

LGCB - Board of Directors' Meeting - 12-15-16, (Pages 1:1 to 52:24)

1: 1 LOUISIANA GAMING LOUISIANA CONTROL BOARD

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4 BOARD OF DIRECTORS' MEETING

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9 THURSDAY, DECEMBER 15, 2016

10

11 House Committee Room 1

12 Louisiana State Capitol

13 900 North Third Street

14 Baton Rouge, Louisiana

15

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17

18 TIME: 10:00 A.M.

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2

1 APPEARANCES

2

RONNIE JONES

3 Chairman (At Large)

Third Congressional District

4 June 30, 2019

5

6 FRANKLIN AYRES BRADFORD

(Economic Planner)

7 Fifth Congressional District

June 30, 2019

8

9 MARK STIPE

(Attorney)

10 Seventh Congressional District

June 30, 2020

11

12 JAMES SINGLETON

(Public/Business Administration)

13 Second Congressional District

June 30, 2020

14

15 CLAUDE D. JACKSON

(At large)

16 Fourth Congressional District

June 30, 2018

17

18 JULIE BERRY

(CPA)

19 Third Congressional District

June 30, 2018

20

21 WANDA THERIOT

(At large)

22 First Congressional District

June 30, 2021

23

24 CAPTAIN GLEN HALE

Ex-Officio Board Member

25 Louisiana State Police

3

1 APPEARANCES CONTINUED

2

3 KIMBERLY ROBINSON

Department of Revenue

4 Secretary

5

6 LANA TRAMONTE

Executive Assistant

7

8 TRUDY SMITH

Confidential Assistant

9

10 REPORTED BY:

11 SHELLEY G. PAROLA, CSR, RPR

Baton Rouge Court Reporters

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21 Compliance for the Alternate
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22 LLC, d/b/a Darrell's - No. 1001214169 45

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1 I. CALL TO ORDER

2 CHAIRMAN JONES: Good morning and
3 welcome to the December 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?

12 MR. STIPE: Here.

13 THE CLERK: Mr. Singleton?

14 MR. SINGLETON: Here.

15 THE CLERK: Mr. Jackson?

16 MR. JACKSON: Here.

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

19 Miss Berry?

20 MS. BERRY: Here.

21 THE CLERK: Miss Theriot?

22 MS. THERIOT: Here.

23 THE CLERK: Colonel Edmonson?

24 CAPTAIN HALE: Captain Hale for
25 Colonel Edmonson.

8

1 THE CLERK: Secretary Robinson?

2 MR. ROBINSON: Here.

3 CHAIRMAN JONES: We have a quorum,
4 and we may conduct business. I would
5 ask that if you have a mobile device
6 that you put it on silent alert. If you
7 get a call, just step outside with it,
8 please, just to maintain proper decorum
9 in committee room.

10 II. PUBLIC COMMENT

11 CHAIRMAN JONES: Anyone have any
12 public comment on matters before the
13 board today? [No response.]

14 III. APPROVAL OF THE MINUTES

15 CHAIRMAN JONES: No one's at the
16 table so we'll move on to Approval of
17 the Minutes. Do I have a motion to
18 waive reading and approve the minutes?

19 MR. SINGLETON: I'll move.

20 CHAIRMAN JONES: Mr. Singleton,
21 seconded by Mr. Stipe.

22 Any objection? Without objection,
23 the minutes are approved.

24 IV. REVENUE REPORTS

25 CHAIRMAN JONES: Next I'll call

9

1 Revenue Reports. Good morning.

2 MS. JACKSON: Morning, Chairman
3 Jones, Board Members. My name is Donna
4 Jackson. I'm with the Louisiana State

5 Police Gaming Enforcement Division.

6 The 15 operating riverboats
7 generated Adjusted Gross Receipts of
8 \$151,481,259 in November. This total
9 represents a decrease of \$2.4 million or
10 1.5 percent from last month, but an
11 increase of \$2 million or 1.4 percent
12 from last November.

13 Adjusted Gross Receipts for fiscal
14 year 2016-2017 to date are \$792 million,
15 a decrease of \$14.4 million or 2 percent
16 from fiscal year 2015-2016.

17 During November, the State collected
18 fees totaling \$32,568,471. As of
19 November 30th, 2016, the State collected
20 over \$170 million in fees for fiscal
21 year 2016-2017, a decrease of \$3 million
22 from last fiscal year.

23 Next is a summary of the
24 November 2016 gaming activity for
25 Harrah's New Orleans found on page

10

1 three. During November, Harrah's
2 generated \$22,834,370 in gross gaming
3 revenue, an increase of \$2 million or
4 9.6 percent from last month, and a
5 minimal increase of .6 percent from last
6 November.

7 Fiscal year-to-date gaming revenues

8 for 2016-2017 to date are almost
9 \$109 million, down \$23 million or
10 18 percent from fiscal year 2015-2016.

11 During November, the State received
12 \$4,931,507 in minimum daily payments.
13 As of November 30th, 2016, the State has
14 collected \$25 million in fees for fiscal
15 year 2016-2017.

16 Next I will present the revenues for
17 Slots at the Racetracks. During
18 November, the four racetrack facilities
19 combined generated Adjusted Gross
20 receipts of \$26,741,601, a decrease of
21 \$434,000 or 1.6 percent from October,
22 and a decrease from November 2015 of
23 \$1.3 million or 4.6 percent.

