

Meeting, LGCB 5-16-16, (Pages 1:1 to 54:24)

1:1 LOUISIANA GAMING LOUISIANA CONTROL BOARD

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4 BOARD OF DIRECTORS' MEETING

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9 MONDAY, MAY 16, 2016

10

11 LaSalle Building, LaBelle Hearing Room

12 617 North 3rd Street

13 Baton Rouge, Louisiana

14

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16

17 TIME: 10:00 A.M.

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2

1 APPEARANCES

2

RONNIE JONES

3 Chairman (At Large)

Third Congressional District

4 June 30, 2019

5

6 MARK STIPE

(Attorney)

7 Seventh Congressional District

June 30, 2020

8

9 JAMES SINGLETON

(Public/Business Administration)

10 Second Congressional District

June 30, 2020

11

12 MAJOR CLAUDE MERCER

(Law Enforcement)

13 Fifth Congressional District

June 30, 2018

14

ROBERT W. GASTON, III

15 (At Large)

Sixth Congressional District

16 June 30, 2021

17 JULIE BERRY

(CPA)

18 Third Congressional District

June 30, 2018

19

20 WANDA THERIOT

(At large)

21 First Congressional District

June 30, 2021

22

23 MAJOR MARK NOEL

Ex-Officio Board Member

24 Louisiana State Police

25

3

1 APPEARANCES CONTINUED

2

3 MIKE LEGENDRE

Department of Revenue

4 Director of Charitable Gaming

5

6 LANA TRAMONTE

Executive Assistant

7

8 TRUDY SMITH

Confidential Assistant

9

10 REPORTED BY:

11 SHELLEY G. PAROLA, CSR, RPR

Baton Rouge Court Reporters

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7	VI. VIDEO GAMING ISSUES	
8	A. Consideration of the following	
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11	d/b/a Flashback Casino - No.	
12	0900517347 (new application)	19
13	2. Madiha Investment, Inc., d/b/a	
14	Diamond Jubilee Casino - No.	
15	3601517280 (new application)	23
16	3. 24/7 Xpress Associates, LLC,	
17	d/b/a Sulphur Truckstop & Casino	
18	- No. 1000517329	

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20 VII. CASINO GAMING ISSUES

21 A. Consideration of Certificate of
22 Compliance for the Alternate
23 Riverboat Inspection of the gaming
24 vessel of Bossier Casino Venture,
25 Inc., d/b/a Margaritaville Resort

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3 B. Consideration of Certificate of
4 Compliance for the Alternate
5 Riverboat Inspection of the gaming
6 vessel of Catfish Queen Partnership
7 in Commendam d/b/a Belle of Baton
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9 VIII. CONSIDERATION OF PROPOSED SETTLEMENT/

10 APPEALS

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12 Gillis Truck Stop & Buddy's Casino
13 No. 1000516320 (settlement) 41

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16 (appeal) 43

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1 I. CALL TO ORDER

2 CHAIRMAN JONES: Good morning and
3 welcome to the May 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? [No
10 response.] Mr. Stipe?

11 MR. STIPE: Here.

12 THE CLERK: Mr. Singleton?

13 MR. SINGLETON: Here.

14 THE CLERK: Major Mercer?

15 MAJOR MERCER: Here.

16 THE CLERK: Mr. Jackson? [No
17 response.] Mr. Gaston?

18 MR. GASTON: Here.

19 THE CLERK: Miss Berry?

20 MS. BERRY: Here.

21 THE CLERK: Miss Theriot?

22 MS. THERIOT: Here.

23 THE CLERK: Colonel Edmonson?

24 MAJOR MERCER: Major Noel for

25 Colonel Edmonson.

7

1 THE CLERK: Secretary Robertson?

2 MR. LEGENDRE: Mike Legendre for

3 Secretary Robinson.

4 II. PUBLIC COMMENTS

5 CHAIRMAN JONES: We have a quorum,
6 and we may conduct business. Anyone
7 wish to comment on any matter before the
8 board at this point that's on the
9 agenda?

10 Just as a reminder, we will meet one
11 more time, I think, in this -- from the
12 kindness of Revenue. We'll be back here
13 June the 20th on Monday, and we should
14 be back on our regular schedule on
15 Thursdays back at the Capitol beginning
16 in July, barring any unforeseen
17 circumstance.

18 III. APPROVAL OF THE MINUTES

19 CHAIRMAN JONES: Could I have a
20 motion to waive reading and approve the
21 minutes?

22 MR. GASTON: I move, Mr. Chairman.

23 CHAIRMAN JONES: By Dr. Gaston and
24 Miss Berry. Any opposition? [No
25 response.] Without opposition, it's

8

1 adopted.

2 IV. REVENUE REPORTS

3 CHAIRMAN JONES: Revenue Reports,
4 good morning.

5 MS. JACKSON: Good morning, Chairman
6 Jones, Board Members. My name is Donna
7 Jackson with the Louisiana State Police
8 Gaming Enforcement Division. Following
9 is the riverboat revenue report for
10 April 2016. During April, the 15
11 operating riverboats generated Adjusted
12 Gross Receipts of \$164,202,278, an
13 increase of \$2.8 million or 1.8 percent
14 from last month, but a minimal decrease
15 of \$200,000 or .1 percent from
16 April 2015.

17 Adjusted Gross Receipts for fiscal
18 year 2015-2016 to date are over
19 \$1,617,000,000, up \$68 million or
20 4 percent when compared to fiscal year
21 2014-2015. As a reminder, for five
22 months for fiscal year '14-'15, there
23 were only 14 riverboats in operation.

24 During April, the state collected
25 fees totaling \$35,303,490. As of

9

1 April 30th, 2016, the state has
2 collected almost \$348 million in fees
3 for fiscal year 2015-2016.

4 Next is a summary of the April 2016

5 gaming activity for Harrah's New Orleans
6 found on page three. During April,
7 Harrah's generated \$24,600,768 in gross
8 gaming revenue, up \$642,000 or 2.7
9 percent from last month, but down
10 \$885,000 or 3.5 percent from April 2015.

