

1: 1 LOUISIANA CONTROL BOARD

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4 BOARD OF DIRECTORS' MEETING

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9 November 21, 2013

10

11 House Committee Room 1

12 Louisiana State Capitol

13 900 North Third Street

14 Baton Rouge, Louisiana

15

16

17

18 TIME: 10:00 A.M.

19

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21

22

23

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2

1 APPEARANCES

2 RONNIE JONES

Chairman (At Large)

3

4 FRANKLIN AYRES BRADFORD

Vice-Chair (Economic Planner)

5 Fifth Congressional District

June 30, 2013

6

7 ROBERT G. JONES

(MBA/CPA)

8 Seventh Congressional District

June 30, 2013

9

10 JAMES SINGLETON

(Public/Business Administration)

11 Second Congressional District

June 30, 2014

12

13 MARK STIPE

(Attorney)

14 Seventh Congressional District

June 30, 2014

15

16 DENISE NOONAN

(At Large)

17 First Congressional District

June 30, 2015

18

19 MAJOR CLAUDE MERCER

(Law Enforcement)

20 Fifth Congressional District

June 30, 2018

21

22 CLAUDE D. JACKSON

(At Large)

23 Fourth Congressional District

June 30, 2015

24

25

3

1 APPEARANCE CONTINUED

2 ROBERT W. GASTON, III

(At Large)

3 Sixth Congressional District

4

MAJOR MARK NOEL

5 Louisiana State Police

Ex-Officio Member

6

7 MICHAEL E. LEGENDRE

LDR Director, Office of Charitable Gaming

8

9 LANA TRAMONTE

Executive Assistant

10

11 TRUDY SMITH

Confidential Assistant

12

13 REPORTED BY:

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1 I. CALL TO ORDER

2 CHAIRMAN JONES: Good morning and
3 welcome to the November meeting of the
4 Louisiana Gaming Control Board. I'll
5 call the meeting to order.

6 Miss Tramonte, will you call the roll,
7 please, ma'am.

8 THE CLERK: Chairman Jones?

9 CHAIRMAN JONES: Here.

10 THE CLERK: Mr. Bradford?

11 MR. BRADFORD: Here.

12 THE CLERK: Mr. Jones?

13 MR. JONES: Here.

14 CHAIRMAN JONES: Mr. Stipe?

15 MR. STIPE: Here.

16 THE CLERK: Mr. Singleton?

17 MR. SINGLETON: Here.

18 THE CLERK: Miss Noonan?

19 MS. NOONAN: Here.

20 THE CLERK: Major Mercer?

21 MAJOR MERCER: Here.

22 THE CLERK: Mr. Jackson?

23 MR. JACKSON: Here.

24 THE CLERK: Mr. Gaston?

25 MR. GASTON: Here.

1 THE CLERK: Colonel Edmonson?

2 MAJOR NOEL: Major Noel for Colonel
3 Edmonson.

4 THE CLERK: Secretary Barfield?

5 MR. LEGENDRE: Michael Legendre here
6 for Secretary Barfield.

7 II. PUBLIC COMMENTS

8 CHAIRMAN JONES: There being a
9 quorum, we may conduct business. At
10 this time, anyone that wants to make
11 public comments about anything before
12 the board, I'd ask you to come forward.

13 Good morning. Have a seat, introduce
14 yourself.

15 MS. STEINBURG: Good morning. Thank
16 you for allowing us to be here. My name
17 is Stephanie Steinburg. I'm with
18 Smoke-Free Gaming of America. We
19 educate and advocate about the health
20 consequences of tobacco use and
21 secondhand smoke particularly in casino
22 environments, and my partner here, Amy,
23 would like to kind of make an
24 announcement as to why this day's
25 actually a very important day for us.

1 MS. AMY: Not only am I with
2 Smoke-Free Gaming of America, today I'm

3 also a volunteer and advocate for the
4 American Cancer Society Cancer Action
5 Network, and today is a very important
6 day for us. It's the 38th Annual Great
7 American Smokeout where the American
8 Cancer Society recognizes the importance
9 of quitting tobacco even if for just one
10 day, so we're really happy to be here on
11 November 21st, which is the 38th Annual
12 Great American Smokeout.

13 MS. STEINBURG: I'll get right
14 going. I know we have a short period of
15 time. I wanted to pretty much just give
16 you an overview as to how the movement
17 is growing as far as gaming states that
18 are smoke-free, and I mean a hundred
19 percent smoke-free. So I want to go
20 over the list of states so you're aware
21 of which states surrounding Louisiana
22 have already made that change, and these
23 are casinos -- full casino properties,
24 not just racinos.

25 So Colorado, Montana, North Dakota,

10

1 South Dakota, Illinois, Ohio, Maine,
2 Maryland, Massachusetts is about to get
3 three major resort properties, Delaware
4 Florida and New York; and these are all
5 commercial casinos. These do not

6 include tribal gaming entities.

7 As far as Louisiana, we did a little
8 research to see which of these gaming
9 companies that operate in Louisiana
10 actually own or operate smoke-free
11 properties in other states, and there's
12 actually quite a few. And I'll just go
13 through those very quickly. Boyd
14 Gaming, which owns quite a few gaming
15 properties here in Louisiana, they have
16 a completely smoke-free casino called
17 Paradise Casino. That's in Illinois.

18 Caesars Entertainment, which has
19 Harrah's -- Harrah's properties and a
20 Horseshoe Casino, they have several
21 non-smoking properties, two of which are
22 in Ohio. Ohio is a smoke-free state.
23 Those properties opened smoke-free, one
24 in Cincinnati and one in Cleveland.
25 They also have a racetrack in Ohio that

11

1 is smoke-free. They have several
2 properties in their international
3 locations in England and Scotland and
4 Canada that are also one hundred percent
5 smoke-free. Harrah's Metropolis in
6 Illinois is smoke-free; Harrah's Joliet
7 Casino is also smoke-free, and they are
8 also going to be building a smoke-free

9 casino in Baltimore, Maryland, and that
10 is expected to open next year.

11 Churchill Downs, which has a
12 racetrack here in New Orleans, has
13 Arlington Park in Illinois smoke-free;
14 Calder Casino Racetrack in Florida is
15 smoke-free, and Oxford Casino in Maine
16 that is smoke-free.

17 Gaming & Leisure Properties, they
18 have a Hollywood Casino Baton Rouge.
19 They have Hollywood Casino in Maine that
20 is smoke-free, Hollywood Casino in
21 Columbus, Hollywood Casino in Toledo,
22 Hollywood Gaming at Dayton Raceway in
23 Ohio that is smoke-free, and Hollywood
24 Gaming at Mahoning Valley Race Course in
25 Ohio.

12

1 The two Isle of Capri, which is in
2 Lake Charles, also has a smoke-free
3 property in Black Hawk, Colorado. The
4 last one, Pinnacle Entertainment, has
5 several properties, as well, in
6 Louisiana, and Ameristar Casino in Black
7 Hawk, Colorado, is smoke-free.

8 Our group actually did the
9 smoke-free effort in Colorado. Our
10 casinos, we have 40 of them, have been
11 smoke-free for the last five-and-a-half

12 years, so I'm really just grateful that
13 you're able to listen to this. I know
14 it's a lot of quick information. If
15 you'd like to get more information from
16 us, our website is smokefreegaming.org.
17 And, also, we're not anti-casino; we're
18 just anti-smoke, so we're on the gaming
19 side of things. So thank you so much.

20 CHAIRMAN JONES: Do I have any
21 questions from board members? [No
22 response.] I want to thank you for
23 coming. As we have visited, you know
24 this is far from a settled issue, and
25 it's really beyond the control of this

13

1 Board to impose any restrictions like
2 that; you understand that. But someone
3 who lost a father to complications from
4 smoking, I certainly understand what
5 drives you, and I thank you for that.
6 And we thank you for coming this
7 morning. Thank you so much.

8 MS. STEINBURG: We will continue.

9 III. APPROVAL OF THE MINUTES

10 CHAIRMAN JONES: At this time, I'd
11 ask for a motion to waive reading and
12 approval of the minutes.

13 MR. JONES: So moved.

14 MR. GASTON: Second.

15 CHAIRMAN JONES: We have a motion
16 and a second. Any opposed? [No
17 response.] Motion carries.

18 IV. REVENUE REPORTS

19 CHAIRMAN JONES: At this point, we'd
20 like to have our Revenue Reports from
21 State Police. Identify yourself.

22 MS. JACKSON: Morning, Chairman
23 Jones and Board Members. My name is
24 Donna Jackson with the Louisiana State
25 Police Gaming Enforcement Division.

14

1 The riverboat revenue report for
2 October 2013 is shown on page one.
3 During October, the 14 operating
4 riverboats generated Adjusted Gross
5 Receipts of \$132,271,000, up \$4 million
6 or 3 percent from last month and up \$6
7 million or 5 percent from October 2012.

8 Adjusted Gross Receipts for fiscal
9 year 2013-2014 to date are almost
10 \$568 million, an increase of 5 percent
11 or \$29 million from fiscal year
12 2012-2013.

13 During October, the State collected
14 fees totaling \$28 million. As of
15 October 31st, 2013, the State has
16 collected \$122 million in fees for
17 fiscal years 2013-2014.

18 Next is a summary of the
19 October 2013 gaming activity for
20 Harrah's New Orleans. During October,
21 Harrah's generated \$25,938,473 in gross
22 gaming revenue, an increase of 9 percent
23 or \$2 million from last month, but a
24 decrease of 9 percent or \$2.6 million
25 from last October. Fiscal year-to-date

15

1 gaming revenues for 2013-2014 are
2 \$103 million, an increase of \$2 million
3 or 2 percent from fiscal year 2012-2013.

4 During October, the state received
5 \$5,095,890 in minimum daily payments.
6 As of October 31st, 2013, the state has
7 collected \$20 million in fees for fiscal
8 year 2013-2014.

9 Slots at the Racetracks are shown on
10 page four. During October, the four
11 racetrack facilities combined generated
12 Adjusted Gross Receipts of \$29,115,292,
13 a decrease of 3 percent or \$1 million
14 from last month, and a 4 percent or
15 \$1 million decrease from October 2012.

16 Adjusted Gross Receipts for fiscal
17 year 2013-2014 to date are \$126 million,
18 a decrease of \$4 million or 3 percent
19 from fiscal year 2012-2013. During
20 October, the State collected fees

21 totaling \$4.4 million. As of
22 October 31st, 2013, the state has
23 collected \$19 million in fees for fiscal
24 year 2013-2014.

25 Overall in October, riverboats,
16

1 land-based and Slots at the Racetracks
2 combined generated \$187 million in
3 Adjusted Gross Receipts, which is \$2.5
4 million or 1 percent more than previous
5 October.

6 Are there any questions before I
7 present the Harrah's employment
8 information?

9 CHAIRMAN JONES: Are there any
10 questions on riverboats, the land-based
11 or Slots at the Tracks? The board is
12 clear.

