutes.

14 Do I have a motion to waive reading and

15 approve the minutes? Motion by Miss

16 Berry, Dr. Gaston.

17 Any objection? Without objection

18 the minutes are approved.

19 IV. REVENUE REPORTS

20 We'll now call Revenue Reports.

21 Good morning.

22 MS. JACKSON: Good morning, Chairman

23 Jones, Board Members. My name is Donna

24 Jackson with Louisiana State Police

25 Gaming Enforcement Division.

1 The 15 operating riverboats

2 generated Adjusted Gross Receipts of



3 \$190,122,696 in March, a new monthly  
4 record for riverboats. This total  
5 represents an overall increase from last  
6 month of \$32.7 or 20.8 percent, and an  
7 increase of \$10 million or 5.6 percent  
8 from last March. This March had five  
9 Fridays and Saturdays, one more Saturday  
10 than last March. Golden Nugget and  
11 Margaritaville both experienced their  
12 highest monthly AGR to date generating  
13 \$30.9 million and \$16.5 million  
14 respectively. L'Auberge Lake Charles  
15 also had a very strong month generating  
16 almost \$32.5 million.

17 Adjusted Gross Receipts for fiscal  
18 year 2017-2018 to date are  
19 \$1,436,000,000, a decrease of  
20 \$10.7 million or 1 percent from fiscal  
21 year 2016-2017. During March, the State  
22 collected fees totaling \$40,876,380. As  
23 of March 31st, 2018, the State has  
24 collected \$308.7 in fees for fiscal year  
25 2017-2018.

10

1 Next is a summary of the March 2018  
2 gaming activity for Harrah's New Orleans  
3 found on page three. During March,  
4 Harrah's generated \$26,829,398 in gross  
5 gaming revenue, an increase of \$3.2

6 million or 13.6 percent from last month,  
7 and an increase of \$5 million or  
8 23.7 percent from last March.

9 Revenues for fiscal year 2017-2018  
10 to date are \$214 million, an increase of  
11 14.8 million or 7 percent from fiscal  
12 year 2016-2017.

13 During March, state fees due were  
14 \$8,848,991. This includes a true-up  
15 payment of \$3,753,100 for April 2017  
16 through March 2018 fiscal year, since  
17 21.5 percent of Harrah's revenue  
18 exceeded their monthly payment of  
19 \$60 million. As of March 31st, 2018,  
20 the State has collected almost  
21 \$49 million in fees for fiscal year  
22 2017-2018.

23 Next I'll present the revenues for  
24 Slots at the Racetracks. During March,  
25 the four racetrack facilities combined

11

1 generated Adjusted Gross Receipts of  
2 \$35,605,071, an increase of \$6.7 million  
3 or 23 percent from last month, and an  
4 increase of \$2.5 million or 7.7 percent  
5 from March 2017.

6 Adjusted Gross Receipts for fiscal  
7 year 2017-2018 to date are \$260 million,  
8 an increase of \$3.3 million or 1 percent

9 from fiscal year 2016-2017.

10 During March, the State collected  
11 \$5,401,289 in fees. As of March 31st,  
12 2018, the State has collected over  
13 \$39 million in fees for fiscal year  
14 2017-2018.

15 Overall in March, Riverboats,  
16 Landbased and Slots at the Racetracks  
17 combined generated over \$252 million in  
18 AGR and \$55 million in state fees.  
19 These revenues represent an increase  
20 from March 2017 of \$17.7 million or  
21 7.6 percent.

22 Any questions before I present the  
23 Harrah's employee information?

24 CHAIRMAN JONES: Any questions on  
25 landbased, riverboats, racetrack? No

12

1 response.]

2 There are no questions.

3 MS. JACKSON: Harrah's New Orleans  
4 is required to maintain at least 2,400  
5 employees and a bi-weekly payroll of  
6 \$1,750,835. This report covers pay  
7 periods in March 2018. For the pay  
8 period, the Division verified 2,527  
9 employees with a payroll of \$2,142,000.

10 For the second pay period, the Division  
11 verified 2,522 employees with a payroll

12 of \$2,138,000. Therefore, Harrah's met  
13 their employment criteria during March.

14 CHAIRMAN JONES: Any questions? No  
15 questions. Video poker.

16 MS. JAACKSON: I'll also be  
17 reporting video gaming statistics for  
18 March 2018 as shown on page one of your  
19 video gaming handout.

20 Seven new video gaming licenses were  
21 issued during March: Three bars, two  
22 restaurants and one truckstop and one  
23 device owner. Nine new applications  
24 were received by the Gaming Enforcement  
25 Division during March and are currently

13

1 pending in the field: Five bars and  
2 four restaurants.

3 The Gaming Enforcement Division  
4 assessed \$5,869 and collected \$3,769 in  
5 fines during March. Currently there are  
6 \$3,850 in outstanding fines.

7 There are presently 13,003 video  
8 gaming devices activated at 1,711  
9 locations. Net device revenue for  
10 March 2018 was \$58.6 million, an  
11 increase of \$8.5 million or 17 percent  
12 when compared to February 2018, and a  
13 \$2.1 million or 3.7 percent increase  
14 when compared to March 2017.

15 Net device revenue for fiscal year  
16 2017-2018 to date is \$432.7 million, a  
17 \$1 million or .2 percent increase when  
18 compared to last fiscal year. A  
19 comparison of net device revenue is  
20 shown on page three of your handout.