24 Adjusted Gross Receipts for fiscal
25 year 2015-2016 to date over

11

1 \$137 million, a decrease of \$8 million
2 or 6 percent from fiscal year 2015-2016.

3 During November, the State collected
4 \$4,056,701 in fees. As of
5 November 30th, 2016, the State has
6 collected almost \$21 million in fees for
7 fiscal year 2016-2017.

8 Overall in November, Riverboats,
9 Landbased and Slots at the Racetracks
10 combined generated almost \$201 million

11 in an AGR and 41.6 million in state
12 fees. These revenues represent a slight
13 decrease from November 2015 of about
14 .5 percent.

15 Any questions before I present the
16 Harrah's employee information?

17 CHAIRMAN JONES: I'll take a slight
18 increase over a decrease any day.

19 MS. JACKSON: I hear you.

20 CHAIRMAN JONES: Any questions from
21 the Board? There are no questions.

22 MS. JACKSON: Harrah's New Orleans
23 is required to maintain at least 2,400
24 employees and a bi-weekly payroll of
25 \$1,750,835. This report covers pay

12

1 periods in November 2016.

2 For the first pay period, the
3 Division verified 2,743 with a payroll
4 of \$2,170,000. For the second pay
5 period, the Division verified 2,710
6 employees with a payroll of \$2,177,000.
7 Therefore, Harrah's met the employment
8 criteria during November.

9 CHAIRMAN JONES: Questions?

10 MS. JACKSON: I'm also reporting the
11 video gaming statistics as shown on your
12 video handout.

13 Fifteen new video gaming licenses

14 were issued during November: Eight bars
15 and seven restaurants. Eighteen new
16 applications were received by the Gaming
17 Enforcement Division during November and
18 are currently pending in the field: Ten
19 bars, seven restaurants and one
20 truckstop.

21 The Gaming Enforcement Division
22 assessed \$1,250 and collected \$3,250 in
23 fines during November. There are
24 outstanding fines of \$3,750.

25 They are presently 13,052 video

13

1 gaming devices activated at 1,773
2 locations.

3 Net device revenue for November 2016
4 was \$46,268,779. This is a \$876,000, or
5 1.9 percent, decrease when compared to
6 November 2016, but a \$681,000 increase,
7 or 1.5 percent, when compared to
8 November 2015.

9 Net device revenue for 2016-2017 to
10 date is \$230,590,519, a \$4.3 million or
11 1.8 percent decrease when compared to
12 2015-2016. Page three of your handout
13 shows a comparison of the net device
14 revenue.

15 Total franchise fees collected for
16 November 2016 were \$13,881,084, a

17 \$254,000 decrease when compared to
18 November 2016, but a \$237,000 increase
19 when compared to November 2015.

20 Total franchise fees collected for
21 2016-2017 to date are \$69,107,143, a
22 \$1.2 million decrease or 1.6 percent,
23 when compared to 2015-2016. Page four
24 you handout shows a comparison of
25 franchise fees.

14

1 CHAIRMAN JONES: Questions, Board?

2 There are no questions.

3 MS. JACKSON: Thank you.

4 CHAIRMAN JONES: Thank you very much
5 for all of the Revenue Reports this
6 morning.

7 V. CASINO GAMING ISSUES

8 A. Consideration of Certificate of Compliance
9 for the Alternate Riverboat Inspection of
10 the gaming vessel of Red River Entertainment
11 of Shreveport Partnership in Commendam d/b/a
12 Sam's Town Hotel and Casino, No. R016500097

13 CHAIRMAN JONES: We'll now move to
14 Casino Gaming Issues. First up is:
15 Consideration of Certificate of
16 Compliance for the Alternate Riverboat
17 Inspection of the gaming vessel of Red
18 River Entertainment Shreveport
19 Partnership in Commendam doing business

20 as Sam's Town Hotel and Casino, No.
21 RO16500097.

22 Good morning, gentlemen.

23 MR. LEWIS: Good morning.

24 MR. FRANCIC: Morning.

25 MR. LEWIS: Assistant Attorney

15

1 General Kanick Lewis, Jr., representing
2 the Office of State Police here in the
3 matter -- with me is Mr. John Francic of
4 ABSC, and we're here in the matter of
5 the issuance of the renewal Certificate
6 of Compliance to Red River Entertainment
7 Shreveport Partnership in Commendam
8 doing business as Sam's Town Hotel and
9 Casino.

10 And on October 16th, 2016, ABSC
11 began the inspection process for the
12 renewal of Sam's Town's Certificate of
13 Compliance, and for more on this, I now
14 turn the presentation over to
15 Mr. Francic.

16 MR. FRANCIC: Good morning, Chairman
17 and Board Members. John Francic with
18 ABS Consulting here to report the annual
19 certification for Sam's Town Casino.

20 Inspectors Doug Chapman and Pete
21 Bullard did, on October 26th, attend the
22 riverboat Shreve Star to conduct the

23 annual inspection in accordance with the
24 alternate inspection of riverboat gaming
25 vessels in the State of Louisiana. The

16

1 inspectors reviewed fire protection
2 measures, egress routes, mooring
3 systems, machinery spaces and conducted
4 a fire drill. The deficiencies found
5 during the inspection are to be found on
6 page six of your report.

7 In comparison to last year's report,
8 missing ceiling tiles appeared on the
9 same time this year as the last time.

10 It's not so much the -- it's the cables
11 that are running in the boat in overhead
12 from data rooms, and it's hard to put
13 those ceiling tiles back in so we had
14 them put additional smoke detectors up
15 to satisfy that so we don't have to
16 worry about the missing ceiling tiles.

