

LGCB Board of Directors' Meeting, (Pages 1:1 to 58:24)

1: 1 LOUISIANA GAMING CONTROL BOARD

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4 BOARD OF DIRECTORS' MEETING

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9 Thursday, June 16, 2011

10 Natchez Room - Galvez Building

11 602 North Fifth Street

12 Baton Rouge, Louisiana

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16 TIME: 10:00 A.M.

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1 APPEARANCES:

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3 DANE K. MORGAN

4 Chairman

5

6 VELMA ROGERS

7 Vice-Chairman

8

9 AYRES BRADFORD

10 Board Member

11

12 ROBERT G. JONES

13 Board Member

14

15 MARK STIPE

16 Board Member

17

18 JAMES SINGLETON

19 Board Member

20

21 DENISE NOONAN

22 Board Member

23

24 JAMES BLOUNT

25 Board Member

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1 APPEARANCES CONTINUED:

2

3 MAJOR MARK NOEL

4 Ex-Officio Board Member

5

6

7

8 LANA TRAMONTE

9 Executive Assistant to the Chairman

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12 REPORTED BY:

13 SHELLEY G. PAROLA, CSR, RPR

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1	PAGE	
2	I. CALL TO ORDER	6
3	II. COMMENTS FROM THE CHAIR	7
4	III. PUBLIC COMMENTS	7
5	IV. APPROVAL OF THE MINUTES	7
6	V. REVENUE REPORTS	8
7	VI. COMPLIANCE REPORTS	13
8	VII. VIDEO GAMING ISSUES	

- 9 A. Consideration of the following
10 truckstop application:
11 1. Awan Enterprises, L.L.C., d/b/a
12 Gator Gold Casino - No. 4900516162
13 (new truckstop) 20

14 VIII. CASINO GAMING ISSUES

- 15 A. Update on Creative Casinos, L.L.C.,
16 d/b/a Mojito Pointe - No.
17 R016502995 24

18 IX. PROPOSED SETTLEMENTS/APPEALS FROM
19 HEARING OFFICERS' DECISIONS

- 20 1. In Re: 635 Bourbon Street, LLC,
21 d/b/a Chromatic - No. 3601115951
22 (proposed settlement) 44
23 2. In Re: Rabab, LLC, d/b/a The
24 Olive Branch Cafe - No.
25 3601215816 (proposed settlement) 46

5

1 PAGE

- 2 3. In Re: Bayou NOLA, LLC, d/b/a
3 Cajun King Seafood - No. 3601215835
4 (proposed settlement) 47
5 4. In Re: Grand Palais Riverboat,
6 Inc., d/b/a Isle of Capri-Grand
7 Palais - No. SAR 10-39-211-4621
8 (proposed settlement) 48
9 5. In Re: Kossen Equipment
10 Incorporated - No. PO86502624
11 (proposed settlement) 50

12	6. In Re: Gillisa Clark - No.	
13	PO40053939 (appeal)	53
14	X. ADJOURNMENT	56
15		
16		
17		
18		
19		
20		
21		
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1 I. CALL TO ORDER

2 CHAIRMAN MORGAN: Come to order.

3 Can I get your attention, please. Call
4 the roll.

5 THE CLERK: Chairman Morgan?

6 CHAIRMAN MORGAN: Here.

7 THE CLERK: Miss Rogers?

8 MS. ROGERS: Here.

9 THE CLERK: Mr. Bradford?

10 MR. BRADFORD: Here.

11 THE CLERK: Mr. Jones?

12 MR. JONES: Here.

13 THE CLERK: Mr. Stipe?

14 MR. STIPE: Here.

15 THE CLERK: Mr. Singleton?
16 MR. SINGLETON: Here.
17 THE CLERK: Miss Noonan?
18 MS. NOONAN: Here.
19 THE CLERK: Mr. Blount?
20 MR. BLOUNT: Here.
21 THE CLERK: Colonel Edmonson?
22 MAJOR NOEL: Major Joel for Colonel
23 Edmonson.
24 THE CLERK: Secretary Bridges? [No
25 response.]

7

1 II. COMMENTS FROM THE CHAIR

2 CHAIRMAN MORGAN: We have a quorum.
3 I think we'll certainly be at the
4 Capitol next month, just to remind you,
5 and we do appreciate the Public Service
6 Commission allowing us to use this room.
7 Also, on May the 31st, I don't know
8 if any of you know this or not, but
9 Mr. Singleton's wife, Miss Singleton,
10 passed away. And you've certainly --
11 you've been in our thoughts and prayers,
12 and we wanted to extend that to you and
13 tell you if you need something, you let
14 us know.

15 MR. SINGLETON: Thank you.

16 III. PUBLIC COMMENTS

17 CHAIRMAN MORGAN: Members, we'll

18 move to -- if there's any public comment
19 for any item on the agenda, we'll
20 entertain public comment at this time.

21 IV. APPROVAL OF THE MINUTES

22 CHAIRMAN MORGAN: Hearing none,
23 Members, we'll move to Item IV, Approval
24 of the Minutes.

25 MR. SINGLETON: Move to approve the
8
1 minutes.

2 CHAIRMAN MORGAN: Do we have a
3 second?

4 MS. ROGERS: Second.

5 CHAIRMAN MORGAN: We have a motion
6 by Mr. Singleton, seconded by Miss
7 Rogers to waive formal reading and
8 approve the minutes. Are there any
9 questions on this? Is there any
10 objection? [No response.] The minutes
11 are approved.

12 V. REVENUE REPORTS

13 CHAIRMAN MORGAN: We'll move to Item
14 V, Revenue Reports.

15 MS. JACKSON: Good morning, Chairman
16 Morgan and Board Members. My name is
17 Donna Jackson with the Louisiana State
18 Police Gaming Audit Section.

19 Following is the riverboat revenue
20 report for May 2011. During May, the 13

21 operating riverboats generated Adjusted
22 Gross Receipts of \$138,289,572, a
23 decrease from last month of \$1.4 million
24 or 1 percent, but a slight .4 percent
25 increase from May 2010.

9

1 Adjusted Gross Receipts for fiscal
2 year 2010-2011 to date are one \$1
3 billion, 511 million-dollars, an
4 increase of .5 percent or \$7 million
5 from fiscal year 2009-2010.

6 During May, the State collected fees
7 totaling \$29,732,258. As of May 31,
8 2011, the State has collected almost
9 \$325 million in fees for fiscal year
10 2010-2011.