21 Total franchise fees collected  
22 during March 2018 were \$17.6 million, a  
23 \$2.6 million increase when compared to  
24 February 2018, and a \$600,000 increase  
25 when compared to March 2017.

14

1 Total franchise fees collected for  
2 fiscal year 2017-2018 are  
3 \$129.7 million, a \$200,000 or .1 percent  
4 increase when compared to fiscal year  
5 2016-2017. A comparison of franchise  
6 fees is shown on page four of your  
7 handout.

8 Questions?

9 CHAIRMAN JONES: Board, any  
10 questions on video poker? There are no  
11 questions. Thank you for both of those.

## 12 V. VIDEO GAMING ISSUES

13 A. Consideration of transfer of interest in the  
14 following truckstop:

- 15 1. St. Martin Truck and Casino Plaza, LLC,  
16 d/b/a St. Martin Truck and Casino Plaza -  
17 No. 5000516580

18 CHAIRMAN JONES: We now move to  
19 Video Gaming Issues, Consideration of  
20 transfer of interest in the following  
21 truckstop: St. Martin Truckstop and  
22 Casino Plaza, LLC, doing business as St.  
23 Martin Truck and Casino Plaza. It's No.  
24 5000516580.

25 Good morning.

15

1 MS. LANDRY: Good morning, Chairman  
2 Jones and Board Members. I am Assistant  
3 Attorney General Lisha Landry present  
4 before the Board in the matter of the  
5 transfer of membership interest for St.  
6 Martin Truck and Casino Plaza, LLC,  
7 doing business as St. Martin Truck and  
8 Casino Plaza.

9 The Type 5 licensed establishment is  
10 located in St. Martin Parish.

11 On December 31st, 2017, and  
12 January 1st, 2018, Bryan E. Bush, III,  
13 and Kerry L. Denny donated a total of 70  
14 membership units representing a 3.5  
15 percent membership interest in the  
16 licensee to Bernard D. Terradot.

17 Prior to these donations, Mr. Bush  
18 and Mr. Denny each held a 49.25 percent  
19 membership interest, and Mr. Terradot  
20 held a 1.5 percent membership in the

21 licensee. As a result of the December  
22 31st and January 1st donations, Mr. Bush  
23 and Mr. Denny will each hold a 47.5  
24 percent membership interest, and  
25 Mr. Terradot will now hold a 5 percent

16

1 membership interest in the licensee.

2 Master Trooper James Cannon  
3 conducted the updated criminal history  
4 check for Mr. Terradot and also  
5 conducted an investigation of the  
6 transfer of membership interest. He is  
7 present today to report his findings to  
8 the Board.

9 MASTER TROOPER CANNON: Good  
10 morning, Chairman and Members of the  
11 Board. I'm Trooper James Cannon.

12 I conducted an investigation of the  
13 transfers of membership interest in the  
14 licensee and found no information that  
15 would preclude the continued licensing  
16 of St. Martin Truck and Casino Plaza,  
17 LLC, doing business as St. Martin Truck  
18 and Casino [sic].

19 Bernard D. Terradot was previously  
20 -- has previously submitted to a  
21 suitability investigation under this  
22 license. I found no information in an  
23 updated criminal check that would

24 preclude him from continuing to  
25 participate in the gaming industry.

17

1 MS. LANDRY: Our office has reviewed  
2 the file prepared by the Office of State  
3 Police. Our review indicates that  
4 there's no information that would  
5 preclude the transfer of membership  
6 interest in the licensee.

7 CHAIRMAN JONES: Board, do we have  
8 any questions of the Attorney General or  
9 State Police with respect to this  
10 matter? There are no questions.

11 Do I have a motion on the transfer?  
12 By Dr. Gaston, second Mr. Bradford.

13 Any objection? Without objection,  
14 the motion carries. The transfer's  
15 upheld. Thank you.

16 MS. LANDRY: Thank you.

## 17 VI. CASINO GAMING ISSUES

18 A. Consideration of Certificate of Compliance  
19 for the Alternate Riverboat Inspection of  
20 the gaming vessel of Treasure Chest Casino,  
21 LLC, d/b/a Treasure Chest Casino - No.  
22 R012600098

23 CHAIRMAN JONES: Next up, Casino  
24 Gaming Issues, and the first of those is  
25 the Consideration of the Certificate of

18



1 Compliance for the Alternate Riverboat  
2 Inspection of the gaming vessel Treasure  
3 Chest Casino, LLC, doing business as  
4 Treasure Chest Casino, No. RO12600098.

5 Good morning.

6 MS. LANDRY: Good morning, Chairman  
7 Jones and Board Members. Again, I'm  
8 Assistant Attorney General Lisha Landry.  
9 With me is Mr. John Francic of ABSC.

10 We're here in the matter of the issuance  
11 of the Certificate of Compliance to  
12 Treasure Chest Casino.

13 On March 8th, 2018, ABSC began the  
14 inspection process for the approval of  
15 Treasure Chest's Certificate of  
16 Compliance. For more on this, I now  
17 turn the presentation over to Mr.  
18 Francic.

19 MR. FRANCIC: Good morning,  
20 Chairman, Board Members. John Francic  
21 with ABS Consulting here to report the  
22 annual certification for Treasure Chest  
23 Casino.