13 MS. JACKSON: Harrah's New Orleans
14 is required to maintain at least 2,400
15 employees and bi-weekly payroll of
16 \$1,750,835. This report covers the two
17 pay periods in October of 2013.

18 For the first pay period, the Audit
19 Section verified 2,472 with a payroll of
20 \$2,026,000. For the second pay period,
21 the audit section verified 2,466
22 employees with a payroll of \$2,038,000.
23 Therefore, Harrah's met the employment

24 criteria during October.

25 CHAIRMAN JONES: Any questions? [No

17

1 response.] The board is clear. Thank

2 you very much. Good morning.

3 MR. BOSSIER: Morning, Chairman

4 Jones and Board Members. My name is Jim

5 Bossier with Louisiana State Police

6 Gaming Audit Section. I'm reporting

7 video gaming information for

8 October 2013 as shown on page one of

9 your handout.

10 During October 2013, ten new video

11 gaming devices were issued: Five bars

12 and five restaurants. Ten new

13 applications were received by the Gaming

14 Enforcement Division during October and

15 are currently pending the field: Five

16 bars and five restaurants.

17 The Gaming Enforcement Division

18 assessed \$20,550 and collected \$37,300

19 in penalties in October. There are

20 currently \$13,000 in outstanding fines.

21 Please refer to page two of your

22 handout.

23 There are presently 13,897 video

24 gaming devices activated at 1,995

25 locations.

18

1 Net device revenue for October 2013
2 was \$47,617,935, a \$3 million increase
3 or 6.7 percent when compared to net
4 device revenue for September 2013, and a
5 \$2.1 million or 4.3 percent when
6 compared to October 2012.

7 Net device revenue for fiscal year
8 2014 was \$188,796,085, a \$4.1 million
9 decrease or 2.1 percent when compared to
10 net device revenue for fiscal year 2013.

11 Page three of your handout shows a
12 comparison of net device revenue.

13 Total franchise fees collected for
14 October 2013 were \$14,237,927, a
15 \$900,000 increase when compared to
16 September 2013, and a \$600,000 decrease
17 when compared to October 2012. Total
18 franchise fees collected for fiscal year
19 2014 are \$56,385,924, a \$1.2 million
20 decrease or 2.1 percent when compared to
21 last year's franchise fees. Page four
22 of your handout shows a comparison of
23 franchise fees.

24 Does anybody have any questions?

25 CHAIRMAN JONES: Any questions of

19

1 Jim? The board is clear. Thank you,
2 Jim.

3 MR. BOSSIER: Thank you.

4 VI. CASINO GAMING ISSUES

5 F. Consideration of Joint Petition by Pinnacle
6 Entertainment, Inc., and Golden Nugget Lake
7 Charles Holdings, LLC, for Approval of
8 Acquisition of Ameristar Lake Charles
9 Casino, LLC, by GNLC Holdings, LLC

10 CHAIRMAN JONES: Unless there are
11 objections, we have a time sensitive
12 issue that we need to take up prior to
13 the compliance reports. Any objections
14 from the Board? [No response.] We'd
15 like to call now: Consideration of the
16 Joint Petition by Pinnacle
17 Entertainment, Inc., and Golden Nugget
18 Lake Charles Holdings, LLC, by GNLC
19 Holdings, LLC. Leonce, please.

20 MR. GAUTREUX: Good morning,
21 Chairman, Members of the Board. My name
22 is Leonce Gautreux, Assistant Attorney
23 General. With me today is Miss Trnessia
24 Ware, who is an auditor with Louisiana
25 State Police, and Trooper Ryan Riley.

20

1 The matter before you today is a
2 joint petition filed by Pinnacle
3 Entertainment, Incorporated, and GNLC
4 Holdings, Incorporated, whereby they're
5 seeking this Board's approval of the
6 transfer of 100 percent of the ownership

7 interest in Ameristar Casino Lake
8 Charles to GNLC Holdings, Incorporated.

9 If you remember back in July, this
10 Board approved the merger between
11 Pinnacle and Ameristar, and thereby
12 Pinnacle acquired the interest in the
13 Ameristar Casino in Lake Charles.
14 However, that was subject to a consent
15 order entered by the FTC where they had
16 to hold that property separate, and they
17 also had to find somebody to divest that
18 property to. GNLC Holdings is the
19 entity that they have chosen to enter
20 this purchase agreement with and divest
21 the property. If this is approved, the
22 licensee in Lake Charles will then
23 become a -- become owned by GNLC
24 Holdings.

25 Currently Pinnacle holds five

21

1 riverboat licenses in Louisiana
2 including the Ameristar Lake Charles.
3 On July 15th of this year, Golden Nugget
4 formed GNLC Holdings, Inc., to be the
5 vessel to acquire the membership
6 interest. The transfer will be
7 Ameristar Lake Charles Holdings, which
8 currently holds Ameristar Lake Charles,
9 for cash and a \$10 million deferred note

10 will transfer the membership interest it
11 holds in the licensee to GNLC Holdings.
12 As a result, as I said, GNLC Holdings
13 will become the owner of Ameristar
14 Casino Lake Charles.

15 GNLC is ultimately owned by Fertitta
16 Entertainment who is solely owned by the
17 hundred percent stockholder, Tilman
18 Fertitta. In this acquisition, GNLC
19 will acquire the obligation to continue
20 the construction of the project pursuant
21 to the approved conditions by this
22 Board. They have executed an
23 acknowledgment and acceptance of those
24 conditions which was submitted to
25 Miss Tramonte this morning.

22

1 As always, this closing is subject
2 to several conditions precedent, one of
3 which is receipt of all approvals from
4 all governmental authorities, which in
5 this case would include this Board and
6 the final approval of the divestiture to
7 GNLC Holdings by the FTC.

8 Again, GNLC will acquire this
9 subject to the license conditions which
10 requires them to continue construction
11 of the approved project, and unless
12 amended by this Board requires them to

13 continue that on the current timeline at
14 the same investment obligations with the
15 same escrow requirement.

16 Speaking of the escrow, as you
17 remember this Board required Ameristar
18 to put up \$25 million in escrow sort of
19 as a guarantee to continuation of the
20 project and completion of the project.
21 Pursuant to an agreement by the parties,
22 Pinnacle will actually maintain that
23 escrow account and be subject to the
24 contract between the Board and Pinnacle
25 regarding that escrow agreement. They

23

1 will be continue to be subject to
2 Condition 16, which is the escrow
3 condition and the terms of the escrow
4 agreement.

5 In addition, there is a letter
6 agreement that the parties entered which
7 requires each party to provide the other
8 with a notice regarding escrow that may
9 have been received by this Board and to
10 establish a procedure amongst themselves
11 to handle any objection the Board have
12 or notice of unsatisfactory progress
13 that this Board may send. Also,
14 Pinnacle again acknowledged that it will
15 continue to maintain it under the

16 existing terms and subject to Condition
17 16.

18 Additionally, they have requested a
19 name change. The purchase agreement
20 gives GNLC 90 days to change the name of
21 the licensee. They want to go ahead and
22 get that approval now, and the new name
23 will be GNLC Lake Charles -- or Golden
24 Nugget Lake Charles, excuse me. That is
25 not a change in the licensing or

24

1 anything. It's just basically, as I
2 call it, a change of the name on the
3 door. Everything else remains. They
4 will be a Louisiana limited liability
5 company just under a new name.

6 Before the Board today -- just as a
7 summation, the approvals before the
8 Board are again the transfer of the
9 membership interest in Ameristar Lake
10 Charles, the name change of the licensee
11 to Golden Nugget Lake Charles, the debt
12 transactions used for financing this
13 which will be explained in a minute, and
14 PNK -- Pinnacle's maintenance of the
15 escrow agreement subject to the terms of
16 the current escrow agreement and
17 Condition 16.

18 Now, Miss Trnessia Ware will present

19 audit's findings.

20 MS. WARE: Good morning, Chairman
21 and Board Members. I'm Trnessia Ware,
22 Auditor with State Police Gaming.

23 CHAIRMAN JONES: Pull the microphone
24 a little bit closer.

25 MS. WARE: The proposed Lake Charles

25

1 Golden Nugget project will offer a
2 casino with over 70 table games, a poker
3 room, 1,600 slot machines, a hotel with
4 715 rooms and suites, spa, retail
5 shopping, signature restaurants, an
6 18,000 square foot ballroom,
7 entertainment showroom, meeting space,
8 pool and beachfront marina and over
9 3,000 parking spaces.

10 Golden Nugget plans to fund the
11 Ameristar Lake Charles acquisition by
12 using a combination of equity
13 contributions and senior secured loans
14 and the issuance of senior notes as
15 shown in the sources and uses table on
16 page 23 of this report. The sources of
17 funds in the amount of \$1,048,000,000
18 also includes the \$428 million funding
19 for refinancing Golden Nugget's current
20 outstanding debt.

21 The capital structure for funding

22 includes \$575 million credit facility,
23 issuance of a \$295 million in senior
24 unsecured notes, \$30 million in vendor
25 equipment loans, and Fertitta

26

1 Entertainment's \$210 million equity
2 contribution.

3 Golden Nugget's proposed financial
4 statements covering years 2013 --
5 projected financial statements covering
6 years 2013 through 2020 begin on page
7 49. As reflected in the projected
8 balance sheet, long-term debt is highest
9 at the end of 2014 and shows steady
10 decreases each year going forward.

11 Golden Nugget projects net losses in
12 2013 and 2014; however, in 2015, Golden
13 Nugget Lake Charles' first full year of
14 operations Golden Nugget shows positive
15 income increases each year through 2020.
16 Also beginning in 2015, Golden Nugget
17 shows strong cash flows from operations
18 which increases thereafter.

19 In conclusion, Golden Nugget's
20 capital structure for funding the
21 project and refinancing its current debt
22 approves favorable. Golden Nugget
23 projects sufficient revenues and cash
24 flows in operation to maintain its debt.

25 No financial issues came to the

27

1 attention -- came to audit's attention

2 to preclude the Board from approving the

3 transfer of ownership interest from

4 Pinnacle to Golden Nugget Lake Charles.

5 Now Trooper Ryan Riley will present his

6 findings.

7 TROOPER RILEY: Morning, Chairman

8 Jones and Board Members.

9 CHAIRMAN JONES: Morning.

10 TROOPER RILEY: My name is Trooper

11 Ryan Riley with Louisiana State Police

12 Gaming Enforcement Division.

13 Golden Nugget, LLC, is ultimately

14 one hundred percent owned by Mr. Tilman

15 J. Fertitta. A suitability

16 investigation was conducted on Golden

17 Nugget Lake Charles, LLC, Golden Nugget,

18 Inc., and all key personnel, which

19 includes: Mr. Tilman Fertitta, who is

20 the President and Director; Mr. Richard

21 Liem, who is the Vice-President,

22 Treasurer and Director; and Mr. Steven

23 Scheinthal, who is Vice-President and

24 Director.

25 This investigation consisted of

28

1 inquiries made through federal, state

2 and local law enforcement agencies,
3 computerized criminal history databases,
4 financial and civil institutions and
5 gaming regulatory agencies. Tax
6 clearance request forms were also
7 forwarded to the Internal Revenue
8 Service and the Louisiana Department of
9 Revenue to ensure that the applicants
10 are current in filing all taxes.