11 Next is a summary of the May 2011
12 gaming activity for Harrah's New Orleans
13 found on page three. During May,
14 Harrah's generated \$30,532,470 in gross
15 gaming revenue, up \$1.2 million or
16 4 percent from last month, but down
17 1 percent from May 2010.

18 Fiscal year-to-date gaming revenues
19 for 2010-2011 to date are \$323.5
20 million, up \$2 million or 1 percent from
21 fiscal year 2009-2010. During May, the
22 State received \$5,081,967 in minimum
23 daily payments. As of May 31st, 2011,

24 the State has collected almost
25 \$71 million in fees for fiscal year

10

1 2010-2011.

2 Slots at the Racetracks revenues are
3 shown on page four. During May, the
4 four racetrack facility combined
5 generated Adjusted Gross Receipts of
6 \$34,336,256, an increase of 2.3 percent
7 or \$800,000 from last month, but a
8 decrease of \$700,000 or 2 percent from
9 May 2010. Adjusted Gross Receipts for
10 fiscal year 2010-2011 to date are
11 \$357 million, a slight increase of .3
12 percent or \$1 million in fees for fiscal
13 year 2009-2010.

14 During May the State collected fees
15 totaling \$5,208,810. As of May 31st,
16 2011, the State has collected
17 \$54 million in fees for fiscal year
18 2010-2011. Overall, riverboats,
19 landbased and slots at the racetracks
20 combined generated just over
21 \$203 million, which is \$450,000 or
22 .2 percent less than last May.

23 Are there any questions before I
24 present the Harrah's employee numbers?
25 I've included the spreadsheet for the

11

1 employee numbers in your chart folders.
2 Harrah's New Orleans is required to
3 maintain at least 2,400 employees and a
4 biweekly payroll of \$1,750,835. This
5 report covers the two pay periods in May
6 2011.

7 For the first pay period, the Audit
8 Section verified 2,466 employees with a
9 payroll of \$2,094,500. For the second
10 pay period, the Audit Section verified
11 2,460 with a payroll of \$2,094,300.
12 Therefore, Harrah's met the employment
13 criteria during May.

14 CHAIRMAN MORGAN: Thank you. Video
15 Gaming Revenue.

16 MR. BOSSIER: Good morning, Chairman
17 Morgan and Board Members. My name is
18 Jim Bossier with the Louisiana State
19 Police Gaming Audit Section. I'm
20 reporting video gaming information for
21 May 2011 as shown on page one of your
22 handout.

23 During May 2011, 20 new licenses
24 were issued: 12 bars, 6 restaurants and
25 2 truckstops. Seventeen new

12

1 applications were received during May
2 and are currently pending in the field:
3 6 bars, 10 restaurants and 1 device

4 owner. During May 2011, the Gaming
5 Enforcement Division assessed \$1,255 and
6 collected \$10,100 in penalties. There
7 are currently \$755 in outstanding fines.
8 Please refer to page two of your
9 handout.

10 There are presently 14,614 video
11 gaming devices activated at 2,198
12 locations. Net device revenue for May
13 2011 was \$50,810,289, a \$1.3 million
14 decrease or 2.5 percent when compared to
15 net device revenue for April 2011, and a
16 \$109,000 increase or two-tenths of
17 1 percent when compared to May 2010.
18 Net device revenue for fiscal year
19 2010-2011 to date is \$565,445,611, a
20 \$7.2 million increase or 1.3 percent
21 when compared to net device revenue for
22 fiscal year 2009-2010. Page three of
23 your handout shows a comparison of net
24 device revenue.

25 Total franchise fees collected for

13

1 May 2011 were \$15,105,097, a \$386,000
2 decrease when compared to April 2011,
3 and a \$37,000 increase when compared to
4 May 2010.

5 Total franchise fees collected for
6 fiscal year 2010-2011 to date are

7 \$168,318,570, a \$2 million or 1.2
8 percent increase when compared to last
9 year's franchise fees. Page four of
10 your handout shows a comparison of
11 franchise fees.

12 Does anybody have any questions?

13 CHAIRMAN MORGAN: Questions? [No
14 response.]

15 VI. COMPLIANCE REPORTS

16 CHAIRMAN MORGAN: We'll move to Item
17 VI, Compliance Reports.

18 MR. JONES: Mr. Chairman, let me ask
19 a question. Relative to this -- nobody
20 commented on this, but the employment
21 numbers, there's a --

22 CHAIRMAN MORGAN: She'll go over
23 that.

24 MR. JONES: Oh, okay.

25 MS. BROWN: Good morning, Chairman

14

1 Morgan, Board Members. I'm Assistant
2 Attorney General, Mesa Brown. I'll be
3 presenting the staff report on riverboat
4 casino and racetrack licensees'
5 compliance with employment and
6 procurement conditions for the first
7 quarter of 2011.

8 The first quarter reports were taken
9 from figures reported by 13 of the 15

10 operating riverboats to the Louisiana
11 Gaming Control Board. In the first
12 quarter of 2011, approximately 11,485
13 people were employed by the riverboat
14 industry. Of that number, 11,267 were
15 Louisiana residents; 6,919 are
16 minorities and 6,358 were women. I'll
17 begin by saying that one licensee, Sam's
18 Town Hotel & Casino, achieved total
19 compliance.

20 Next, total employment. Six casinos
21 were short of meeting their total
22 employment goals in the first quarter,
23 and they are Diamonds Jacks, who
24 achieved 681 out of 770; Belle of Baton
25 Rouge achieved 772 out of 800; Amelia

15

1 Belle achieved 336 out of 400; Isle of
2 Capri Grand Palais achieved 378 out of
3 520; Boomtown Bossier achieved 670 out
4 of 775; and Eldorado achieved 1,261 out
5 of a goal of 1,500.

6 In the subcategories under the main
7 category of employment, all licensees
8 either met or exceeded their goal with
9 the exception of one casino. Treasure
10 Chest fell short of its female goal by
11 achieving 50.8 out of a goal of 51.86.

12 Next I'll address procurement. The

13 licensees are grouped according to three
14 subcategories which will be in your
15 report. They're Louisiana, minority and
16 female procurement. With Louisiana
17 procurement, ten licensees did not
18 achieve compliance with their voluntary
19 conditions, and they are Diamond Jacks
20 Casino & Resort who achieved 53.3 out of
21 75 percent; Horseshoe Casino & Hotel,
22 38.3 out of 75; Boomtown Casino West
23 Bank, 64.8 out of 80; Belle of Baton
24 Rouge, 68.2 out of 75; Treasure Chest,
25 66.2 out of 75; Hollywood Casino, 72.6

16

1 out of 80; Amelia Belle, 50.2 out of 80;
2 Isle of Capri Grand Palais, 73.5 out of
3 90; Boomtown Bossier, 54.3 out of 80;
4 and L'Auberge du Lac Hotel & Casino,
5 68.6 out of 80.

