

Board of Directors' Meeting, LGCB, (Pages 1:1 to 63:24)

1:1 LOUISIANA GAMING CONTROL BOARD

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4 BOARD OF DIRECTORS' MEETING

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9 Thursday, September 16, 2010

10 House Committee Room 1

11 Louisiana State Capitol

12 Baton Rouge, Louisiana

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16 TIME: 10:00 A.M.

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1 APPEARANCES:

2

3 DANE K. MORGAN

4 Chairman

5

6 MAJOR CLAUDE MERCER

7 Vice-Chairman

8

9 VELMA ROGERS

10 Board Member

11

12 AYRES BRADFORD

13 Board Member

14

15 ROBERT G. JONES

16 Board Member

17

18 MARK STIPE

19 Board Member

20

21 JERRY JUNEAU

22 Board Member

23

24 JAMES SINGLETON

25 Board Member

3

1 APPEARANCES CONTINUED:

2

3 MAJOR MARK NOEL

4 Ex-Officio Board Member

5

6 BARRY KELLY  
7 Ex-Officio Board Member  
8  
9  
10 LANA TRAMONTE  
11 Executive Assistant to the Chairman  
12  
13 TRUDY SMITH  
14 Confidential Assistant/Attorney  
15  
16 REPORTED BY:  
17 SHELLEY G. PAROLA, CSR, RPR  
18  
19  
20  
21  
22  
23  
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1 I. CALL TO ORDER

2 MS. SMITH: Mr. Singleton?

3 MR. SINGLETON: Here.

4 MS. SMITH: Mr. Juneau?

5 MR. JUNEAU: Here.

6 MS. SMITH: Mr. Jones?

7 MR. JONES: Here.

8 MS. SMITH: Mr. Mercer?

9 MAJOR MERCER: Here.

10 MS. SMITH: Chairman Morgan?

11 CHAIRMAN MORGAN: Here.

12 MS. SMITH: Miss Rogers?

13 MS. ROGERS: Here.

14 MS. SMITH: Mr. Bradford?

15 MR. BRADFORD: Here.

16 MS. SMITH: Mr. Stipe?

17 MR. STIPE: Here.

18 MS. SMITH: Colonel Edmonson?

19 MAJOR NOEL: Major Noel for Colonel  
20 Edmonson.

21 MS. SMITH: Secretary Bridges?

22 MR. KELLY: Barry Kelly on behalf of  
23 Secretary Bridges.

24 II. APPROVAL OF THE MINUTES

25 CHAIRMAN MORGAN: Okay. We have a

7

1 quorum. Members, the minutes are before  
2 you. Have you had a chance to review  
3 them? Are there any questions on the  
4 minutes?

5 MR. JONES: I move for approval.

6 CHAIRMAN MORGAN: Mr. Jones has  
7 waived the formal reading of the minutes  
8 and moved for approval.

9 MS. ROGERS: Second.

10 CHAIRMAN MORGAN: Seconded by  
11 Ms. Rogers. Is there any objection?

12 III. REVENUE REPORTS

13 CHAIRMAN MORGAN: Item III is the  
14 Revenue Reports.

15 MS. JACKSON: Good morning, Chairman  
16 Morgan, Members. My name is Donna  
17 Jackson with Louisiana State Police

18 Gaming Audit Section. The riverboat  
19 revenue report for August 2010 is shown  
20 on page one of your handout.

21 During August, the 13 operating  
22 riverboats generated Adjusted Gross  
23 Receipts of \$134,702,227, down  
24 \$17 million or 11 percent from last  
25 month, and down 3 percent or \$4 million

8

1 from August 2009. Adjusted Gross  
2 Receipts for fiscal year 2010-2011 to  
3 date are \$286,706,409, a decrease of  
4 2 percent or \$7 million from fiscal year  
5 2009-2010.

6 During August, the State collected  
7 fees totaling \$28,960,979. As of  
8 August 31st, 2010, the State has  
9 collected over \$61 million in fees for  
10 fiscal year 2010-2011.

11 Next is a summary of the August 2010  
12 gaming activity for Harrah's New Orleans  
13 found on page three. During August,  
14 Harrah's generated \$26,608,473 in gross  
15 gaming revenue, a decrease from last  
16 month of \$5 million or 16 percent, and a  
17 5 percent or \$1.5 million decrease from  
18 last August.

19 Fiscal year-to-date gaming revenues  
20 for 2010-2011 are \$58,412,416, up

21 \$800,000 or one percent from last year.

22 During August, the State received  
23 \$5,095,890 in minimum daily payments.

24 As of August 31, 2010, the State has  
25 collected \$10 million in fees for fiscal

9

1 year 2010-2011.

2 Slots at the Racetrack revenues are  
3 shown on page four. During August, the  
4 four racetrack facilities combined  
5 generated Adjusted Gross Receipts of  
6 \$32,065,434, a decrease of 10 percent or  
7 \$3.5 million from last month, and a  
8 decrease of 2 percent from last August.

9 Adjusted Gross Receipts for fiscal  
10 year 2010-2011 to date are \$67,675,679,  
11 a decrease of 2 percent from fiscal year  
12 2009-2010.

13 During August, the State collected  
14 almost \$5 million in fees. As of  
15 August 31st, 2010, the State has  
16 collected over \$10 million in fees for  
17 fiscal year 2010-2011.

18 Are there any questions? [No  
19 response.] Thank you.

20 CHAIRMAN MORGAN: Video gaming.

21 MR. BOSSIER: Good morning, Chairman  
22 Morgan and Board Meeting. My name is  
23 Jim Bossier with the Louisiana State



24 Police State Police Gaming Audit  
25 Section. I'm reporting video gaming

10

1 information for August 2010, as shown on  
2 page one of your handout.

3 During August 2010, five new  
4 licenses were issued: One restaurant,  
5 two truck stops and two device owners.  
6 Seventeen applications are currently  
7 pending in the field: Eight bars and  
8 nine restaurant.

9 During August 2010, the Gaming  
10 Enforcement Division assessed no  
11 penalties. The Gaming Enforcement  
12 Division collected \$3,250 in penalties,  
13 and there are currently no outstanding  
14 penalties. Please refer to page two of  
15 the handout.

