

LGCB - Board of Directors' Meeting, (Pages 1:1 to 48:24)

1:1 LOUISIANA GAMING LOUISIANA CONTROL BOARD

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4 BOARD OF DIRECTORS' MEETING

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9 THURSDAY, SEPTEMBER 15, 2016

10

11 Louisiana State Capitol

12 900 North Third Street

13 House Committee Room 1

14 Baton Rouge, Louisiana

15

16

17

18 TIME: 10:00 A.M.

19

20

21

22

23

24

25

2

1 APPEARANCES

2

RONNIE JONES

3 Chairman (At Large)

Third Congressional District

4 June 30, 2019

5 FRANKLIN AYRES BRADFORD

(Economic Planner)

6 Fifth Congressional District

June 30, 2019

7

JAMES SINGLETON

8 (Public/Business Administration)

Second Congressional District

9 June 30, 2020

10 ROBERT W. GASTON, III

(At Large)

11 Sixth Congressional District

June 30, 2021

12

JULIE BERRY

13 (CPA)

Third Congressional District

14 June 30, 2018

15 WANDA THERIOT

(At large)

16 First Congressional District

June 30, 2021

17

MAJOR MARK NOEL

18 Ex-Officio Board Member

Louisiana State Police

19

LANA TRAMONTE

20 Executive Assistant

21 TRUDY SMITH

Confidential Assistant

22

23 REPORTED BY:

24 SHELLEY G. PAROLA, CSR, RPR

Baton Rouge Court Reporters

25

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1 I. CALL TO ORDER

2 CHAIRMAN JONES: Good morning and  
3 welcome to the September 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 THE CLERK: Mr. Stipe? [No  
12 response.]

13 Mr. Singleton?

14 MR. SINGLETON: Here.

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

17 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 NOEL: Major Noel for Colonel  
25 Edmonson.

5

1 THE CLERK: Secretary Robertson?

2 SPEAKER: Here representing  
3 Secretary Robertson.

4 CHAIRMAN JONES: Good morning,  
5 welcome to the Board. We have enough  
6 people to conduct business. We have a  
7 quorum.

8 II. PUBLIC COMMENTS

9 CHAIRMAN JONES: Is there anyone in  
10 the audience who wants to make any  
11 comment on any matter before the Board  
12 today? I want to. I exercise that  
13 privilege. I didn't put it on the  
14 agenda, and I'm sorry; but I feel like I  
15 need to share with y'all.

16 You know, we've been talking through  
17 the summer about the Louisiana Economic  
18 Development and Riverboat Gaming Task  
19 Force that was created by Senator Johns'  
20 Concurrent Resolution No. 17 this past  
21 summer, and we held our first  
22 organizational meeting Tuesday. We're  
23 going to meet the third Tuesday of every

24 month for the foreseeable future, at  
25 least until the legislative session

6

1 begins in the spring.

2 Just to share with you who is  
3 serving on that task force: Senator  
4 Ronnie Johns, who authored the  
5 Concurrent Resolution; Senator Gary  
6 Smith in his role and capacity as  
7 Chairman of Judiciary B; Senator Danny  
8 Martiny is serving as designee of the  
9 Lieutenant Governor; Major Mike Noel is  
10 serving as a designee of the  
11 Superintendent of State Police.

12 My staff will be serving as staff to  
13 the task force. Representative Walt  
14 Leger of New Orleans is serving as the  
15 designee of the Speaker of the House;  
16 Representative Sherman Mack is serving  
17 in his capacity as Chairman of  
18 Administration of Criminal Justice on  
19 the House side; Chris Hebert is  
20 representing the Attorney General's  
21 Office; Carlton Miller, who is a  
22 criminal justice liaison, policy liaison  
23 for the Governor's Office as the  
24 Governor's designee; Wade Duty is the  
25 designated industry representative, and

7

1 Mandi Mitchell will be representing  
2 economic development.

3 I mean, this is a really good team  
4 that we put together. Our first meeting  
5 this past week sort of framed the  
6 history of riverboat gaming in  
7 Louisiana, the fact that virtually all  
8 of the law has remained unchanged for  
9 nearly a quarter of a century even  
10 though the business environment, the  
11 gaming environment has changed, and this  
12 will be an opportunity over the next few  
13 months to hear from people in the  
14 industry, stakeholders, chambers of  
15 commerce, anyone who is interested in  
16 this area, to come before the task force  
17 and share with us their vision of how we  
18 can promote, continue and increase  
19 economic development in this sector in  
20 Louisiana.

21 Our next meeting will be Tuesday,  
22 October the 18th, and Keith Smith, who  
23 is the CEO and President of Boyd Gaming,  
24 which is well represented in Louisiana,  
25 has been invited and has agreed to

8

1 appear at the next meeting. We'll  
2 probably have another guest at that  
3 time, but all the properties, all the

4 licenses will have the opportunity to  
5 appear before the task force and talk  
6 about what it is you do and how we can  
7 be more competitive in this state and  
8 make sure that Louisiana gets its share  
9 of the gaming market and how we can grow  
10 and prosper and serve the citizens of  
11 this state.

12 So I look forward to -- and all of  
13 those meetings are streamed so you don't  
14 have to come down to the capitol.  
15 They're streamed in the same way that  
16 these meetings are streamed. I welcome  
17 any suggestions from any of you who want  
18 to appear before the task force or have  
19 topics considered. Please send me an  
20 e-mail, give me a call and let me know,  
21 and we will do our best to accommodate  
22 you.