11 Fiscal year-to-date gaming revenues
12 for 2015-2016 are \$251 million, down
13 \$21.6 million or 8 percent from fiscal
14 year 2014-2015. During April, the State
15 received \$4.9 million in minimum daily
16 payments. As of April 30th, 2016, the
17 state has collected almost \$54 million
18 in fees for fiscal year 2015-2016S.

19 Slots at the Racetracks revenues are
20 shown on page four. During April, the
21 four racetrack facilities combined
22 generated Adjusted Gross Receipts of
23 \$29,967,656, an increase of \$1.3 million
24 or 4.5 percent from last month, but a
25 decrease of \$736,000 or 2.4 percent from

10

1 April 2015.

2 Adjusted Gross Receipts for fiscal
3 year 2015-2016 to date are \$296 million,
4 a decrease of \$21.6 million or 7 percent
5 from fiscal year 2014-2015. During
6 April, the state collected fees -- \$4.5
7 million in fees. As of April 30th,

8 2016, the state has collected \$45
9 million in fees for fiscal year
10 2015-2016.

11 Overall in April, Riverboats,
12 Landbased and Slots at the Racetracks
13 combined generated over \$218 million in
14 Adjusted Gross Receipts and almost \$45
15 million in state fees.

16 Are there any questions before I
17 present the Harrah's employee numbers?

18 CHAIRMAN JONES: Board Members, any
19 questions? There are no questions.

20 MS. JACKSON: Harrah's New Orleans
21 is required to maintain at least 2,400
22 employees and a bi-weekly payroll of
23 \$1,750,835. This report covers pay
24 periods in April 2016.

25 For the first pay period, the

11

1 Division verified 2,428 employees with a
2 payroll of \$1,863,000. For the second
3 pay period, the Division verified 2,446
4 employees with a payroll of \$1,851,000.
5 Therefore, Harrah's met the employment
6 criteria during April.

7 CHAIRMAN JONES: Questions, Board?

8 Mr. Singleton.

9 MR. SINGLETON: Is there any way we
10 can determine how many of these are

11 full-time employees and how many are
12 part-time?

13 MS. JACKSON: I don't have that
14 information. I just present what they
15 give me. I can check and get back with
16 you to see if there's a breakdown.

17 MR. SINGLETON: I'm just curious to
18 know how many are part-time and how many
19 are full-time.

20 MS. JACKSON: I'll find that out.

21 CHAIRMAN JONES: Okay. That's it.

22 MS. JACKSON: Okay.

23 CHAIRMAN JONES: Thank you.

24 Good morning.

25 MR. BOSSIER: Good morning. Good

12

1 morning, Chairman Jones and Board
2 Members. My name is Jim Bossier with
3 the Louisiana State Police Gaming Audit
4 Section. I'm reporting video gaming
5 statistics for April 2016 as shown on
6 page of your handout.

7 Twelve new video gaming licenses
8 were issued during April: Seven bars,
9 three restaurants, one truckstop and one
10 device owner's. Thirteen new
11 applications were received by the Gaming
12 Enforcement Division during April and
13 are currently pending in the field:

14 Seven bars, four restaurants, one
15 truckstop and one device owner's.

16 The Gaming Enforcement Division
17 assessed \$1,750 and collected \$5,600 in
18 fines during April, and there are
19 currently \$4,000 in outstanding fines.

20 Please refer to page two of your
21 handout.

22 There are presently 12,968 video
23 gaming devices activated at 1,802
24 locations.

25 Net device revenue for April 2016

13

1 was \$50.4 million, a \$2.7 million, or
2 5.2 percent decrease, when compared to
3 March 2016, and a \$1 million decrease,
4 or 1.9 percent, when compared to April
5 2015. Net device revenue so far for
6 fiscal year 2016 is \$487.1 million, an
7 \$11.9 million, or 2.4 percent, decrease
8 when compared to fiscal year 2015. Page
9 three of your handout shows a comparison
10 of net device revenue.

11 Total franchise fees collected for
12 April 2016 were \$15.1 million, an
13 \$800,000 decrease when compared to March
14 2016, and a \$300,000 decrease when
15 compared to April 2015.

16 Total franchise fees collected for

17 fiscal year 2016 are \$145.8 million, a
18 \$4.2 million decrease, or 2.5 percent,
19 when compared to fiscal year 2015. Page
20 four of your handout shows a comparison
21 of franchise fees.

22 Does anybody have any questions?

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

25 MR. BOSSIER: Thank you.

14

1 CHAIRMAN JONES: Thank you.

2 Mr. Singleton, I just wanted to let
3 you know, Senator Karen Carter Peterson
4 has worked with Harrah's to introduce a
5 piece of legislation that's in the last
6 stages now which will change the way the
7 employee count is calculated to permit
8 Harrah's to count those employees that
9 work in other businesses on the
10 property, such as the restaurants, the
11 coffee shops, and what that's -- based
12 on Dan Real, the General Manager's,
13 testimony last week. That will permit
14 them to actually employ more part-time
15 -- excuse me, more full-time employees
16 which means they will be eligible for
17 benefits.

18 So the landbased is the only
19 property in the state -- the only casino

20 property in the state that is
21 statutorily required to maintain a
22 certain employee count, so there seems
23 to be legislative support for permitting
24 them to do that, and I think it's going
25 to promote more employment and economic

15

1 development for the landbased if it
2 finally passes in the House and is
3 signed.

4 MR. SINGLETON: Okay. Thank you.

5 V. COMPLIANCE REPORTS

6 CHAIRMAN JONES: Miss Brown, we now
7 have Compliance Reports. Good morning.

8 MS. BROWN: Good morning. Chairman
9 Jones, Board Members, I'm Mesa Brown,
10 Assistant Attorney General. Today I'll
11 present the staff reports on riverboat
12 and racetrack casino licensees'
13 compliance with employment and
14 procurement conditions for the first
15 quarter of 2016.