16 There are presently 14,552 video  
17 gaming devices activated at 2,208  
18 locations. Net device revenue for  
19 August 2010 was \$48,199,863, a  
20 \$3.9 million decrease, or 5.6 percent  
21 when compared to the net device revenue  
22 for July 2010, and a \$511,000 decrease,  
23 or one percent when compared to  
24 August 2009.

25 Net device revenue for fiscal year

11

1 2010-2011 to date is \$99,272,876, a  
2 \$1.1 million decrease, or 1.1 percent  
3 when compared to net device revenue for  
4 fiscal year 2009-2010. Page three of  
5 your handout shows a comparison of net  
6 device revenue.

7 Total franchise fees collected for  
8 August 2010 were \$14,342,254, an 849,000  
9 decrease when compared to July 2010, and  
10 \$142,000 decrease when compared to  
11 August 2009.

12 Total franchise fees collected for  
13 fiscal year 2010-2011 to date are  
14 \$29,533,790, a \$305,000 or one percent  
15 decrease when compared to last year's  
16 franchise fees. Page four of your  
17 handout shows a comparison of franchise  
18 fees.

19 Does anybody have any questions?

20 CHAIRMAN MORGAN: Yes, sir.

21 MR. JONES: Yeah, somebody asked me,  
22 did the legislature raise the percent  
23 going to the state this last session?  
24 Somebody asked me if they raised it from  
25 36 percent to 38 percent. Do you know?

12

1 MR. BOSSIER: Not that I'm aware of.

2 MAJOR NOEL: I can answer that,

3 Mr. Jones. Mr. Jones, no, the

4 legislature did not raise the percentage  
5 on video poker. It's 32 and a half for  
6 truck stops; 26 for restaurants, bars,  
7 and I believe 22 for OTB.

8 MR. JONES: Thirty-two and a half  
9 for truck stops, and how much for bars?

10 MAJOR NOEL: Twenty-six and a half.

11 MR. JONES: Twenty-six and a half  
12 for bars?

13 MAJOR NOEL: And 22 percent -- it's  
14 either 22 or 22 and a half for OTBs.

15 MR. JONES: For what?

16 MAJOR NOEL: OTBs.

17 MR. JONES: Thanks.

18 CHAIRMAN MORGAN: Any more  
19 questions? Thank you.

#### 20 IV. CASINO GAMING ISSUES

21 A. Consideration of petition by Harrah's  
22 Entertainment, Inc., for Approval of  
23 Financing Matters

24 CHAIRMAN MORGAN: Item IV, Casino  
25 Gaming Issues: A. Consideration of

13

1 petition by Harrah's Entertainment,  
2 Incorporated, for Approval of Financing  
3 Matters.

4 MR. GAUTREAUX: Morning, Chairman,  
5 Members of the Board. Leonce Gautreaux,  
6 Assistant Attorney General. Here with

7 me is Evie Ficklin from the State Police  
8 Audit.

9 Before you today is a petition that  
10 was filed by Harrah's for, as they title  
11 it, approval of note exchange and stock  
12 issuance. What Harrah's is seeking to  
13 do can basically be broken down into  
14 three steps. The first thing it seeks  
15 is to reclassify its common stock.

16 Currently, under the existing  
17 structure of Harrah's, it has two  
18 classes of common stock, a non-voting  
19 common stock which holds all the  
20 economic interest which is owned by the  
21 six funds and members of Harrah's  
22 management; and then the voting common  
23 stock, which has no economic interest  
24 associated with it but is controlled by  
25 the Hamlet Holdings, LLC, which is

14

1 controlled by the principals of Apollo  
2 and TPG, the two private equity firms  
3 that ultimately own Harrah's.

4 What they seek to do is cancel the  
5 voting common stock held by Hamlet and  
6 have only the reclassified, the  
7 non-voting common stock into voting  
8 common stock. So they will only have  
9 one class of common stock now which will

10 be voting common stock.

11 In addition to that, they will  
12 maintain the separation of the economic  
13 interest and control that they had  
14 before by getting an irrevocable proxy  
15 from all the holders of the now voting  
16 common stock given to Hamlet. So the  
17 stock will have, you know, the  
18 traditional common stock right to vote,  
19 but they will sign over a proxy to  
20 Hamlet where the six principals will  
21 still maintain control like they have  
22 before through the voting proxy.

23 The second thing that they did was  
24 certain of these new -- what I'm going  
25 to call new voting shares, they are --

15

1 have filed a registration with --  
2 statement with SEC waiting SEC approval  
3 for the intent that these shares can  
4 then be publicly traded securities.  
5 These are shares that are going to go to  
6 Paulson & Company, as I'll explain to  
7 you a little later, but for Paulson to  
8 hold these shares, they need it to be  
9 tradeable because that's the business  
10 Paulson is in is buying and selling  
11 shares.

12 So they filed the registration

13 statement with the SEC. It hasn't been  
14 approved yet. They're awaiting  
15 approval. If the SEC approves it, then  
16 they can go forward with the  
17 transactions with Paulson, which gets me  
18 to the third part of it which is an  
19 exchange offer.

20 Paulson & Company, Inc., holds right  
21 now approximately \$710 million in  
22 Harrah's unsecured notes. Assuming SEC  
23 approval of the registration statements,  
24 Paulson will exchange these notes to a  
25 subsidiary of Harrah's, Harrah's Bond

16

1 Company, in exchange for up to  
2 9.9 percent of the new voting common  
3 stock Harrah shares.

4 TPG and Apollo also own  
5 collectively, approximately, \$408  
6 million in Harrah's unsecured notes.  
7 They will exchange those notes for an  
8 additional 5.7 percent of Harrah's  
9 shares. So it's basically a debt for  
10 equity exchange.

11 Paulson qualifies as an  
12 institutional investor, is therefore  
13 presumed suitable. TPG and Apollo  
14 collectively acquiring 5.7 each will be  
15 acquiring less than 5 percent, but they

16 have already gone through suitability  
17 through the original transaction and  
18 various renewals since.

19 The final breakdown, assuming all  
20 the exchanges are made, the current  
21 shareholders will then hold 84.4 percent  
22 of the Harrah's shares. Paulson &  
23 Company will hold up to 9.9 percent, and  
24 Apollo TPG collectively will hold  
25 5.7 percent.