11 During this investigation, no
12 information was discovered which would
13 preclude the licensing of Golden Nugget
14 Lake Charles, LLC, Golden Nugget, Inc.,
15 or any of its key personnel.

16 MR. GAUTREAUX: A proposed
17 resolution has been submitted to the
18 Board, if it's your pleasure to approve
19 the transfer and various other approvals
20 are required. Also, Mr. Paul West is
21 here with representatives from Golden
22 Nugget if the Board would like to hear
23 from them or have any questions.

24 CHAIRMAN JONES: Don't leave yet.
25 We have a question. Mr. Jones.

29

1 MR. JONES: Yeah, this is just a
2 sheer curiosity question relative to the
3 police background check. You've
4 checked, of course, with Nevada,

5 Mississippi and New Jersey; but you also
6 touched base in three other states where
7 they have no operations, and I was just
8 wondering why did you happen to pick
9 those states, Indiana, Michigan and
10 Missouri?

11 TROOPER RILEY: They're usually the
12 states that we normally conduct
13 inquiries through, and I just normally
14 send inquiries to them anyway. You
15 never know what will pop up, I guess,
16 just as a safety net. A lot of
17 times they've -- speaking with
18 Mr. Fertitta, I think that they've sent
19 or made, I guess, applications --
20 they've put in applications through
21 other states and have -- I think they
22 withdrew them so, you know, we wouldn't
23 know any of that information had we not
24 checked with other agencies.

25 You know, I feel like a due

30

1 diligence requires to submit, you know,
2 a couple more just in case. You know,
3 you never know what's going to pop up.

4 MR. JONES: Okay.

5 CHAIRMAN JONES: Anything else,
6 Mr. Jones?

7 MR. JONES: I have a couple other

8 questions, but really it's not directed
9 to them, maybe Mr. West or --

10 CHAIRMAN JONES: We'll have them up
11 after we finish the questions here.
12 Mr. Stipe.

13 MR. STIPE: Just a real quick
14 following up on that. I mean, new
15 Jersey was not listed in the initial
16 materials, so New Jersey you checked
17 with that agency, with that group?

18 TROOPER RILEY: Right. New Jersey
19 tends to -- they don't tend to respond
20 very well to us. They usually take a
21 long time, several months, in fact. So
22 I found it's easier just to try to make
23 contact with them on the phone.
24 Mississippi has a good relationship with
25 them, and they're able to get documents

31

1 because they spend a lot longer on
2 investigation than we do. So I did
3 contact New Jersey and, you know, got a
4 lot of their information that they had
5 dug up during their interviews and
6 things of that nature. They were
7 contacted, yes.

8 MR. STIPE: And you feel you got
9 adequate information and feedback from
10 that particular venue, and your

11 recommendation is the same?

12 TROOPER RILEY: It is. They found
13 some issues, I think, during their
14 licensing but ultimately did license the
15 company and the individuals, and I don't
16 feel like that it should carry over to
17 us and be any type of negative --
18 anything negative against them or the
19 company.

20 MR. STIPE: Thank you.

21 CHAIRMAN JONES: So just for the
22 record, Ryan, the Division's position is
23 there are no issues whatsoever, based on
24 what you know, with regard to
25 suitability.

32

1 TROOPER RILEY: No. They were
2 licensed with every state that they have
3 casinos in. They were licensed. Every
4 one was given a license. The properties
5 were given a license, and I don't find
6 where we should deny them, as well.

7 CHAIRMAN JONES: Have you got any
8 other questions for Leonce, Vanessa
9 [sic] or Ryan? [No response.] Thank
10 you. Paul, you and your clients?

11 MR. WEST: Good morning,
12 Mr. Chairman and Board Members. I
13 appreciate you taking this out of turn.

14 There's a bond council up in New York
15 City who are waiting anxiously the
16 results of your vote.
17 With me is -- you have met
18 Mr. Tilman Fertitta before and also
19 Mr. Steve Scheinthal, so we'll be happy
20 to answer any questions. What I have
21 discussed with Leonce and with the
22 Chairman is what's -- if it's approved
23 and Golden Nugget acquires ownership, we
24 would be back here in three or four
25 months to give you a full-blown progress

33

1 report of where we are on construction
2 wise and a few tweaks to the project,
3 but today we're happy to answer any
4 questions that you have, unless Tilman
5 has something to say.

6 MR. FERTITTA: No. Just for the
7 record, we did not make application to
8 any of those other states that were
9 talked about, and I know of no issue
10 ever with New Jersey.

11 CHAIRMAN JONES: Mr. Jones.

12 MR. JONES: Yeah, a couple of
13 things. The shared space issue, how is
14 that working out? I mean, I think
15 initially there was going to be one
16 clubhouse for both golf courses, and I

17 understand now you're going to have your
18 own clubhouse.

19 MR. FERTITTA: Yes, sir. I mean,
20 Anthony and I have a good relationship,
21 but trying to -- I'm here in the south,
22 and he's up in Las Vegas; and I know
23 everybody that's going to want to play
24 on our golf course, and to have them
25 manage a clubhouse for us, when we

34

1 operate every facility and every casino
2 and every property we have from our
3 retail divisions to amusements, and I
4 just felt like from a customer service
5 standpoint, I needed to spend my own
6 money and build my own clubhouse and
7 operate it ourselves. But it was not
8 done -- it was a very friendly, you
9 know, separation. It just didn't make
10 any sense.

11 MR. JONES: The helipad, is that
12 going to be a shared thing, or is it
13 going to be yours?

14 MR. FERTITTA: They can use my
15 helipad any time they want. It's a
16 friendly relationship. There was no
17 reason for -- we both have a
18 \$600 million project, and now we're
19 going to try to save a few dollars on a

20 clubhouse? It just didn't make any
21 sense, and I'd be more than happy to
22 kind of give you guys an update, if
23 you'd like. I toured the property
24 yesterday, if you'd like that.

25 MR. JONES: I'd like to hear it.

35

1 MR. FERTITTA: I mean, it's coming
2 along very nice. It's -- you know,
3 drawings are going for all the new
4 restaurants and the meeting space, but
5 there's still seven, eight hundred
6 people on that job every day. We've
7 made lots of changes. We have added a
8 floor, which is another 32 rooms. Some
9 of those are -- it will come down a
10 little bit because we added a lot of
11 suites on the top floor, and even the
12 new floor has already been topped out.

13 So we're going to have our topping
14 out party for the mezzanine and
15 everything in the next ten to twelve
16 days. But we've already even added
17 another floor to make the project
18 bigger. Any change order we did we
19 double escrowed, just in case we didn't
20 close, they would have enough money to
21 undo it.

22 So the project is going to be an

23 extremely, extremely special project. I
24 think when the Board sees it after it
25 opens, I just -- we're going to all be

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1 really, really proud of it, and it's
2 great to be back in the south doing
3 business. I can tell you-guys that.
4 Everybody's been wonderful, and it just
5 couldn't be going any smoother starting
6 with the very first time we came here
7 with the contractor, with everything.

8 MR. JONES: What's your estimated
9 completion date nowadays?

10 MR. FERTITTA: You know, there was
11 always a substantial completion date of
12 July for Pinnacle and I think it opening
13 around September; and we might be
14 trailing that 30 to 45 days, but it will
15 be open in the fall of 2014.

16 MR. JONES: I didn't understand.
17 There was a section in there about eight
18 specified employees that, I guess, are
19 now working for Pinnacle that are going
20 to be working for y'all. Do you know
21 what I'm talking about?

22 MR. FERTITTA: Yes, sir. In the
23 transitional services agreement, there
24 were some employees of Ameristar who
25 were the project managers who are

1 overseeing the contractor who just know
2 the job, and we believe we'll make a
3 deal with those guys. And they will
4 become employees of ours; or we will pay
5 their salaries for the next 12 to 18
6 months, and they will continue to work
7 on our project, you know, or until we
8 all agree to agree to phase them out
9 over six months. We just want a very
10 smooth transition. Anthony wants a very
11 smooth transition just so we can get the
12 thing built as quick as possible.

13 MR. JONES: Sure. You mentioned in
14 there about the Henning lease option.
15 Is that some additional property in
16 addition to the port property?

17 MR. SCHEINTHAL: That's the site for
18 construction lay down, so materials and
19 things like that, that's what that
20 property is used for.

21 MR. FERTITTA: And I don't know that
22 I totally addressed your shared space so
23 we're doing our separate clubhouses, but
24 then we're going to have this pieces of
25 land that's in between us that we're

1 going to use as shared parking and for
2 festivals; and we're going to decide

3 together how to develop that property in
4 the future or just keep it as parking.

5 MR. JONES: Got you. In looking at
6 some of these numbers in the organical
7 charts, sometimes it's hard to follow
8 things, but you have some numbers and
9 whatnot for Golden Nugget, Inc., and
10 then you have New Golden Nugget, Inc.,
11 Las Vegas, Laughlin and Lake Charles.
12 It looks somehow Lake Charles is lumped
13 in with the two Nevada properties. Am I
14 reading that right?

15 MR. FERTITTA: What we did -- and it
16 tremendously helped the financing of
17 this project. As everybody knows, when
18 you go out and try to do a Greenfield
19 Project, you know, of \$600 million,
20 it's -- you would pay a much higher
21 interest rate, and like our Moody's
22 rating, because we were able to do this
23 with the other two, was a B2. So we're
24 able to take this project and refinance
25 it with Golden Nugget Laughlin and

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1 Golden Nugget Las Vegas because that was
2 about coming up anyway. So it made the
3 whole project much stronger because the
4 interest expense on this project is,
5 basically, paid out of those two

6 properties.

7 So instead of have any -- where
8 you're open and you got to start
9 servicing debt service, it's done out of
10 the other properties. So it really just
11 made the whole project so much stronger
12 because it's not sitting out there all
13 by itself.

14 MR. JONES: Yeah.

15 MR. FERTITTA: The capital structure
16 ended up just extremely, extremely
17 strong on this project.

18 MR. JONES: I think -- you don't
19 have any idea when the FTC is going to
20 make their final --

21 MR. SCHEINTHAL: Yeah. The FTC
22 voted in favor of the transaction four
23 to zero yesterday morning.

24 MR. JONES: Oh, good.

25 MR. SCHEINTHAL: subject to this

40

1 Board's approval, we can close and fund
2 immediately after.

3 MR. FERTITTA: This is why the Board
4 was so kind to move us up today because
5 just to move all the funds around today,
6 we will close as soon as this meeting is
7 over. We'll get everybody's approval
8 and start moving the money.

9 MR. JONES: I have no more
10 questions.

11 CHAIRMAN JONES: Any other questions
12 from the Board? [No response.] He
13 asked most of the questions I was going
14 to ask. I suspect you're going to share
15 with us the changes you anticipate
16 making at the property at the
17 appropriate time?