17 So all the deficiencies were
18 corrected, and the 2016 annual survey,
19 as required by Louisiana Gaming
20 Commission, is complete and presents no
21 safety concerns to the patrons or
22 employees onboard the riverboat. It is
23 the recommendation of ABS Consulting
24 that Sam's Town Casino be issued a
25 Certificate of Compliance.

1 MR. LEWIS: We now present these
2 findings to the Board and request that
3 upon your approval in accepting the
4 report submitted by ABSC, the Board will
5 move for the renewal of Sam's Town's
6 Certificate of Compliance.

7 CHAIRMAN JONES: Board, do you have
8 any questions for the Attorney General
9 and State Police through the Attorney
10 General or ABSC?

11 MR. JACKSON: I move it be
12 approved -- approve the findings.

13 CHAIRMAN JONES: We have a motion.

14 MS. BERRY: Second.

15 CHAIRMAN JONES: And a second by
16 Miss Berry.

17 Any objection? Without objection,
18 the motion to issue the Certificate of
19 Compliance is approved.

20 B. Consideration of Certificate of Compliance for
21 the Alternate Riverboat Inspection of the
22 gaming vessel of Eldorado Casino Shreveport
23 Joint Venture d/b/a Eldorado Resort Casino
24 Shreveport, No. R013600005

25 CHAIRMAN JONES: Next up is:

1 Consideration of Certificate of
2 Compliance for the Alternate Riverboat

3 Inspection of the gaming vessel Eldorado
4 Casino Shreveport Joint Venture doing
5 business as Eldorado Resort Casino
6 Shreveport, No. RO13600005.

7 Gentlemen.

8 MR. LEWIS: Good morning, Chairman
9 Jones, Board Members, Assistant Attorney
10 General Kanick, Jr. -- Kanick Lewis, Jr.
11 With me is Mr. John Francic of ABSC.
12 We're here in the matter of the issuance
13 of the renewal Certificate of Compliance
14 for Eldorado Casino Shreveport Joint
15 Venture doing business as Eldorado
16 Casino Shreveport.

17 On October 27th, 2016, ABSC began
18 the inspection process for the renewal
19 of Eldorado's Certificate of Compliance,
20 and now for more on this, I turn the
21 presentation over to Mr. Francic.

22 MR. FRANCIC: Chairman, Board
23 Members, John Francic with ABS
24 Consulting here to report the annual
25 certification for Eldorado Casino.

19

1 The inspectors, Doug Chapman and
2 Pete Bullard, did, on October 27th,
3 attend the riverboat Hollywood Dreams to
4 conduct the annual inspection in
5 accordance with the alternate riverboat

6 gaming inspection program.

7 The inspectors reviewed the fire
8 protection measures, egress routes,
9 record-keeping and conducted a fire
10 drill. Deficiencies found during the
11 inspection are found on page six of your
12 report.

13 In comparison to last year's report,
14 one item on the report, repairs to the
15 elevator, was a repeat from last year.
16 I discussed with the chief engineer in
17 charge about the issue about the
18 elevators. They do get the annual
19 servicing done in time for the
20 inspection. It's just the follow-up
21 inspections with some of the deficient
22 items. It's just a scheduling matter
23 with the elevator company. They just
24 have a hard time getting them back out
25 to service the elevator, but they got

20

1 the repairs done and everything up to
2 date.

3 The 2016th annual survey as required
4 by the Louisiana Gaming Commission is
5 complete and presents no safety concerns
6 to its patrons or employees onboard the
7 riverboat. It is the recommendation of
8 ABS Consulting that Eldorado Resort be

9 issued the Certificate of Compliance.

10 MR. LEWIS: We now present these
11 findings to the Board and request that
12 upon the Board accepting the report
13 submitted by ABSC, you will move for the
14 renewal of Eldorado's Certificate of
15 Compliance.

16 CHAIRMAN JONES: Board Members, do
17 we have any questions with respect to
18 Eldorado's request?

19 MS. BERRY: I have a question.

20 CHAIRMAN JONES: Miss Berry.

21 MS. BERRY: I just kind of have a
22 basic question here. I'm kind of
23 concerned about the fire issues. What
24 exactly does it mean when it says that
25 the fire detection report was yellow

21

1 tagged?

2 MR. FRANCIC: Yellow tagged means
3 that it's still on probation but works,
4 but it's deficient where they need to
5 get repairs done to it to make it a
6 green tag, in other words, make it
7 operational. Usually it's something
8 that's -- whether it's -- it's not
9 installed right or put in place right.
10 It's not -- it still has protective
11 measures for the casino, but it still

12 needs to be corrected to code
13 compliance.

14 MS. BERRY: Well, who would yellow
15 tag it?

16 MR. FRANCIC: It would be the
17 service company -- the fire service
18 company.

19 MS. BERRY: Okay. So y'all came in
20 and saw that.

21 MR. FRANCIC: Right. We make sure
22 they get the annual fire servicing done
23 for the fire protection systems. So the
24 fire service company comes in and
25 services all of the equipment, and if

22

1 they yellow tag it, we make sure that
2 those yellow tags or red tags get
3 repaired.