17

1 Now Evie will make her presentation.

2 MS. FICKLIN: Good morning,  
3 Mr. Chairman, Board Members. Harrah's  
4 proposed recapitalization and recent  
5 sale of certain of its senior notes to  
6 its sponsors, TPG and Apollo and hedge  
7 fund Paulson & Company, comprised  
8 Harrah's most recent steps to navigate  
9 the company through the current economic  
10 downturn.

11 Harrah's became a highly leveraged  
12 company as a result of its \$30.7 billion  
13 acquisition by TPG and Apollo on  
14 January 20th, 2008, and Harrah's most  
15 recent Form 10Q, Harrah's reported,  
16 approximately, \$23.2 billion based on  
17 the amount of debt.

18 Harrah's debt is divided into loans

19 followed by its primary subsidiary,  
20 Harrah's Operating Company, Inc.,  
21 through which Harrah's conducts most of  
22 its operations; and Harrah's  
23 subsidiaries that are borrowers under  
24 its commercial mortgage back securities  
25 or CMBS loans. The CMBS loans are

18

1 comprised mainly of mortgage loans and  
2 mezzanine loans under a real estate  
3 facility.

4 Harrah's has concentrated its  
5 efforts in the past two years to reduce  
6 the amount of its leverage and interest  
7 expense through debt-for-debt exchanges  
8 and its acquisition of certain of its  
9 debt at much reduced prices. The  
10 debt-for-debt transactions, albeit  
11 sometimes at a higher rate of interest,  
12 have allowed Harrah's to push out  
13 maturity dates of its debt as the  
14 economy recovers.

15 On June 24th, 2010, in the first  
16 part of this two-prong transaction,  
17 Harrah's executed the sale of,  
18 approximately, \$835 billion of certain  
19 senior notes to TPG, Apollo and the  
20 Paulson investors for an approximate  
21 \$551 million cash infusion plus accrued



22 interest. Harrah's states it plans to  
23 use the proceeds of that sale for  
24 general profit purposes including, but  
25 not limited to, debt repayment and

19

1 corporate expenditures.

2 The second part of the transaction,  
3 Harrah's proposed recapitalization will  
4 provide Harrah's limited access to the  
5 public markets. Harrah's also executed  
6 definitive agreements with CMBS lenders  
7 on September 1st, 2001. The CMBS  
8 lenders have agreed to push out the  
9 maturity dates of Harrah's \$5.5 billion  
10 CMBS loans subject to certain conditions  
11 from 2013 to 2015.

12 Harrah's projections for the years  
13 2010 through 2013 are shown on page 30.

14 The annual \$33 million sponsored  
15 management fees shown reflects the  
16 amount the sponsors are projected to  
17 receive for their provision of advisory  
18 and consulting services to Harrah's.

19 This related party agreement, the  
20 services agreement, was consummated  
21 January 20th, 2008.

22 Harrah's proposed recapitalization  
23 and the recent sale of the senior notes  
24 for approximately \$551 million appear to

25 be beneficial to the company. Nothing

20

1 came to audit's attention to preclude  
2 the Board's approval of Harrah's  
3 proposed recapitalization.

4 MR. GAUTREAUX: Now I have  
5 identified the three things that I think  
6 would require Board approval today. The  
7 first would be the reclassification of  
8 Harrah's stock from non-voting common  
9 stock into one class of voting common  
10 stock; the transfer of shares of  
11 Harrah's Entertainment, Inc., common  
12 stock to Harrah's BC, Inc., which again  
13 is the company that is going to exchange  
14 the bonds for the stock with Paulson and  
15 Apollo, TPG -- it's a direct subsidiary  
16 of Harrah's -- and the transfer of up to  
17 9.9 percent of Harrah's Entertainment's  
18 common stock to Paulson & Company.

19 CHAIRMAN MORGAN: Mr. Singleton.

20 MR. SINGLETON: I don't know if it's  
21 your hand or what today that's causing  
22 the problem, but I'm a little nervous  
23 because you were a little nervous in  
24 terms of -- you know, usually when you  
25 make a presentation, you make it. Boom,

21

1 boom, boom, it's there, but there was

2 some hesitation. So if you're  
3 hesitating, that makes me hesitate about  
4 what's going on.

5 MR. GAUTREAU: The hesitation has  
6 nothing to do with this deal or  
7 transaction, believe you me. I am  
8 struggling a little bit. I'll admit  
9 that with this.

10 MR. SINGLETON: Okay. I just wanted  
11 to be sure.

12 MS. ROGERS: I have a general  
13 question to make sure I understood  
14 everything, but my bottom line is: Do  
15 you see the debt equity transactions or  
16 exchanges as being level, as being  
17 fair -- no, fair is not the word -- as  
18 being level, as being equitable?

19 MR. GAUTREAU: And I think audit  
20 came to this conclusion, that it is  
21 beneficial for Harrah's to exchange this  
22 debt in exchange for equity.

23 MS. ROGERS: It's not somebody  
24 giving me something because I need this  
25 money right now?

22

1 MR. GAUTREAU: No, no. They're  
2 trying to position themselves better in  
3 the financial markets during this time,  
4 and this would be advantageous.

5 MR. STIPE: I do have a couple of  
6 questions. Right now Harrah's stock is  
7 not publicly tradeable, correct?

8 MR. GAUTREAUX: Correct.

9 MR. STIPE: And, I guess, when I  
10 look at the definition of an  
11 institutional investor under our  
12 statute, what I take from it when I read  
13 it the first time is, somebody's stock  
14 is publicly tradeable; an institutional  
15 investor goes and buys it, given the  
16 criteria. We don't need to worry about  
17 suitable or it's presumed suitable.

18 MR. GAUTREAUX: Correct.

19 MR. STIPE: As to the Paulson Group,  
20 that's not exactly the scenario we have  
21 right now.

22 MR. GAUTREAUX: It's registered  
23 waiting to be approved by the SEC. Once  
24 its approved, then Paulson will be able  
25 to hold it and find a market for it.

23

1 MR. STIPE: And Paulson's ownership  
2 of -- their ownership interest in  
3 Harrah's would come from the exchange  
4 agreement, right?