24 The inspectors, Doug Chapman and  
25 Pete Bullard, did, on March 8th, attend

19

1 the riverboat Treasure Chest to conduct  
2 the annual inspection in accordance with  
3 the alternate inspection program.

4 The inspectors reviewed fire  
5 protection equipment, life-saving  
6 equipment, egress routes, mooring system  
7 and conducted a fire drill. There were  
8 several deficiencies found during the  
9 inspection that were corrected either  
10 that day or within a few weeks of the  
11 inspection, but all items were found in  
12 good order.

13 The 2018 annual survey that is  
14 required by the Louisiana Gaming Control  
15 Board is complete and presents no safety  
16 concerns to its patrons or employees  
17 onboard the riverboat. It is the  
18 recommendation of ABSC that Treasure  
19 Chest be issued a Certificate of  
20 Compliance.

21 MS. LANDRY: We now present these  
22 findings to the Board and request that  
23 upon the Board's accepting the report  
24 submitted by ABSC, you will move for the  
25 issuance of Treasure Chest's Certificate

20

1 of Compliance.

2 CHAIRMAN JONES: Board Members, any  
3 questions for the Attorney General or  
4 ABSC? [No response.]

5 I have a motion by Mr. Patrick and a  
6 second by Mr. Singleton.

7 Any objection? Without objection,  
8 the motion to issue the Certificate of  
9 Compliance carries.

10 B. Consideration of Certificate of Compliance for  
11 the Alternate Riverboat Inspection of the  
12 gaming vessel of PNK Lake Charles, LLC, d/b/a  
13 L'Auberge Lake Charles, No. R011001707

14 CHAIRMAN JONES: Next up is  
15 Consideration of Certificate of  
16 Compliance for the Alternate Riverboat  
17 Inspection of the gaming vessel PNK Lake  
18 Charles, LLC, doing business as  
19 L'Auberge Lake Charles, No. R011001707.

20 Welcome back.

21 MS. LANDRY: Chairman Jones and  
22 Board Members, again, I'm Assistant  
23 Attorney General Lisha Landry. With me  
24 is John Francic of ABSC. We're here in  
25 the matter of the issuance of a

21

1 Certificate of Compliance to PNK Lake  
2 Charles, LLC, doing business as  
3 L'Auberge Lake Charles.

4 On March 20th, 2018, ABSC began the  
5 inspection process for the approval of  
6 the L'Auberge Lake Charles' Certificate  
7 of Compliance.

8 For more on this, I now turn the  
9 presentation over to Mr. Francic.

10 MR. FRANCIC: Good morning, Chairman  
11 and Board Members, John Francic with ABS  
12 Consulting here to report the annual  
13 certification for L'Auberge Lake Charles  
14 Casino.

15 The inspectors, Doug Chapman and  
16 Pete Bullard, did, on March 20th, attend  
17 the L'Auberge Lake Charles Casino to  
18 conduct the annual inspection in  
19 accordance with the Alternate Inspection  
20 Program.

21 The surveyors reviewed the fire  
22 protection equipment, life-saving  
23 equipment, egress routes, training  
24 records and conducted a fire drill.  
25 There were several deficiencies found

22

1 during the inspection that were either  
2 corrected the day of or within a week of  
3 the inspection.

4 A follow-up inspection was done on  
5 March 30th, and all items were found in  
6 good order.

7 The 2018 survey as required by the  
8 Louisiana Gaming Control Board is  
9 complete to date and presents no safety  
10 concerned to its patrons or employees  
11 onboard the riverboat. It is the  
12 recommendation of ABSC that L'Auberge

13 Lake Charles Casino be issued a  
14 Certificate of Compliance.

15 MS. LANDRY: We now present these  
16 findings to the Board and request that  
17 upon the Board's accepting the report  
18 submitted by ABSC, you will move the  
19 issuance of L'Auberge Lake Charles'  
20 Certificate of Compliance.

21 CHAIRMAN JONES: Board Members, any  
22 questions for the Attorney General or  
23 ABSC? There are no questions.

24 By Mr. Jackson. Do I have a second?  
25 Mr. Stipe.

23

1 Any objection? Without objection,  
2 the Certificate of Compliance is  
3 approved.

4 C. Consideration of petition for approval of Debt  
5 Refinancing Transactions by Gaming & Leisure  
6 Properties, Inc.

7 CHAIRMAN JONES: Next up,  
8 Consideration of petition for approval  
9 of Debt Refinancing Transactions by  
10 Gaming & Leisure Properties, Inc.

11 MS. WARE: Good morning, Chairman  
12 Jones, Members of the Board. My name is  
13 Trnessia Ware with Louisiana State  
14 Police Corporate Securities Audit.

15 Gaming & Leisure Properties, Inc., a

16 parent company of licensee Louisiana  
17 Casino Cruises, Inc., doing business as  
18 Hollywood Casino Baton Rouge, is  
19 requesting the Board's approval to amend  
20 its October 28, 2013, credit agreement  
21 to increase its current \$700 million  
22 dollar credit facility to \$1.1 billion,  
23 an incremental credit extension not to  
24 exceed \$575 million, and issue senior  
25 notes in the principal amount of

24

1 \$500 million. The issuance of  
2 \$500 million in senior notes does not  
3 require Board approval.