18 MR. FERTITTA: Yes, sir. They
19 really haven't even changed much from
20 when we came in here a few months ago.
21 We're really just adding a bunch of our
22 signature restaurants. You know, we've,
23 of course, changed the look of the
24 property. You know, we enlarged the
25 pool area to kind of be two different

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1 pools, and we added a bunch of meeting
2 space; and, of course, the decor will be
3 totally different. And if you would
4 like us to come back and update you on
5 that in the future, we'll be more than
6 happy, or we'll set up a tour or
7 whatever you-guys would like.

8 CHAIRMAN JONES: I appreciate it.
9 And I've been by once, and I'll come
10 back again more I'm sure. What's your
11 level of confidence on your opening in

12 the fall?

13 MR. FERTITTA: Very strong, because
14 we will get open in the fall.

15 CHAIRMAN JONES: Okay. I'm hopeful
16 of that. Everybody over there is.

17 MR. FERTITTA: Not as hopeful as me,
18 trust me.

19 CHAIRMAN JONES: Don't offer the
20 colonel the use of your helipad because
21 the next thing you know, he'll want your
22 helicopter. Are there any other
23 questions? The board appears to be
24 clear.

25 MR. JONES: I would make a motion

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1 that we approve it.

2 MR. GASTON: I'll second.

3 CHAIRMAN JONES: Moved by Mr. Jones,
4 seconded by Mr. Gaston -- by Dr. Gaston,
5 the motion to adopt the resolution.
6 Miss Tramonte, would you read the
7 resolution into the record.

8 THE CLERK: On the 21st day of
9 November 2013, the Louisiana Gaming
10 Control Board did, in a duly noticed
11 public meeting, consider the issue of
12 the joint petition for approval of
13 acquisition of Ameristar Casino Lake
14 Charles, LLC, by GNLC Holdings,

15 Incorporated, and upon motion duly made
16 and second, the Board adopted this
17 resolution.

18 Be it resolved that subject to all
19 license conditions currently in effect
20 on Ameristar Casino Lake Charles, LLC,
21 and the final approval of the
22 divestiture of GNLC Holdings by the
23 Federal Trade Commission, which we
24 understand happened, the following be
25 and are hereby approved.

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1 Ameristar Lake Charles Holdings,
2 LLC's, transfer of 100 percent of the
3 membership interest in the Ameristar
4 Casino Lake Charles, LLC, to GNLC
5 Holdings, Incorporated; two, the
6 licensing name change from Ameristar
7 Casino Lake Charles, LLC, to Golden
8 Nugget Lake Charles, LLC.

9 Three, the debt transactions for the
10 financing are as follows: Credit
11 facility consisting of \$75 million
12 revolver, \$350 million term loan and
13 \$150 million delay term loan; up to
14 \$295 million in senior unsecured notes;
15 \$30 million FF & E loan; and
16 \$210 million in equity from Fertitta
17 Entertainment, Incorporated.

18 Four, Pinnacle Entertainment,
19 Incorporated, shall continue to maintain
20 and be responsible for Louisiana Gaming
21 Control escrow agreement subject to the
22 terms of the purchase agreement and
23 letter agreement between the parties.

24 Pinnacle Entertainment, Incorporated,
25 shall continue to be bound by Condition

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1 16 of the Statement of Conditions. With
2 the exception of Condition 16, Pinnacle
3 Entertainment, Incorporated, and
4 Ameristar Lake Charles Holdings, LLC,
5 are released from the Statement of
6 Conditions.

7 Thus done and signed in Baton Rouge,
8 Louisiana, this 21st day of November,
9 2013.

10 CHAIRMAN JONES: Would you call the
11 roll.

12 THE CLERK: Mr. Bradford?

13 MR. BRADFORD: Yes.

14 THE CLERK: Mr. Jones?

15 MR. JONES: Yes.

16 THE CLERK: Mr. Stipe?

17 MR. STIPE: Yes.

18 THE CLERK: Mr. Singleton?

19 MR. SINGLETON: Yes.

20 THE CLERK: Miss Noonan?

21 MS. NOONAN: Yes.

22 THE CLERK: Major Mercer?

23 MAJOR MERCER: Yes.

24 THE CLERK: Mr. Jackson?

25 MR. JACKSON: Yes.

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1 THE CLERK: Mr. Gaston?

2 MR. GASTON: Yes.

3 THE CLERK: Chairman Jones?

4 CHAIRMAN JONES: Yes. The motion

5 carries. Congratulations.

6 MR. FERTITTA: Chairman Jones and

7 the Board, thank you guys very, very

8 much. I'm truly excited, and I can't

9 wait for you guys to all be down there

10 and see it. Appreciate it.

11 CHAIRMAN JONES: Thank you very

12 much. Thank you for the indulgence,

13 Board, of doing something out of order

14 that was really necessary for them from

15 a timing standpoint.

16 V. COMPLIANCE REPORTS

17 CHAIRMAN JONES: We'd like to return

18 to our order. At this point we'd ask

19 for Compliance Reports. Good morning,

20 Miss Brown.

21 MS. BROWN: Good morning, Chairman

22 Jones, Board Members. I'm Mesa Brown,

23 Assistant Attorney General, and today

24 I'll present the staff reports on
25 riverboat casino and racetrack casino

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1 licensees' compliance with employment
2 and procurement conditions for the third
3 quarter of 2013. The third quarter
4 reports were taken from figures reported
5 by the 14 of the 15 operating riverboats
6 to the Louisiana Gaming Control Board.
7 I'll start with the riverboats.

8 In the third quarter of 2013,
9 approximately 13,473 people were
10 employed by the riverboat industry. Of
11 that number, 13,244 were Louisiana
12 residents, 8,536 were minorities and
13 7,649 were women. Four licensees
14 achieved total compliance third quarter
15 of 2013. They are DiamondJacks, Sam's
16 Town, L'Auberge Baton Rouge and Belle of
17 Baton Rouge.

18 Next I'll address employment. Two
19 licensees did not meet their total
20 employment goals. They are Hollywood
21 and Boomtown Bossier. Hollywood
22 achieved 487 out of a goal of 525, and
23 Boomtown Bossier achieved 634 out of a
24 goal of 650.

25 All licensees with the exception of

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1 Treasure Chest Casino either met or
2 exceeded their voluntary conditions in
3 all of the subcategories under the main
4 category of employment. Under female
5 employment, Treasure Chest achieved 50.6
6 out of a goal of 51.86.

7 Next I'll address procurement. The
8 licensees are grouped according to three
9 subcategories which appear in your
10 report. They are Louisiana, minority
11 and female procurement. Louisiana
12 procurement: Four licensees did not
13 achieve compliance with their voluntary
14 conditions, and they are: Horseshoe who
15 achieved 67.1 out of 75; Margaritaville
16 achieved 86.1 out of 90; Boomtown
17 Bossier achieved 74 out of 80; and
18 L'Auberge du Lac achieved 75.7 out of
19 80.

20 Minority procurement: Six licensees
21 did not achieve compliance with their
22 voluntary conditions. They are
23 Horseshoe, who achieved 14.6 out of 35;
24 Boomtown West Bank, 12.9 out of 15;
25 Treasure Chest, 12.3 out of 15; Amelia

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1 Belle, 4.6 out of 30; St. Charles, 9 out
2 of 10; and Eldorado 21.3 out of 25.

3 Female procurement: One licensee

4 did not achieve compliance with its
5 voluntary condition, and that is
6 Horseshoe who achieved 28.7 out of 35.

7 Are there any questions regarding
8 the riverboats?

9 CHAIRMAN JONES: Any questions,
10 Board Members, on riverboats? [No
11 response.] Proceed.

12 MS. BROWN: Thank you. Now I'll
13 begin with racetrack. In the third
14 quarter of 2013, approximately 2,150
15 people were employed by the racetrack
16 casino industry. Of that number, 1,919
17 were Louisiana residents, 1,228 were
18 minorities and 1,267 were women.

19 All racetrack casino licensees
20 achieved total compliance with the
21 exception of one licensee, which is
22 Delta Downs. Delta Downs did not
23 achieve its Louisiana employment
24 condition. It achieved 70.2 out of the
25 80 percent condition.

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1 Are there any questions regarding
2 racetracks?

3 CHAIRMAN JONES: Any questions on
4 racetracks, Board Members? The board is
5 clear.

6 MS. BROWN: Thank you.

7 VI. Casino Gaming Issues

8 A. Consideration of the Petition to Amend

9 License Conditions by Catfish Queen

10 Partnership in Commendam d/b/a Belle of

11 Baton Rouge - No. R011700009

12 CHAIRMAN JONES: Thank you very

13 much. We'll move to Casino Gaming

14 Issues. First up: Consideration of

15 Petition to Amend License Conditions by

16 Catfish Queen Partnership in Commendam

17 doing business as the Belle of Baton

18 Rouge, RO11700009. Gentlemen, please

19 take the table and introduce yourself.

20 Good morning.

21 MR. DUNCAN: Morning, Mr. Chairman,

22 Board Members, Kelly Duncan from Jones

23 Walker representing Belle of Baton

24 Rouge. With me today to my right is

25 Tony Rodio, who is the CEO of Tropicana

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1 Entertainment which is the parent of the

2 Belle of Baton Rouge, and to my left is

3 Patrick Brown, the general manager of

4 the Belle of Baton Rouge.

5 We're here today to request an

6 amendment to the license Condition

7 Number 9. As a result of the

8 substantial adverse financial effect of

9 Pinnacle's L'Auberge property coming

10 online, we're here today to ask for some
11 relief relative to Condition Number 9.
12 I might add, just from an historical
13 standpoint, it was somewhat anticipated
14 by this board back in 2011 that once
15 that property came online, that we might
16 be before you. Regretfully, both the
17 existing properties in Baton Rouge have
18 suffered financially terribly since the
19 L'Auberge Pinnacle property came online.

20 So that is why we're here today, and
21 what I'd like to do, if I might, is turn
22 it over to Tony Rodio to provide a
23 further explanation.

24 MR. RODIO: Good morning, Mr. Jones,
25 and thank you very much to the Board for

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1 hearing our petition.

2 You know, prior to the opening of
3 L'Auberge, there were many analysts that
4 predicted that Baton Rouge could not
5 support three casinos, and they
6 predicted that the Belle would be the
7 odd man out. I am happy to report,
8 however, that the Belle has taken a
9 significant financial hit; but we have
10 weathered the storm, and we have
11 stabilized our operations there.

12 I did want to take a moment, also,

13 to congratulate -- publicly congratulate
14 Patrick Brown and the team at the Belle,
15 because I do think they've done a
16 fabulous job of stabilizing the results
17 in the face of this new large competitor
18 in the market. And I just wanted to
19 take a moment to -- the thing that
20 they've done that really has helped the
21 property, and I think it's good for the
22 whole downtown community of Baton Rouge,
23 is they reenergized the use of that
24 atrium. I take it that everyone is
25 familiar with the property, and the

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1 atrium space at the Belle is really just
2 wonderful space; and they've done
3 things.