23 MR. GASTON: Mr. Chairman?

24 CHAIRMAN JONES: Yes, sir.

25 MR. GASTON: I attended for most of

9

1 the meeting, and I found it very  
2 enlightening that you invited Mark Oxley  
3 to make a presentation on some of the  
4 history and some of the attempts to  
5 control the Board from outside  
6 activities, and I just thought that that



7 highlighted the honesty of this endeavor  
8 that we are participating in. Just  
9 because it's gaming doesn't mean it's  
10 dishonest. It's a very honest,  
11 hard-working industry, brings a lot of  
12 money into the state, and I thought that  
13 was an excellent presentation that Mark  
14 made -- a little long.

15 But anyhow, I want to commend you  
16 for inviting him.

17 CHAIRMAN JONES: Thank you,  
18 Dr. Gaston. That is also archived on  
19 the legislative website. It's on the  
20 Senate site, and if you look at the  
21 archives on the Senate side for this  
22 past Tuesday, if you weren't able to  
23 monitor the proceedings of the task  
24 force and want a little snapshot of how  
25 we started and sort of where we are

10

1 today, and in particular the history of  
2 the law, Trudy made a presentation on  
3 the history of the law. Mark Oxley, a  
4 retired Lieutenant Colonel, who first  
5 supervised gaming when we authorized  
6 riverboat gaming back in the early 90s,  
7 made a presentation and talked about how  
8 difficult it was in the early years and  
9 the chaos that we endured before we got

10 to this stable place; and Mike Noel  
11 presented a snapshot of State Police's  
12 role as regulators and sort of the  
13 financial impact to the State, and Wade  
14 Duty rounded out the session.

15 So those of you who want to look and  
16 see what we did Tuesday, you can find  
17 the video on-site.

### 18 III. APPROVAL OF THE MINUTES

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

22 MR. GASTON: Move, Mr. Chairman.

23 CHAIRMAN JONES: By Dr. Gaston.

24 MS. BERRY: Second.

25 CHAIRMAN JONES: Second by

11

1 Miss Berry. Without objection, the  
2 minutes are approved.

### 3 IV. REVENUE REPORTS

4 CHAIRMAN JONES: I now call for  
5 Revenue Reports. Good morning.

6 MS. JACKSON: Good morning, Chairman  
7 Jones and Board Members. My name is  
8 Donna Jackson, Louisiana State Police  
9 Gaming Enforcement Division.

10 The 15 operating riverboats  
11 generated Adjusted Gross Receipts of  
12 \$150,275,087 in August. This total

13 represents a decrease of \$28 million or  
14 15.7 percent from last month, when there  
15 were five full weekends, compared to  
16 this month's four. Revenues decreased  
17 \$12 million or 7.5 percent from last  
18 August when there was one additional  
19 Saturday.

20 Adjusted Gross Receipts for fiscal  
21 year 2016-2017 to date are \$328.5  
22 million, a decrease of \$14 million or  
23 4 percent from fiscal year 2015-2016.

24 During August, the State collected  
25 fees totaling \$32,309,144. As of

12

1 August 31st, 2016, the State collected  
2 \$70.6 million in fees for fiscal year  
3 2016-2017, a decrease of \$3 million from  
4 last fiscal year.

5 Next is summary of the August 2016  
6 gaming activity for Harrah's New Orleans  
7 found on page three. During August,  
8 Harrah's generated \$19,187,251 in gross  
9 gaming revenue, down \$3.3 million or  
10 14.5 percent from July. Compared to  
11 August 2015, Harrah's revenues decreased  
12 approximately \$3.4 million or  
13 15 percent. Fiscal year-to-date gaming  
14 revenues for 2016-2017 to date are  
15 \$41,638,055, down almost \$17 million or

16 29 percent from fiscal year 2015-2016.

17 During August, the state received  
18 \$5,095,890 in minimum daily payments.

19 As of August 31st, 2016, the State has  
20 collected \$10 million in fees for fiscal  
21 year 2016-2017.

22 Next I'll present the revenues for  
23 Slots at the Racetracks. During August,  
24 the four racetrack facilities combined  
25 generated Adjusted Gross Receipts of

13

1 \$25,636,780, a decrease of \$5 million or  
2 16 percent from July. Compared to  
3 August 2015, revenues decreased  
4 \$3.4 million or 11.6 percent.

5 Adjusted Gross Receipts for fiscal  
6 year 2016-2017 to date are \$56 million,  
7 a decrease of \$5 million or 8 percent  
8 from fiscal year 2015-2016.

9 Overall, Riverboats, Landbased and  
10 Slots at the Racetracks combined  
11 generated \$195 million in AGR and \$41  
12 million in state fees. These revenues  
13 represent a decrease from August 2015 of  
14 about 9 percent.

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

18 CHAIRMAN JONES: There's a lot of

19 red on here.

20 MS. JACKSON: Yes, sir.

21 CHAIRMAN JONES: We need to work on  
22 that.

23 Are there any questions?

24 MS. JACKSON: I did mention the  
25 effect that the calendar had, a

14

1 comparison.

2 MS. BERRY: Five full weekends.

3 MS. JACKSON: Right. For the July  
4 comparison. From last August, there was  
5 one additional Saturday.

6 CHAIRMAN JONES: Dr. Gaston.

7 MR. GASTON: Has there been any  
8 guesstimate? I want to say  
9 projection -- but that's not even going  
10 to be close -- as to the effect of all  
11 of this flooding on the people who would  
12 normally come and participate?