4 The licensee advised that the nature  
5 and purpose of this transaction is to  
6 extinguish the existing \$300 million  
7 term loan A. The proposed credit  
8 facility would increase the revolving  
9 credit facility by \$400 million,  
10 eliminate the \$300 million term loan A,  
11 the \$825 million term loan A1 would  
12 remain unchanged, and add incremental  
13 credit extensions of \$575 million not  
14 yet funded.

15 The new credit facility will have a  
16 total debt capacity of \$2.5 billion, an  
17 increase of \$675 million on GLPI's  
18 current credit facility. On

19 December 31st, 2017, GLPI had  
20 approximately \$700 million availability  
21 under its revolver.

22 The licensee further stated that the  
23 proposed credit facility would provide  
24 funding for ongoing working capital  
25 needs to fund permanent dividends,

25

1 distributions, acquisitions and other  
2 corporate purposes.

3 No financial issues came to our  
4 attention to preclude the Board's  
5 approval of the GLPI's financial  
6 transaction.

7 Are there any questions?

8 CHAIRMAN JONES: Board Members, any  
9 questions on the proposed transaction?

10 There are no questions.

11 Is there a motion to adopt the  
12 Resolution? By Mr. Bradford. Do I have  
13 a second.

14 MR. JACKSON: Second.

15 CHAIRMAN JONES: Second by Mr.  
16 Jackson.

17 Miss Tramonte, would you read the  
18 Resolution into the record, please,  
19 ma'am.

20 THE CLERK: On the 16th day of April  
21 2018, the Louisiana Gaming Control Board

22 did, in a duly noticed public meeting,  
23 consider the issue of Gaming & Leisure  
24 Properties, Incorporated's, request for  
25 approval of a second amendment to that

26

1 certain credit agreement, dated  
2 October 28th, 2013, by and between GLP  
3 Capital, L.P. as Borrower, and JPMorgan  
4 Chase Bank, N.A., as Administrative  
5 Agent, to increase the aggregate  
6 principal amount of the \$700 million  
7 Unsecured Revolver provided for in the  
8 Credit Agreement and approved by the  
9 Board on August 15th, 2013, to the  
10 aggregate principal amount of \$1.1  
11 billion, and to provide for incremental  
12 loans up to an aggregate principal  
13 amount of \$575 million, and upon motion  
14 duly made and second, the Board adopted  
15 this Resolution:

16 Be it resolved that Gaming & Leisure  
17 Properties, Incorporated's, request for  
18 approval of an amendment to the  
19 above-referenced Credit Agreement to  
20 increase the aggregate principal amount  
21 of the \$700 million Unsecured Revolver  
22 to an aggregate principal amount of \$1.1  
23 billion, and to provide for incremental  
24 loans of up to an aggregate principal



25 amount of \$575 million, is hereby

27

1 approved.

2 Thus done and signed in Baton Rouge,

3 Louisiana, this 16th day of April, 2018.

4 Mr. Bradford?

5 MR. BRADFORD: Yes.

6 THE CLERK: Mr. Stipe?

7 MR. STIPE: Yes.

8 THE CLERK: Mr. Singleton?

9 MR. SINGLETON: Yes.

10 THE CLERK: Mr. Jackson?

11 MR. JACKSON: Yes.

12 THE CLERK: Mr. Gaston?

13 MR. GASTON: Yes.

14 THE CLERK: Miss Berry?

15 MS. BERRY: Yes.

16 THE CLERK: Mr. Patrick?

17 MR. PATRICK: Yes.

18 THE CLERK: Mr. Lagasse?

19 MR. LAGASSE: Yes.

20 THE CLERK: Chairman Jones?

21 CHAIRMAN JONES: Yes. And the

22 motion carries, and the Resolution has

23 been adopted. Thank you.

24 D. Consideration of Application for Shelf Approval

25 of Debt Transactions by Caesars Entertainment

28

1 Corporation

2 CHAIRMAN JONES: Finally up on the  
3 casino side is, Consideration of  
4 Application for Shelf Approval of Debt  
5 Transactions by Caesars Entertainment  
6 Corporation.

7 Good morning.

8 MS. FICKLIN: Morning. Morning,  
9 Mr. Chairman and Board Members. My name  
10 is Evie Ficklin. I'm an auditor with  
11 Louisiana State Police.

12 Caesars is seeking the Board's  
13 approval of its application for a  
14 \$13 billion shelf for funded debt  
15 transactions. Caesars' previous shelf  
16 approved by the Board July 19th, 2012,  
17 expired July 19th, 2015. If approved,  
18 Caesars' shelf will commence upon the  
19 Board's approval and expire in three  
20 years on April 16th, 2021.

21 As of December 31st, 2017, Caesars  
22 had approximately \$9 million outstanding  
23 in consolidated long-term debt. Based  
24 on the amount outstanding at that time,  
25 Caesars would have an estimated

29

1 additional \$4 million in borrowing  
2 capacity available under the shelf if  
3 approved. Caesars conducts its business  
4 primarily through two of its

5 subsidiaries, CEOC, LLC, and Caesars  
6 Resort Collection, LLC, or CRC, formerly  
7 known as Caesars Growth Properties  
8 Holdings, LLC.