4 For example, they've had 32 free
5 concerts over the past year which
6 generates a lot of activity into the
7 facility, as well paid concerts, MMA
8 fights, boxing matches, group meetings,
9 banquet and weddings. There are some
10 weekends where they have up to six
11 events that go on in that atrium space,
12 and I really, again, think that they
13 have done a fabulous job leveraging the
14 atrium.

15 They also provided a very clean and

16 safe experience for our customers which
17 I think is critical, and most
18 importantly, I think that they deliver
19 an outstanding guest experience
20 consistently; and irregardless of this
21 petition to be able to reduce our
22 minimum staffing, we make sure that we
23 have the appropriate number of people
24 there when the property -- you know,
25 where the volume is demanded. The

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1 difficulty is when the business volumes
2 aren't there, and we can't make the
3 appropriate reductions, you know, in a
4 cost efficient manner.

5 In spite of all that they have
6 accomplished, I do think it's important
7 to point out the financial toll that
8 L'Auberge has had on the Belle, and I
9 just wanted to give some statistics. In
10 the first twelve months since L'Auberge
11 opened or the first twelve months that
12 L'Auberge was open, net revenues at the
13 Belle were down 22 percent; admissions
14 were down 20 percent; payroll as a
15 percentage of our revenue was up
16 17 percent. And that's critical because
17 as the revenues have come down, given
18 that we're at that minimum staffing

19 level, there's no way to react in a cost
20 efficient manner to make sure that our
21 staffing levels are matching our
22 business volume, so our payroll as a
23 percentage of that revenue is up
24 dramatically in the face of these huge
25 declines.

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1 Most significantly, the Belle's
2 EBIDTA, or operating profit, is down
3 66 percent. If you factor in what we
4 spend on capital, interest and taxes,
5 the Belle is losing money. We have a
6 small operating property, but if you
7 factor in all those other costs, we
8 would be technically losing money.
9 Hence, we need more operating
10 flexibility.

11 I did be want everyone to keep in
12 mind a couple key points in regards to
13 this request. While we're seeking a
14 reduction of 150 from our minimum
15 staffing, it is important to note that
16 L'Auberge added 1,300 jobs to the
17 market, so there still is a significant
18 net increase to the labor pool here in
19 the Baton Rouge community. Patrick met
20 with the mayor, and the mayor is
21 certainly mindful of our situation and

22 the predicament that we're in; and he's
23 very understanding of that.

24 A critical thing, the reductions
25 would be done through attrition. There

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1 would be no layoffs at all at the Belle.
2 As employees leave, we would use those
3 as opportunities to reduce our overall
4 staffing, and in addition, we've done a
5 fabulous job -- or actually, Patrick and
6 his team has done a fabulous job with
7 our employment goals, and that certainly
8 would not change. I just wanted to
9 point those out.

10 In terms of Louisiana employees,
11 we're 99 percent versus the goal of 90;
12 women at 61 percent versus a goal of 51;
13 and minorities, 81 percent versus a goal
14 of 51 percent. And that certainly would
15 not change if we were able to get this
16 reduction.

17 The reduction really would provide
18 the Belle with much needed operational
19 flexibility to manage its labor costs.

20 As I said, you know, we just can't
21 reduce during those very, very slow
22 periods, and there is no indication, no
23 analysis, no analyst or expert that I've
24 seen that's predicted any kind of change

25 in the financial dynamics of the Baton

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1 Rouge market. You know, this is
2 certainly not something that's going to
3 fix itself, and the profit impairment,
4 quite frankly, is just not sustainable.

5 One last little point, I think, that
6 to put some significance or give you
7 some relativity, if you look at the
8 Belle versus L'Auberge, we do
9 approximately 35 percent of the revenue
10 of L'Auberge; yet we have 75 percent of
11 the minimum staffing requirement of
12 L'Auberge. It is greatly out of synch
13 with the volumes that our property does
14 and the volumes that L'Auberge does.

15 And as we look ahead, we are -- you
16 know, we are committed to the market.
17 We're committed to the property. We're
18 really proud of some things that we've
19 accomplished. We'd like to think that
20 down the road we could look at making
21 some improvements to the facility. I
22 think that there's a few things that we
23 need to do to be more competitive. The
24 distance that you have to travel to the
25 boat, our parking is an issue, as well.

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1 It's a first generation riverboat, but

2 in order to get any kind of approval
3 from ownership or from the board of
4 directors, we need to show the ability
5 that we can operate with the flexibility
6 that we need and turn this -- this
7 negative trend around a little bit
8 before we would ever get consideration
9 on any kind of future development.

10 So with that, I humbly ask for
11 approval of the -- of our petition.

12 CHAIRMAN JONES: Mr. Brown, did you
13 have anything?

14 MR. BROWN: No, sir.

15 CHAIRMAN JONES: Anything else?

16 MR. DUNCAN: No.

17 CHAIRMAN JONES: Just a few
18 questions before we ask Leonce to come
19 back. Mr. Rodio, have you or your
20 representatives met with the mayor in
21 Baton Rouge?

22 MR. RODIO: Mr. Brown did, and I'll
23 have him to speak to that.

24 MR. BROWN: I did meet with the
25 mayor on June 26th, and we discussed the

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1 negative financial impact that L'Auberge
2 was having on the Belle's business
3 performance. We talked about the net
4 revenue. We talked about EBIDTA and

5 profits that are significantly down year
6 over year. We discussed the Belle's
7 business was needing relief in the form
8 of a manpower reduction, and that
9 Tropicana Entertainment would be
10 requesting reduction of manpower
11 numbers, the minimum employment number,
12 to the Louisiana Gaming Control Board in
13 the up and coming months.

14 Mayor Holden was understanding and
15 did not object. Mayor Holden said the
16 Belle -- the Belle's business is very
17 important to the city's goals of
18 revitalization, and the health of our
19 business was critical to him. We also
20 discussed -- and we did the tour of the
21 property, and he was very pleased with
22 the business improvements the new owner,
23 Tropicana Entertainment, was making.

24 CHAIRMAN JONES: This is the second
25 reduction in employees that's come

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1 before the Board; isn't it?

2 MR. RODIO: Yes. The first one was
3 prior to me being with the company, so
4 I'm not as familiar with that, but I'm
5 sure --

6 CHAIRMAN JONES: For the record,
7 this is the second, right?

8 MR. DUNCAN: Yes.

9 CHAIRMAN JONES: You tangentially
10 referred to reinvestment?

11 MR. RODIO: Um-hmm.

12 CHAIRMAN JONES: What's your short
13 list? If you get the approval of the
14 Board today, what's your short list?
15 What are you going to do?

16 MR. RODIO: We're not committing to
17 doing anything.

18 CHAIRMAN JONES: I understand.

19 MR. RODIO: I think what we would
20 commit to is, if we had this ability and
21 if we could demonstrate to our board of
22 directors and to ownership the ability
23 to turn around the negative trends and
24 show our margin improvement and show our
25 EBIDTA going up a little bit, I think we

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1 could then make a strategic case for
2 investing some capital dollars, again,
3 to fix the three things that I consider
4 are our major shortfalls that cause us
5 from not getting our fair share of the
6 market. And those three things are: I
7 think that the distance to the boat and
8 the first generation riverboat are
9 paramount. I think if we could get that
10 closer to the pavillion and have a

11 different experience rather than that
12 first generation boat, I think that
13 that -- we would improve our market
14 share results dramatically. The other
15 thing is parking is insufficient, and we
16 would want to address that, as well.

17 The other thing that we're looking
18 to do before that is, again, I refer
19 constantly to this atrium. There's just
20 such wonderful space there, and we're
21 looking for third party operators to
22 come in and occupy some of the store
23 fronts that are vacant, whether it's
24 restaurants, bars, retail. We're
25 looking at ways to revitalize that whole

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1 atrium space with more than just the
2 concerts and the things that Patrick and
3 his team are doing and take advantage of
4 all the storefronts.

5 CHAIRMAN JONES: And I would agree
6 with you there, Patrick -- and actually
7 before you-guys came before me to talk
8 about the staffing issue, I have to tell
9 you, he's passionate about that
10 property. He's trying to do what the
11 company wants him to do, and on a
12 beautiful, sunny day, we walked through
13 that atrium, and it was spotless; and

14 there wasn't another person in it. It's
15 a great space, and I don't have a
16 business plan to make that operate. But
17 you have the potential there. I see
18 tremendous potential, if you survive
19 this market, that you can make something
20 out of that, and I would urge you would
21 really consider that.

22 There's some issues with the boat
23 that Patrick and I talked about. I
24 think there's the safety issue that long
25 term I think we all, this board, the

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1 legislature is going to have to address
2 a boat sitting out on the Mississippi
3 River, and I've given you my -- an
4 indication of where I come down on that
5 issue. That's the kind of thing that
6 keeps me awake at night.

7 Remind me one more time the split
8 between number of hotel employees and
9 gaming employees.

10 MR. RODIO: Patrick, do you have
11 that?

12 MR. BROWN: Yes, I do. Let's see.
13 Gaming is about 309 employees,
14 non-gaming is about 350.

15 CHAIRMAN JONES: And what's your
16 usual occupancy rate in the hotel?

17 MR. BROWN: Year to date we're
18 running about 77 percent, weekends a
19 hundred percent. The other point I
20 would like to add is regarding capital
21 expenditure that Tony referenced, our
22 year to date 2013, we have spent
23 2.1 million, 1.1 in new slot product.
24 We put about 300,000 into our atrium in
25 new carpet, acoustical curtains and

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1 speakers. We put a new banquet kitchen
2 in getting ready to do a better level of
3 catering banquet execution service in
4 the atrium, and then we put about
5 550,000 in miscellaneous small repairs
6 and maintenance projects.

7 CHAIRMAN JONES: And no one's going
8 to be laid off.

9 MR. RODIO: No.

10 CHAIRMAN JONES: No one loses a job
11 over this.

12 MR. RODEO: No.

13 CHAIRMAN JONES: Okay. I have a
14 question by Mr. Stipe.

15 MR. STIPE: I guess we give you and
16 all these facilities a license for a
17 five-year period. Hopefully that period
18 is long enough that you can -- that the
19 entity can feel comfortable making

20 capital expenditures and receive a
21 return on those capital expenditures.
22 It's one of a finite number of licenses
23 that are issued. The conditions that
24 are set forth, you know, I think are
25 there. If you didn't agree to them,

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1 then, you know, that's part and parcel
2 of getting the license to begin with.
3 You're competing not just with other
4 facilities in this particular industry
5 but with entertainment dollars,
6 generally, in the Baton Rouge area.
7 You know, with that as a backdrop,
8 you know, you've come to the Board
9 before -- this entity's come to the
10 Board before and asked for a drop in the
11 number. I'm heartened to hear -- you
12 know, the Chairman's questions kind of
13 hit a lot of it. I'm heartened to hear
14 that you've got capital expenditures and
15 improvement in the property. I'm
16 heartened to hear that the mayor's
17 office, I guess, at least has been
18 consulted and is in concurrence with
19 this.