13 CHAIRMAN JONES: It would only be --  
14 unless State Police knows something  
15 differently, I think it would only be  
16 anecdotal. I saw a report yesterday  
17 about the fall off in revenue for  
18 restaurants in southeast Louisiana, and  
19 they're attributing that to the fact  
20 that peoples lives have been turned  
21 upside down; and some of the disposable

22 income they had before wasn't there, and  
23 I would just simply extrapolate that  
24 into gaming, as well. So I think for  
25 the foreseeable future, the next few

15

1 months it's going to be tough, at least  
2 in southeast Louisiana.

3 MR. GASTON: All right.

4 MS. JACKSON: Just as information  
5 for August, I had the same question. I  
6 did speak to one licensee here in Baton  
7 Rouge, and they were impacted more by  
8 the curfew. They said that did have an  
9 impact.

10 CHAIRMAN JONES: The curfew?

11 MS. JACKSON: Right.

12 MR. GASTON: Yeah. Thank you, sir.

13 CHAIRMAN JONES: Please proceed.

14 MS. JACKSON: Harrah's New Orleans  
15 is required to maintain at least 2,400  
16 employees and a bi-weekly payroll of  
17 \$1,750,835. This report covers pay  
18 periods in August 2016.

19 For the first pay period, the  
20 Division verified \$2,460 employees with  
21 a payroll of \$1,817,000. For the second  
22 pay period, the Division verified 2,483  
23 with a payroll of \$1,816,000.  
24 Therefore, Harrah's met the employment

25 criteria during August.

16

1 CHAIRMAN JONES: Any questions? No  
2 questions. Thank you.

3 MS. JACKSON: Thank you.

4 CHAIRMAN JONES: Jim, good morning.

5 MR. BOSSIER: Good morning. Good  
6 morning, Chairman Jones and Board  
7 Members. My name is Jim Bossier with  
8 Louisiana State Police Gaming Audit  
9 Section. I'm reporting video gaming  
10 statistics for August 2016 as shown on  
11 page one of your handout.

12 Eleven new video gaming licenses  
13 were issued during August: Six bars,  
14 four restaurants and one device owner's.  
15 Nineteen new applications were received  
16 by the Gaming Enforcement Division  
17 during August and are currently pending  
18 in the field: Five bars, thirteen  
19 restaurants and one truckstop.

20 The Gaming Enforcement Division  
21 assessed \$1,500 and collected \$2,500 in  
22 fines during August, and there are  
23 currently \$1,250 in outstanding fines.  
24 Please refer to page two of your  
25 handout.

17

1 There are presently 12,984 video

2 gaming devices activated at 1,774  
3 locations. Net.

4 Device revenue for August 2016 was  
5 \$44.2 million, a \$2 million decrease, or  
6 4.3 percent, when compared to July 2016,  
7 and a \$2.5 million decrease, or 5.2  
8 percent, when compared to August 2015.

9 Net device revenue so far for fiscal  
10 year 2016 is \$90.5 million, a \$4.8  
11 million decrease, or 5 percent, when  
12 compared to fiscal year 2015. Page  
13 three of your handout shows a comparison  
14 of net device revenue.

15 Total franchise fees collected for  
16 August 2016 were \$13.2 million, a  
17 \$600,000 decrease when compared to  
18 July 2016, and a \$800,000 decrease when  
19 compared to August 2015. Total  
20 franchise fees collected for fiscal year  
21 2016 were \$27 million, a \$1.5 million  
22 decrease, or 5 percent, when compared to  
23 fiscal year 2015. Page four of your  
24 handout shows a comparison of franchise  
25 fees.

18

1 Does anybody have any questions?

2 CHAIRMAN JONES: Any questions,  
3 Board Members? There are no questions.

4 MR. BOSSIER: Thank you.



5 CHAIRMAN JONES: Thank you. Major  
6 Noel, a question from one of the Board  
7 Members before we started about the  
8 potential -- or the impact, rather, of  
9 flooding on truck stops and video poker.  
10 Do you or someone on your staff want to  
11 just brief us on that?

12 MAJOR NOEL: I can. Thank you,  
13 Mr. Chairman.

14 We did have approximately six  
15 truckstops impacted initially. I  
16 believe there is one that is still  
17 undergoing some renovations, but the  
18 majority of them were reopened. We had  
19 very few three machine locations, bar  
20 and restaurants impacted because of --  
21 particularly in the Baton Rouge area  
22 because those parishes were voted out  
23 and don't have video poker locations.

24 CHAIRMAN JONES: Okay. Any  
25 questions of the Major? There are not

19

1 questions.

## 2 V. CASINO GAMING ISSUES

3 A. Consideration of renewal application of  
4 Boyd Racing, L.L.C., d/b/a Delta Downs  
5 Racetrack Casino and Hotel - No. T011002086

6 CHAIRMAN JONES: We'll move on to  
7 Casino Gaming Issues. First up is:

8 Consideration of renewal application of  
9 Boyd Racing, L.L.C., doing business as  
10 Delta Downs Racetrack Casino and Hotel.  
11 It's Number TO11002086.

12 Good morning.

13 MS. BOURGEOIS: Good morning,  
14 Chairman Jones, Board Members. I am  
15 Assistant Attorney General Suzanne  
16 Bourgeois. Here with me is State Police  
17 Auditor Trnessia Ware and Trooper  
18 Wendell Fontenot of Louisiana State  
19 Police. Representatives of the licensee  
20 are also here today.