6 With regards to minority
7 procurement, four licensees did not
8 attempt compliance with their voluntary
9 conditions, and they are: Horseshoe
10 Casino & Hotel who achieved 7 out of
11 35 percent; Belle of Baton Rouge, 8.5
12 out of 15 percent; Amelia Belle, 7.1 out
13 of 30; and Isle of Capri Casino in St.
14 Charles, 4.2 out of 10.

15 With regards to female procurement,

16 one licensees, Isle of Capri Casino
17 Grand Palais, did not achieve its
18 voluntary condition. It achieved 3 out
19 of 8 percent.

20 Are there any questions before I
21 move on to the racetrack?

22 MR. JONES: Yeah. I've got a
23 question on the front page under total
24 quarterly compensation. It's got
25 Eldorado at \$26.5 million as compared to

17

1 L'Auberge was 17 million. L'Auberge
2 hired a lot more people. Is that a
3 typo, 26.5 for Eldorado?

4 MS. BROWN: I don't have the raw
5 data before me, but I can check it and
6 get back with you.

7 MR. JONES: It's totally out of
8 whack. It must be somebody added up
9 something wrong.

10 MS. BROWN: Well, this was actually
11 prepared through an Excel sheet, so the
12 numbers were just cut and pasted in a
13 worksheet. So, I mean, it could have
14 very well been a typo; but I'll make a
15 note of that, and I can report my
16 findings at the next meeting.

17 MR. JONES: Okay.

18 MS. BROWN: Thanks.

19 MR. STIPE: Just, these are
20 incentives, and I guess I want to ask
21 the question in the other direction. As
22 to any facilities, are you aware of EEOC
23 investigations or complaints by these
24 facilities that are in process or --

25 MS. BROWN: There are none that I'm

18

1 aware of.

2 MR. STIPE: And all of these -- all
3 of these facilities would have enough
4 employees where all of those EEOC
5 protections were being applicable to
6 these employees?

7 MS. BROWN: I would think so,
8 because they all submit the -- the data
9 using the EEOC as far as the management
10 report.

11 MR. STIPE: That's all I have.

12 MS. BROWN: Okay.

13 CHAIRMAN MORGAN: Members, I would
14 like to make you aware, with regard to
15 total employment, it is a condition of a
16 license, not a goal. So we had
17 conversation with several licensees who
18 I -- it's my understanding are going to
19 petition, be in a position to have a
20 request before the Board next board
21 meeting or possibly in August to adjust

22 some of these numbers, but there are
23 some that are not obviously in
24 compliance.

25 So I will -- I will send out a

19

1 formal notice to them and ask for a
2 response to how they cure the issue of
3 not being in compliance with the
4 condition, and with regard to
5 procurement, we'll include that, also.
6 And if necessary, we'll have them before
7 the Board, either next meeting or the
8 meeting after, to give us the response
9 as to what they're doing to cure this.

10 I know with regard to procurement, the
11 rule -- I don't know -- what's the -- do
12 you know the status of the rule, the
13 procurement rule? When will it go into
14 effect for Louisiana?

15 MR. WAGNER: For the redefinition of
16 Louisiana business?

17 CHAIRMAN MORGAN: Yes.

18 MR. WAGNER: I think it goes into
19 effect in another two months, but I'm
20 not positive about that date.

21 CHAIRMAN MORGAN: So it might be
22 appropriate to wait on that. With
23 regard to employment numbers, they
24 should be employing the number that they

25 said they would. You want to go ahead

20

1 and -- any other questions on riverboat?

2 We'll go on.

3 MS. BROWN: Okay. Staff report on
4 racetrack casino licensees' compliance
5 with statutory employment and
6 procurement conditions for the first
7 quarter of 2011. The first quarter
8 reports are taken from figures reported
9 by the four racetracks to the Louisiana
10 Gaming Control Board.

11 In the first quarter of 2011,
12 approximately 1,828 people were employed
13 by the industry. Of that number, 1,601
14 were Louisiana residents; 934 were
15 minorities, and 1,083 were women.

16 All licensees achieved total
17 compliance with the exception of Delta
18 Downs. Delta Downs fell short of
19 achieving its Louisiana employment
20 condition by achieving 71.3 out of
21 80 percent. Are there any questions?

22 CHAIRMAN MORGAN: And they always
23 have trouble. Any questions? Okay.
24 Thank you.

25 MS. BROWN: Thank you.

21

1 VII. VIDEO GAMING ISSUES

2 A. Consideration of the following truckstop
3 application:

4 1. Awan Enterprises, L.L.C., d/b/a Gator
5 Gold Casino - No. 4900516162 (new
6 truckstop)

7 CHAIRMAN MORGAN: Item VII, Video
8 Gaming Issues.

9 MR. WAGNER: Mr. Chairman, if I may
10 in response to your question. I was in
11 the gallery. I just remembered that on
12 Monday, the second report went to the
13 Legislative Oversight Committees. They
14 have 30 days to review it. If there's
15 nothing they have questions about, it
16 will be on the next board meeting -- not
17 next month's but the following -- for
18 final approval, and then it will be
19 printed in the Register.

20 Good morning, Mr. Chairman. I am
21 Jonathan Wagner on behalf of the
22 Department of Justice Gaming Division
23 before you presenting Awan Enterprises,
24 LLC, doing business at Gator Gold
25 Casino, video gaming license No.

22

1 4900516162.

2 Awan Enterprises is a Louisiana LLC
3 which was organized on March 22nd, 2007.
4 The establishment is located at 227

5 Highway 167 North in Opelousas, which is
6 in St. Landry Parish. Awan Enterprises
7 is owned 100 percent Firdous E. Hamani.

8 Senior Trooper Eddie Daigle
9 conducted the suitability investigation
10 on the relevant persons, as well as
11 conducted an on-site inspection of the
12 facilities. He is here to present the
13 Office of State Police's findings.

14 SR. TROOPER DAIGLE: Good morning, I
15 am Senior Trooper Eddie Daigle from the
16 Office of State Police. As part of the
17 application process for Awan
18 Enterprises, LLC, I conducted a
19 suitability and background investigation
20 of all relevant persons associated with
21 the corporation. They are: Firdous
22 Hamani, Asmita Hamani. My investigation
23 yielded no information that would
24 preclude their participation in the
25 Louisiana Gaming industry.