5 MR. GAUTREAUX: Correct.

6 MR. STIPE: Right now they're just  
7 an unsecured note.

8 MR. GAUTREAU: Yes, correct.

9 MR. STIPE: And the exchange  
10 agreement is not effective at this  
11 point.

12 MR. GAUTREAU: It's not effective  
13 at this point. Like I said, Paulson  
14 will -- they need the registration  
15 approval before they --

16 MR. STIPE: And they need regulatory  
17 approval from all the jurisdictions.

18 MR. GAUTREAU: From all the  
19 jurisdictions, too, which I think they  
20 are down to, I think, Indiana and New  
21 Jersey for approval but have obtained  
22 all the other ones.

23 MR. STIPE: And I looked at one of  
24 the -- the Paulson investors own -- need  
25 licensing waivers from New Jersey,

24

1 Nevada, Pennsylvania. There's multiple  
2 jurisdictions.

3 MR. GAUTREAU: Any jurisdiction  
4 Harrah's is in they will have to, and  
5 they have been qualifying as they've  
6 come up as institutional investors in  
7 those jurisdictions.

8 MR. STIPE: And that was my next  
9 question. When you look at  
10 institutional investors in other venues

11 and the jurisdictions, they've  
12 qualified, and that's been the  
13 interpretation of those.

14 MR. GAUTREAU: And our rule is -- I  
15 forget which jurisdiction it's borrowed  
16 from -- but the definition is similar  
17 across jurisdictions as far as  
18 institutional investor.

19 MR. STIPE: And Paulson's is  
20 actually a entity that's registered with  
21 the SEC in some form, correct?

22 MR. GAUTREAU: Correct, an  
23 investment adviser, and they have to  
24 submit -- as part of what they have to  
25 do, they have to submit the

25

1 certification and the proof that they're  
2 registered and approved which they  
3 attach to the certification.

4 MR. STIPE: Okay. And in the course  
5 of your research on this, you found no  
6 problems or issues associated with the  
7 Paulson Group?

8 MR. GAUTREAU: No.

9 MR. STIPE: And so your opinion,  
10 based on your reading of the statute and  
11 your review, is that Paulson qualifies  
12 as an institutional investor?

13 MR. GAUTREAU: Yeah, I have no

14 doubt Paulson is not in the business of  
15 owning casinos. They're in the business  
16 of buying and selling stock as a passive  
17 investor.

18 MR. STIPE: And based on that, your  
19 recommendation is that we approve this?

20 MR. GAUTREAUX: Correct.

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

22 CHAIRMAN MORGAN: Anyone else?

23 MR. BRADFORD: If there's no other  
24 comments, I'll move for approval.

25 CHAIRMAN MORGAN: Is there any other

26

1 questions?

2 MR. BRADFORD: We need a resolution  
3 on this?

4 CHAIRMAN MORGAN: We have one. Is  
5 there any comment from the public? Any  
6 other questions? [No response.] We  
7 have a motion by Mr. Bradford to approve  
8 the resolution. Is there a second?

9 MR. SINGLETON: Second.

10 CHAIRMAN MORGAN: Second by  
11 Mr. Singleton. Lana, do you want to  
12 read it into the record.

13 THE CLERK: On the 16th day of  
14 September, 2010, the Louisiana Gaming  
15 Control Board did, in a duly noticed  
16 public meeting, consider the issue of

17 Harrah's Entertainment, Inc.'s petition  
18 for approval of note exchange and stock  
19 issuance; and upon motion duly made and  
20 seconded, the Board adopted the  
21 following resolution. Be it resolved by  
22 the Board that the following  
23 transactions are hereby approved: One,  
24 the reclassification of Harrah's  
25 Entertainment, Inc.'s, non-voting common

27

1 stock to one class of voting common  
2 stock; two, the transfer of shares of  
3 Harrah's Entertainment, Inc.'s, common  
4 stock to Harrah's PC; and three, the  
5 transfer of up to 9.9 percent of  
6 Harrah's Entertainment, Inc.'s, common  
7 stock to Paulson & Company,  
8 Incorporated. Thus done and signed in  
9 Baton Rouge, Louisiana, the 16th day of  
10 September, 2010.

11 CHAIRMAN MORGAN: Roll call vote,  
12 please.

13 MR. SINGLETON: One question about  
14 the third one. Based on you say it has  
15 not been approved, so now we assume that  
16 it's going to be approved when we vote  
17 today?

18 MR. GAUTREAUX: That's why you use  
19 up to 9.9 percent.



20 MR. SINGLETON: Okay.  
21 CHAIRMAN MORGAN: Okay.  
22 THE CLERK: Major Mercer?  
23 MAJOR MERCER: Yes.  
24 THE CLERK: Miss Rogers?  
25 MS. ROGERS: Yes.

28

1 THE CLERK: Mr. Bradford?  
2 MR. BRADFORD: Yes.  
3 THE CLERK: Mr. Jones?  
4 MR. JONES: Yes.  
5 THE CLERK: Mr. Stipe?  
6 MR. STIPE: Yes.  
7 THE CLERK: Mr. Juneau?  
8 MR. JUNEAU: Yes.  
9 THE CLERK: Mr. Singleton?  
10 MR. SINGLETON: Yes.  
11 THE CLERK: Chairman Morgan?  
12 CHAIRMAN MORGAN: Yes. It's  
13 approved. Thank you.

14 B. Consideration of Certificate of  
15 Compliance of the Riverboat Gaming  
16 Alternate Inspection Program for  
17 Louisiana-1 Gaming, L.P., d/b/a Boomtown  
18 Harvey, License No. R012600196  
19 CHAIRMAN MORGAN: Item B is  
20 Consideration of Certificate of  
21 Compliance for the Riverboat Gaming  
22 Alternate Inspection Program for

23 Louisiana-1 Gaming, Boomtown Harvey,  
24 License Number RO12600196.

25 MR. GAUTREAU: Good morning,

29

1 Chairman, Members of the Board. I'm  
2 Leonce Gautreaux, Assistant Attorney  
3 General, and today I'm joined by John  
4 Francic of ABS Consulting. I'm going to  
5 be a poor substitute for Mr. Tyler  
6 today. We had to send him off on  
7 another mission all of a sudden this  
8 morning, so I'll try to be better,  
9 Mr. Singleton.

10 Today we come before you seeking the  
11 acceptance of the Alternate Inspection  
12 Report for the Boomtown Harvey as  
13 performed and prepared by ABS, as well  
14 as the renewal of the certificate of  
15 compliance for the Boomtown Harvey.