9 CEOC, LLC, is the successor to  
10 Caesars Entertainment Operating Company  
11 following the ladders (phonetic)  
12 October 6th, 2017, emergence from  
13 Chapter 11 bankruptcy and its subsequent  
14 merger with CEOC, LLC. CEOC, LLC,  
15 operates 36 properties, 18 of which are  
16 subject to a master lease with VICI  
17 Properties, Inc., a Maryland real estate  
18 investment company or VICI REIT.

19 Louisiana licensee's Horseshoe  
20 Bossier City and Harrah's Louisiana  
21 Downs operate under CEOC, LLC. CRC  
22 operates Harrah's New Orleans and ten  
23 other casinos located primarily in Las  
24 Vegas. It also owns the LINQ Promenade,  
25 a dining entertainment and retail center

30

1 and the Octavia Tower, one of Caesars  
2 Las Vegas' hotel tours, which CRC leases  
3 to VICI REIT who in turn subleases to  
4 COEC, LLC.

5 Caesars' consolidated long-term debt  
6 consists of a approximately \$1.1 billion  
7 in 5 percent convertible senior notes

8 maturing 2024, which Caesars issued  
9 October 6th, 2017, and an additional  
10 \$7.9 billion at the COEC, LLC, and the  
11 CRC levels.

12 MR. STIPE: CEOC, LLC, had  
13 approximately \$1.5 billion outstanding  
14 in term loans under its new October 6th,  
15 2017, \$1.785 billion credit agreement,  
16 including a \$265 million incremental  
17 term loan dated December 18th, 2017.

18 The components of CEOC, LLC's, credit  
19 agreement are a \$1.235 billion term loan  
20 facility, a \$200 million revolver, and  
21 an up to \$350 million incremental loan  
22 provision that's subject to adjustment.

23 At the CRC level, at December 31st,  
24 2017, CRC had an outstanding \$4.7  
25 billion under its term loan under its

31

1 new \$6.1 billion credit agreement dated  
2 December 22nd, 2017. Components in its  
3 new credit agreement consist of a  
4 \$1 billion revolver, a \$4.7 billion  
5 senior secured term loan credit  
6 facility, and an incremental loan  
7 provision which Caesars estimated in  
8 December 2017 to equal \$400 million.

9 CRC also has \$1.7 billion  
10 outstanding and five-and-a-quarter

11 percent senior notes due 2025 and dated  
12 October 16th, 2017. CRC assumed the  
13 obligations of the original issuers of  
14 those notes as a consequence of a merger  
15 with one of the original issuers  
16 December 22nd, 2017.

17 Caesars' consolidated projections  
18 are shown in the cash flow schedule on  
19 page 44. These financial projections  
20 show Caesars long-term debt. The chart  
21 also separately shows Caesars  
22 consolidated financial obligations in  
23 connection with the lease payments CEOC,  
24 LLC and CRC are required to make to VICI  
25 REIT.

32

1 Caesars anticipates it may  
2 potentially use the proceeds under the  
3 shelf for general corporate purposes,  
4 including capital expenditures, working  
5 capital and to repay or refinance  
6 outstanding debt.

7 No financial issues came to our  
8 attention to preclude the Board's  
9 approval of Caesars' proposed \$13  
10 billion shelf application.

11 Are there any questions? And  
12 Caesars representatives, Paul West and  
13 Carol Hall, are here today to address

14 any issues you might have.

15 CHAIRMAN JONES: Board Members, any  
16 questions?

17 MR. STIPE: I do have.

18 CHAIRMAN JONES: Mr. Stipe.

19 MR. STIPE: All right. So we had a  
20 shelf -- we had a shelf approval in  
21 place that expired. Then they filed  
22 bankruptcy.

23 MS. FICKLIN: Yes. Well, actually,  
24 they had already filed bankruptcy when  
25 the shelf expired.

33

1 MR. STIPE: Okay. So in the midst  
2 of the expiration, the bankruptcy  
3 proceeding had already started.

4 MS. FICKLIN: Right.

5 MR. STIPE: Okay. And so we go  
6 through the bankruptcy. We have a plan  
7 that's been approved.

8 MS. FICKLIN: Right.

9 MR. STIPE: Has the plan commenced  
10 yet?

11 MS. FICKLIN: It was commenced and  
12 culminated October 6th, 2017.

13 MR. STIPE: All right. So we have  
14 got the plan, and presumably the  
15 bankruptcy judge looked at the merits of  
16 the credit facility exiting the

17 bankruptcy and the plan that was  
18 approved.

19 MS. FICKLIN: That plan was approved  
20 by the judge and the creditors.

21 MR. STIPE: Right. And so the last  
22 thing a year later now we're coming for  
23 approval to incur an increase of up to  
24 \$3.5 billion in debt?

25 MS. FICKLIN: Yeah, approximately.

34

1 Well, we approximated it at about four  
2 because these were December 2017  
3 numbers.

4 MR. STIPE: There's no term sheet  
5 that's been executed. They're simply  
6 trying to get this in place to move in  
7 the credit market sometime in the next  
8 two to three years.

9 MS. FICKLIN: Yeah, and my manager  
10 alerted me this morning that they want  
11 to reprice but to their advantage that  
12 \$1. -- CEO's \$1.5 million senior  
13 secured term loan, so it should be a  
14 better deal then.