16 I'll begin with the riverboats. The
17 first quarter reports are taken from
18 figures reported by the 15 operating
19 riverboats to the Louisiana Gaming
20 Control Board. In the first quarter of
21 2016, approximately 14,036 people were
22 employed by the riverboat industry. Of

23 that number, 13,737 were Louisiana
24 residents, 9,579 were minorities and
25 8,119 were women. Seven licensees

16

1 achieved total compliance this quarter,
2 and they are Golden Nugget, L'Auberge
3 Casino & Hotel Baton Rouge, Boomtown
4 West Bank, Belle of Baton Rouge Casino,
5 Amelia Belle Casino, Isle of Capri
6 Casino St. Charles, L'Auberge Casino
7 Resort Lake Charles.

8 Next I'll address employment. Four
9 licensees did not meet their total
10 employment goals. They are: Diamond
11 Jacks Casino & Resort, who achieved 529
12 out of a goal of 650; Hollywood achieved
13 425 out of a goal of 450; Boomtown
14 Casino Bossier achieved 559 out of 650,
15 and Eldorado Resort Shreveport achieved
16 1,115 out of 1,200.

17 All licensees with the exception of
18 Treasure Chest Casino either met or
19 exceeded their goals in all the
20 subcategories under the main category of
21 employment. Treasure Chest did not meet
22 its female employment goal. It achieved
23 50.9 out of a goal of 51.86.

24 Next I'll address procurement. The
25 licensees are grouped according to three

1 subcategories which appear in your
2 report. They are Louisiana, minority
3 and female procurement. Under Louisiana
4 procurement, two licensees did not
5 achieve compliance with its voluntary
6 conditions, and they are:
7 Margaritaville Resort Casino, who
8 achieved 80.7 out of a goal of
9 90 percent, and Eldorado, who achieved
10 51.9 out of a goal of 60 percent.

11 Minority procurement, four licensees
12 did not achieve compliance with their
13 voluntary conditions. They are Sam's
14 Town, who achieved 11.7 out of
15 25 percent; Horseshoe achieved 18.6 out
16 of 35; Treasure Chest achieved 10.8 out
17 of 15, and Margaritaville achieved 8.1
18 out of 10 percent.

19 Female procurement, all licensees
20 either met or exceeded their goal.

21 Are there any questions regarding
22 the riverboats?

23 CHAIRMAN JONES: Any questions on
24 employment and procurement? [No
25 response.]

1 Just let me make a quick comment,
2 Mesa. I went back and looked at the two

3 previous years of quarters. That's
4 eight quarters, and in each of those
5 quarters on minority procurement, the
6 amount of noncompliance ranged from
7 seven, eight, nine, ten properties. We
8 have four at noncompliance, and I
9 consider that a significant improvement
10 by the industry.

11 I know the Casino Association
12 conducted the minority procurement fair
13 back a couple of months ago when I
14 attended. I was happy that they did it.
15 It's a great opportunity. I was
16 disappointed in the turnout. Perhaps
17 there were 23 people, 24 that were
18 actually registered for it; but I think
19 this shows the initiative the industry
20 is taking in trying to achieve those
21 goals, and I thank the industry for
22 that.

23 Proceed.

24 MS. BROWN: Thank you. Now, I'll
25 move to the racetrack. In the first

19

1 quarter of 2016, approximately 1,778
2 people were employed by the racetrack
3 casino industry. Of that number, 1,520
4 were Louisiana residents, 955 were
5 minorities and 1,054 were women. Two

6 racetrack casinos achieved total
7 compliance this quarter, and they are
8 Evangeline Downs and Fairgrounds. Delta
9 Downs did not achieve its Louisiana
10 employment condition. It achieved 64.7
11 out of the 80 percent condition, and
12 Louisiana Downs did not achieve its
13 female employment goal. It achieved
14 52.1 out of the 60 percent goal for
15 female employment.

16 Any questions regarding the
17 racetracks?

18 CHAIRMAN JONES: Any questions on
19 the tracks? No questions.

20 MS. BROWN: Thank you.

21 CHAIRMAN JONES: Thank you, Mesa.

22 VI. VIDEO GAMING ISSUES

23 A. Consideration of the following truckstop
24 applications:

25 1. United Ventures Unlimited, LLC, d/b/a

20

1 Flashback Casino - No. 0900517347 (new
2 application)

3 CHAIRMAN JONES: We now move to
4 Video Gaming Issues: Consideration of
5 the application for video gaming license
6 for United Ventures Unlimited, LLC,
7 doing business as Flashback Casino, No.
8 0900517347. It's a new application.

9 Good morning.
10 MS. HOOD: Good morning. Chairman
11 Jones, Members of the Board, I'm
12 Assistant Attorney General Heather Hood
13 present before the Board in the matter
14 of the original application of United
15 Ventures Unlimited, LLC, doing business
16 as Flashback Casino applying for
17 approval of a Type 5 video draw poker
18 gaming license.

19 The licensed establishment is
20 located in Caddo Parish. On
21 January 21st, 2016, United Ventures
22 Unlimited, LLC, purchased the property,
23 goodwill, name and all of the assets of
24 the truckstop business from Triple JJ
25 Travel Plaza doing business as Flashback

21

1 Casino, the previously licensed
2 qualified truckstop facility.

3 Eric Stathes and LSM Gaming each
4 hold a 50 percent membership interest in
5 United Ventures. James E. Worthey, Jr.,
6 is the managing member and owns 100
7 percent of the membership interest in
8 LSM Gaming.