23

1 An on-site inspection of the truck
2 stop facility was also conducted, which
3 revealed that the facility possess the
4 required amenities. A fuel sales audit
5 of the past 90 days determined that the
6 establishment qualifies for the
7 operation of up to 50 video gaming

8 devices.

9 MR. WAGNER: The Office of the
10 Attorney General has reviewed the file
11 compiled as a result of the State Police
12 investigation. Our review indicates
13 that no information was found to
14 preclude the Board from issuing Awan
15 Enterprises, LLC, a Type 5 license for
16 the truckstop facility doing business as
17 the Gator Gold Casino. I will be happy
18 to answer any questions you may have at
19 this time.

20 CHAIRMAN MORGAN: Any questions?
21 Anyone?

22 MR. STIPE: How many devices are
23 they qualifying for?

24 SR. TROOPER DAIGLE: Up to 50.

25 MR. STIPE: And that's a result of

24

1 this?

2 SR. TROOPER DAIGLE: Yes, sir.

3 CHAIRMAN MORGAN: Anyone else? I'll
4 entertain a motion.

5 MR. STIPE: I'll move approval.

6 CHAIRMAN MORGAN: Mr. Stipe moves to
7 approve.

8 MR. JONES: Second.

9 CHAIRMAN MORGAN: Seconded by
10 Mr. Jones. Is there any objection?

11 Hearing none, it's approved.

12 VIII. CASINO GAMING ISSUE

13 A. Update on Creative Casinos, L.L.C.,
14 d/b/a Mojito Pointe - No. R016502995

15 CHAIRMAN MORGAN: This is Item VIII,
16 Casino Gaming Issues, update on Creative
17 Casinos. Board members, pursuant to the
18 license Conditions 15 and subsequently
19 21, the Creative Casinos was to escrow
20 an amount of \$10 million into an escrow
21 account by June the 2nd. Our office has
22 confirmed that that has occurred. They
23 were allowed under Condition 21 to
24 request credit or reduction of the
25 amount that was extended for the

25

1 development, construction and completion
2 of the operation. That amount, as
3 provided to you earlier, was
4 approximately \$2.8 million, and the
5 remaining amount has been confirmed as
6 escrowed.

7 In your information, there's an
8 itemized list of expenditures to date,
9 and I think Mr. Lee's here and
10 Mr. Duncan and others if you have any
11 questions with regard to the
12 expenditures.

13 MR. STIPE: I'll ask the question to

14 someone.

15 MR. DUNCAN: Morning, Mr. Chairman
16 and Members of the Board, Kelly Duncan
17 from Jones Walker. To my right is Dan
18 Lee, managing partner for Creative
19 Casinos, and he can answer your
20 question.

21 MR. STIPE: Sure, just one question.
22 Are there any employees for Creative
23 Casinos?

24 MR. LEE: Yes.

25 MR. STIPE: And are there employment
26
1 agreements with those employees?

2 MR. LEE: One, and there's verbal
3 agreements with three others that are
4 being drafted by an attorney. You know,
5 including Larry Lipinski, who is back
6 here, joined us. I think that was the
7 chief operating officer. Kirk England,
8 who is right here, is our head of
9 construction, and Kevin McGeehan who is
10 joining as the general counsel, all of
11 which is subject to filing the proper
12 applications and being approved.

13 MR. STIPE: Are you going to be an
14 employee?

15 MR. LEE: Yeah, actually, I
16 technically am. I have an employment

17 agreement with the entity, so -- which
18 we requires me -- which the Howards and
19 other investors insisted on, that this
20 is my principal occupation.

21 MR. STIPE: And that's been reduced
22 to writing and executed?

23 MR. LEE: Um-hmm, you do have a copy
24 of that. Yeah, could I elaborate a bit
25 on the \$5 million that was raised

27

1 June 2nd? I'd just like to point out --

2 CHAIRMAN MORGAN: I'm going to let
3 you give an update on the thing. Let me
4 see if there's questions by any other
5 board members on the expenditures. Give
6 us a brief update on what's going on.

7 MR. LEE: Okay. The -- you know, we
8 had raised 5 million earlier where we
9 spent the 2.8. Roughly half of the 2.8
10 was on the referendum, most of the rest
11 was legal fees and organizational costs.
12 The new 5 million, three of the five
13 came from the Howard family, who are the
14 same investors who invested earlier.
15 The other two was from a newly formed
16 group, and we actually worked pretty
17 hard to get them to invest in it.
18 They're the principals behind a company
19 called Penn Capital. No relationship

20 with Penn National, the other casino
21 company, other than they're both from
22 Pennsylvania.

23 But Penn Capital is a pretty big
24 investor in high yield bonds of
25 different casino companies. They're

28

1 pretty well known as being pretty savvy,
2 and they looked at making an investment
3 and decided that the charter of the
4 money that they managed didn't allow
5 them to invest. They manage about \$7
6 billion; and unless they're public
7 securities, they can't buy into it, and
8 this is not yet public security.

9 So they passed the hat around the
10 office and did it personal with
11 \$2 million, and it drove us a little bit
12 nuts because they hired a law firm who
13 wanted to rewrite the LLC agreement. We
14 negotiated at length, and we bent on a
15 few things they wanted just because we
16 thought it gave really good optics that
17 these really savvy guys invested
18 \$2 million of their own money all along
19 side the rest of us. The Howards were
20 actually willing to write the whole \$5
21 million check. We said, we appreciate
22 that. We really only need \$3 million

23 from you now because we'd like to bring
24 the other guys in, so that's where it
25 is, providing the proper forms for

29

1 licensure as required.

2 In terms of getting organized, we've
3 been doing quite a bit, and I'm going to
4 let Kirk England address for a moment
5 what's going on on the site. But in
6 terms of financing, we're looking at a
7 \$250 million high yield bond that would
8 be privately placed, probably yields
9 about 10 percent, 10 and a half percent,
10 and that would be underwritten by Morgan
11 Stanley and Jeffries. A \$50 million
12 FF&E facility, which will be a lease
13 facility, probably about an 8 percent
14 return. We've been talking with
15 Prudential and CIT, who have indicated
16 they would probably just split it
17 between them, \$25 million each; and then
18 a \$150 million IPO, and then -- of which
19 we would use most of that, and then a
20 separate bank facility which is probably
21 only about 20 million. We've been
22 talking with Capital One about that.

23 We hope to file the prospectus for
24 the IPO in early July. We need to get
25 June 30 numbers done and audited by

1 Ernst & Young who just started working
2 on that. It's not a very complicated
3 audit. The company's only had a couple
4 hundred transactions. In fact, I think
5 we've had 4 or 500 transactions, and
6 maybe half of those are people we paid
7 to go door to door at the referendum at
8 a hundred dollars each or something. So
9 the audit's not -- not very complicated.