15 MR. STIPE: Thank you.

16 CHAIRMAN JONES: Did you want to  
17 hear from the licensee?

18 MR. STIPE: I think she covered it.

19 CHAIRMAN JONES: Any other

20 questions?

21 MR. BRADFORD: Move approval.

22 CHAIRMAN JONES: And we have a  
23 motion by Mr. Bradford, and Mr. Jackson  
24 a second, to adopt the Resolution.

25 Miss Tramonte.

35

1 THE CLERK: On the 16th day of  
2 April, 2018, the Louisiana Gaming  
3 Control Board did, in a duly noticed  
4 public meeting, consider the Application  
5 for Shelf Approval of Debt Transactions  
6 filed by Caesars Entertainment  
7 Corporation, and upon motion duly made  
8 and second, the Board adopted the  
9 following Resolution:

10 Be it resolved that Caesars  
11 Entertainment Corporation's Application  
12 for Shelf Approval of the Debt  
13 Transactions be and is hereby approved  
14 subject to the following terms and  
15 conditions:

16 One, for a period of three years  
17 beginning April 16th, 2018, Caesars  
18 Entertainment Corporation is granted  
19 approval pursuant to LAC 42:III.2525 to  
20 enter into debt transactions as defined  
21 in LAC 42:III.2522, not exceed a  
22 cumulative total of \$13 billion. For



23 purposes of this Shelf Approval, a  
24 cumulative total of \$13 billion shall  
25 include debt currently existing or

36

1 approved in earlier debt transactions.

2 Two, within ten days of consummation  
3 of the debt transaction, including  
4 amendments and modifications of existing  
5 debt transactions, Caesars Entertainment  
6 Corporation shall provide a term sheet  
7 or executive summary of the debt  
8 transaction and an executed copy of the  
9 documents evidencing the debt  
10 transactions to the Louisiana State  
11 Police Gaming Enforcement Division,  
12 Audit Section, Corporate Securities  
13 Unit.

14 Three, the Shelf Approval may be  
15 rescinded by the Chairman of the Board  
16 upon issuance of a written notice of  
17 rescission setting forth the reasons  
18 therefore. The rescission shall remain  
19 in effect until lifted by the Board upon  
20 such terms as is satisfactory to the  
21 Board.

22 Four, the Shelf Approval shall  
23 expire on April 16th, 2021.

24 It is further resolved that the  
25 Chairman of the Louisiana Gaming Control

1 Board be delegated the authority to  
2 issue a written rescission of the Shelf  
3 Approval in accordance LAC  
4 42:III.2525(E) and as provided above.

5 Thus done and signed in Baton Rouge,  
6 Louisiana, this 16th day of April, 2018.

7 Mr. Bradford?

8 MR. BRADFORD: Yes.

9 THE CLERK: Mr. Stipe?

10 MR. STIPE: Yes.

11 THE CLERK: Mr. Singleton?

12 MR. SINGLETON: Yes.

13 THE CLERK: Mr. Jackson?

14 MR. JACKSON: Yes.

15 THE CLERK: Mr. Gaston?

16 MR. GASTON: Yes.

17 THE CLERK: Mr. Patrick?

18 MR. PATRICK: Yes.

19 THE CLERK: Mr. Lagasse?

20 MR. LAGASSE: Yes.

21 THE CLERK: Chairman Jones?

22 CHAIRMAN JONES: Yes. And the  
23 Resolution is approved. Thank you.

24 THE CLERK: Oh, Miss Berry. I'm  
25 sorry.

1 MS. BERRY: Yes.

2 VII. RULEMAKING

3 A. Consideration of institution of rulemaking  
4 procedures for amendment of LAC  
5 42:XI.2415.B (Gaming Establishments -  
6 Security)

7 CHAIRMAN JONES: Thank you. We'll  
8 now take up Rulemaking, and first up is,  
9 Consideration of institution of  
10 rulemaking procedures for amendment of  
11 Louisiana Administrative Code, Title 42,  
12 Roman Numeral 11, Section 2415, Part B,  
13 with respect to gaming  
14 establishments-security.

15 Good morning.

16 MS. HIMEL: Good morning. I'm  
17 Assistant Attorney General Dawn Himel in  
18 the matter of instituting rulemaking for  
19 2415.

20 The proposed rule changes the title  
21 of "security guard" to "security  
22 officer," which is what is in line with  
23 the security officer rules under Title  
24 37. The proposed rule also expands the  
25 requirements of video surveillance for

39

1 security purposes to licensed video  
2 poker establishments and all licensed  
3 Type 5 video poker establishments,  
4 regardless of those with under 20 video  
5 poker devices.

6           The proposed rule change also  
7           restricts those employed as security  
8           officers in the affected establishments  
9           from performing other job functions  
10          during their shift as a security  
11          officer.

12          If the Board has no questions, the  
13          motion to institute rulemaking  
14          procedures is needed.

15          CHAIRMAN JONES: Mr. Stipe.

16          MR. STIPE: Fourteen days came from  
17          where? In terms of maintaining these  
18          recordings.

19          MS. HIMEL: I would have to ask  
20          State Police on that one as far as the  
21          14 days, but I think that's pretty  
22          standard as far as the other  
23          requirements for the security. That  
24          gives them enough time to get out there  
25          and do something if something comes up.