9 United Ventures leases the
10 restaurant, convenience store and fuel
11 facility businesses to B & M Pit Stop.

12 On January 22nd, 2016, the applicant
13 entered into a video draw poker device
14 agreement with LSM Gaming.

15 Criminal Investigator Glenn Verrett
16 inspected the truckstop and conducted
17 suitability investigations on the
18 associated persons and is present this
19 morning to report his findings to the
20 Board.

21 TROOPER VERRETT: Good morning,
22 Mr. Chairman, Board Members, Glenn
23 Verrett with the Gaming Division.

24 James E. Worthey, Jr., his wife,
25 Kelli F. Worthey, Eric Stathes and his

22

1 wife, Amanda Stathes, have previously
2 submitted to suitability investigations
3 in connection with other video poker
4 licenses.

5 An on-site investigation was
6 conducted, and it was determined that
7 the establishment meets all criteria set
8 forth in video gaming law as "a
9 qualified truckstop facility." They
10 have all required licenses and permits,
11 and they were all posted and valid at
12 the time of the inspection.

13 The establishment consists of at
14 least five contiguous acres,

15 specifically 7.24 acres.

16 As the applicant purchased the
17 business from Triple JJJ Travel Plaza,
18 Incorporated, they're not subject to the
19 rule that they must be one mile from a
20 school, church, playground, synagogue
21 public library, residences and buildings
22 on the National Historic Registry.

23 I found no information to preclude
24 the issuance of the Type 5 video draw
25 poker gaming license to United Ventures

23

1 Unlimited doing business as Flashback
2 Casino or to preclude James E. Worthey,
3 Jr., Kelli F. Worthey, Eric Stathes and
4 his wife, Amanda Stathes, from
5 continuing to participate in the gaming
6 industry.

7 MS. HOOD: Our review of the
8 Division's file indicates that no
9 information has been found to preclude
10 approval.

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

13 Do I have a motion to approve the
14 application and issue the license?

15 MR. STIPE: I move.

16 CHAIRMAN JONES: By Mr. Stipe,
17 second by Major Mercer.

18 Any objection? Without objection,
19 the license is issued.

20 MS. HOOD: Thank you.

21 2. Madiha Investment, Inc., d/b/a Diamond Jubilee
22 Casino - No. 3601517280 (new application)

23 CHAIRMAN JONES: Next is the
24 consideration of the application of
25 video gaming license for Madiha

24

1 Investment, Inc., doing business as
2 Diamond Jubilee Casino, No. 3601517280.
3 This is a new application.

4 MS. HOOD: Assistant Attorney
5 General Heather Hood present before the
6 Board in the matter of the original
7 application of Madiha Investment, Inc.,
8 doing business as Diamond Jubilee
9 Casino, applying for the approval of a
10 Type 5 video draw poker gaming license.

11 The licensed establishment is
12 located in Orleans Parish.

13 Stan's, LLC, doing business as
14 Stan's Truckstop/Diamond Jubilee, who
15 previously held a license of a qualified
16 truckstop facility, surrendered its
17 gaming license on March 3rd, 2014. The
18 Louisiana Gaming Control Board granted
19 the approval of the request for
20 surrender on March 24th, 2014.

21 On April 27th, 2016, 15202 Chef
22 Menteur Highway, LLC, leased all
23 buildings, structures and other
24 improvements from the truckstop facility
25 to the applicant.

25

1 Firdous Hamani is the 100 percent
2 shareholder of the applicant.

3 The convenience store, fuel
4 facility, restaurant and casino gaming
5 area are owned, operated and managed by
6 the applicant.

7 Trooper Vincent Lenguyen inspected
8 the truckstop facility and conducted
9 suitability investigations of the
10 associated persons and is present this
11 morning to report his findings to the
12 Board.

13 TROOPER LENGUYEN: Good morning,
14 Chairman Jones and Board Members. My
15 name is Trooper Vincent Lenguyen with
16 Louisiana State Police Gaming
17 Enforcement Division.

18 Firdous Hamani and Asmita Hamani and
19 Shakeel Shamsuddin have previously
20 submitted to suitability investigation
21 in connection with other video poker
22 licenses.

23 An on-site inspection was conducted,

24 and it was determined that the
25 establishment meet all criteria set

26

1 forth in the video gaming law as a
2 required [sic] truckstop facility.

3 All required license, permits were
4 posted and valid at the time of the
5 inspection. The establishment consists
6 of at least five contiguous acres,
7 specifically 5 acres.

8 The applicant submitted a video draw
9 poker license application within 36
10 months of the surrender of Stan's, LLC,
11 who previously held a license of the
12 qualified truckstop facility; therefore,
13 they are not subject to the rule that
14 they must be one mile from a school,
15 church, playground, synagogue, public
16 library, residence and building on the
17 National Historic Registry.

18 I found no information to preclude
19 the issuance of a Type 5 video draw
20 poker gaming license to Madiha
21 Investment, Inc., doing business as
22 Diamond Jubilee Casino, or to preclude
23 Firdous Hamani, Asmita Hamani and
24 Shakeel Shamsuddin from continuing to
25 participate in the gaming industry.

27

1 MS. HOOD: Our review of the
2 Division's file indicates that no
3 information has been found to preclude
4 approval.

5 CHAIRMAN JONES: Board, any
6 questions for the Attorney General or
7 State Police?

8 Mr. Stipe.

9 MR. STIPE: There's a pending matter
10 as to one of these applicants?

11 TROOPER LENGUYEN: A pending matter?

12 MR. STIPE: For Travis County?

13 TROOPER LENGUYEN: Yes. He had a
14 DWI arrest.

15 MR. STIPE: Does the disposition of
16 that -- would that affect your
17 recommendation one way or another?

18 TROOPER LENGUYEN: No. At this
19 time, no, but we are getting updates
20 from them. As the court proceedings
21 proceed, they will provide us with
22 updated information, and from that we'll
23 determine the outcome. But as far as
24 for DWI arrests, you know, we usually --
25 it's not something we consider

28

1 unsuitable.