16 On August 24th, 2010, Boomtown  
17 Harvey began the renewal process for the  
18 certificate of compliance. For more on  
19 this process and the findings of the  
20 inspection, I'll turn it over to  
21 Mr. Francic.

22 MR. FRANCIC: Good morning, Chairman  
23 and Board Members. I'm John Francic  
24 with ABS Consulting. I'm here to report  
25 the results of the annual inspection for

1 Boomtown Casino in Harvey, Louisiana.  
2 The surveyors for ABS Consulting, Morton  
3 Downey and John Taylor, did attend the  
4 riverboat Boomtown Belle II, also known  
5 as Boomtown Casino, on August 24th. The  
6 inspection was carried out in accordance  
7 with the Louisiana Gaming Control Board  
8 gaming checklist, and the following  
9 items were found deficient. These can  
10 be found on page three of the report.

11 The starboard paddle wheel was found  
12 not working; various weather tight doors  
13 were not properly closing; they need to  
14 revise the short side evacuation plan  
15 with the current station bill; the  
16 properly marked tanks, that there were  
17 no more than a 50 percent capacity;  
18 properly mark the bow thrusters;  
19 properly label tanks in void spaces; the  
20 potable water connections were not  
21 properly stowed, and the -- the closure  
22 of the water tight door, they needed to  
23 place a chain across it because it had a  
24 step where someone could fall and get  
25 hurt.

1 The overall condition of the vessel  
2 was real good. The deficient items were

3 not considered life safety by the  
4 attending surveyors, and the work list  
5 was presented to the casino at the  
6 closing meeting. The riverboat gaming  
7 vessel was given 30 days to correct the  
8 deficiencies.

9 MR. GAUTREAUX: We now present the  
10 findings to this Board for acceptance  
11 and request that the Board move for  
12 renewal of Boomtown Harvey's certificate  
13 of compliance. I will also add at this  
14 point, because there is some concern  
15 that the starboard paddle wheel that  
16 Mr. Francic referred to is not currently  
17 operating, that we put a condition on  
18 this acceptance of inspection and the  
19 renewal of the certificate of  
20 compliance, which I suggest this:  
21 Licensee must repair starboard paddle  
22 wheel to its fully functioning capacity  
23 within 30 -- excuse me, 60 days with ABS  
24 Consulting to confirm the repair and  
25 function of the starboard paddle wheel

32

1 by supplemental written report submitted  
2 to the Board.

3 And I say that because I think there  
4 was some concern that -- that the  
5 riverboat is defined as being paddle

6 wheel driven, so we need to make sure  
7 that these paddle wheel's are operating  
8 and functioning for their intended  
9 purposes, even though the boats don't go  
10 anywhere.

11 CHAIRMAN MORGAN: Okay. Any  
12 questions by board members? Mr. Stipe.

13 MR. STIPE: Just a couple. As I  
14 understand, that during extreme weather,  
15 this particular vessel has the  
16 ability -- the Coast Guard's approved it  
17 remaining in place during extreme  
18 weather conditions; is that right?

19 MR. FRANCIC: Correct. They  
20 submitted a letter to them for the  
21 mooring arrangements to make sure it was  
22 properly moored, and it met the Coast  
23 Guard requirement.

24 MR. STIPE: So the proposal is to  
25 approve this, and then again in two

33

1 months we would --

2 MR. GAUTREAUX: Give them 60 days to  
3 get the starboard paddle wheel fully  
4 operational and ABSC to confirm that it  
5 is fully functioning, and they can  
6 submit a supplemental report to the  
7 Board with that confirmation.

8 MR. STIPE: And the feedback -- I

9 mean, the feedback you've gotten is that  
10 they shouldn't have any problem  
11 repairing this in 60 days?

12 MR. FRANCIC: No, no. It's just a  
13 matter of taking the motor off and  
14 getting it rewound at the shop and  
15 putting it back in place.

16 MR. STIPE: All right. That's all I  
17 have.

18 CHAIRMAN MORGAN: And I don't think  
19 the intent is to bring it before the  
20 Board. It was just to show proof that  
21 it was fixed, unless you want it back  
22 before you. Any other questions?

23 MS. ROGERS: The other outstanding  
24 recommendations will also be adjusted  
25 during the 60-day period?

34

1 MR. FRANCIC: Yes. Once we get  
2 the --

3 MS. ROGERS: I see you have several  
4 others.

5 MR. FRANCIC: Yes, when we go back  
6 and revisit the boat. They have most of  
7 the deficiencies already corrected.  
8 We're just waiting for the paddle wheel  
9 to be repaired before we go back to  
10 correct everything else.

11 MS. ROGERS: But the other stuff

12 is --

13 MR. FRANCIC: Yes, ma'am.

14 CHAIRMAN MORGAN: Any other  
15 questions? Is there any public comment  
16 with regard to this matter?

17 MR. BRADFORD: I'll move for  
18 approval.

19 CHAIRMAN MORGAN: Mr. Bradford moves  
20 for approval on what Leonce said; is  
21 that correct?

22 MR. BRADFORD: That's correct.

23 CHAIRMAN MORGAN: Is there a second?

24 MR. JONES: Second.

25 CHAIRMAN MORGAN: Second by

35

1 Mr. Jones. Is there any objection? [No  
2 response.] It's approved, thank you.

3 C. Consideration of request for  
4 reconfiguration of gaming space by  
5 Evangeline Downs Racetrack and Casino,  
6 License No. T012802160.

7 CHAIRMAN MORGAN: The next item is  
8 Consideration of Request for  
9 Reconfiguration of Gaming Space by  
10 Evangeline Downs Racetrack and Casino,  
11 No. TO12802160.

12 SGT. WATTS: Chairman Morgan,  
13 Members of the Board, Sergeant Jeff  
14 Watts, Louisiana State Police Gaming

15 Enforcement Division.  
16 Evangeline Downs is requesting a  
17 change to their designated gaming area.  
18 The requested reconfiguration involves  
19 expansion of the casino area to include  
20 restrooms, remodeling of floor layout to  
21 provide larger walkways, reconfiguration  
22 of five carousels, and those carousels  
23 consist of three large carousels, one  
24 medium and one small; and one south  
25 security check point for the gaming

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1 floor. There are no additional slot  
2 machines that will be added or any other  
3 gaming device.