21 We're here in the matter of the  
22 renewal of the slot machine gaming  
23 license of Boyd Racing, L.L.C., doing  
24 business as Delta Downs Racetrack Casino  
25 and Hotel, in Vinton, Louisiana, in

20

1 Calcasieu Parish. Slot machine gaming  
2 licenses are issued for five-year terms,  
3 and the license for Boyd Racing is due  
4 to expire on October 30th, 2016.  
5 Conditions were initially placed on the  
6 licensee in 2001 when it was issued a  
7 license to conduct slot machine gaming,  
8 and additional general policy and  
9 business practice conditions were  
10 imposed in 2006. In 2011, all

11 conditions were updated and  
12 consolidated.

13 The licensee is owned by Boyd Gaming  
14 Corporation, which owns one other  
15 racetrack license for slot machine  
16 gaming and three licensed riverboats:  
17 The Old Evangeline Downs, LLC, doing  
18 business as Evangeline Downs Racetrack  
19 and Casino; Belle of Orleans, LLC, doing  
20 business as Amelia Belle Casino; Red  
21 River Entertainment of Shreveport, LLC,  
22 doing business as Sam's Town Hotel and  
23 Casino; and Treasure Chest Casino, LLC,  
24 doing business as Treasure Chest Casino.

25 At this time, State Police Auditor

21

1 Trnessia Ware will present her findings  
2 to the Board.

3 MS. WARE: Good morning, Chairman  
4 Jones and Members of the Board. My name  
5 is Trnessia Ware of the Louisiana State  
6 Police Corporate Securities Audit.

7 Licensee Boyd Racing, L.L.C., doing  
8 business as Delta Downs Racetrack Casino  
9 and Hotel, seeks the five-year renewal  
10 of its license. Boyd Racing is wholly  
11 owned by the parent company, Boyd Gaming  
12 Corporation, through Boyd Racing's sole  
13 member, Boyd Louisiana Racing, Inc.

14 Delta Downs competes with three  
15 riverboat casinos in the Lake Charles  
16 market. For fiscal year 2015-2016,  
17 Delta Downs ranked third in the Lake  
18 Charles market with gross receipts of  
19 approximately \$180 million. Boyd  
20 Gaming's five properties comprise  
21 19.5 percent of total revenues generated  
22 by Louisiana Riverboat, Landbased and  
23 Slots at the Track casinos.

24 In June of 2015, Boyd announced a  
25 \$45 million expansion of Delta Downs and

22

1 a new hotel tower with 167 additional  
2 guest rooms and suites, a redesign of  
3 all 203 existing rooms and expanding the  
4 special events center. Boyd anticipates  
5 completion by the end of 2016. In 2016,  
6 Delta Downs budgeted, approximately,  
7 \$55.6 million for capital expenditures.

8 The licensee projects it will spend  
9 approximately \$4.8 in 2017, and  
10 approximately \$5.3 million is projected  
11 for years 2018 through 2020.

12 Boyd Louisiana Racing and its  
13 subsidiaries participate in the  
14 corporate support fee service agreement  
15 with Boyd Gaming in which Boyd's  
16 salaries and corporate expenses are

17 allocated to Delta Downs. Corporate  
18 expenses allocated to Delta Downs are  
19 approximately \$3.3 in 2015.

20 In conclusion, no financial issues  
21 came to our attention to preclude the  
22 Board from approving the Boyd Racing's  
23 license for a period of five years  
24 effective October 30th, 2016.

25 The representative -- Wendell

23

1 Fontenot will now present his findings.

2 TROOPER LAMOTTE: Trooper Lamotte,  
3 State Police Gaming Division in Baton  
4 Rouge. I'm speaking on behalf of  
5 Wendell Fontenot. His report reflects  
6 no negative information in suitability  
7 in relation to this matter, and he  
8 recommended that the -- they be found  
9 suitable.

10 MS. BOURGEOIS: If the Board  
11 approves the renewal, a resolution  
12 authorizing the renewal of the license  
13 for a term of five years, commencing on  
14 October 30th, 2016, has been prepared.

15 CHAIRMAN JONES: Board, are there  
16 any questions of the Attorney General's  
17 Office or State Police? [No response.]

18 Could we hear from the licensee on  
19 the capital improvements on the

20 property, perhaps?

21 Morning.

22 MR. WEST: Good morning, Chairman  
23 Jones and Board Members, Paul West  
24 representing Delta Downs. With me today  
25 is Vincent Schwartz, who is the

24

1 corporate Senior Vice-President in  
2 charge of -- oversees all of the  
3 Louisiana Boyd properties, and Mr. Steve  
4 Kuypers, who is General Manager of Delta  
5 Downs.

6 Vincent.

7 MR. SCHWARTZ: Good morning,  
8 Chairman and Board Members. I'm happy to  
9 be here today to get -- hopefully get  
10 our license renewed for Delta Downs.  
11 I've been here before a few times with  
12 some other renewals over the years, but  
13 I have brought Steve Kuypers along with  
14 us. I'm responsible for the properties  
15 in Louisiana for Boyd Gaming -- for all  
16 of the other properties and a Louisiana  
17 resident. I got into the gaming  
18 industry when it first started, so  
19 you're speaking of the benefits of  
20 Louisiana gaming over the years, and  
21 certainly it's been very beneficial for  
22 me, kind of the first job out of

23 college, got into it when gaming first  
24 game here in early 1993. So gaming has  
25 been very good for Louisiana, certainly

25

1 very good for me.