2 CHAIRMAN JONES: This doesn't
3 preclude us from taking action later.

4 MR. STIPE: Thank you.

5 CHAIRMAN JONES: Do I have a motion
6 approve the application and issue the
7 license? By Miss Berry, second by
8 Dr. Gaston.

9 Any objection? Without objection,
10 the motion passes.

11 MS. HOOD: Thank you.

12 3. 24/7 Xpress Associates, LLC, d/b/a Sulphur
13 Truckstop & Casino - No. 1000517329 (new
14 application)

15 CHAIRMAN JONES: And finally,
16 consideration for application of video
17 gaming for 24/7 Xpress Associates, LLC,
18 doing business as Sulpher Truckstop &
19 Casino, No. 1000517329, another new
20 application.

21 Good morning.

22 MR. PITRE: Chairman Jones, Board
23 Members, I'm Assistant Attorney Earl
24 Pitre, Jr., appearing before the Board
25 in the matter of the original

29

1 application of 24/7 Xpress Associates,
2 LLC, doing business as Sulpher Truckstop
3 & Casino, applying for approval of a
4 Type 5 video draw poker gaming license.
5 The establishment is located in
6 Calcasieu Parish.

7 On December 17th, 2015, Riverbend
8 Truckstops & Palace Casinos,
9 Incorporated, doing business as Sulpher
10 Truckstop & Casino, who previously held
11 a video gaming license for the
12 truckstop, sold the business, business
13 assets and its interest in the lease of
14 real estate property to the applicant.

15 On the same date, Redman Gaming of
16 Louisiana, LLC, sold to the applicant
17 all of their rights, title and interest
18 in the immovable property of the
19 truckstop facility.

20 The members of the applicant are as
21 follows: Nicky Nichols, Shawn Nichols,
22 Shane Nichols and David Bullock, each
23 having 25 percent membership interest in
24 the applicant.

25 The applicant assumed the Revenue

30

1 Distribution Agreements between Redman
2 Gaming of Louisiana, LLC, and Matthew
3 Wellman, Damon Baldone and Nicky
4 Nichols.

5 Criminal Investigator Glenn Verrett
6 inspected the truckstop facility and
7 conducted a suitability investigation of
8 the relevant persons associated with the
9 application. He is here to present his

10 findings to the Board.
11 TROOPER VERRETT: Again, good
12 morning, Mr. Chairman, Board Members,
13 Investigator Glenn Verrett with the
14 Gaming Division.

15 I conducted suitability
16 investigations on all the relevant
17 persons associated with the application.
18 Nicky Nichols, Matthew Wellman, and
19 Damon Baldone previously submitted to
20 suitability investigations in connection
21 with other video poker licenses.
22 Updated cursory checks were performed
23 that revealed no information that would
24 preclude them from participating in the
25 gaming industry.

31

1 Also, I found no information that
2 would preclude Shawn Nichols, Shane,
3 Nichols, Stephanie Nichols, David
4 Bulloch and Janette Bulloch from
5 participating in the gaming industry.

6 An on-site inspection was conducted,
7 and it was determined that the
8 establishment meets all criteria set
9 forth in video gaming law as a qualified
10 truckstop facility. The facility had
11 all required licenses and permits which
12 were posted and valid at the time of the

13 inspection. The establishment consists
14 of 5.9 -- 5.49 contiguous acres.

15 24/7 Xpress Associates submitted a
16 video draw poker license application
17 under a change of ownership; therefore,
18 they're not subject to the rule that
19 they must be one mile from a school,
20 church, playground, synagogue, public
21 library, residence and buildings on the
22 National Historic Registry.

23 I found no information that would
24 preclude the issuance of a Type 5
25 license to 24/7 Xpress Associates doing

32

1 business as Sulpher Truckstop & Casino.

2 MR. PITRE: The Office of the
3 Attorney General has reviewed the file
4 compiled as a result of the
5 investigation conducted by the Office of
6 State Police. Our review indicates no
7 information has been found which would
8 preclude approval.

9 CHAIRMAN JONES: Mr. Stipe.

10 MR. STIPE: All their licenses and
11 permits are current?

12 TROOPER VERRETT: Yes, sir.

13 MR. STIPE: There's one in here that
14 was expiring or on the verge of
15 expiring, but they're all current?

16 TROOPER VERRETT: Yes, sir, and the
17 one that's close to expiring, they have
18 applied for.

19 CHAIRMAN JONES: Any other questions
20 for State Police or the Attorney
21 General? [No response.]

22 If not, do I have a motion to
23 approve the application and issue the
24 license? By Miss Theriot and
25 Mr. Singleton.

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1 Any objection? Without objection,
2 the motion carries. The license is
3 issued. Thank you, gentlemen.

4 CHAIRMAN JONES: Before we bring up
5 the casino gaming issues, I just wanted
6 to tell you that on behalf of the Board,
7 I've been working with Senator Ronnie
8 Johns from Lake Charles. During this
9 legislative session, he introduced a
10 Senate Concurrent Resolution to create a
11 riverboat gaming task force. The
12 purpose of that simply is we're a
13 quarter century into riverboat gaming in
14 Louisiana. We're working with the same
15 body of law that created the authority
16 for riverboats, and it's really about
17 economic development. And what this
18 body will do, as comprised of

19 representatives from the Board, the
20 Attorney General, State Police, part of
21 Economic Development, part of Revenue,
22 the industry and a couple of other
23 members, we're going to take testimony
24 and hear from stakeholders over the next
25 18 months, and part of that process will

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1 be to determine what can we do with the
2 law or to the rules and regulations to
3 promote increased economic development
4 in the riverboat gaming industry.

5 And we've already received wide
6 legislative support for that effort.

7 We'll make recommendations to the
8 legislature prior to the regular session
9 2018 for any changes to the law. So
10 you'll be hearing more about that as
11 we -- I think it's due up on the House
12 floor for final vote, and we'll start
13 meetings probably late summer.