10 It takes the SEC maybe two months to
11 review this stuff and come back with
12 comments and work that out, so we're
13 hoping to be in a position to go raise
14 the serious money in September, and
15 we'll start construction as soon as we
16 have that. And if you'll bear with me
17 for a moment, I'll ask Kirk England to
18 address a little bit what he's doing on
19 construction.

20 CHAIRMAN MORGAN: Let me ask you
21 real quick: The deadline to submit the
22 legal description of the berth site is
23 rapidly approaching. Have y'all done --

24 MR. DUNCAN: That was submitted last
25 night.

1 CHAIRMAN MORGAN: I didn't check my
2 mail this morning.

3 MR. LEE: On June 2nd, because of
4 the negotiations with the attorneys in
5 Pennsylvania, we ended up going right to
6 the deadline. I didn't like that any
7 more than you did, and we'll try not to
8 do that in the future. So we met the
9 deadline but with hours to spare. So
10 this time we're trying to be days ahead
11 of it, so.

12 MR. JONES: Who is the lead
13 underwriter for the IPO?

14 MR. LEE: Well, it's Morgan Stanley
15 and Jeffries, and they're debating who
16 should lead the debt and who should lead
17 the equity. Morgan Stanley is the
18 powerhouse on equity, Jeffries has a
19 stronger expertise on debt; but when you
20 get into the organizations and look at
21 the security analysts and the capital
22 markets people, in this industry
23 Jeffries may actually have a stronger
24 team than Morgan Stanley. So we're
25 trying to work that out, but one will

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1 lead one and the other with the other.
2 Either firm is capable of doing both
3 deals, frankly.

4 MR. JONES: It's not easily raising
5 money on the start up.

6 MR. LEE: It's not, and, in fact,
7 we've had a number of discussions and
8 overtures from private equity firms and
9 hedge funds and so on. The problem is
10 you can start wasting time with them and
11 negotiating a deal with them and not get
12 there, and we have a deadline with you
13 of December. So I finally said, you
14 know, the IPO group we control the
15 timing of, and it doesn't stop private
16 equity firms from stepping in. Even
17 right up to pricing the IPO, they could
18 step in and say, well, you're trying to
19 price this at \$10.00 a share. We'll
20 give you \$10.50.

21 So we're really having a bilateral
22 route. We are continuing to talk with
23 the individual firms, but the IPO group,
24 you know, at the end of the day, the
25 normal portfolio managers are looking

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1 for a 12 or 15 percent return in a
2 mutual fund. The private equity guys
3 are looking for a 25 percent return. So
4 more than likely we will be able to get
5 cheaper capital if we go ahead and
6 register it and go directly to the
7 mutual funds; and it's not easy, but
8 it's doable.

9 And as one analyst pointed out, the
10 last one that was done was Steve Wynn
11 ten years ago. That stock is up
12 15-fold, or at least 12-fold. You know,
13 every company starts somewhere. Penn
14 National started with an IPO in 1994 at
15 62 cents a share, and their stock is now
16 at 40. And when they did the IPO, it
17 was a racetrack with three off-track
18 betting parlors in Pennsylvania.

19 So everybody has to start somewhere,
20 and at this point, there's very few
21 growth companies out there for people to
22 invest in this industry. The big
23 companies are all hobbled with tons of
24 debt, and they're not growth companies.
25 And then companies like Penn National is

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1 trying to build new casinos in Ohio to
2 offset places where they have casinos
3 that are down; and so they're probably
4 one of the better growth stories, and
5 even they're not a great growth story.

6 And so we can come with a clean
7 growth story, that's not over-levered
8 and has a good project to start with and
9 say, you know, every company starts
10 somewhere. We have one in Lake Charles.
11 We think it's a great project, and we're

12 very focused on making it successful.
13 And there will be others down the road
14 whatever it is. It's a pretty good
15 story, and so we're working on that.

16 MR. JONES: Good luck.

17 MR. LEE: If you have a minute, I'll
18 have Kirk address -- he's been a busy
19 man, too, so. We've kind of -- I've
20 relied on Kirk to do a lot of the
21 construction stuff while I do the money
22 stuff.

23 MR. ENGLAND: Good morning. The
24 architect, BWA out of Las Vegas, has
25 been working with the engineers and the

35

1 consultants that they brought on their
2 staff to defining a scope in the program
3 and the architectural design. We've got
4 the interior group working rapidly
5 inside the building as they finish the
6 space planning, and they're working the
7 design today.

8 The contractor is working alongside
9 of us to help with that defining of the
10 scope and the programing and the means
11 and methods to build this, and we're
12 working right now towards a date of
13 about July 1st to reach a GMP with our
14 contractors. We're developing a premise

15 and assumption book, which defines the
16 specifications for the entire project,
17 being which the design drawings are a
18 little bit behind where normal GMP would
19 be aligned with.

20 On the ground, Geo Tech is nearly
21 finished with the field work and its
22 soil borings, and we're analyzing a lot
23 of that data today. We have the data
24 for the basin and the facility itself,
25 but it's about 242 acres. This is a lot

36

1 of other data to establish for the road
2 work from the soil borings.

3 The survey is nearly 75 percent
4 complete; our legal description has been
5 submitted, and there's some land
6 exchange transaction issues with the
7 port and our neighbor that are a part of
8 that legal description that was
9 submitted. The topographical survey is
10 about 75 percent into it. The problem
11 there is the vegetation is so thick on
12 this site, we've had to take a marsh
13 buggy and a mowing machine to get it so
14 we can see the laser through the trees.

15 The Corps of Engineers won't allow us to
16 rough-in the site until we're issued a
17 Corps permit.

18 The basin, as I understand, is
19 nearly complete, so we understand what
20 we can do there. We're at a point where
21 this afternoon we're going to meet with
22 the regulatory agencies here to show
23 them our preliminary plan so they can
24 get a feel for where we are and the
25 status, and then the Corps permit, we

37

1 have the comments back. We submitted it
2 on May 2nd. The comments have been
3 returned to us. There's less than ten
4 comments, and we're currently addressing
5 those. So we expect to get that back to
6 the Corps by the end of June.

7 MR. LEE: Like any construction
8 project, it has its challenges. Here
9 this was a dredge disposal site, so when
10 you start digging, you don't have to dig
11 very far before you run into very loose
12 mud, and even though we're only a few
13 hundred feet from L'Auberge, the soil is
14 actually worse than L'Auberge. So
15 L'Auberge, the boat basin, for example,
16 was sheet pile that made the basin.
17 Here we don't think sheet pile will
18 work. As you try to pump water in, it
19 will just push that loose mud underneath
20 the sheet pile, even if the sheet pile's

21 130 feet tall.