20 But I guess just generally the
21 trouble I'm having is if we're giving
22 you a license for a period of time, you

23 know, why are we coming back to revisit
24 it twice? You're not -- you knew you
25 were going to be competing for the

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1 entertainment dollar and the gaming
2 dollar in this venue. Why do we need to
3 come back, you know, two years after the
4 last request and three years after the
5 license was given?

6 MR. RODIO: Well, one thing that was
7 out of our control was the addition of a
8 third license in this market, and that's
9 something that we had no say in or no
10 control over it; and that's made it
11 extremely difficult. As I said, you
12 know, every gaming analyst had
13 questioned the ability of this market to
14 sustain three riverboats, and, again,
15 that was something that certainly wasn't
16 our choice.

17 Again, I point out the stark
18 difference in what that L'Auberge is
19 required to staff from a minimum
20 staffing standpoint relative to ours
21 given the size of that facility and the
22 revenue of that facility to ours.
23 They're at 800, and they're doing
24 eleven-and-a-half million dollars in
25 gross gaming revenue; and we're at 600,

1 and we're required to be at 600, to
2 where it's 75 percent. And it's a much
3 smaller facility, and the circumstances
4 change.

5 I understand your question, and, you
6 know, I wish that it wouldn't be the
7 need to have a second time to come and
8 take -- you know, have another request
9 to reduce the number, but the financial
10 circumstances are such that it is. It's
11 incumbent upon us to maintain the
12 financial liability of the entity to be
13 able to have more flexibility.

14 CHAIRMAN JONES: Mr. Bradford.

15 MR. BRADFORD: Thank you,
16 Mr. Chairman. I'll try to be brief.
17 First of all, I just want you to know, I
18 want to speak in favor of allowing this
19 request. Obviously, market conditions
20 change. The first employment agreement
21 was almost 20 years ago, I think, and
22 market conditions have changed
23 dramatically in Baton Rouge with the
24 addition of L'Auberge. I'm very
25 encouraged that Tropicana is interested

1 in staying in the market, is what I'm
2 hearing.

3 And I just want to reinforce: You
4 have a dynamic location as far as the
5 market is concerned, and certainly the
6 license -- a value to the license. I
7 think we can get the boat out of the
8 river. I agree with the Chairman, and I
9 think the boat needs to be -- that's --
10 I might want to rephrase that, but --

11 CHAIRMAN JONES: We know what you
12 mean.

13 MR. BRADFORD: We only allow
14 riverboats, "wink, wink," you know. So
15 anyway, yeah, there's a lot of
16 opportunity there for your facility, and
17 I know these employment levels can be
18 difficult in light of what's going on in
19 the market. And I appreciate that there
20 won't be any layoffs, and I look forward
21 to your efforts to improve your product
22 in this market.

23 MR. RODIO: Thank you very much.
24 And as I said, we are committed to the
25 market, and we do think that it's a

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1 great location; and we do think there's
2 some very, very wonderful aspects to the
3 facility.

4 CHAIRMAN JONES: Miss Noonan.

5 MS. NOONAN: Just as Mr. Bradford

6 stated, I'm glad to see that you guys
7 want to stay here. If we don't reduce
8 the number, what do you foresee
9 happening?

10 MR. RODIO: I think that it probably
11 would be status quo for a while and, you
12 know, take time to evaluate what's going
13 on in the market if we could, you know,
14 improve our results absent the
15 operational flexibility. Certainly it
16 would be very, very difficult for me to
17 be able to -- quite frankly to convince
18 the Board to put any significant capital
19 into the market absent the operational
20 flexibility that we need to improve our
21 results. I think we have to show that
22 improvement at the request to make
23 changes to the facility.

24 MS. NOONAN: Also, have you -- with
25 the reduced revenue, obviously you've

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1 seen a reduction in patrons coming in
2 and out, so have you for a significant
3 amount of time had to shut down machines
4 or tables, and will you continue to do
5 that?

6 MR. RODIO: I mean, we adjust our
7 table spreads or the opening of tables
8 all the time based upon business

9 volumes, but we have not shut down any
10 levels of the boat to date. We haven't
11 shut down slot machines, and that is
12 something that, with this operational
13 flexibility, are things that we would
14 consider potentially. Which right now
15 given that we have to stay at 600, we
16 have to have employees there anyway, so
17 there might be times where we say, you
18 know, we don't need the third level or
19 first level; I forget which one.

20 It doesn't -- we can't do that today
21 because we don't have that flexibility.
22 Those might be the types of things that
23 we would consider, you know, in the wee
24 hours of the morning or in the middle of
25 the week during the very slow periods of

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1 the year where we would have the
2 flexibility to do things that would be
3 prudent from a business standpoint.

4 MS. NOONAN: So do you plan to come
5 before us to reduce any number of
6 machines or tables with this?

7 MR. RODEO: No, because during the
8 very busy periods, the size of the
9 facility is appropriate. It probably
10 could operate with a little bit less,
11 but it's not anything that's over -- you

12 know, overly large given our needs on
13 Saturdays and during our busy periods.

14 MS. NOONAN: And, Mr. Brown, in
15 reference to improvements and the
16 overall quality of the patrons'
17 experience at the casino, what are you
18 hearing that would -- you think would in
19 the short-term improve your bottom line,
20 your profit?

21 MR. BROWN: You mean as far as
22 additional capital expenditure?

23 MS. NOONAN: Um-hmm.

24 MR. BROWN: It's what Tony talked
25 about. It's really correcting the

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1 parking issue. We have surface parking,
2 and our guests have to walk up 26 levee
3 steps; and so, you know, that -- it's a
4 very -- it's a big negative. I'll say,
5 a guest to satisfaction negative.

6 MS. NOONAN: Thank you very much.

7 MR. GASTON: Mr. Chairman?

8 CHAIRMAN JONES: Mr. Gaston.

9 MR. GASTON: I'd like to think that
10 they've made a very compelling case
11 today as business people who are out
12 there trying to salvage a situation.
13 Hopefully the new IBM complex moving
14 downtown and different things that are

15 going to happen down there, which will
16 be some high salaried employees coming
17 downtown, maybe will help the situation
18 out somewhat; but I think Mr. Bradford
19 is correct in his assessment of this,
20 and I'd like to move the reduction as
21 requested.

22 CHAIRMAN JONES: Could we entertain
23 that after we hear from Leonce?

24 MR. GASTON: I don't want to kill
25 the horse. I'd just like to keep it

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1 moving.

2 CHAIRMAN JONES: Can we wait just --
3 hold on to that, okay?

4 MR. GASTON: I'm ADHD. It's not my
5 fault.

6 CHAIRMAN JONES: I understand. I
7 worked for somebody like that. Are
8 there any other questions for Kelly or
9 Tony or Patrick from the Board? If not,
10 Leonce, do you have something to
11 contribute?

12 MR. GAUTREAU: All I would have to
13 add to that is I provided the board
14 members with a memo that pretty much
15 sets forth the history from the
16 beginning of this condition, but as far
17 as the determination on the condition,

18 it's completely within the Board's
19 discretion to either adopt, amend or
20 change or modify a condition based upon
21 their arguments that they presented.

22 CHAIRMAN JONES: Thank you. Any
23 questions for Leonce? [No response.]

24 Just one closing: Out of everything
25 that I've dealt with so far in this

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1 position, this has been the hardest
2 thing for me. I mean, this is -- you
3 know, I don't have the wisdom of
4 Solomon, but I understand the numbers.
5 I think I understand the market. I
6 think I understand the challenge that
7 you-guys have.

8 We have a motion that we're going to
9 second shortly, I'll assume, and if the
10 Board gives you approval for this, I
11 look forward to seeing what we do in the
12 coming months with the property, you
13 know. And I'll be back for a visit, and
14 hopefully we can make this work; and you
15 can make a profit and the state can get
16 its fees, and we'll have entertainment
17 in place. That's what this whole
18 industry is supposed to do for the
19 state.

20 So having said that, we have a

21 motion to adopt the resolution. Do I
22 have a second?

23 MR. BRADFORD: I have a comment and
24 a second.

25 CHAIRMAN JONES: We have comment
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1 first and then a second.

2 MR. BRADFORD: I just want to let
3 you-guys know our role as a regulatory
4 group here is -- one significant part of
5 what I believe our role is is to help
6 you be successful, and a big part of
7 that is to stay in tune and be aware of
8 these market changes and to work with
9 you and to keep you here. So as a
10 board, I hope that we will all continue
11 to do what we can to support the
12 commitment and the investment that
13 you've made here by doing what we can to
14 help you be successful, and I'll second.

15 CHAIRMAN JONES: We have a motion by
16 Dr. Gaston, a second by Mr. Bradford.
17 Miss Tramonte, would you read the
18 resolution into the record.

19 THE CLERK: On the 21st day of
20 November 2013, the Louisiana Gaming
21 Control Board did, in a duly noticed
22 public meeting, consider the issue of
23 Catfish Queen Partnership in Commendam

24 doing business as Belle of Baton Rouge,
25 petition to amend license conditions,

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1 and upon motion duly made and second,
2 the Board adopted this resolution.

3 Be it resolved that Condition 9 of
4 the Specific Economic And Procurement
5 Conditions and the Statement of
6 Conditions to the certificate of
7 preliminary approval dated
8 February 10th, 1994, be modified and
9 replaced with the following Condition 9:
10 To employ at least 450 persons in
11 riverboat and support operations.

12 Thus done and signed in Baton Rouge,
13 Louisiana, this 21st day of November,
14 2013.

15 Mr. Bradford?

16 MR. BRADFORD: Yes.

17 THE CLERK: Mr. Jones?

18 MR. JONES: Yes.

19 THE CLERK: Mr. Stipe?

20 MR. STIPE: Yes.

21 THE CLERK: Mr. Singleton?

22 MR. SINGLETON: Yes.

23 THE CLERK: Miss Noonan?

24 MS. NOONAN: Yes.

25 THE CLERK: Major Mercer?

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1 MAJOR MERCER: Yes.

2 THE CLERK: Mr. Jackson?

3 MR. JACKSON: Yes.

4 THE CLERK: Mr. Gaston?

5 MR. GASTON: Yes.

6 THE CLERK: Chairman Jones?

7 CHAIRMAN JONES: Yes. Gentlemen.

8 MR. RODEO: Thank you very much. We

9 really appreciate it, and we will not

10 let you down.

11 MR. DUNCAN: Thank you very much.

12 CHAIRMAN JONES: Thank you very

13 much.

14 B. Consideration of Certificate of Compliance for
15 the Alternate Riverboat Inspection of the
16 gaming vessel of Louisiana 1 Gaming L.P., d/b/a
17 Boomtown Belle Casino Harvey - No. R012600196

18 CHAIRMAN JONES: At this point we
19 move to Item B under Casino Gaming
20 issues: Consideration of the
21 Certificate of Compliance for the
22 Alternate Riverboat Inspection of the
23 gaming vessel of Louisiana 1 Gaming L.P.
24 doing business as Boomtown Belle Casino
25 Harvey. That's number RO12600196. Good

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1 morning.