14 VII. CASINO GAMING ISSUES

15 A. Consideration of Certificate of Compliance
16 for the Alternate Riverboat Inspection of
17 the gaming vessel of Bossier Casino
18 Venture, Inc., d/b/a Margaritaville Resort
19 Casino - No. R011000841

20 CHAIRMAN JONES: Now, we'll move to
21 Casino Gaming Issues. First up is

22 Consideration of Certificate of
23 Compliance for the Alternate Riverboat
24 Inspection of the gaming vessel Bossier
25 Casino Venture, Inc., doing business as

35

1 Margaritaville Resort Casino, No.
2 RO11000841.

3 All right, gentlemen.

4 MR. LEWIS: Good morning. Assistant
5 Attorney General Kanick Lewis, Jr.,
6 representing the Office of State Police,
7 and with me I have Mr. John Francic of
8 ABSC. We are here in the matter of the
9 issuance of the renewal Certificate of
10 Compliance to Bossier Casino Venture,
11 Inc., doing business as Margaritaville
12 Resort Casino.

13 On April 5th, 2016, ABSC began
14 inspection process for the renewal of
15 Margaritaville's Certificate of
16 Compliance. For more on this, I now
17 turn the presentation over to
18 Mr. Francic.

19 MR. FRANCIC: Morning, Chairman,
20 Board Members. I'm John Francic with
21 ABS Consulting here to report the annual
22 certification for Margaritaville Casino.

23 The inspectors, Doug Chapman and a
24 Jeff Bullard, did, on April 5th, attend

25 the riverboat Margaritaville to conduct

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1 the annual inspection in accordance with
2 the Alternate Inspection Program in the
3 State of Louisiana. The inspector
4 reviewed fire protection measures,
5 life-saving equipment, egress routes and
6 conducted a fire drill. The
7 deficiencies are noted on page seven of
8 your report. A follow-up to the
9 deficient items was corrected on
10 April 12th, 2016.

11 The 2016th annual survey as required
12 by the Louisiana Gaming Control Board is
13 complete and presents no safety concerns
14 to its patrons or employees onboard the
15 riverboat. It is the recommendation of
16 ABSC that Margaritaville be issued the
17 Certificate of Compliance.

18 MR. LEWIS: We now present these
19 findings to the Board and request that
20 upon the Board accepting the report
21 submitted by ABSC, they will move for
22 the renewal of Margaritaville's
23 Certificate of Compliance.

24 CHAIRMAN JONES: Board Members, any
25 questions for the Attorney General's

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1 Office or Mr. Francic? There are no

2 questions.

3 Do I have a motion to issue the
4 Certificate of Compliance?

5 MR. GASTON: So move.

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

8 Any objection? Without objection,
9 the motion carries. The certificate's
10 issued.

11 MR. LEWIS: Thank you.

12 CHAIRMAN JONES: Thank you.

13 B. Consideration of Certificate of Compliance for
14 the Alternate Riverboat Inspection of the
15 gaming vessel of Catfish Queen Partnership in
16 Commendam d/b/a Belle of Baton Rouge - No.
17 R011700009

18 CHAIRMAN JONES: And the final
19 riverboat casino issue is:
20 Consideration of Certificate of
21 Compliance for the Alternate Riverboat
22 Inspection of gaming vessel Catfish
23 Queen Partnership in Commendam doing
24 business as the Belle of Baton Rouge,
25 No. RO11700009.

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1 MR. LEWIS: Again, good morning,
2 Mr. Chairman and Board Members. I'm
3 Assistant Attorney General Kanick Lewis,
4 Jr. With me is Mr. John Francic of the

5 ABSC, and we are here in the matter of
6 the issuance of the renewal Certificate
7 of Compliance of Catfish Queen
8 Partnership in Commendam doing business
9 as the Belle of Baton Rouge Casino.

10 On February 17th, 2016, ABSC began
11 the inspection process for the renewal
12 of Belle of Baton Rouge Casino's
13 Certificate of Compliance.

14 For more on this, I now turn the
15 presentation over to Mr. John Francic.

16 MR. FRANCIC: Chairman, Board
17 Members, John Francic with ABS
18 Consulting here to report the annual
19 certification for Belle of Baton Rouge.

20 The inspectors, Doug Chapman and
21 Pete Bullard, did, on February 17th,
22 attend the riverboat Argosy III to
23 conduct the annual inspection in
24 accordance with the Alternate Inspection
25 Program in the State of Louisiana.

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1 The inspectors reviewed fire
2 protection, life-saving equipment,
3 egress routes, the mooring system and
4 conducted a fire drill. The only
5 deficient items are shown on page six of
6 your report. The follow-up to the
7 deficient items was found corrected.

8 During this process, they were also
9 in the middle of doing a remodification
10 of the galley. They installed a new
11 bulkhead and put friers and other galley
12 equipment in there and redid everything,
13 and everything turned out really well
14 with that project. It didn't affect
15 anything as far as the egress routes,
16 the smoke that was done from welding,
17 and it was all observed by our
18 inspectors.

19 The 2016 annual survey as required
20 by Louisiana Gaming Control Board is
21 complete and presents no safety concerns
22 to its patrons or employees onboard the
23 riverboat. It is the recommendation of
24 ABS Consulting that Belle of Baton Rouge
25 be issued the Certificate of Compliance.

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1 MR. LEWIS: We now present these
2 findings to the Board and request upon
3 the Board accepting the report submitted
4 by ABSC, you will move for the renewal
5 of Catfish Queen Partnership in
6 Commendam doing business as Belle of
7 Baton Rouge Casino's Certificate of
8 Compliance.

9 CHAIRMAN JONES: Any questions for
10 ABSC or the Attorney General? The board

11 is clear.