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1          CHAIRMAN JONES: Any other questions  
2          for Ms. Himel? [No response.]

3          Do I have a motion to initiate the  
4          rulemaking process for this?

5          MR. GASTON: I move approval,  
6          Mr. Chairman.

7          CHAIRMAN JONES: Dr. Gaston and Miss  
8          Berry.

9 Miss Tramonte, would you call the  
10 roll.

11 THE CLERK: Mr. Bradford?

12 MR. BRADFORD: Yes.

13 THE CLERK: Mr. Stipe?

14 MR. STIPE: Yes.

15 THE CLERK: Mr. Singleton?

16 MR. SINGLETON: Yes.

17 THE CLERK: Mr. Jackson?

18 MR. JACKSON: Yes.

19 THE CLERK: Mr. Gaston?

20 MR. GASTON: Yes.

21 THE CLERK: Miss Berry?

22 MS. BERRY: Yes.

23 THE CLERK: Mr. Patrick?

24 MR. PATRICK: Yes.

25 THE CLERK: Mr. Gaston?

41

1 MR. GASTON: Yes.

2 THE CLERK: Chairman Jones?

3 CHAIRMAN JONES: Yes. And the

4 motion carries.

5 B. Consideration of institution of rulemaking  
6 procedures for amendment of LAC 42:III.2723  
7 (Internal Controls; Slots - Jackpots)

8 CHAIRMAN JONES: Next up is,

9 Consideration of institution of  
10 rulemaking procedures for Louisiana  
11 Administrative Code Title 42, Roman

12 Numeral three, for 2723 with respect to  
13 jackpots.

14 MS. HIMEL: It's Dawn Himel on this  
15 one as well. If you'll notice on the  
16 draft notice of intent, there is a  
17 repeal of Q, as that is contingent upon  
18 the new Chapter 28 being passed, which  
19 it's my understanding that that will be  
20 deferred today. That is not up for  
21 consideration today. So today I'm just  
22 presenting the amendments to D1-J, F, G  
23 & H of 2723.

24 This proposed rule change increases  
25 the minimum payout jackpot threshold

42

1 triggering the licensee or casino  
2 operator having to perform certain  
3 duties such as verifying seals and  
4 photographing the internal functions of  
5 slot machines, and it modifies the  
6 duties based on those jackpot amounts.

7 CHAIRMAN JONES: Any questions,  
8 Board Members? [No response.]

9 Do I have a motion to institute  
10 rulemaking procedures with respect to  
11 that provision? Mr. Lagasse and  
12 Mr. Patrick.

13 Miss Tramonte.

14 THE CLERK: Mr. Bradford?

15 MR. BRADFORD: Yes.  
16 THE CLERK: Mr. Stipe?  
17 MR. STIPE: Yes.  
18 THE CLERK: Mr. Singleton?  
19 MR. SINGLETON: Yes.  
20 THE CLERK: Mr. Jackson?  
21 MR. JACKSON: Yes.  
22 THE CLERK: Mr. Gaston?  
23 MR. GASTON: Yes.  
24 THE CLERK: Miss Berry?  
25 MS. BERRY: Yes.

43

1 THE CLERK: Mr. Patrick?  
2 MR. PATRICK: Yes.  
3 THE CLERK: Mr. Lagasse?  
4 MR. LAGASSE: Yes.  
5 THE CLERK: Chairman Jones?  
6 CHAIRMAN JONES: Yes. And that  
7 motion carries.

8 C. Consideration of institution of rulemaking  
9 procedures for amendment of LAC 42:XI.2405.B.11  
10 (Force Majeure - Truck Stop Waivers)  
11 CHAIRMAN JONES: Next up is,  
12 Consideration of institution of  
13 rulemaking procedures for amendment of  
14 Louisiana Administrative Code, Title 42,  
15 Roman numeral 11, Section 2403, part  
16 B.11, Force Majeure - Truck Stop  
17 Waivers.

18 MS. HIMEL: Dawn Himel presenting  
19 this one, as well. The proposed rule  
20 change will lengthen a licensed  
21 truckstop facility's initial waiver  
22 period of the fuel sale -- sorry, on  
23 behalf of force majeure such as a  
24 hurricane, tornado, fire and stuff like  
25 that in an establishment. As long as

44

1 the truckstop is still operating its  
2 fuel, it can get certain waiver periods  
3 to still operate its video poker  
4 license, as long as -- say its  
5 restaurant burns down or that there's a  
6 hurricane that floods the parking lot,  
7 certain things will be waived as far as  
8 the requirements, and they can still  
9 continue to operate.

10 Currently, that initial period is 60  
11 days, and that is to be extended by this  
12 amendment to 90 days. The extended  
13 waiver period will still stay 60 days.

14 So the only thing changing is that  
15 the initial waiver period will go from  
16 60 days to 90 days.

17 CHAIRMAN JONES: Mr. Stipe.

18 MR. STIPE: And do we have a lot of  
19 these? I mean, how many waivers do --

20 MS. HIMEL: Unfortunately, with



21 Louisiana hurricanes especially and,  
22 like, the flooding -- you know, there's  
23 a flooded parking lot issue that was a  
24 million dollar parking lot, and with the  
25 contractors and the weather as well, if,

45

1 you know, a tornado comes and knocks  
2 down your entire restaurant, they're  
3 getting bids out there from contractors  
4 that they can't get out there for four  
5 our five months, or due to weather, they  
6 have to take postponements for the  
7 entire summer and stuff like that.