2 MR. TYLER: Good morning, Chairman,

3 Jones and Board Members, Assistant

4 Attorney General, Michael Tyler,
5 appearing in the matter of the
6 consideration for the issuance of a
7 Certificate of Compliance to Boomtown
8 Belle Casino Harvey.

9 This matter comes after in October,
10 when we presented this matter, a
11 temporary COC was issued to Boomtown
12 Harvey. It was required that further
13 clarification of the Harvey Fire
14 Department's role with respect to the
15 riverboat be assessed and a report be
16 issued to the Board with respect to that
17 before the issuance of the final COC.

18 For more on that, I present John
19 Francic of the American Bureau of
20 Shipping Consultants who will provide
21 the information necessary to the Board.

22 MR. FRANCIC: Good morning, Chairman
23 and Board Members. My name is John
24 Francic with ABS Consulting. And on
25 October 23rd, I made the trip down to

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1 Harvey and visited with the Harvey Fire
2 Department at the facility there and
3 discussed with the fire chief and the
4 assistant fire chief about their
5 capabilities of what their roles are and
6 discussed the fire drill. The Harvey

7 Fire Department's -- you know, they're a
8 super bunch of guys down there. They're
9 more than capable and willing to respond
10 to any emergency situation there.
11 They've been there before at the
12 facility. They've interacted with the
13 crew. We ran a fire drill. The
14 response time was very quick. It was
15 within six minutes. They responded
16 that. They came up to the staging area,
17 interacted with the crew, and everything
18 went smooth.

19 So as far as the Harvey Fire
20 Department, their role and everything,
21 there's really no issue, and I think
22 they're more than capable of responding
23 to any emergency situation there at the
24 casino.

25 So it's ABS's recommendation to --

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1 you know, for the certification of the
2 certificate to expire no later than
3 October of 2014.

4 MR. TYLER: We now present these
5 matters to this Board and hope that the
6 Board will accept the report that was
7 issued that precipitated the issuance of
8 the temporary COC, as well as this
9 recent supplement, and they will then

10 issue for the final COC for Boomtown
11 Harvey.

12 CHAIRMAN JONES: Do I have any
13 questions from the Board?

14 MS. NOONAN: I'll move.

15 CHAIRMAN JONES: There is no
16 questions. Miss Noonan -- we have one.

17 MR. STIPE: I'm sorry. At the risk
18 of offending my uncle, the former
19 volunteer fireman, I mean, is this -- in
20 the event of an evacuation, what are the
21 protocols for these volunteers for a
22 volunteer fire department? I guess, you
23 know, you kind of think of the scenarios
24 where you might have a calamity. One of
25 them is, you know, a hurricane, what

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1 have you. I mean, you're comfortable --
2 you're comfortable. You talked about
3 the competence of this group. I see in
4 the report where you're comfortable with
5 their ability to perform the job, but I
6 guess, I mean -- I'm not aware -- I
7 don't remember one of these that's come
8 up like this, and I guess --

9 MR. FRANCIC: Well, like I said, in
10 discussion with them and with the crew
11 itself, I mean, if there's any emergency
12 situation from -- if you look at an

13 evacuation, the crew is going to handle
14 as much as they can to evacuate people
15 from the vessel itself. The response
16 time from the Harvey Fire Department is
17 relatively very quick, and they stayed
18 up in the staging area. And as people
19 are moving off the vessel, they're
20 combating the situation, whatever it
21 might be, whether it's a fire or
22 whatever they need to be there for. It
23 seemed to run pretty smooth.

24 I guess with any type of emergency
25 situation, you know, people overreact

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1 and things happen, but for the most
2 part, they know what the
3 responsibilities and duties are when
4 they come there.

5 MR. STIPE: You're comfortable,
6 based on your evaluation, that we should
7 approve this Certificate of Compliance?

8 MR. FRANCIC: Yes, very much so.

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

10 CHAIRMAN JONES: Miss Noonan.

11 MS. NOONAN: Mr. Stipe, being from
12 that area and --

13 MR. STIPE: I knew I'd offend
14 somebody with that question. I just
15 thought it would be only my uncle.

16 MS. NOONAN: No offense. I have a
17 cousin who is with that actual fire
18 department; and I talked to him about
19 the interaction with these guys, and he
20 does not leave for a hurricane. They do
21 have someone stationed here. I do know,
22 my husband was a New Orleans fireman, so
23 we do have a long connection. These are
24 a great group of guys, but they do not
25 leave. There is someone there that will

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1 stay for the hurricanes.

2 So I feel confident after hearing
3 Mr. Francic's report and knowing a lot
4 of these guys personally, that they do a
5 good job, and the volunteers especially.
6 The paid operators do an excellent job,
7 and the volunteers are just what are,
8 volunteers; but they are committed, and
9 they do love what they do.

10 So no offense taken, but personally
11 I can respond to this. Being from the
12 area, I live not far from there, and I'm
13 comfortable with what I've seen in those
14 fire departments.

15 CHAIRMAN JONES: Any other
16 questions? We have a motion from
17 Miss Noonan.

18 MR. JACKSON: Second.

19 CHAIRMAN JONES: Second by Mr. Jones
20 [sic]. All in favor? Any opposition.
21 C. Consideration of the Certificate of Compliance
22 for the Alternate Riverboat Inspection of the
23 gaming vessel of PNK Bossier City, Inc., d/b/a
24 Boomtown Casino Bossier City - No. R016500701
25 D. Consideration of staffing proposal for PNK

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1 Bossier City, Inc., d/b/a Boomtown Casino
2 Bossier City - No. R016500701

3 CHAIRMAN JONES: We'll call now
4 Items C and D. We'll consider both of
5 those jointly: Consideration of the
6 Certificate of Compliance for the
7 Alternate Riverboat Inspection of the
8 gaming vessel PNK Bossier City, Inc.,
9 doing business as Boomtown Casino
10 Bossier City, that's Number RO16500701;
11 and Consideration of Staffing Proposal
12 for PNK Bossier City, Inc., doing
13 business as Boomtown Casino Bossier
14 City, Number RO16500701.

15 MR. TYLER: Mr. Chairman, again,
16 Assistant Attorney General, Michael
17 Tyler, joined by John Francic of the
18 American Bureau of Shipping Consultants.

19 This matter comes on for both the
20 consideration of the renewal of Boomtown
21 Bossier's Certificate of Compliance, as

22 well the consideration of Boomtown
23 Bossier's request for a marine staffing
24 variance. For more on these matters, I
25 now turn this presentation over to John

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1 Francic.

2 MR. FRANCIC: Chairman, Board
3 Members, John Francic here to report the
4 annual certification for Boomtown
5 Bossier Casino.

6 The inspectors, Doug Chapman and
7 Brad Conklin, did on October 17th attend
8 the riverboat Mary's Prize to conduct
9 the annual inspection in accordance with
10 the Alternate Inspection of Riverboat
11 Gaming Vessels in the State of
12 Louisiana. The inspectors reviewed fire
13 protection equipment, fire control
14 plans, egress routes, mooring systems,
15 machinery stability and conducted a fire
16 drill. The deficiencies that were found
17 during the inspection are found on page
18 five of your report. A follow-up exam
19 was done, and all deficient items were
20 corrected and found satisfactory.

21 The 2013 annual survey that's
22 required by Louisiana Gaming Control
23 Board is complete and presents no safety
24 concerns to its patrons and employees

25 onboard. It is the recommendation of

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1 ABSC that Boomtown Casino be issued a
2 Certificate of Compliance to expire no
3 later than December 31st, 2014.

4 A review of the riverboat staffing
5 proposal for Boomtown Bossier began on
6 December 17th, 2012, with an initial
7 correspondence to ABS Consulting. Our
8 reviewer, Senior Marine Risk Consultant
9 Walt Hanson, initiated the contact and
10 scheduled a visit with the casino on
11 March 26th and 27th. The data and
12 amendments were filed thereafter by
13 correspondence through April, through
14 September 2013. Through these
15 interchanges with the casino management
16 the process led to the casino
17 submitting, on September 23rd, its final
18 manning variance request.

19 Our review concludes that the
20 designated riverboat staff provides
21 adequate organization to maintain the
22 reliability of safety equipment
23 associated with a permanently moored
24 riverboat and the performance of routine
25 and emergency duties to safeguard the

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1 public and employees onboard it. The

2 staffing arrangements will be reviewed
3 at the annual and semi-annual exams, and
4 they also revised their letter from the
5 Bossier City Fire Department to include
6 that they be able to respond; and
7 talking with the Captain, they
8 interacted, too, with the fire
9 department to come onboard and, you
10 know, take care of any emergency
11 situations there.

12 CHAIRMAN JONES: Very good.
13 Miss Noonan.

14 MS. NOONAN: Just a comment. I
15 notice -- and I'm not sure if this has
16 been before, but I do like that the
17 inspections and who they're inspected
18 by, instead of you saying a third party,
19 you actually listed Fire Tech Systems or
20 Moore Pump Services. I think in the
21 past we had brought that up, so thank
22 you for listing that. That makes it,
23 especially for me, more clear that it's
24 not just some third party. We actually
25 know who is doing those inspections.

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1 MR. FRANCIC: We revised the format
2 of the whole report. We kind of changed
3 everything to make it a little bit more
4 readable and friendly so we can see

5 things.

6 MS. NOONAN: I do appreciate that.

7 It's very helpful. Thank you.

8 MR. FRANCIC: I think there was a
9 typo, and we put Shreveport on it. And
10 it's actually Bossier City. Excuse me
11 for that.

12 CHAIRMAN JONES: Any other
13 questions? [No response.] Do we have a
14 motion?

15 MR. JACKSON: I make a motion.

16 CHAIRMAN JONES: We have a motion
17 by -- who was it, Dr. Gaston?

18 THE CLERK: Jackson.

19 CHAIRMAN JONES: Jackson, second by
20 Dr. Gaston. So we have a motion to
21 issue the Certificate of Compliance and
22 accept ABSC's recommendation for
23 riverboat staffing for Boomtown Casino
24 Bossier City riverboat gaming vessel,
25 which we incorporated into the

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1 Certificate of Compliance. We have a
2 motion and a second. Miss Tramonte,
3 would you call the roll.

4 THE CLERK: Mr. Bradford?

5 MR. BRADFORD: Yes.

6 THE CLERK: Mr. Jones?

7 MR. JONES: Yes.

8 THE CLERK: Mr. Stipe?

9 MR. STIPE: Yes.

10 THE CLERK: Mr. Singleton?

11 MR. SINGLETON: Yes.

12 THE CLERK: Miss Noonan?

13 MS. NOONAN: Yes.

14 THE CLERK: Major Mercer?

15 MAJOR MERCER: Yes.

16 THE CLERK: Mr. Jackson?

17 MR. JACKSON: Yes.

18 THE CLERK: Mr. Gaston?

19 MR. GASTON: Yes.

20 THE CLERK: Chairman Jones?

21 CHAIRMAN JONES: Yes. Motion

22 carries. The certificate is issued.