4 For the overall change of the  
5 designated gaming area, it will increase  
6 from 14,556.85 square feet to 14,618.69  
7 square feet, increasing a 61.84 --  
8 increase in 61.84 feet. Evangeline  
9 Downs will still be within the mandated  
10 square footage.

11 Angelique Hernandez of David  
12 Courville Architects prepared a floor  
13 plan. Corey Thomas of the Louisiana  
14 State Fire Marshal approved the changes,  
15 and the Division has reviewed the  
16 proposed floor plan change and concurs  
17 with Miss Hernandez and Louisiana State



18 Fire Marshal. Currently the number of  
19 slot machines are 1,424. Any questions?

20 CHAIRMAN MORGAN: Any questions? Do  
21 we have any public comment? [No  
22 response.] I'll entertain a motion.

23 MS. ROGERS: So moved.

24 CHAIRMAN MORGAN: Motion by  
25 Miss Rogers to approve.

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1 MAJOR MERCER: Second.

2 CHAIRMAN MORGAN: Seconded by Major  
3 Mercer. Is there any objection?  
4 Hearing none, that's approved.

5 D. Consideration of request for  
6 reconfiguration of gaming space by Belle  
7 of Orleans Casino, LLC, d/b/a Amelia  
8 Belle, License No. RO13600020

9 CHAIRMAN MORGAN: Now we're at Item  
10 D: Consideration of request for  
11 reconfiguration of gaming space by Belle  
12 of Orleans Casino, Amelia Belle.

13 SGT. WATTS: Chairman Morgan,  
14 Members of the Board, again, Sergeant  
15 Jeff Watts, Louisiana State Police  
16 Gaming Enforcement Division.

17 Amelia Belle Casino is requesting a  
18 change to their designated gaming area.  
19 The requested reconfiguration consists  
20 of a net loss of 34 slot machine from

21 854 to 820. There's a loss of 21 slot  
22 machines on the second deck and a loss  
23 of 13 machines on the first deck. There  
24 are no changes with regard to table  
25 games. Currently there are 20 table

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1 games available.

2 With the overall changes in the  
3 designated gaming area, a decrease from  
4 27,928 square feet to 27,920 square  
5 feet. This is a decrease of eight  
6 square feet. Amelia Belle Casino would  
7 still be within the mandated square  
8 footage. Mr. Weisblog of Lay Pitman &  
9 Associates prepared a floor plan. Mr.  
10 Kho of ABS Consulting has approved the  
11 changes. The Division reviewed the  
12 proposed floor plan changes and concurs  
13 with Mr. Weisblog and ABS.

14 Does anyone have any questions?

15 CHAIRMAN MORGAN: Any questions?

16 Any public comment? I'll entertain a  
17 motion.

18 MAJOR MERCER: Move we approve.

19 CHAIRMAN MORGAN: Motion by Major  
20 Mercer to approve. Seconded by?

21 MR. JONES: Second.

22 CHAIRMAN MORGAN: Mr. Jones. Any  
23 objection? Hearing none, it's approved.

24 E. Consideration of request for  
25 reconfiguration of gaming space by PNK

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1 Lake Charles, LLC, d/b/a L'Auberge du  
2 Lac, License No. RO11001707

3 CHAIRMAN MORGAN: The next item is  
4 Consideration of the request for  
5 reconfiguration of gaming space by PNK  
6 Lake Charles doing business as L'Auberge  
7 du Lac.

8 SGT. WATTS: Chairman Morgan,  
9 Members of the Board, I'm Sergeant Jeff  
10 Watts, Louisiana State Police Gaming  
11 Enforcement Division.

12 L'Auberge du Lac Casino is  
13 requesting a change to a designated  
14 gaming area. The requested  
15 configuration consists of net gain of 35  
16 slot machines from 1,601 to 1,636. This  
17 is a gain on the main deck. There are  
18 no changes with regard to table games.  
19 Currently there are 61 table games, but  
20 the overall changes of the designated  
21 gaming area will be a decrease from  
22 29,747 square feet to 24,285 square  
23 feet. This is a decrease of 5,462  
24 square feet.

25 Jim Weisblog with Lay Pitman &

40

1 Associates prepared the floor man.  
2 Mr. Kho of ABS Consulting has approved  
3 the changes. The Division reviewed the  
4 proposed changes and concurs with  
5 Mr. Weisblog and ABS. L'Auberge will  
6 still be within the mandated square  
7 footage, and the number of player  
8 positions currently are 2,067.

9 CHAIRMAN MORGAN: What is the -- it  
10 says here by Lay Pitman that they used a  
11 different methodology to calculate the  
12 square footage. Explain that.

13 SGT. WATTS: I'm not certain. I'm  
14 assuming it was with the -- just the  
15 math and ingress and egress. I don't  
16 have a specific explanation for that.

17 CHAIRMAN MORGAN: What's the  
18 significant -- it's a significant amount  
19 of square footage.

20 SGT. WATTS: Yes, sir, it is.  
21 Mr. Hutchins is here from L'Auberge.

22 MR. HUTCHINS: Chairman, this is --  
23 I'm Paul Hutchins, Senior Director of  
24 Finance for L'Auberge du Lac in Lake  
25 Charles.

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1 Basically, the reconfiguration of  
2 floor space is that it's backing out  
3 aisle space. So there was aisle space

4 that was previously considered in gaming  
5 square footage. He has calculated  
6 square footage around each individual  
7 bank of slot machines excluding that  
8 aisle space.

9 CHAIRMAN MORGAN: And that's the  
10 same methodology used in --

11 SGT. WATTS: Yes, sir.

12 CHAIRMAN MORGAN: The other question  
13 I had was with regard to the credit  
14 office. It's going to be located  
15 outside of the designated gaming area.  
16 What does the credit office do?

17 MR. HUTCHINS: The credit office  
18 serves as an administrative function.  
19 Guests that are interested in signing up  
20 for or requesting a credit line can  
21 complete a credit application. We use  
22 the office to have conversations with  
23 guests, also use the office to store  
24 records. There are no financial  
25 transactions that occur within the

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1 credit office. Those would occur either  
2 at the main cage on the casino floor or  
3 at the designated table game that  
4 someone requests a draw credit. So it's  
5 really an administrative function.