4 MS. BERRY: Okay. Very good. That
5 answers my question. Thank you.

6 CHAIRMAN JONES: Miss Theriot.

7 MS. THERIOT: Miss Berry asked my
8 first question. My second question is:
9 When you talk about the sprinkler caps,
10 how often do you see this? I mean,
11 these aren't missing tiles that need to
12 be fixed. I find it concerning that
13 sprinkler caps were missing and that
14 boxes were stacked that blocks

15 sprinklers had there been a fire on the
16 vessel.

17 MR. FRANCIC: Well, again, based on
18 the operation of the vessel they just --
19 crew members, they just kind of, like,
20 stack stuff where they're not supposed
21 to. I guess they're not aware of it.
22 They've just got to be -- the managers
23 have to be better, you know, to look out
24 for these things to when they see stuff
25 like this they take it down from the

23

1 ceilings.

2 They remove the ceilings a lot where
3 they replace for cabling or wiring so
4 they're always moving these tiles
5 around, so they knock off things. So
6 that's the reason why.

7 MS. THERIOT: Well, I don't think a
8 missing tile is really going to
9 jeopardize someone's safety like a
10 sprinkler head or a sprinkler that's
11 blocked by boxes; but you did say you
12 reviewed the report from last year, and
13 these were not on their reports
14 previously?

15 MR. FRANCIC: Correct, yes.

16 MS. THERIOT: Thank you.

17 CHAIRMAN JONES: Mr. Jackson.

18 MR. JACKSON: Concerning the
19 elevator deficiency and the fire
20 detection tag, did they indicate a date
21 when they found those deficiencies?

22 MR. FRANCIC: Well, when they were
23 serviced. I don't know the exact date.
24 I don't have the report in front of me,
25 but when the inspectors go on there and

24

1 look at the report, it's -- like I said,
2 it's tagged, and they should
3 automatically, you know, get that
4 repaired. So it's just a matter of a
5 facility manager getting the report and
6 saying, hey, get all this stuff done,
7 you know, before our inspection's
8 complete.

9 MR. JACKSON: The reason I ask
10 that -- we don't know the dates so it's
11 no biggie. I noticed when you did your
12 inspection, they corrected it in about
13 two weeks. That's why I asked that
14 question.

15 MR. FRANCIC: Right, and, again,
16 it's just a matter of getting the
17 servicing company back out to correct
18 all the stuff. So when they're first
19 hired onboard, you know, they go over
20 there to do all the work that's

21 required, you know, for that price.
22 Then they go back and say, this is our
23 report, and then they got to renegotiate
24 to go back out to fix everything.

25 MS. JACKSON: Okay.

25

1 CHAIRMAN JONES: Mr. Francic, have
2 you seen any reluctance on the part of
3 the licensee to correct anything that
4 was found deficient?

5 MR. FRANCIC: No. They've been
6 pretty proactive to get things done.
7 It's just, like I said, scheduling is --
8 when I've talked to the chief engineer
9 in charge or facility director, it's
10 just a matter of getting people out
11 there scheduled and get the things done.
12 So if it means scheduling the things a
13 little bit earlier in the process to get
14 things done, they might just have to do
15 that.

16 CHAIRMAN JONES: It's not like
17 they're just trying to ignore all this.

18 MR. FRANCIC: No.

19 CHAIRMAN JONES: Okay. And you're
20 comfortable with recommending approval?

21 MR. FRANCIC: Yes.

22 CHAIRMAN JONES: Any other
23 questions? [No response.]

24 Do I have a motion to issue the
25 Certificate of Compliance? By

26

1 Mr. Bradford, second by Mr. Stipe.

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

4 Thank you.

5 C. Consideration of Certificate of Compliance for
6 the Alternate Riverboat Inspection of the
7 gaming vessel of Horseshoe Entertainment L.P.
8 d/b/a Horseshoe Bossier City Casino & Hotel,
9 No. R010800198

10 CHAIRMAN JONES: Next up:
11 Consideration of Certificate of
12 Compliance for the Alternate Riverboat
13 Inspection of the gaming vessel of
14 Horseshoe Entertainment L.P. doing
15 business as Horseshoe Bossier City
16 Casino & Hotel, No. R010800198.

17 MR. LEWIS: Board Members, Chairman
18 Jones, I'm Assistant Attorney General
19 Kanick Lewis, Jr. With me is Mr. John
20 Francic of ABSC. We're here in the
21 matter of the issuance of the renewal
22 Certificate of Compliance for Horseshoe
23 Entertainment L.P. doing business as
24 Horseshoe Bossier City Casino & Hotel.

25 On October 25th, 2016, ABSC began

27

1 the inspection process for the renewal
2 of Horseshoe's Certificate of
3 Compliance, and for more on this, I now
4 turn the presentation over to
5 Mr. Francic.

6 MR. FRANCIC: Chairman and Board
7 Members, John Francic with ABS
8 Consulting here to report the annual
9 certification for Horseshoe Casino.

10 Inspectors Doug Chapman and Pete
11 Bullard did, on October 25th, attend the
12 riverboat King of Red to conduct the
13 annual inspection in accordance with the
14 Alternate Inspection Program in the
15 State of Louisiana.

16 The inspectors reviewed fire
17 protection measures, egress routes,
18 mooring systems, machinery spaces and
19 conducted a fire drill. There was only
20 one deficiency found during this
21 inspection, which is found on page six.

22 In comparison to last year's report,
23 there were no deficiencies. They were
24 in compliance. In fact, Horseshoe does
25 very well in preparing for these

28

1 inspections, both annual and
2 semi-annual. The sliding water tight
3 doors are a very common problem

4 throughout the Legacy riverboat gaming
5 vessels. They are old, and parts are
6 not readily available so the sliding
7 water tight door was repaired and now is
8 in compliance.