2 But I have brought Steve Kuypers  
3 along, and he is the general manager of  
4 Delta Downs and can share with you a  
5 little bit of the progress for the  
6 expansion -- major expansion of the  
7 hotel. There's some other activity  
8 happening out there, a food court and  
9 some other major renovations that  
10 probably will bleed into 2017 but lots  
11 happening out there. Carpet's going in  
12 today. I don't want to steal your  
13 thunder but lots of activity out there.  
14 There's a bunch of construction workers  
15 and a lot of busy bees. It's really  
16 going to be a fresh, new product  
17 sometime in the next hundred days or so.

18 Mr. Kuypers.

19 MR. KUYPERS: Thank you very much.  
20 Very exciting and wonderful things going  
21 on at Delta Downs. As you heard, we're  
22 in completion, hopefully by  
23 October 15th, of 167 room, brand-new  
24 tower. At that time, we will then start  
25 renovating the existing tower of 203

1 rooms, so by December 23rd of this year  
2 we will have a brand-new hotel product.  
3 We took a walk through yesterday with  
4 Bill Boyd and Keith Smith, and it is  
5 absolutely beautiful. I wish I had  
6 brought renderings of it, but it's  
7 really going to bring Delta Downs up to  
8 a new level.

9 As Mr. Schwartz was saying, we also  
10 have a brand-new restaurant called  
11 Rosewater, which is going over extremely  
12 well. We're going to take our food  
13 court and do renovations on that.  
14 Brand-new carpet is being put in. We're  
15 building a new warehouse to store all  
16 the wonderful furniture that we're going  
17 to be using and all that to continue on,  
18 a brand-new HR building, so when we have  
19 our team members come in to apply for  
20 jobs or to find out what's going on in  
21 human resource, it will be a brand-new  
22 building for them. We're renovating  
23 brand-new bathrooms on all the first  
24 floor, and as Vince said, right now  
25 there's a lot of excitement going on;

1 but the team members are extremely  
2 excited, so are our guests.



3           So I think by -- as been said by,  
4           let's say, February of next year, Delta  
5           Downs will be a brand-new product  
6           continuing on in the tradition that  
7           Delta Downs does for the State of  
8           Louisiana, hopefully always continuing  
9           its growth and making sure the customers  
10          are taken care of and most important the  
11          team members are taken care of, because  
12          without the team members and the  
13          wonderful team members we have at Delta,  
14          we would not even have the customers  
15          that we have.

16          CHAIRMAN JONES: Very good, Steve.  
17          I would guess I was there, what, maybe  
18          45 days or so ago?

19          MR. KUYPERS: Yes, sir.

20          CHAIRMAN JONES: And I made my  
21          regular, aggravating trips to all the  
22          GMs, so I know when I was there, the  
23          hotel was coming up very quickly so I'm  
24          pleased to hear the progress on that.  
25          We also talked a little bit about your

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1          location is a curse and a blessing.  
2          You're the first stop on I-10 in the  
3          state for people who are entering  
4          Louisiana for entertainment purposes.  
5          It's also tough for you from your

6 Louisiana employment standpoint.

7 Do you want to share with the Board  
8 just a little bit about why that's a  
9 struggle for you, and what you try to  
10 do?

11 MR. KUYPERS: Sure, absolutely.

12 Before 2005, we were meeting the  
13 goals of 80 percent. In 2005 L'Auberge  
14 opened, and now we have the Golden  
15 Nugget to compete with so the situation  
16 is, is that because of the strong gaming  
17 facilities in Lake Charles, the team  
18 members or future employees seem to  
19 choose those over coming to 30 miles out  
20 to Vinton. As you said, in one way its  
21 great because we brag about we're the  
22 first, but in another way we're only  
23 four minutes away from Texas -- the  
24 border of Texas compared to 35 minutes  
25 away from Lake Charles; and it's

29

1 difficult, but we're doing the best we  
2 can to achieve that goal. We have  
3 constant job fairs. We have five a year  
4 in Lake Charles. We work with Sowela,  
5 McNeese. We have programs with them to  
6 try to see what we can do to have people  
7 interested in taking that 35-mile drive  
8 out to Vinton; but we have not since

9 2005 been able to achieve the  
10 80 percent, but we're continually  
11 working to do so.

12 CHAIRMAN JONES: And we thank you  
13 for that.

14 Board Members, do you have any  
15 questions for our Boyd representatives?  
16 The Board -- Miss Berry.

17 MS. BERRY: Chairman, I'd like to  
18 make a motion that we renew their  
19 license for the next five years.

20 CHAIRMAN JONES: So we have a  
21 motion, to adopt the resolution, by Miss  
22 Berry. We have a second by Dr. Gaston.

23 Miss Tramonte, would you read the  
24 resolution into the record.

25 THE CLERK: On the 15th day of

30

1 September 2016, the Louisiana Gaming  
2 Control Board did, in a duly noticed  
3 public meeting, consider the license  
4 renewal application of Boyd Racing, LLC,  
5 doing business as Delta Downs Racetrack  
6 Casino and Hotel, and upon motion duly  
7 made and second, the Board adopted this  
8 resolution.

9 Be it resolved that the license  
10 TO11002086 to conduct slot machine  
11 gaming issued to Boyd Racing, LLC, d/b/a

12 Delta Downs Racetrack Casino and Hotel,  
13 be renewed for a term of five years  
14 commencing October 30th, 2016, subject  
15 to the Statement of Conditions to slot  
16 machine gaming license of Boyd Racing,  
17 LLC, dated October 20th, 2011, attached  
18 hereto and made a part hereof.