8 So I think that it's come down to  
9 pretty much everybody that has to  
10 request a waiver is having to request an  
11 extension because they cannot get it  
12 done within that first period.

13 MR. STIPE: The total period created  
14 is five months with an extension?

15 MS. HIMEL: It goes from 120 days to  
16 150 days.

17 MR. STIPE: Thank you.

18 CHAIRMAN JONES: Any other  
19 questions? [No response.]

20 Do I have a motion to institute  
21 rulemaking procedures with respect to  
22 that one? By Mr. Bradford and Mr.  
23 Stipe.

24 Miss Tramonte.

25 THE CLERK: Mr. Bradford?

46

1 MR. BRADFORD: Yes.

2 THE CLERK: Mr. Stipe?

3 MR. STIPE: Yes.

4 THE CLERK: Mr. Singleton?

5 MR. SINGLETON: Yes.

6 THE CLERK: Mr. Jackson?

7 MR. JACKSON: Yes.

8 THE CLERK: Mr. Gaston?

9 MR. GASTON: Yes.

10 THE CLERK: Miss Berry?

11 MS. BERRY: Yes.

12 THE CLERK: Mr. Patrick?

13 MR. PATRICK: Yes.

14 THE CLERK: Mr. Lagasse?

15 MR. LAGASSE: Yes.

16 THE CLERK: Chairman Jones?

17 CHAIRMAN JONES: Yes. The motion

18 carries.

19 Part D on the official agenda, I

20 have a request from the State Police

21 Gaming Division, and we're going to

22 defer action on that for another month

23 pending some further discussions and

24 massaging the language a little bit.

25 MS. HIMEL: Thank you.

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1 MR. STIPE: And are we deferring Q,  
2 as well?

3 CHAIRMAN JONES: Not -- Dawn, did  
4 you want to explain that?

5 MS. HIMEL: Yeah, that's fine.  
6 Yeah, so Chapter 28, whenever it is  
7 considered, will effect 2723.Q. That is  
8 when that will need to be repealed  
9 because it's just being moved to Chapter  
10 28, as well as the amendments that you  
11 see to 2717 and 4205. Those are all  
12 contingent on Chapter 28 being passed.

13 CHAIRMAN JONES: You okay with that?

14 MR. STIPE: Yes.

15 CHAIRMAN JONES: Thank you.

16 VIII. CONSIDERATION OF PROPOSED SETTLEMENT IN THE  
17 FOLLOWING:

18 1. In Re: Tu and Vo, LLC, d/b/a T & B Restaurant  
19 - No. 2604217471

20 CHAIRMAN JONES: We now go to,  
21 Consideration of Proposed Settlement in  
22 the Following Matter in regard to Tu and  
23 Vo, LLC, doing business as T & B  
24 Restaurant, No. 2604217471. This is a  
25 settlement.

48

1 Good morning.

2 MR. JAMES: Good morning, Chairman  
3 Jones and Board Members. I'm Assistant

4 Attorney General Elroy James present  
5 before the Board in the matter of the  
6 settlement of Tu and Vo, LLC, doing  
7 business as T & B Restaurant.

8 This settlement addresses the late  
9 submission of annual forms and fees that  
10 are required to be submitted no later  
11 than July 1 of each year. This Type 2  
12 licensee did not submit its annual form  
13 and fees until January 19th, 2018, which  
14 gave rise to a violation of gaming law.

15 The civil penalty contained in this  
16 settlement is \$750, which is an amount  
17 that is well established for violations  
18 of this type.

19 The settlement has been signed by  
20 the hearing office [sic] and is now  
21 before the Board for final approval.

22 I will be happy to answer any  
23 questions you may have.

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

49

1 -- the proposed settlement? There are  
2 no questions.

3 Mr. Jackson, Mr. Singleton.

4 No opposition, the motion carries.  
5 The settlement is approved. Thank you.  
6 And before I entertain the final motion

7 of the day to adjourn, the Board wants  
8 to commend Miss Berry, who came all the  
9 way here today on the busiest tax day of  
10 the year and waiting on a baby to arrive  
11 in Houston, okay? So I don't know why  
12 she's here, but -- but thank you for  
13 your attention to duty.

14 MS. BERRY: Thank you.

15 IX. ADJOURNMENT

16 CHAIRMAN JONES: I'll now entertain  
17 a motion to adjourn.

18 MR. GASTON: I move.

19 CHAIRMAN JONES: Dr. Gaston moves to  
20 adjourn, Mr. Bradford second.

21 Without objection, we'll stand  
22 adjourned until next month. Thank you.

23

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1 REPORTER'S PAGE

2

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

7 That due to the spontaneous discourse of this  
8 proceeding, where necessary, dashes (--) have been  
9 used to indicate pauses, changes in thought,

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

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

18

19

20

21

22

23

24 SHELLEY PAROLA

Certified Court Reporter #96001

25 Registered Professional Reporter

51

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 April 16,

7 2018, 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 25th day of  
19 April, 2018.

20

21

\_\_\_\_\_

22

SHELLEY G. PAROLA, CCR, RPR

CERTIFICATE NO. 96001

23

24