22 So we're actually going to have to
23 build a concrete shoe box, if you will,
24 that has a floor on it, so it's concrete
25 on three sides and a floor, bring the

38

1 boat in and put the fourth wall up. So
2 it's literally a boat in a swimming
3 pool. We figured out how to do that.
4 It doesn't add too much to the project
5 cost, but we tossed around trying to
6 figure out, okay, how are we going to do
7 this? And we think we have a way to do
8 it; and, you know, there's a number of
9 challenges, but the roads are going to
10 sink after we build them, like, 2 feet,
11 is what the engineer said. So you have
12 to plan for the road bed. If you want
13 it to be 4 feet above grade, you have to
14 bring in 6 feet of gravel, and all of
15 that is -- not unexpected. L'Auberge
16 had some of the same problems. This is
17 a little worse soil, but it's mud, as
18 most of Louisiana, I suppose, is mud.
19 So when you go to build a big building,
20 everything is on pilings. In this case,
21 even the swimming pool will be on
22 pilings, so.

23 CHAIRMAN MORGAN: Yates is who your

24 contract --

25 MR. LEE: Yates is the general

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1 contractor.

2 CHAIRMAN MORGAN: Have y'all

3 determined who will construct the

4 vessel?

5 MR. ENGLAND: No, sir. The barge
6 design is due to be complete at the end
7 of August, and we'll put it out for bid.

8 MR. LEE: And there's about five or
9 six?

10 MR. ENGLAND: We've identified five
11 shipyards in Louisiana to give the bid
12 to.

13 MR. LEE: That are capable of doing
14 this.

15 MR. JONES: How are you going to
16 access the property, off the access road
17 to the interstate or a road where it
18 turns left?

19 MR. LEE: We can give you the
20 transportation plan that was filed with
21 LA DOTD, but there's three different
22 ways to access it. One will be as you
23 go into L'Auberge on what's called the
24 Texas turnaround, they have a
25 maintenance building there for their

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1 golf course. You'll be able to turn
2 left there, and then there's a two-lane,
3 two-way road that goes down past the
4 L'Auberge golf course to a roundabout,
5 and our entrance road comes off that
6 roundabout. That road will actually
7 continue over the length of our property
8 and cross the canal and hook up by those
9 boat houses that are there, little boat
10 clubs on Cold Lane (phonetic). And so
11 you'll be able to come from, say, the
12 Lake Charles Country Club loop under the
13 210 bridge on that existing public road
14 which needs to be fixed up a little bit,
15 come past the boat clubs across the
16 Klein Canal and into the property.

17 But probably the most important
18 thing is the on-ramp for Nelson Road to
19 210 west is going to be extended quite
20 some distance, a third of a mile maybe,
21 before it gets on to the freeway, and
22 there will be a second right fork off
23 that on-ramp that goes right into our
24 property. And then from our property,
25 we'll join back with that on-ramp, so

41

1 become almost a frontage road.

2 MR. JONES: Do you have enough room
3 to get up on the bridge?

4 MR. LEE: Yes. So you'll be able to
5 -- if you're coming from Houston, as
6 most of our customer would, you'd do the
7 Texas turnaround, and L'Auberge would be
8 the first right fork and we'd be the
9 second right fork. And it would come
10 into our property. When it's time to go
11 home, you just get right on 210 West at
12 the property and leave, and so that's --

13 MR. JONES: Nobody has to hit that
14 bad corner.

15 MR. LEE: Well, part of what we
16 promised the community, frankly, was we
17 would build the roads necessary so that
18 we wouldn't make the transportation
19 problems worse on Nelson Road. So we've
20 designed that to do that. It's about
21 \$20 million worth of roads, so it's
22 pretty significant, but it's pretty
23 important to the community. And it's
24 important to have the ingress and egress
25 to us, so -- and we've had -- part of

42

1 the litigation settlement with Pinnacle
2 was working on those roads because they
3 were afraid that we were somehow
4 designing these to their detriment, and
5 we weren't. We had designed something
6 that makes it equally easy to get to

7 either one; and it took us a while to
8 persuade them of that, but I think we've
9 gotten there now, so.

10 MR. BRADFORD: When the riverboat
11 captain gets ready to take that boat out
12 for a spin, he's going to have a little
13 trouble getting out of the swimming
14 pool; isn't he?

15 MR. LEE: It will move about as far
16 as the L'Auberge boat will move.

17 MR. BRADFORD: I think that's most
18 of the boats in Louisiana, which I think
19 the Chairman --

20 MR. LEE: We will be floating. You
21 won't have to dredge underneath. It's a
22 swimming pool, so.

23 MR. BRADFORD: It's kind of ironic
24 we still require boat captains.

25 MR. LEE: Yes.

43

1 MR. BRADFORD: He says we're working
2 on that, so. My real question is to
3 Kirk.

4 MR. ENGLAND: Yes, sir.

5 MR. BRADFORD: Just out of
6 curiosity, was there any opportunity to
7 take advantage of some of the
8 infrastructure work that was done for
9 Sugarcane Bay, or is it -- I didn't

10 really -- visually can't see where
11 the -- what property that was on.

12 MR. ENGLAND: I've researched that.
13 There's a group of people that did, and
14 unfortunately we couldn't.

15 MR. BRADFORD: Could not?

16 MR. ENGLAND: Could not.

17 MR. LEE: There's some pilings there
18 that will help support our parking lot;
19 but part of the whole negotiation with
20 Pinnacle, we were trying to move our
21 building as close to them as we could,
22 and we couldn't move it quite close
23 enough to take advantage of the pilings
24 they put down. And we will have a
25 really sturdy employee parking lot.

44

1 MR. BRADFORD: Thank you.

2 CHAIRMAN MORGAN: Any other
3 questions? Thank you very much for
4 showing up.

5 MR. LEE: Thank you.

6 IX. PROPOSED SETTLEMENTS/APPEALS FROM HEARING

7 OFFICERS DECISIONS

8 1. In Re: 635 Bourbon Street, LLC, d/b/a
9 Chromatic - No. 3601115951 (proposed
10 settlement)

11 CHAIRMAN MORGAN: Item IX, Proposed
12 Settlements and Appeals from Hearing

13 Officers decisions. Number one, 635
14 Bourbon Street, LLC, doing business as
15 Chromatic, No. 3601115951.

16 MS. WIMBERLY: Good morning,
17 Chairman Morgan, Members of the Board,
18 I'm Assistant Attorney General, Ashley
19 Wimberly, filling in for Assistant
20 Attorney General, Katie Chaubert. I'm
21 appearing in the matter of the proposed
22 settlement of 635 Bourbon Street, LLC,
23 doing business as Chromatic.