19 This done and signed in Baton Rouge,  
20 Louisiana, the 15th day of  
21 September 2016.

22 Mr. Bradford?

23 MR. BRADFORD: Yes.

24 THE CLERK: Mr. Singleton?

25 MR. SINGLETON: Yes.

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1 THE CLERK: Mr. Gaston?

2 MR. GASTON: Yes.

3 THE CLERK: Miss Berry?

4 MS. BERRY: Yes.

5 THE CLERK: Miss Theriot?

6 MS. THERIOT: Yes.

7 THE CLERK: Chairman Jones?

8 CHAIRMAN JONES: Yes.

9 The resolution is approved.

10 MR. WEST: As always, we'd like to  
11 thank your staff and the A.G.'s Office  
12 and State Police who always do a great  
13 job on these.

14 CHAIRMAN JONES: I agree. They do a

15 good job, and I'm proud of them for  
16 that. And I'm especially happy that  
17 Keith has taken us up on our invitation  
18 to come back next month, and I trust  
19 that you guys will probably be with him.  
20 I don't know, but you're certainly  
21 welcome to come along.

22 MR. SCHWARTZ: Actually, he was  
23 hoping that he could get here today just  
24 because he was in the area but had just  
25 got away, and he actually left a little

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1 early to go back yesterday so...

2 CHAIRMAN JONES: We look forward to  
3 having him before the task force next  
4 month.

5 B. Consideration of petition for Approval of  
6 Transfer of Ownership Interests by PDS Holding  
7 Co., Inc., to PDS Acquisition LP - No.  
8 PO56503226

9 CHAIRMAN JONES: Next up is  
10 Consideration of petition for Approval  
11 of Transfer of Ownership Interest by PDS  
12 Holdings Company, Inc., to PDS  
13 Acquisition LP. That's No. PO56503226.

14 Morning, yes.

15 MR. GATHE: Chairman Jones, Board  
16 Members, I'm Assistant Attorney General  
17 Jeremy Gathe, and with me here today is

18 Trooper Kevin Lamotte with Louisiana  
19 State Police. We're here in the matter  
20 of a proposed transfer of ownership  
21 interest in PDS Holding Company to PDS  
22 Acquisition. PDS Holding Company is the  
23 parent company of the permittee, PDS  
24 Gaming Louisiana, LLC. PDS Acquisition  
25 is owned by NL Acquisition GP and PDS

33

1 Funding, LLC. The sole member and  
2 manager of PDS Funding is NL PDS, LLC.

3 Through a stock purchase agreement,  
4 NL Acquisition desires to purchase a  
5 hundred percent of the outstanding and  
6 issued stock of PDS Holding Company.  
7 After the transfer of ownership, the  
8 permittee, PDS Gaming Louisiana, will  
9 continue to hold its permit but will  
10 have a new owner, NL Acquisition.

11 The permittee will keep its current  
12 officers who previously met suitability,  
13 and those officers are Johan Finley,  
14 Peter Cleary and Lona Finley. And  
15 Trooper Lamotte conducted the  
16 investigation of the transfers and the  
17 suitability of all other relevant  
18 persons and will report his findings to  
19 the Board.

20 TROOPER LAMOTTE: Good morning,

21 Chairman, Board Members. I conducted a  
22 background investigation on PDS  
23 Acquisition LP, the members and managers  
24 being Robert Woods, Alexandra [sic]  
25 Wyrough and Michael Jahrmarkt, and my

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1 investigation found no information that  
2 would effect them -- negatively affect  
3 their suitability.

4 Any questions?

5 CHAIRMAN JONES: Any questions from  
6 the Board for State Police? [No  
7 response.] You may close.

8 MR. GATHE: All right. A review of  
9 the file reviewed no information to  
10 preclude the approval of the transfer of  
11 ownership interest in the parent company  
12 of the permittee.

13 CHAIRMAN JONES: If there are no  
14 questions, I'd ask for a motion to adopt  
15 the resolution.

16 MR. BRADFORD: So moved.

17 CHAIRMAN JONES: By Mr. Bradford,  
18 second Mr. Singleton.

19 Miss Tramonte, would you read the  
20 resolution into the record, please.

21 THE CLERK: On the 15th day of  
22 September 2016, the Louisiana Gaming  
23 Control Board did, in a duly noticed

24 public meeting, consider the issue of  
25 PDS Gaming Louisiana, LLC's, request for

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1 approval of the transfer of 100 percent  
2 of the issued and outstanding shares of  
3 stock of its parent company, PDS Holding  
4 Company, Incorporated, to PDS Acquisition  
5 LP, and upon motion duly made and  
6 second, the Board adopted this  
7 resolution.

8 Be it resolved that PDS Gaming  
9 Louisiana, LLC's, request for approval  
10 of the transfer of 100 percent of the  
11 ownership interest in PDS Holding  
12 Company, Incorporated, to PDS  
13 Acquisition LP, is hereby approved.

14 Thus done and signed in Baton Rouge,  
15 Louisiana, this 15th day of  
16 September 2016.

17 Mr. Bradford?

18 MR. BRADFORD: Yes.

19 THE CLERK: Mr. Singleton?

20 MR. SINGLETON: Yes.

21 THE CLERK: Mr. Gaston?

22 MR. GASTON: Yes.

23 THE CLERK: Miss Berry?

24 MS. BERRY: Yes.

25 THE CLERK: Miss Theriot?

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1 MS. THERIOT: Yes.