12 Do I have a motion to issue the
13 Certificate of Compliance? By Major
14 Mercer, second by Mr. Singleton.

15 Any objection? Without objection,
16 the motion carries. The certificate's
17 issued. Thank you, gentlemen.

18 MR. LEWIS: Thank you.

19 VIII. CONSIDERATION OF THE FOLLOWING SETTLEMENTS/

20 APPEALS

21 1. In Re: Buddy's Casino, LLC, d/b/a Gillis Truck

22 Stop & Buddy's Casino - No. 1000516320
23 (settlement)

24 CHAIRMAN JONES: And now we move to
25 Consideration of the Following

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1 Settlements and Appeals. First up is a
2 settlement in regard to Buddy's Casino,
3 LLC, doing business as Gillis Truck Stop
4 & Buddy's Casino, No. 1000516320. This
5 is a settlement.

6 MR. LEWIS: Yes. Good morning,
7 Assistant Attorney General Kanick Lewis,
8 Jr., representing the Office of State
9 Police, and I'm here in the matter of
10 the settlement of Buddy's.

11 Buddy's is a Type 5 licensed
12 establishment located in Lake Charles
13 Louisiana. On or about May 6th, 2015,

14 the Division conducted a compliance
15 inspection at Buddy's, which revealed
16 several violations of Louisiana gaming
17 law and regulations.

18 Buddy's stipulates that it did not
19 have 50 available 18-wheel
20 tractor-trailer parking spaces; the
21 restaurant did not have the 50 available
22 seats required for patrons dining in the
23 restaurant; the occupational licenses
24 for both the restaurant and casino
25 gaming room were expired; an unlicensed

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1 technician was allowed to access the
2 interior of an enrolled and active video
3 gaming device; there was no license
4 or designated -- there was no licensee
5 or designated representative present at
6 the gaming facility, and there was no
7 employee or designated representative
8 that had the ability to locate all
9 records, documents and who possessed the
10 knowledge of the daily operations of the
11 licensed establishment. On August 6th,
12 2015, a follow-up inspection was
13 completed, and Buddy's has now come into
14 compliance.

15 In lieu of administrative action of
16 its gaming license, Buddy's will pay a

17 civil penalty of \$9,400 for violating
18 gaming law. Hearing Officer Reynolds
19 has approved the Joint Compromise and
20 Settlement Agreement, and we're here
21 today seeking the Board's approval.

22 And at this time, I'll be happy to
23 answer any questions you may have.

24 CHAIRMAN JONES: Any questions on
25 the settlement?

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1 MR. STIPE: I mean, all the physical
2 deficiencies they had that was set out
3 in the original complaint, those have
4 all been cured or repaired?

5 MR. LEWIS: Yes.

6 CHAIRMAN JONES: And you're
7 satisfied?

8 MR. LEWIS: Yes, we are.

9 CHAIRMAN JONES: Any other
10 questions? [No response.]

11 Do I have a motion on the
12 settlement? Mr. Singleton and Major
13 Mercer.

14 Any objection? Without objection,
15 the motion carries. The settlement's
16 accepted. Thank you.

17 2. In Re: CC's Hideout, LLC, d/b/a CC's Hideout -
18 No. 4400117093 (appeal)

19 CHAIRMAN JONES: And finally up is

20 an appeal in regards to CC's Hideout,
21 LLC, doing business as CC's Hideout.
22 That's No. 4400117093. This is an
23 appeal.

24 Do I have a representative from that
25 licensee, from CC's Hideout? Anyone

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1 here? Come up to the right. There you
2 go. Good morning.

3 MS. ESCOTT: Good morning.

4 CHAIRMAN JONES: Would you have a
5 seat, pull the microphone forward. Tell
6 us who you are.

7 MS. ESCOTT: Soyanna Escott, sole
8 owner of CC's Hideout, LLC, doing
9 business as CC's Hideout.

10 CHAIRMAN JONES: Okay. What we're
11 going to do today, we can't rehear your
12 case. Your case has already been
13 presented to a hearing officer. The
14 purpose today is simply for you to tell
15 the Board why you should be entitled to
16 have this matter reheard. We can only
17 do one of two things, either remand it
18 back for a hearing or sustain the
19 decision of the hearing officer.

20 You can't introduce evidence, but
21 you can tell us why it should be heard.

22 MS. ESCOTT: Okay. When I first got

23 the letter March 2015 that I had to
24 renew my license with my annual fee, I
25 was in the process of taking care of the

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1 my sister who was passing away from
2 Stage 4 cancer, and I thought that
3 meant -- when it said "annual," I
4 thought in a year from now I was
5 supposed to do this, because I hadn't
6 even had the bar open at that minute
7 because I had to close it for a couple
8 months taking care of her. Then I
9 got -- I realized that that was -- I was
10 wrong about that. I was supposed to do
11 it then and --

12 CHAIRMAN JONES: It's okay. Take
13 your time. It's all right.

14 Did you know that there had been a
15 hearing date established? Did you
16 receive notice of that?

17 MS. ESCOTT: Yes. I got a phone
18 call from a police officer, and I don't
19 have his name with me right this minute.

20 CHAIRMAN JONES: That's okay.

21 MS. ESCOTT: And he said that if I
22 was to mail my payment in with my
23 paperwork, that I didn't have to make
24 the meeting, so that's what I did, but I
25 didn't send the right document. I had a

1 nervous breakdown in October from being
2 robbed by my son, who is a drug addict,
3 and I've been sober two-and-a-half
4 years. I'm a recovering alcoholic.

5 I'm trying to sell the bar. I need
6 to get out of it. I can't sell it
7 without the machines. They're not going
8 to want to buy it. I just need a chance
9 to get it out of my hands so I can get
10 back on my feet.

11 CHAIRMAN JONES: Okay. Thank you.

12 MR. LEWIS: Hearing Officer Reynolds
13 -- Chairman Jones, my apologies. At
14 issue here is whether the hearing
15 officer's decision revoking the Type 1
16 video draw poker license should be
17 affirmed. The Division recommended the
18 revocation based on the licensee's
19 failure to timely submit the annual
20 affidavit, annual fee and supporting
21 documents.