6 CHAIRMAN MORGAN: Just encourage --

7 encourage y'all to monitor and make sure  
8 there's nothing required by law to be in  
9 designated gaming area conducted in  
10 there. Any questions by members?

11 MR. BRADFORD: I had a question.  
12 Jeff, because of this different  
13 methodology to calculate square footage,  
14 I just wanted to confirm that all 15 of  
15 our riverboat licensees are using the  
16 same methodology?

17 SGT. WATTS: I'm not certain that  
18 every one of them is doing it. I will  
19 have to do research and report back to  
20 the Board. We have three different  
21 architectural firms that conduct these  
22 changes and make these approvals. They  
23 may be doing different measurements like  
24 that.

25 MR. BRADFORD: The reason its

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1 interesting is because they made some  
2 minor changes to the gaming area, and  
3 now they're showing 24,200 --

4 SGT. WATTS: Yes, sir.

5 MR. BRADFORD: -- gaming area. So  
6 they could come back later and want to  
7 add another 5,000 square feet of --  
8 which if the methodology were different,  
9 may or may not work, you know.

10 SGT. WATTS: There may be different  
11 measurements with each firm.

12 MR. BRADFORD: If you don't mind,  
13 let's make sure that --

14 SGT. WATTS: Yes, sir.

15 MR. BRADFORD: -- all licensees are  
16 using the same methodology.

17 SGT. WATTS: Yes, sir.

18 CHAIRMAN MORGAN: The Board  
19 previously, years ago, had expressed  
20 through action the policy, so that needs  
21 to be sure that that same policy's being  
22 applied.

23 SGT. WATTS: Yes, sir.

24 CHAIRMAN MORGAN: And I do know that  
25 some of the first generation boats,

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1 they're wall to wall; they include  
2 everything. So those are calculated a  
3 little differently than some of the  
4 later versions, but either way it is  
5 very unusual to have one when you have  
6 this much space become available all of  
7 a sudden.

8 SGT. WATTS: Yes, sir.

9 CHAIRMAN MORGAN: So if this gets  
10 approved, we're probably going to ask  
11 that y'all be sure that it's the same  
12 standard being applied.

13 SGT. WATTS: Yes, sir.

14 CHAIRMAN MORGAN: And it's within  
15 what the Board had previously approved.

16 SGT. WATTS: Yes, sir.

17 MR. JUNEAU: Chairman, which way we  
18 going to start figuring these on the  
19 boats, the old way, the new way?

20 CHAIRMAN MORGAN: It should be --  
21 the standard has not changed from what  
22 the Board had previously approved, and  
23 that was underneath Judge Crain's era.  
24 So that standard has not changed. I do  
25 know that there are, I think, two or

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1 three boats that even if they include it  
2 wall to wall, they're underneath the  
3 30,000 square foot, so it's easier for  
4 them just to include every aisle space,  
5 too, but the Board had previously ruled  
6 that space whereas for emergency  
7 evacuation and all should not be  
8 included as gaming space. That is  
9 allowable under the previous ruling of  
10 the Board and also the law to back out  
11 spaces such as your beverage areas and  
12 things of that nature.

13 MR. DUTY: Mr. Chairman, if I might  
14 address the Board on this point?

15 CHAIRMAN MORGAN: Go ahead.



16 Introduce yourself.

17 MR. DUTY: Good morning, Board  
18 Members, Wade Duty, Executive Director  
19 of Louisiana Casino Association, and  
20 where the Chairman was just going is  
21 exactly what's taking place here. It's  
22 not specifically a new methodology.

23 The casino vessels, within the scope  
24 of the limitations of their gaming  
25 square footage, are allowed to subtract

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1 egress routes, and what was done in this  
2 case was that subtraction was made.  
3 Based on the size of your vessel, it is  
4 more appropriate for you to declare  
5 wall-to-wall interior space as gaming  
6 space because it gives you some  
7 additional flexibility and reduces the  
8 time that it takes to get floor space  
9 approvals done.

10 If you're a larger vessel, such as  
11 the L'Auberge vessel, you could either  
12 declare essentially a large rectangle,  
13 30,000 square feet, to be your gaming  
14 space. If your vessel supports more  
15 space than that because its physically  
16 larger, then it does work to your  
17 advantage, but still within the scope of  
18 what has traditionally been approved by

19 this Board, to then examine areas around  
20 banks of the machines and carve out  
21 those egress routes as every other  
22 vessel, and as the landbased facilities  
23 are also allowed to do, and just perform  
24 those calculations. It's an extra step,  
25 but not a new methodology. I don't know

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1 if that helped in the explanation or  
2 not.

3 CHAIRMAN MORGAN: I guess I'm  
4 confused. Why did this occur under the  
5 initial construction and layout of the  
6 vessel? Normally, they would have  
7 applied this footprint and now by moving  
8 just one cage you create this additional  
9 space. So I want to make sure that  
10 we're appropriately monitoring that. It  
11 just seems uncharacteristic of the  
12 normal modifications.

13 MR. DUTY: I think they may have  
14 just got to the final tipping point  
15 where it was worthwhile to perform the  
16 second step and go through and actually  
17 carve out the individual egress routes  
18 as opposed to taking the entire easy to  
19 measure block.

20 CHAIRMAN MORGAN: I have no problem  
21 with that, but I want to make sure it's

22 the same application, the same standard,  
23 and that this is not something new.

24 MR. DUTY: Right.

25 CHAIRMAN MORGAN: Hopefully we're

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1 monitoring this. Did you have something  
2 to say?

3 MR. HUTCHINS: I mean, originally  
4 when gaming square footage was approved,  
5 there would be several blocks of slot  
6 machines to make large rectangles. In  
7 this drawing, basically a rectangle  
8 around each individual bank of slot  
9 machines where we have carved out that  
10 egress, and so that's the -- the square  
11 footage with the exception of the 35  
12 machines that we're adding in one corner  
13 of the facility, the layout of the  
14 casino does not change. It's just  
15 merely backing out -- when you go  
16 through the exercise of backing out the  
17 egress, that's the resulting computation  
18 is the approximate decrease of 5,000  
19 square feet of gaming space.

20 CHAIRMAN MORGAN: It's just  
21 uncharacteristic of what's happened in  
22 the past, so I want to make sure we're  
23 fine.