2 THE CLERK: Chairman Jones?

3 CHAIRMAN JONES: Yes.

4 The motion carries, and the  
5 resolution is adopted. Thank you,  
6 gentlemen.

7 C. Consideration of petition to Amend License

8 Condition by Catfish Queen Partnership in  
9 Commendam d/b/a Belle of Baton Rouge Casino -  
10 No. R011700009

11 CHAIRMAN JONES: Next up is:  
12 Consideration of petition to Amend  
13 License Condition by Catfish Queen  
14 Partnership in Commendam doing business  
15 as Belle of Baton Rouge Casino. That's  
16 No. R011700009.

17 Good morning.

18 MS. MOORE: Good morning, Chairman  
19 Jones, Members of the Board. I am  
20 Charmaine Moore, Assistant Attorney  
21 General.

22 Catfish Queen Partnership in  
23 Commendam doing business as Belle of  
24 Baton Rouge has petitioned the Board to  
25 amend its license condition. The Belle

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1 is seeking the Board's approval to  
2 reduce the number of restaurants  
3 required, as part of their approved

4 project, from four to three and a  
5 reduction of the total seating capacity  
6 of those restaurants from 385 to 300.

7 I believe there are representatives  
8 of the licensee here that may want to  
9 speak on behalf of their petition.

10 CHAIRMAN JONES: We'd like to hear  
11 from them.

12 MR. DUNCAN: I'm Kelly Duncan from  
13 Jones Walker law firm, and with me today  
14 is Marty Brown, who's the General  
15 Manager of Belle of Baton Rouge, and in  
16 the audience is Nathalie Guillory, who's  
17 Director of Compliance; and we  
18 appreciate the opportunity to let you  
19 know about why we're here today but also  
20 to answer any questions.

21 MR. BROWN: We're here to request to  
22 reduce the minimum number of restaurants  
23 from four to three. Currently, we just  
24 this year invested -- made a capital  
25 investment of \$800,000 to remodel the

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1 deli that was on the boat that we now  
2 call the Captain's Kitchen. We expanded  
3 the seating in that outlet by about four  
4 times and also the menu items; and we've  
5 turned Bar 102 in the hotel as a full  
6 service restaurant, as well, with

7 expanded menu items, and we've also  
8 expanded the hours of that.

9 CHAIRMAN JONES: So you've expanded  
10 the deli; you've turned the bar into a  
11 restaurant.

12 MR. BROWN: A full service  
13 restaurant.

14 CHAIRMAN JONES: And what else is  
15 there now?

16 MR. BROWN: We also have the buffet,  
17 and then we also have Shucks, are the  
18 four outlets that we currently have.

19 CHAIRMAN JONES: Okay. Board, are  
20 there any questions from the licensee's  
21 representatives? Miss Berry.

22 MS. BERRY: I have a question. So  
23 which one of the restaurants are you  
24 considering closing?

25 MR. BROWN: The one restaurant that

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1 we were considering opening as a full  
2 service restaurant all the time would be  
3 Shucks. We will still use that outlet  
4 for private parties, events, you know,  
5 slot tournaments, things of that. We're  
6 still going to use the outlet, just not  
7 open it as a full service restaurant.

8 MS. BERRY: Okay.

9 CHAIRMAN JONES: Dr. Gaston.

10 MR. GASTON: Mr. Chairman, it sounds  
11 like a wise decision on their part. I'd  
12 like to move the approval.

13 CHAIRMAN JONES: Let me make sure  
14 there are no other questions. Are there  
15 any other questions from the Board? [No  
16 response.]

17 We have a motion to adopt the  
18 resolution by Dr. Gaston. Do I have a  
19 second?

20 MR. SINGLETON: I'll second.

21 CHAIRMAN JONES: Mr. Singleton.

22 Miss Tramonte, would you read the  
23 resolution into the record.

24 THE CLERK: On the 15th day of  
25 September, 2016, the Louisiana Gaming

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1 Control Board did, in a duly noticed  
2 public meeting, consider the Petition to  
3 Amend License Conditions filed by  
4 Catfish Queen Partnership in Commendam  
5 d/b/a Belle of Baton Rouge, No.  
6 RO11700009, and upon motion duly made  
7 and second, the Board adopted this  
8 Resolution:

9 Be it resolved that, subject to all  
10 license conditions currently in effect  
11 on Catfish Queen Partnership in  
12 Commendam d/b/a Belle of Baton Rouge,

13 the following modification to the  
14 Statement of Conditions be and is hereby  
15 approved:

16 Condition 6(b) of the Statement of  
17 Conditions, dated May 18th, 2015, be  
18 modified and replaced with the  
19 following:

20 6(b) Three restaurants with total  
21 seating capacity of 300.

22 Thus done and signed in Baton Rouge,  
23 Louisiana, this 15th day of September,  
24 2016.

25 Mr. Bradford?

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1 MR. BRADFORD: Yes.

2 THE CLERK: Mr. Singleton?

3 MR. SINGLETON: Yes.

4 THE CLERK: Mr. Gaston?

5 MR. GASTON: Yes.

6 THE CLERK: Miss Berry?

7 MS. BERRY: Yes.

8 THE CLERK: Miss Theriot?

9 MS. THERIOT: Yes.

10 THE CLERK: Chairman Jones?

11 CHAIRMAN JONES: Yes, and the motion  
12 carries. The resolution is adopted, and  
13 you may proceed. And I apologize for  
14 not having come down since your assuming  
15 the position, and I've just been remiss.