9 The 2016 annual survey required by
10 the Louisiana Gaming Control Board is
11 complete and presents no safety concerns
12 to its patrons or employees onboard the
13 riverboat. It is the recommendation ABS
14 Consulting that Horseshoe be issued the
15 Certificate of Compliances.

16 MR. LEWIS: We now present these
17 findings to the Board and request that
18 upon your approval in accepting the
19 report submitted -- and based upon your
20 accepting the report submitted by ABSC,
21 you will move for the renewal of
22 Horseshoe's Certificate of Compliance.

23 CHAIRMAN JONES: Board, any
24 questions with respect to Horseshoe's
25 application? There are no questions.

29

1 MR. JACKSON: I make a motion that
2 we approve the compliance report with
3 one comment. I think Horseshoe's done a
4 good job.

5 CHAIRMAN JONES: We have a motion
6 and a second by Mr. Singleton.

7 Any objection? Without objection.

8 D. Consideration of Certificate of Compliance for
9 the Alternate Riverboat Inspection for the
10 gaming vessel of Golden Nugget Lake Charles,
11 LLC - No. R016502995

12 CHAIRMAN JONES: Next up is:
13 Consideration of Certificate of
14 Compliance for the Alternate Riverboat
15 Inspection of the gaming vessel Golden
16 Nugget Lake Charles, LLC, No.
17 R016502995.

18 MR. LEWIS: Chairman Jones, Board
19 Members, Assistant Attorney General
20 Kanick Lewis, Jr. With me is Mr. John
21 Francic of ABSC. We're here in the
22 matter of the issuance of the renewal of
23 the Certificate of Compliance to Golden
24 Nugget Lake Charles, LLC.

25 On November 8th, 2016, ABSC began

30

1 the inspection process for the renewal
2 of Horseshoe's Certificate of
3 Compliance. For more on this, at this
4 time I turn the presentation over to
5 Mr. Francic.

6 MR. FRANCIC: Chairman and Board
7 Members, John Francic with ABS
8 Consulting here to report the annual
9 certification for Golden Nugget Casino.

10 The inspectors Jeff Boyle and Pete
11 Bullard did, on November 8th and 9th,
12 attend the riverboat to conduct the
13 annual inspection in accordance with the
14 Alternate Inspection Program in the
15 State of Louisiana.

16 The inspectors reviewed life safety
17 measures, fire protection, egress
18 routes, emergency generator and
19 lighting. The deficiencies found during
20 the inspection are found on page seven
21 of your report. A follow-up to the
22 deficient items was done on
23 December 5th, and they found there was
24 two outstanding remaining deficient
25 items.

31

1 During this inspection, we also --
2 they also added some stanchions to the
3 entrances of the gaming floor. So what
4 we did is we had to revise their safety
5 egress routes and have the security
6 people there move the stanchions out of
7 the way. So what we did that day, we
8 conducted a fire drill, ran through it.
9 It ran real good. We checked the egress
10 routes, and the stanchions were moved
11 out of the way. So we just made a
12 slight change to their manning variance

13 to put that into their station bill.

14 The other two items, the -- for the
15 sprinkler system and for the FM-200
16 system, the report -- the report that we
17 get from SimplexGrinnell -- it's a fire
18 servicing company -- it's pretty
19 complex. They take the whole facility.
20 This is a huge facility so they include
21 the hotel in this report, along with the
22 gaming floor. So we kind of had to go
23 through the report to make sure, you
24 know, we're -- our interest is the
25 gaming floor. So there were a couple

32

1 items that weren't complete. In talking
2 with the facility director, they were
3 complete as of today. The only
4 outstanding item we have right now is
5 the FM200, which is in the lower hold of
6 the barge which is the IT room east.
7 That space is not occupied. They -- it
8 was really not the fault of the gaming
9 facility. It was the company that went
10 to service it. They accidentally
11 discharged the FM200 in the space when
12 they tested it so they had to find the
13 FM200, and it's taking them a while to
14 get it. They're supposed to have it
15 done by next Friday, but in the

16 meantime, they put fire extinguishers
17 down there; and they have smoke
18 detectors that will alert them so they
19 can go down there and use the fire
20 extinguishers.

21 So the space is not occupied. It's
22 just a data room right now, and that's
23 the only outstanding item we have right
24 now. So based on that, you know, if we
25 can -- we recommend an extended

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1 certificate for another 30 days.

2 MR. LEWIS: We now present these
3 findings to the Board and request upon
4 the Board accepting the report submitted
5 by ABSC, you will move for the -- the
6 Board will move for the renewal of
7 Golden Nugget's Certificate of
8 Compliance for the next 30 days.

9 CHAIRMAN JONES: Mr. Francic, did I
10 understand you correctly that
11 everything's been corrected as of today
12 except for that one item?

13 MR. FRANCIC: Yes.

14 CHAIRMAN JONES: And that's an
15 unoccupied area.

16 MR. FRANCIC: Yes.

17 CHAIRMAN JONES: And there's a plan
18 to have that accomplished clearly before

19 the 30 days.

20 MR. FRANCIC: Yes.

21 CHAIRMAN JONES: So you have no
22 concerns with respect to any safety
23 violations.

24 MR. FRANCIC: No.

25 CHAIRMAN JONES: Okay. Board

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1 Members, any questions?