22 Gaming law clearly states a
23 requirement for licensing is that the
24 appropriate annual fee shall be paid by
25 all licensees regardless of the

1 expiration date of the license. It must
2 be paid on or before July 1st of each

3 year. Failure to submit the annual fee
4 on our before August 31st may be cause
5 for suspension or revocation of a
6 license. In lieu of suspension or
7 revocation, the Board may render a fine
8 not to exceed \$10,000.

9 On or about March the 16th, 2015,
10 the Division mailed the Video Gaming
11 Advisory Notice informing that the
12 deadline for the annual fee and forms is
13 July 1st, 2015. An offer of a
14 compliance conference was made. The
15 licensee did not respond, and no one
16 attended the conference. The licensee
17 had not submitted the required
18 information by November 25th, 2015, and
19 the Notice of Recommendation of
20 Revocation was issued.

21 It is confirmed the notice was
22 delivered on December 10th, 2015. The
23 notice explained the licensee's right to
24 request an administrative hearing and
25 set forth the consequences of failing to

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1 do so.

2 The licensee did request a hearing,
3 which was scheduled for February 23rd,
4 2016, and neither the licensee nor a
5 legal representative attended the

6 hearing. Also, the annual affidavit
7 required, supporting documents and fee
8 had not been submitted by the time of
9 the hearing.

10 On February 24th, 2016, the Division
11 did receive the annual affidavit, annual
12 fee and supporting documents from the
13 licensee; however, after reviewing the
14 submission, the Division determined it
15 was incomplete and on February 26th,
16 2016, returned the packet to the
17 licensee with the listed deficiencies.

18 Hearing Officer Reynolds issued a
19 decision revoking the license on
20 March 8th, 2016. The licensee timely
21 requested an appeal on April 7th, 2016.
22 At no time between February 25th, 2016,
23 and April 7th, 2016, did the licensee
24 submit the complete and correct annual
25 affidavit, annual fee and required

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1 documents. By the time of this
2 decision, eight months later after the
3 deadline, the licensee had still not
4 come into compliance.

5 Now, the decision of the hearing
6 officer revoking the Type 1 video draw
7 poker gaming license should be affirmed.
8 The licensee was informed of the

9 requirement to submit the annual
10 affidavit, the annual fee and required
11 documents. Eight months later the
12 licensee had not submitted the correct
13 and complete required information and
14 fee. Before the Recommendation of
15 Revocation was issued, the licensee was
16 offered to attend a compliance
17 conference. Instead of taking advantage
18 of this opportunity to discuss the
19 issues, the licensee failed to attend.
20 The licensee then requested an
21 Administrative Hearing, which it also
22 failed to attend.

23 On the date of the Administrative
24 Hearing and prior to the hearing
25 officer's decision, the licensee failed

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1 to resolve the issues which were the
2 basis of the issuance of the notice and
3 remained out of compliance.
4 Additionally, on the date the appeal was
5 requested, the licensee continued to be
6 out of compliance. Therefore, the
7 revocation was properly implemented.
8 The hearing officer acted within his
9 authority giving proper notice and
10 revoking the Type 1 video draw poker
11 license issued to the licensee.

12 And in conclusion, the licensee was
13 given multiple opportunities to avail
14 itself of the administrative process.
15 She timely got her request in for a
16 hearing. She timely got the request in
17 for an appeal, so why couldn't she
18 timely get in the documents that were
19 requested? But she failed to do so.
20 Therefore, the licensee is ineligible to
21 operate video draw poker gaming devices,
22 and we respectfully request this
23 honorable board to affirm the decision
24 of the hearing officer.

25 CHAIRMAN JONES: I just want to make

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1 sure that I have the dates correct. The
2 appeal had been set for February the
3 23rd of this year, correct?

4 MR. LEWIS: The appeal or the
5 hearing?

6 CHAIRMAN JONES: The hearing, excuse
7 me.

8 MR. LEWIS: Yes.

9 CHAIRMAN JONES: And the documents
10 and the fees, in fact, were received the
11 next day, but they were incomplete
12 according to State Police; is that
13 correct?

14 MR. LEWIS: That's correct.

15 CHAIRMAN JONES: Any questions for
16 either of our parties here? [No
17 response.]

18 What's the pleasure of the Board?

19 Do I have a motion to either
20 remand or to --

21 MR. STIPE: I move to remand.

22 CHAIRMAN JONES: We have a motion to
23 remand. Do I have a second? By
24 Miss Theriot.

25 Is there any objection remanding?

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1 Without objection, the matter is
2 remanded. You'll have the opportunity
3 for the appeal.

4 MS. ESCOTT: Thank you.

5 CHAIRMAN JONES: Thank you very
6 much.

7 MR. LEWIS: Thank you.

8 IX. ADJOURNMENT

9 CHAIRMAN JONES: There being no
10 further business before the Board, do I
11 have a motion to adjourn?

12 MR. SINGLETON: I move we adjourn.

13 CHAIRMAN JONES: By Mr. Singleton
14 and Miss Berry.

15 Is there any objection? Without
16 objection, this meeting is adjourned.

17 We'll see you next month. Thank you.

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1 REPORTER'S PAGE

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

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

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

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24 SHELLEY PAROLA

 Certified Court Reporter #96001

25 Registered Professional Reporter

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1 STATE OF LOUISIANA

2 PARISH OF EAST BATON ROUGE

3 I, Shelley G. Parola, Certified Court

4 Reporter and Registered Professional Reporter, do

5 hereby certify that the foregoing is a true and

6 correct transcript of the proceedings on May 16,

7 2016, 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 16th day of

19 June, 2016.

20

21

22

SHELLEY G. PAROLA, CCR, RPR

CERTIFICATE NO. 96001

23

24