16 I'll make time and come visit with you.

17 MR. BROWN: Thank you very much,  
18 look forward to seeing you.

19 MR. DUNCAN: Not to be outdone by  
20 Mr. West, I want to thank the A.G.'s  
21 Office for their assistance in having  
22 this looked at very carefully and  
23 appreciate them. They're always there  
24 to help. Thank you.

25 CHAIRMAN JONES: Thank you. One big

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1 group hug. There will come a day when  
2 y'all don't agree with us, just be aware  
3 of that.

#### 4 VI. CONSIDERATION OF THE FOLLOWING APPEAL

5 1. In Re: Cassandra M. Paige - No. PO40040892

6 CHAIRMAN JONES: Final up is:  
7 Consideration of the following Appeal in  
8 regard to Cassandra M. Paige.

9 Miss Paige, good morning.

10 MS. PAIGE: Good morning.

11 CHAIRMAN JONES: How are you? We  
12 understand that you've appealed the  
13 decision from the hearing officer, and  
14 based on information that you have  
15 provided to our staff, you would assert  
16 that certain conditions and  
17 circumstances have changed which impact  
18 that decision.

19        You cannot introduce anything new to  
20        us today. We have to make a decision  
21        based on the record, but if -- if you  
22        just want to explain to the Board that  
23        certain things have changed, that will  
24        give us an opportunity to decide whether  
25        or not to affirm that decision or,

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1        perhaps, send it back to the hearing  
2        officer for a rehearing.

3        So if you will, just very briefly  
4        tell us what's changed.

5        MS. PAIGE: The case was closed and  
6        dismissed, and I wasn't found guilty.  
7        They do have me in a -- I have the  
8        paperwork showing it was closed.

9        CHAIRMAN JONES: Okay. You don't  
10       need to provide that to us. You do have  
11       paperwork, and if given the opportunity,  
12       you'll be able to produce some  
13       documentation to that effect; is that  
14       correct?

15       MS. PAIGE: Yes.

16       MS. BOGRAN: Good morning, Chairman  
17       Jones, Board Members. I'm Olga Bogran,  
18       Assistant Attorney General.

19       On October 13, 2014, Miss Cassandra  
20       Paige entered into a rental agreement  
21       with the Rent-A-Center for a computer

22 and video gaming system. She did not  
23 keep up with the scheduled payments, and  
24 she did not return the merchandise. All  
25 of the rental company's efforts to reach

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1 Miss Paige were unsuccessful. Their  
2 phone calls were unanswered, and the  
3 documents sent by certified mail were  
4 returned unclaimed.

5 The police were called, an arrest  
6 warrant was issued, and on January 28,  
7 2016, 15 months after she entered into  
8 the rental agreement, Miss Paige was  
9 arrested under charges of failure to  
10 return rented movables, which is  
11 tantamount to theft.

12 At the revocation hearing,  
13 Miss Paige testified that the rented  
14 items had been removed from her home by  
15 a third party, but no evidence was  
16 presented to support these allegations;  
17 and the bottom line is that she entered  
18 into a rental agreement and, therefore,  
19 took on responsibility for those items.

20 Miss Paige has failed to demonstrate  
21 the level of honesty, integrity and good  
22 moral character that is contemplated in  
23 the suitability statute, and that's  
24 because she didn't fulfill the



25 obligations of her rental contract. The

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1 hearing officer found she was unsuitable  
2 for and disqualified from holding a  
3 gaming permit. When she requested this  
4 appeal, Miss Paige did include  
5 additional documents, but these  
6 documents were issued after the hearing,  
7 have not been considered by the hearing  
8 officer.

9 Today the Division asks that in  
10 consideration of the indisputable facts,  
11 that the hearing officer's decision be  
12 affirmed, but in the alternative, if new  
13 evidence is going to be considered, it  
14 must be done as a remand because this is  
15 not the proper forum for introduction of  
16 new evidence.

17 CHAIRMAN JONES: Thank you. Are  
18 there any questions? [No response.]

19 In consideration of the fact that  
20 circumstances may have changed and we  
21 can't entertain that evidence before  
22 this body, and out of an abundance of  
23 fairness because the situation may, in  
24 fact, have changed but we can't make  
25 that determination, I'm going to move

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1 that the matter be remanded to the

2 hearing officer for further  
3 consideration. Is there a second?

4 MS. THERIOT: Second.

5 CHAIRMAN JONES: By Miss Theriot.

6 Any objection? [No response.]

7 Without objection, the matter will be  
8 remanded. You'll be given the  
9 opportunity to present new evidence to  
10 the hearing officer.

11 MS. PAIGE: Okay. Thank you.

12 CHAIRMAN JONES: Thank you very  
13 much.

14 VII. ADJOURNMENT

15 CHAIRMAN JONES: There being no  
16 other business before the Board -- I  
17 think I can at least keep you until  
18 noon -- I'm going to ask for a motion to  
19 adjourn. Mr. Bradford, seconded by  
20 Dr. Gaston.

21 Is there any objection? [No  
22 response.] Without objection, we stand  
23 adjourned.

24  
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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

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1 STATE OF LOUISIANA

2 PARISH OF EAST BATON ROUGE

3 I, Shelley G. Parola, Certified Court  
4 Reporter and Registered Professional Reporter, do  
5 hereby certify that the foregoing is a true and  
6 correct transcript of the proceedings on September

7 15, 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 27th day of  
19 October, 2016.

20

21

\_\_\_\_\_

SHELLEY G. PAROLA, CCR, RPR

CERTIFICATE NO. 96001

23

24