2 MR. BRADFORD: I move approval.

3 CHAIRMAN JONES: We have a motion,
4 to issue a temporary Certificate of
5 Compliance to expire January 31st, 2017,
6 by Mr. Bradford, a second by
7 Mr. Singleton.

8 Any objections? Without objection,
9 the Certificate of Compliance is issued.

10 Thank you, gentlemen.

11 MR. LEWIS: Thank you.

12 E. Consideration of transfer of ownership
13 interests by Ainsworth Game Technology, Inc. -
14 No. PO56503241

15 CHAIRMAN JONES: Next up is
16 Consideration of transfer of ownership
17 interest by Ainsworth Game Technology,
18 Inc., No. PO56503241.

19 MR. PICOU: Good morning, Chairman
20 Jones, Board Members. I'm Assistant
21 Attorney General Charlie Picou, and here

22 with me is Trooper Kevin Lamotte with
23 the Louisiana State Police. We're here
24 in the matter of the proposed transfer
25 of 52.52 percent of the ownership

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1 interest in Ainsworth Game Technology,
2 Ltd to Novomatic AG.

3 Ainsworth Game Technology, Ltd., is
4 the parent company of Ainsworth Game
5 Technology, Incorporated, which holds a
6 Manufacturer of Slot Machines and Video
7 Draw Poker Devices permit.

8 The permittee has petitioned the
9 Board for approval of the transfer. If
10 it is the Board's decision to approve
11 the transfer, a Resolution has been
12 prepared for the Chairman's signature.

13 Trooper Lamotte will now present
14 his findings.

15 TROOPER LAMOTTE: Good morning,
16 Chairman, other Members of the Board. I
17 conducted background investigations on
18 all ten of the officers and directors
19 from Novomatic involved in the
20 transaction. I didn't find any
21 information that would preclude the
22 Board from approving the transfer of
23 interest.

24 Any questions?

25 CHAIRMAN JONES: Board Members, any

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1 questions with respect to the
2 investigation, the documents provided?

3 MR. STIPE: I do actually have.

4 CHAIRMAN JONES: Mr. Stipe.

5 MR. STIPE: Your supplemental
6 report, the two things I see are the
7 AGT, the actual party, the holding
8 company -- limited holding company's
9 been added to the work chart, and you
10 just kind of talk about the scope of
11 your criminal and civil history
12 background. Any other changes in the
13 supplemental report?

14 TROOPER LAMOTTE: None.

15 MR. STIPE: Okay.

16 CHAIRMAN JONES: Very good. Any
17 other questions? There are no other
18 questions.

19 Do I have a motion to adopt the
20 Resolution?

21 MS. BERRY: So moved.

22 CHAIRMAN JONES: By Miss Berry,
23 second by Miss Theriot.

24 Any objections? Without objection,
25 Miss Tramonte, would you read the

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1 Resolution into the record.

2 THE CLERK: On the 15th day of
3 December 2016, the Louisiana Gaming
4 Control Board did, in a duly noticed
5 public meeting, consider the petition of
6 Ainsworth Game Technology, Incorporated,
7 No. PO56503241, for approval of the
8 transfer of 52.52 percent of the
9 ownership interest in its parent
10 company, Ainsworth Game Technology,
11 Ltd., to Novomatic AG, and upon motion
12 duly made and second, the Board adopted
13 this Resolution:

14 Be it resolved that the acquisition
15 of the controlling interest in Ainsworth
16 Game Technology, Ltd., parent company of
17 Ainsworth Game Technology, Incorporated,
18 by Novomatic AG, is hereby approved.

19 Thus done and signed in Baton Rouge,
20 Louisiana, this 15th day of December,
21 2016.

22 Mr. Bradford?

23 MR. BRADFORD: Yes.

24 THE CLERK: Mr. Stipe?

25 MR. STIPE: Yes.

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1 THE CLERK: Mr. Singleton?

2 MR. SINGLETON: Yes.

3 THE CLERK: Mr. Jackson?

4 MR. JACKSON: Yes.

5 THE CLERK: Miss Berry?

6 MS. BERRY: Yes.

7 THE CLERK: Miss Theriot?

8 MS. THERIOT: Yes.

9 THE CLERK: Chairman Jones?

10 CHAIRMAN JONES: Yes, and the motion
11 carries.

12 Before we move to video gaming
13 issues, I'm going take a matter of
14 privilege here. Y'all may step down,
15 please.

16 Mr. Francic, could you come back up?
17 Come back to the table, just a quick
18 riverboat issue, and I didn't want to a
19 address is with respect to any
20 particular vessel, just a couple of
21 general questions.

22 At the appropriate time, we're going
23 to have you before the task force to
24 talk about a number of issues related to
25 inspections to the vessels, but are the

39

1 things that you've seen with respect to
2 the older and first generation vessels
3 consistent with the natural aging of the
4 properties?

5 MR. FRANCIC: I would say so. I
6 mean, like, for example, I gave the
7 sliding water tight doors are becoming

8 obsolete. They actually don't make them
9 anymore, so parts are hard to find. So
10 as years go on and maintenance, you
11 know, it becomes very expensive for
12 these Legacy riverboats to maintain,
13 yes.