24 A representative from of Chromatic
25 failed to attend the Compulsive Gaming

45

1 Class as required by law. A
2 representative from Chromatic had the
3 opportunity to attend these classes on
4 February 10th, 2010 at 10:00 a.m. or
5 2:00 p.m.; on June 16th, 2010, at
6 10:00 a.m. or 2:00 p.m.; and on
7 October 20th, 2010, at 10:00 a.m. and
8 2:00 p.m.

9 The licensee is desirous in settling
10 this matter and has agreed to pay a \$500
11 penalty for this violation. The
12 settlement agreement was approved by the
13 Hearing Officer on May 23rd, 2011. I
14 now submit it to you for your approval.

15 CHAIRMAN MORGAN: Questions? [No

16 response.] Entertain a motion.

17 MR. BLOUNT: Yes.

18 CHAIRMAN MORGAN: Mr. Blunt to
19 approve.

20 MR. SINGLETON: Second.

21 CHAIRMAN MORGAN: Seconded by
22 Mr. Singleton. Is there any objection?
23 Hearing none, that's approved.

24 I would like the Board Members to
25 know that State Police just provided me

46

1 with a disk of the video of the
2 Compulsive Training Seminar that will be
3 put on the web, and so I look for some
4 of these to be resolved in that manner
5 where an applicant will be able to view
6 it in the comfort of their home. It
7 might reduce some of these failures to
8 comply. Okay. Next item.

9 2. In Re: Rabab, LLC, d/b/a The Olive
10 Branch Cafe - No. 3601215816

11 MS. WIMBERLY: I have another one.
12 Assistant Attorney General, Ashley
13 Wimberly, appearing for Assistant
14 Attorney General, Katie Chaubert, in the
15 matter of Rabab, LLC, doing business as
16 The Olive Branch Cafe.

17 A representative from the Olive
18 Branch Cafe failed to attend the

19 Compulsive Gaming Class as required by
20 law. Opportunities for the class were
21 October 7th, 2009, at 10:00 a.m. and
22 2:00 p.m.; February 10th, 2010, at
23 10:00 a.m. and 2:00 p.m.; June 16th,
24 2010, at 10:00 a.m. and 2:00 p.m.,
25 October 20th, 2010, at 10:00 a.m. and

47

1 2:00 p.m.

2 The licensee is desirous of settling
3 this matter and has agreed to pay a \$500
4 penalty for the violation. The
5 settlement agreement was signed by the
6 Hearing Officer on May 18, 2011. I now
7 submit it to you for your approval.

8 CHAIRMAN MORGAN: Any questions?

9 MR. BRADFORD: Move approval.

10 CHAIRMAN MORGAN: Mr. Bradford moves
11 to approve the settlement.

12 MR. SINGLETON: Second.

13 CHAIRMAN MORGAN: Seconded by
14 Mr. Singleton. Is there any objection?
15 Hearing none, it's approved.

16 MS. WIMBERLY: Thank you.

17 3. In Re: Bayou NOLA, LLC, d/b/a Cajun
18 King Seafood - No. 3601215835 (proposed
19 settlement)

20 CHAIRMAN MORGAN: Item three, Bayou
21 NOLA, Louisiana, LLC, doing business as

22 Cajun Kind Seafood, No. 3601215835.

23 MS. BROWN: Chairman Morgan, Board

24 Members, I'm Mesa Brown, Assistant

25 Attorney General, representing the

48

1 Division in the matter of In Re: Bayou

2 NOLA Cafe d/b/a Cajun King Seafood.

3 Here the licensee failed to timely

4 attend a required Compulsive Gambling

5 Training class. Both parties have

6 agreed to settle this matter for a civil

7 penalty of \$500. The Hearing Officer

8 has approved the settlement. We now

9 submit it for your approval.

10 CHAIRMAN MORGAN: Any questions?

11 MR. SINGLETON: Move approval.

12 CHAIRMAN MORGAN: Mr. Singleton

13 moves to approve.

14 MS. NOONAN: Second.

15 CHAIRMAN MORGAN: Seconded by Miss

16 Noonan. Is there any objection?

17 Hearing none, it's approved. Thank you.

18 4. In Re: Grand Palais Riverboat, Inc.,

19 d/b/a Isle of Capri-Grand Palais - No.

20 SAR 10-39-211-4621 (proposed settlement)

21 CHAIRMAN MORGAN: Four, Grand Palais

22 Riverboat, Incorporated, doing business

23 as Isle of Capri Grand Palais, a

24 proposed.

25 MR. HEBERT: Good morning, Chairman

49

1 and Members of the Board. I'm Assistant
2 Attorney General Christopher Hebert
3 representing the Louisiana Office of
4 State Police in the matter of Grand
5 Palais Riverboat, Inc., doing business
6 as Isle of Capri Grand Palais, number
7 four on your docket.

8 This matter in August of 2010, the
9 Isle of Capri notified the Division that
10 several employees had shared usernames
11 and passwords to access and perform
12 operations in the slot and table games
13 Casino Management System or CMS. The
14 Division's investigation disclosed that
15 for ten days, between May 22nd, 2010,
16 and August 18, 2010, attendants used
17 supervisors' usernames and passwords
18 multiple times to access and adjust
19 credits in the CMS.

20 In lieu of administrative action,
21 the Isle of Capri has agreed to pay a
22 civil penalty of \$65,000. The hearing
23 officer has signed off on the
24 settlement, and we're here this morning
25 seeking Board approval of the

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1 settlement.

2 CHAIRMAN MORGAN: Thank you. Are
3 there any questions?

4 MR. JONES: Yeah. What kind of
5 disciplinary action was taken against
6 the employees involved; do you know?

7 MR. HEBERT: Yes. I do believe that
8 several employees were terminated as a
9 result of this action or these -- this
10 conduct, excuse me. In addition, the
11 Division did meet with the Isle of
12 Capri, and the Isle of Capri took some
13 proactive measures to ensure that this
14 would not happen again, one of those
15 being issuing new user passwords to all
16 employees in the casino.