23 Thank you.

24 E. Consideration of Certificate of Compliance for

25 the Alternate Riverboat Inspection of the

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1 gaming vessel of Red River Entertainment of

2 Shreveport Partnership in Commendam d/b/a Sam's

3 Town Shreveport - No. R016500097

4 CHAIRMAN JONES: And the final

5 matter in this section: Consideration

6 of Certificate of Compliance for the

7 Alternate Riverboat Inspection of the

8 gaming vessel Red River Entertainment of

9 Shreveport Partnership doing business as

10 Sam's Town Shreveport. That's Number

11 RO16500097.

12 MR. TYLER: Thank you, Chairman.

13 Again, Mike Tyler joined by John Francic
14 with ABSC. We come before you now
15 seeking issuance of renewal of the
16 Certificate of Compliance for Sam's Town
17 Casino.

18 On October 16th, 2013, the Sam's
19 Town Casino began the inspection process
20 for the renewal of its Certificate of
21 Compliance. For more on this process, I
22 now turn the presentation over to John
23 Francic.

24 MR. FRANCIC: Chairman, Board
25 Members, John Francic here to report the

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1 annual certification for Sam's Town
2 Casino.

3 The inspectors, Doug Chapman and
4 Brad Conklin, did on October 16th attend
5 the riverboat Shreve Star to conduct the
6 annual inspection in accordance with
7 Alternative Inspection of Riverboat
8 Gaming in the State of Louisiana.

9 The inspectors reviewed fire
10 protection equipment, fire control
11 plans, egress routes, mooring systems,
12 machinery space stability and conducted
13 a fire drill. They also reviewed the

14 manning variance training records and
15 knowledge of the crew.

16 Deficiencies were found on page five
17 of your report. The follow-up exam was
18 done, and all the deficient items were
19 corrected and found satisfactory. The
20 2013 annual survey that's required by
21 Louisiana Gaming Control Board is hereby
22 complete and presents no safety concerns
23 to its patrons or employees onboard the
24 riverboat.

25 It is the recommendation of ABSC

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1 that Sam's Town Casino be issued a
2 Certificate of Compliance to expire no
3 later than December 31st, 2014.

4 MR. TYLER: We now present these
5 findings to this honorable board and
6 request that upon the Board accepting
7 the report submitted by ABSC, the Board
8 will move for the issuance of the
9 renewal Certificate of Compliance to
10 Sam's Town Casino.

11 CHAIRMAN JONES: Do I have any
12 questions from board members? The board
13 is clear. Do I have a motion to issue
14 the Certificate of Compliance?

15 MR. JONES: I'll move.

16 MR. JACKSON: Second.

17 CHAIRMAN JONES: Mr. Jones moved and
18 the second by --

19 THE CLERK: Mr. Jackson.

20 CHAIRMAN JONES: -- Mr. Jackson.

21 Thank you. All in favor? [Collective
22 "aye."] All opposed? Any opposed? [No
23 response.] Motion carries. Good to see
24 you. Thank you.

25 VII. CONSIDERATION OF PROPOSED SETTLEMENTS

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1 /APPEALS

2 1. In Re: The Phoenix Bar Complex,
3 LLC, d/b/a Phoenix - No. 3601114959
4 (proposed settlement)

5 CHAIRMAN JONES: We move now to the
6 final section of our agenda,
7 Consideration for Proposed Settlements &
8 Appeals. The first is a settlement in
9 regards to The Phoenix Bar Complex, LLC,
10 doing business as Phoenix, Number
11 3601114959. This is a proposed
12 settlement. Good morning.

13 MS. HIMEL: Yes, good morning,
14 Chairman Jones and Members of the Board.
15 I'm Assistant Attorney General, Dawn
16 Himel, on behalf of the Office of State
17 Police in this matter.

18 The licensee had violations for
19 numerous failures ranging from failures

20 to disclose membership transfers,
21 failures to disclose the death of a
22 member, failure to disclose the sale and
23 new lease of the property that the
24 licensed establishment is located on,
25 having a member who never submitted to

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1 suitability while she was involved with
2 the licensee, failure to provide the
3 correct membership information for the
4 licensee, failure to timely respond to
5 correspondence from the Division, and
6 some tax delinquencies.

7 The licensee has appointed its
8 95 percent member, who is a new member,
9 Tracy Deroche as a compliance manager.
10 His goal is going to be to ensure that
11 they stay in compliance with all gaming
12 laws. They have also retained Allison
13 Rovira as their attorney to apprise them
14 of all gaming laws and ensure that they
15 remain in compliance with that, as well.

16 In lieu of administrative action,
17 the licensee has agreed to pay a penalty
18 of \$5,500 for these violations within 15
19 days of approval by this Board. The
20 settlement agreement was approved by
21 Hearing Officer Reynolds on
22 October 21st, 2013, and we now submit it

23 for your approval.

24 CHAIRMAN JONES: Any there any
25 questions of Miss Himel?

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1 MR. STIPE: I was going to say, I'm
2 glad to have a compliance officer. This
3 is a ridiculous cycle, and I'm glad they
4 have a compliance officer. I just move
5 for approval of the settlement.

6 CHAIRMAN JONES: Is there a
7 representative of The Phoenix here?

8 MS. HIMEL: Miss Rovira is here. He
9 adopts drug babies, and he could not be
10 here today due to something going on
11 with that. But Miss Rovira is here.

12 CHAIRMAN JONES: Before I accept the
13 motion, before we vote on the matter, I
14 want you to communicate something to
15 them, okay?

16 MS. ROVIRA: Yes, sir.

17 CHAIRMAN JONES: I want them to
18 clearly understand that the laws in
19 place, the rules and regulations are in
20 place for a reason.

21 MS. ROVIRA: I will communicate
22 that, and I would like the record to
23 reflect that these violations occurred
24 before Mr. Deroche took over ownership
25 of the establishment, but I will

1 communicate that to him. He's fully
2 aware, and he's going to contact me for
3 anything and everything that needs to be
4 done.

5 CHAIRMAN JONES: We look forward to
6 his compliance.

7 MS. HIMEL: I will, just so the
8 Board's clear, the majority of the
9 violations did occur before Mr. Deroche
10 was 95 percent member, but that was also
11 why the 5 percent member, Mr. Landry,
12 was in control of, you know, all the
13 correspondence from the Division and
14 everything, which Mr. Deroche is now
15 controlling.

16 CHAIRMAN JONES: Great. I just
17 wanted to get that into the record.

18 MS. ROVIRA: Okay. Thank you.

19 CHAIRMAN JONES: We have a --

20 MR. BRADFORD: Second.

21 CHAIRMAN JONES: We have a motion
22 and a second. All in favor?
23 [Collective "aye."] Any opposition?
24 [No response.] No? The settlement is
25 approved.

1 2. In Re: Jonelle Fluence - No. V000018824
2 (appeal)

3 CHAIRMAN JONES: We have an appeal
4 in regard to Jonelle Fluence. That's
5 No. V000018824.

6 MS. BROWN: Good morning.

7 CHAIRMAN JONES: Morning.

8 MS. BROWN: Chairman Jones, Board
9 Members, I'm Mesa Brown, Assistant
10 Attorney General, appearing in the
11 matter of, In Re: Jonelle Fluence. May
12 I proceed?

13 CHAIRMAN JONES: Yes, please.

14 MS. BROWN: Thank you. The issue
15 before the Board this morning is simple.
16 It's whether a person who made
17 misrepresentations on her application by
18 failing to disclose her previous
19 criminal history should be granted a
20 license. Miss Fluence knew that she had
21 been arrested twice, and she was
22 untruthful in responding to the question
23 on her application that asked whether
24 she had been arrested. When asked that
25 question on her application, she

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1 responded "no."

2 As such, the Division asks that the
3 Board affirm the hearing officer's
4 decision denying Miss Fluence's gaming
5 application.

6 MR. STIPE: I was going to say,
7 other than this correspondence dated
8 October 9th, have you had any
9 communications with her or received any
10 feedback from her?

11 MS. BROWN: I have not.

12 MS. NOONAN: Is she here?

13 CHAIRMAN JONES: Sorry?

14 MS. NOONAN: Is the defendant here?

15 MS. BROWN: I haven't seen her.

16 MS. NOONAN: You've had no other
17 contact with her?

18 MS. BROWN: No, I haven't.

19 MS. NOONAN: Thank you.

20 CHAIRMAN JONES: Do I have a motion?

21 MR. BRADFORD: Motion.

22 CHAIRMAN JONES: A motion by
23 Mr. Bradford to affirm the hearing
24 officer --

25 MR. STIPE: Second.

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1 CHAIRMAN JONES: -- seconded by
2 Mr. Stipe. All in favor? [Collective
3 "aye."] Any opposition? [No response.]
4 Motion carries. Thank you.

5 3. In Re: Leslie White - No. PO40061388 (appeal)

6 CHAIRMAN JONES: The last matter on
7 the agenda is in regard to Leslie White,
8 No. PO40061388. I understand that she's

9 been in contact with our office this
10 morning. She's had difficulty getting
11 here. There's some traffic related
12 issues between here and there. I would
13 ask the Attorney General's Office if
14 there is any opposition to waiving
15 hearing this today and moving it to next
16 month's agenda?

17 MS. COLLY: Assistant Attorney
18 General, Nicolette Colly, appearing in
19 this matter. Since this is an
20 application, she hasn't been working and
21 is not working now, so we do not have
22 any objection to that waiver.

23 CHAIRMAN JONES: Any objection from
24 the Board? [No response.] Thank you
25 very much.

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1 VIII. ADJOURNMENT

2 CHAIRMAN JONES: I will now
3 entertain a motion to adjourn.

4 MR. JACKSON: So moved.

5 CHAIRMAN JONES: Motion by Miss
6 Noonan, seconded by somebody over here
7 on my left.

8 THE CLERK: No. Mr. Jackson and
9 Noonan.

10 CHAIRMAN JONES: Jackson and Noonan.

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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

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1

2 STATE OF LOUISIANA

3 PARISH OF EAST BATON ROUGE

4 I, Shelley G. Parola, Certified Court

5 Reporter and Registered Professional Reporter, do

6 hereby certify that the foregoing is a true and

7 correct transcript of the proceedings given under

8 oath in the preceding matter on November 21, 2013,

9 as taken by me in Stenographic machine shorthand,

10 complemented with magnetic tape recording, and

11 thereafter reduced to transcript, to the best of

12 my ability and understanding, using Computer-Aided

13 Transcription.

14 I further certify that I am not an

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

16 am neither related to nor employed by any attorney

17 or counsel connected with this action, and that I
18 have no financial interest in the outcome of this
19 action.

20 Baton Rouge, Louisiana, this 31st day of
21 December, 2013.

22

23

24

SHELLEY G. PAROLA, CCR, RPR

CERTIFICATE NO. 96001