14 CHAIRMAN JONES: And difficult to
15 achieve in some cases.

16 MR. FRANCIC: Yes.

17 CHAIRMAN JONES: If you don't have
18 parts, it's hard to fix something.

19 MR. FRANCIC: Correct.

20 CHAIRMAN JONES: And I think the
21 Board understands that we rely on you
22 and your staff to make those safety
23 determinations because nothing is more
24 important to the Board than the safety
25 of those customers and patrons and

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1 employees there, so we're very reliant
2 on what you do on our behalf, and we
3 thank you for that. We hope to be able
4 to talk more about that on the task
5 force side to let all those stakeholders
6 understand what's happened over the
7 last, you know, 20, 25 years with some
8 of these vessels. So thank you very
9 much.

10 MR. FRANCIC: You're welcome. Thank

11 you.

12 VI. VIDEO GAMING ISSUES

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

15 1. Golden Grove Truckstop, Inc., d/b/a The
16 Gold Room Casino - No. 4701512081

17 CHAIRMAN JONES: We now move to
18 Video Gaming Issues, Consideration of
19 the transfer of interest in the
20 following truckstop: Golden Grove
21 Truckstop, Inc., doing business as Gold
22 Room Casino, No. 4701512081.

23 Good morning, gentleman.

24 MR. MEEK: Good morning, Chairman
25 Jones, Members of the Board. I'm

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1 Matthew Meek, Assistant Attorney
2 General, present before the Board in the
3 matter of the transfer of 12.5 percent
4 stock in Gold Grove Truckstop,
5 Incorporated, doing business as The Gold
6 Room Casino, which holds a Type V video
7 gaming license.

8 The truckstop facility is located at
9 1391 Louisiana Highway 3125, Gramercy,
10 Louisiana, in St. James Parish.

11 On December 31st, 2015, Roxanne B.
12 Hymel, who owned a 12.5 percent interest
13 in the licensee, passed away. Roxanne

14 died in testate and was survived only by
15 her daughter, Bridget A. Hymel, who
16 inherited the 12.5 percent interest in
17 the licensee by operation of law.

18 Criminal Investigator Glenn Verrett
19 conducted an investigation of the
20 transfer. He is present this morning to
21 report his findings to the Board.

22 TROOPER VERRETT: Good morning,
23 Mr. Chairman and Board Members. I
24 investigated the transfer that occurred
25 in the licensee due to the death of

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1 Roxanne B. Hymel. I performed cursory
2 checks on all of those who were required
3 to submit to suitability on the license,
4 specifically Janet, George and Dale
5 Hymel. I found no information that
6 would preclude the continuing license
7 [sic] of Golden Grove Truckstop, Inc.,
8 or that would preclude Bridget A. Hymel
9 from being found suitable to participate
10 in the Louisiana gaming industry.

11 MR. MEEK: The Office of the
12 Attorney General has reviewed the file
13 prepared by the Office of State Police,
14 and the information contained therein
15 would not preclude approval.

16 CHAIRMAN JONES: Board, do we have

17 any questions? Yes, ma'am,
18 Miss Theriot.

19 MS. THERIOT: I just want to be
20 clear: Bridget was previously an owner
21 prior to Roxanne --

22 MR. MEEK: Correct. She owned 2.0
23 some odd percent.

24 MS. THERIOT: So still the structure
25 but Roxanne died in testate and

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1 Bridget's inheriting it, but Bridget was
2 already an owner that at some point
3 previously, we assume, had been found
4 suitable.

5 MR. MEEK: She did not have to be
6 found suitable because she did not own
7 more than 5 percent at the time.

8 MS. THERIOT: Thank you.

9 MR. MEEK: Yes, ma'am.

10 CHAIRMAN JONES: There are no
11 questions.

12 Do I have a motion to approve the
13 transfer of interest? By Mr. Bradford,
14 second by Mr. Stipe.

15 Any objections? There are no
16 objections. The motion carries.

17 MR. MEEK: Thank y'all.

18 CHAIRMAN JONES: Thank you
19 gentlemen.

20 VII. CONSIDERATION OF PROPOSED SETTLEMENTS IN THE

21 FOLLOWING:

22 1. In Re: Johnny's Pizza House, Inc., d/b/a

23 Johnny's Pizza House #36 - No. 0900217336

24 CHAIRMAN JONES: Next up we'll take

25 up: Consideration of Proposed

44

1 Settlements in the following cases.

2 First up is in regard to Johnny's Pizza

3 House, Inc., doing business as Johnny's

4 Pizza House #36, and that is No.

5 0900217336. It's a proposed settlement.

6 Good morning.

7 MS. HOOD: Morning, Chairman Jones,

8 Board Members. I'm Assistant Attorney

9 General Heather Hood here today in the

10 matter of Johnny's Pizza House, Inc.,

11 doing business as Johnny's Pizza House

12 #36.

13 This settlement addresses the late

14 submission of annual form and fees that

15 are required to be submitted no later

16 than July 1st of each year. This Type

17 II licensee did not submit until

18 September 2nd of 2016, which gave rise

19 to a violation of gaming law. The civil

20 penalty contained in this settlement is

21 \$750, which is an amount that is well

22 established for violations of this type.

23 The settlement has been signed by
24 the hearing officer and is now before
25 the Board for final approval.

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1 CHAIRMAN JONES: Any questions with
2 respect to the proposed settlement,
3 Board? There are no questions.

4 Do I have a motion?

5 MS. BERRY: I move.

6 CHAIRMAN JONES: By Miss Berry,
7 second by Mr. Jackson.

8 Any objection to the motion? [No
9 response.] The settlement is approved.

10 2. In Re: Darrell's of Lake Charles, LLC, d/b/a
11 Darrell's - No. 1001214169

12 CHAIRMAN JONES: We move to
13 Darrell's of Lake, LLC, doing business
14 as Darrell's. That's No. 1001214169,
15 also a proposed settlement.