17 CHAIRMAN MORGAN: Any other
18 questions? Entertain a motion.

19 MR. BRADFORD: So move.

20 CHAIRMAN MORGAN: Motion by
21 Mr. Bradford to approve the settlement.

22 MS. ROGERS: I'll second.

23 CHAIRMAN MORGAN: Seconded by Miss
24 Rogers. Is there any objection?
25 Hearing no objection, it's approved.

51

1 Thank you.

2 MR. HEBERT: Thank you.

3 5. In Re: Kossen Equipment, Incorporated -
4 No. PO86502624 (proposed settlement)

5 CHAIRMAN MORGAN: Item 5, Kossen
6 Equipment, Incorporated, permit number
7 PO86502624, proposed settlement.

8 MS. HIMEL: Good morning, Chairman
9 Morgan, Members of the Board. I'm
10 Assistant Attorney General, Dawn Himel,
11 representing Louisiana Office of State
12 Police in the proposed settlement of
13 Kossen Equipment, Incorporated, as you
14 stated, permit number PO86502624.

15 Kossen Equipment is a non-gaming
16 supplier permittee. The permittee
17 failed to timely notify the Division of
18 the appointment of a vice-president of
19 sales. He was appointed on June 1st,
20 2009. The Division was not notified of
21 this appointment until September 21st,
22 2010, in violation of gaming law.

23 The permittee failed to timely
24 notify the Division of the appointment
25 of a vice-president of aftermarket

52

1 sales, also occurring June 1st, 2009.
2 The Division was not notified of this
3 appointment until September 21st, 2010,
4 in violation of gaming law. This
5 vice-president of aftermarket sales
6 resigned prior to the completion of that
7 suitability investigation, and the

8 Division was notified of the resignation
9 on October 18th, 2010.

10 The permittee failed to timely
11 notify the Division of a promotion from
12 the previous vice-president of new
13 system sales to general manager and
14 vice-president, which occurred on
15 June 1st, 2009. The Division was not
16 notified of this promotion until
17 September 21st, 2010, in violation of
18 Louisiana gaming law.

19 The permittee's annual affidavit
20 dated August 10th, 2009, did not
21 disclose the aforementioned changes. In
22 lieu of administrative action, the
23 licensee has agreed to pay a penalty of
24 \$1,500 for these violations within 15
25 days of approval by this board. The

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1 settlement agreement was approved by
2 Hearing Officer Reynolds on June 6th,
3 2011, and we now submit it for your
4 approval.

5 CHAIRMAN MORGAN: Was there any
6 other requirement by the Division on the
7 permittee for internal -- have internal
8 structure to make sure this doesn't
9 happen?

10 MS. HIMEL: They discussed it with

11 them. As far as I was told by -- they
12 did have counsel, who was out of state
13 counsel, so he did not sign the
14 settlement, but he advised me that he
15 went over everything with them and
16 instructed them as to how it needs to be
17 and what needs to be disclosed; and that
18 was discussed with State Police.

19 CHAIRMAN MORGAN: Thank you. Any
20 questions?

21 MR. JONES: Move approval.

22 CHAIRMAN MORGAN: Mr. Jones moves
23 approval for the settlement. Is there a
24 second?

25 MS. ROGERS: Second.

54

1 CHAIRMAN MORGAN: Miss Rogers
2 seconds. Is there any objection?

3 Hearing no objection, it's approved.

4 6. Gillisa Clark - No. PO40053939 (appeal)

5 CHAIRMAN MORGAN: Item 6, Gillisa
6 Clark is an appeal. It's employee
7 permit number PO40053939. I believe
8 Miss Clark sent a letter that she would
9 not be here, but she did want to ask for
10 consideration.

11 MS. PICHON: Right. Good morning
12 Chairman Morgan, Members of the Board.
13 I'm Assistant Attorney General Nicolette

14 Pichon representing Office of State
15 Police in the matter of the Gillisa
16 Clark.

17 Miss Clark was arrested and charged
18 with simple criminal damage to property;
19 however, in an interview with the
20 Terrebonne Parish Sheriff's Office, Miss
21 Clark admitted to shooting seven times
22 at a vehicle containing a woman and her
23 two-year-old child.

24 On April 8th, 2011, Hearing Officer
25 William H. Brown revoked Miss Clark's

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1 non-key gaming employee permit. Miss
2 Clark did not present any evidence to
3 support her suitability to participate
4 in gaming; therefore, the Office of
5 State Police requests that this
6 honorable board sustain Hearing Officer
7 Brown's decision to revoke the non-key
8 gaming employee permit of Gillisa Clark.

9 CHAIRMAN MORGAN: Thank you. Are
10 there any questions? She indicated in
11 her letter that the charge was reduced
12 to a misdemeanor?

13 MS. PICHON: It was. She was
14 arrested and charged with aggravated
15 criminal damage. It was reduced to
16 simple, but we did still revoke based on

17 her confession to committing the action.

18 CHAIRMAN MORGAN: Seven shots.

19 MS. PICHON: Yes.

20 CHAIRMAN MORGAN: Okay.

21 MS. ROGERS: I so move.

22 CHAIRMAN MORGAN: Any questions?

23 MR. BRADFORD: When she was
24 originally arrested, wasn't the charge
25 attempted second degree murder?

56

1 MS. PICHON: That was in the police
2 report; but then when it went to the
3 D.A.s, it was aggravated, and it was
4 again downgraded to simple.

5 MR. JONES: But the fact is, she
6 shot seven shots into a vehicle with a
7 woman and child.

8 MS. PICHON: Right.

9 CHAIRMAN MORGAN: Pretty fortunate
10 it's misdemeanor. We have a motion by
11 Miss Rogers to affirm the hearing
12 officer's decision, seconded by Miss
13 Noonan. Is there any objection? [No
14 response.] Motion's approved. Thank
15 you. Any other business?

16 8. ADJOURNMENT

17 CHAIRMAN MORGAN: Motion to adjourn
18 by Mr. Bradford, seconded by Miss
19 Rogers.

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57

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
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21
22

23

24 SHELLEY PAROLA

Certified Court Reporter #96001

25 Registered Professional Reporter

58

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 given under

7 oath in the preceding matter on June 16, 2011, as

8 taken by me in Stenographic machine shorthand,

9 complemented with magnetic tape recording, and

10 thereafter reduced to transcript, to the best of

11 my ability and understanding, using Computer-Aided

12 Transcription.

13 I further certify that I am not an

14 attorney or counsel for any of the parties, that I

15 am neither related to nor employed by any attorney

16 or counsel connected with this action, and that I

17 have no financial interest in the outcome of this

18 action.

19 Baton Rouge, Louisiana, this 19th day of

20 July, 2011.

21

22

23 _____
SHELLEY G. PAROLA, CCR, RPR

CERTIFICATE NO. 96001