16 MS. HOOD: Assistant Attorney
17 General Heather Hood here in the matter
18 of Darrell's of Lake Charles, LLC, doing
19 business as Darrell's. This settlement
20 addresses the late submission of annual
21 form and fees. The Type II licensee did
22 not submit until September 16th, 2016,
23 which gave rise to a violation of gaming
24 law. The civil penalty contained in
25 this settlement is \$750. The settlement

1 has been signed by the hearing officer
2 and is now before the Board for final
3 approval.

4 I'll be happy to answer any
5 questions.

6 CHAIRMAN JONES: Board, any
7 questions on Darrell's?

8 MR. SINGLETON: Move approval.

9 CHAIRMAN JONES: We have a motion by
10 Mr. Singleton, second by Mr. Bradford.

11 Any objection? Without objection,
12 the motion for approval of the
13 settlement is approved.

14 3. In Re: Sideline Z Sports Bar, LLC, d/b/a
15 Sideline Z Sports Bar - No. 1000116115

16 CHAIRMAN JONES: We'll take up
17 Sideline Z Sports Bar, LLC, doing
18 business as Sideline Z Sports Bar, No.
19 1000116115, also a proposed settlement.

20 MS. HOOD: Heather Hood here in the
21 matter of Sideline Z Sports Bar, LLC,
22 doing business as Sideline Z Sports Bar.

23 This settlement addresses the late
24 submission of annual forms and fees.

25 This Type I licensee did not submit

1 until October 18th, 2016, which gave
2 rise to a violation.

3 The civil penalty contained in this
4 settlement is \$750. The settlement has
5 been approved and signed by the hearing
6 officer and is now before the Board for
7 final approval.

8 CHAIRMAN JONES: Board Members, any
9 questions on Sideline, a proposed
10 settlement? There are no questions.

11 Do I have a motion to approve the
12 settlement?

13 MS. THERIOT: I move.

14 CHAIRMAN JONES: By Miss Theriot,
15 second by Miss Berry.

16 Any objection? Without objection,
17 the proposed settlement is approved.

18 4. In Re: Shop-A-Lot Deli, LLC, d/b/a Shop-a-Lot
19 Deli - No. 1001216353

20 CHAIRMAN JONES: Next up is
21 Shop-A-Lot Deli, LLC, doing business as
22 Shop-A-Lot Deli, No. 1001216353, a
23 proposed settlement.

24 MS. HOOD: Assistant Attorney
25 General Heather Hood here in the matter

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1 of Shop-A-Lot Deli, LLC, doing business
2 as Shop-A-Lot Deli. The settlement
3 addresses the late submission of annual
4 forms and fees. This Type II licensee
5 did not submit until September 14th,

6 2016.

7 The civil penalty contained in the
8 settlement is \$750, and it has been
9 signed and approved by the hearing
10 officer and is now before the Board for
11 final approval.

12 CHAIRMAN JONES: Board Members, any
13 questions with respect to Shop-A-Lot, a
14 proposed settlement? There are no
15 questions.

16 Do I have a motion to approve the
17 settlement? By Mr. Bradford, second by
18 Mr. Stipe.

19 Any objection? Without objection,
20 motion to approve the settlement
21 carries.

22 5. In Re: Bobby Brooks d/b/a Brooks Lakeview Inn

23 - No. 0800201036

24 CHAIRMAN JONES: And finally in
25 regard to Bobby Brooks doing business as

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1 Bobby Brooks Lakeview Inn, No.

2 0800201036.

3 MR. LEWIS: Good morning, Chairman
4 Jones, Ladies and Gentlemen of the
5 Board, Assistant Attorney General Kanick
6 Lewis, Jr., here in the matter of Bobby
7 Brooks doing business as Brooks Lakeview
8 Inn.

9 This settlement addresses the late
10 submission of the annual form and fees
11 that are required to be submitted no
12 later than July 1st of each year. This
13 Type II licensee did not submit until
14 October 19th of this year, which gave
15 rise to a gaming violation.

16 The civil penalty contained in the
17 settlement is \$750. The settlement has
18 been signed by Hearing Officer Reynolds
19 and is now before the Board for final
20 approval.

21 CHAIRMAN JONES: Board, any
22 questions with respect to Brooks
23 Lakeview Inn, a proposed settlement?

24 MR. JACKSON: Motion to approve.

25 CHAIRMAN JONES: By Mr. Jackson,

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1 Miss Berry.

2 Any objection to approval of the
3 proposed settlement? [No response.]

4 Without objection, that motion to
5 approve carries.

6 Thank you very much.

7 MR. LEWIS: Thank you.

8 VIII. ADJOURNMENT

9 CHAIRMAN JONES: Finally, last up is
10 a motion to adjourn. It's by
11 Miss Berry, second by Mr. Jackson.

12 Any objection to the adjournment?
13 [No response.] We stand adjourned.
14 Hope everyone has a great holiday, best
15 to you.

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1 REPORTER'S PAGE

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

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

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

18

19

20

21

22

23

24 SHELLEY PAROLA

Certified Court Reporter #96001

25 Registered Professional Reporter

52

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 December

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 25th day of

19 January, 2017.

20

21

22

SHELLEY G. PAROLA, CCR, RPR

CERTIFICATE NO. 96001

23

24