24 MR. DUTY: Well, with regard to the

25 larger vessels, though, you have seen

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1 this. The Horseshoe vessel's large  
2 enough, and they have used -- this is  
3 the first time this licensee has  
4 implemented it.

5 CHAIRMAN MORGAN: That's my point,  
6 is normally you try to get as much space  
7 as you can when you first open.

8 MR. DUTY: Well, they were so  
9 large -- I guess they finally reached  
10 the growing point. You've seen this  
11 methodology applied in the past at  
12 other -- you have six vessels in the  
13 state that are large enough to utilize  
14 this kind of additional calculation.

15 CHAIRMAN MORGAN: Okay. We'll  
16 just -- Sergeant, if you could just get  
17 back with me on that one --

18 SGT. WATTS: Yes, sir.

19 CHAIRMAN MORGAN: -- to make sure  
20 and confirm it, and I can refer that to  
21 other board members.

22 SGT. WATTS: Yes, sir.

23 MR. STIPE: Just so I'm clear: None  
24 of these egress paths are new.

25 MR. HUTCHINS: That's correct.

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1 CHAIRMAN MORGAN: Any other

2 questions? Any public comment? [No  
3 response.] I'll entertain a motion.

4 MR. JONES: Move for approval.

5 CHAIRMAN MORGAN: Motion by  
6 Mr. Jones to approve.

7 MR. SINGLETON: Second.

8 CHAIRMAN MORGAN: Second by  
9 Mr. Singleton. Is there any objection?

10 Hearing none, it's approved.

11 V. VIDEO GAMING ISSUES

12 A. Consideration of the following truckstop  
13 applications:

14 1. NDR Enterprises, LLC, d/b/a The Big  
15 Deal Truckstop Casino - No. 5500516142  
16 (new application)

17 CHAIRMAN MORGAN: Video Gaming  
18 Issues: Consideration of NDR  
19 Enterprises, LLC, doing business as The  
20 Big Deal Truckstop Casino, License No.  
21 5500516142.

22 MR. PITRE: Chairman Morgan, Board  
23 Members, Assistant Attorney General,  
24 Earl Pitre, Jr., here in the matter of  
25 NDR Enterprises, LLC, doing business as

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1 The Big Deal Truckstop Casino.

2 The applicant is a Louisiana limited  
3 liability company organized on  
4 January 21st, 2004. The managing

5 members are Donny Daigle, Roland Henry,  
6 Jr., Daniel Henry, Sr., and Stephen  
7 Naquin. The other non-managing members  
8 are Alexis Daigle and Paulette Henry.

9 The establishment is located at 5107  
10 West Park Avenue, which is also Highway  
11 659, in Houma, Louisiana, in Terrebonne  
12 Parish.

13 Master Trooper Kevin Smith conducted  
14 the suitability investigation of the  
15 relevant persons associated with the  
16 applicant and also conducted an on-site  
17 inspection of the facilities. He will  
18 present the Office of State Police's  
19 findings to the Board.

20 MT. SMITH: Good morning,  
21 Mr. Chairman, Members of the Board. I'm  
22 Master Trooper Kevin Smith, Louisiana  
23 State Police. I conducted the  
24 suitability investigation relevant to  
25 the persons associated with the

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1 applicant. I found no information that  
2 would preclude the following persons  
3 from participating in video gaming  
4 industry: Donny Daigle, Alexis Daigle,  
5 Roland Henry, Jr., Paulette Henry,  
6 Daniel Henry, Sr., Lauren Henry and  
7 Stephen Naquin.

8 An on-site inspection was conducted,  
9 and it was determined that the  
10 establishment meets all criteria set  
11 forth in video gaming laws as a  
12 qualified truckstop facility. Tax  
13 clearance certificate inquiries reveal  
14 that the applicants and its owners are  
15 current in filing and payment of all  
16 required taxes and returns. All  
17 applicable state and local permits were  
18 posted.

19 The establishment consists of 8.665  
20 contiguous acres. 8.148 acres owned by  
21 the applicant. The remaining acreage,  
22 0.517 acres, is leased by the applicant.

23 No fuel sales reports were  
24 submitted; therefore, the applicant will  
25 be operating 25 devices until fuel sales

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1 data supports qualification for  
2 additional machines.

3 The truckstop also has a separate  
4 gaming area that is restricted to adult  
5 patronage.

6 MR. PITRE: The Office of the  
7 Attorney General has reviewed the file  
8 compiled as a result of the  
9 investigation conducted by the Office of  
10 State Police. Our review indicates that

11 no information has been found which  
12 would preclude the issuance of a Type 5  
13 license to NDR Enterprises, LLC, doing  
14 business as The Big Deal Truckstop  
15 Casino.

16 CHAIRMAN MORGAN: Thank you. Is  
17 there any questions from members? Any  
18 public comment with regard to this  
19 matter? [No response.]

20 MR. BRADFORD: I move for approval.

21 CHAIRMAN MORGAN: Motion by  
22 Mr. Bradford to approve.

23 MS. ROGERS: Second.

24 CHAIRMAN MORGAN: Seconded by  
25 Miss Rogers. Is there any objection?

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1 Hearing none, the matter's approved.

2 Thank you.

3 VI. PROPOSED SETTLEMENTS FROM HEARING OFFICERS'  
4 DECISIONS

5 1. In Re: Halperns' Steak and Seafood  
6 Company - No. PO86502628

7 CHAIRMAN MORGAN: Item VI, Proposed  
8 Settlements from Hearing Officers'  
9 Decisions. First is Halperns' Steak and  
10 Seafood Company.

11 MR. SCHMOLKE: Good morning,  
12 Mr. Chairman, Members of the Board. I'm  
13 Assistant Attorney General, Brandt



14 Schmolke, on behalf of the Division.  
15 Mr. Chairman, this arises out of a  
16 notice of recommendation of  
17 administrative action where the  
18 permittee failed to notify the Division  
19 of multiple elections of officers and  
20 directors, as well as certain issuances  
21 of stock which took place between the  
22 years 2006 and 2009. Also, the  
23 permittee failed to notify the Division  
24 of a 1980 arson arrest of one of its  
25 members, Jody Hicks.

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1 The Division has proposed a civil  
2 penalty in the amount of \$30,000 which  
3 the permittee is in agreement with.

4 MS. KEENAN: Juliann Keenan on  
5 behalf of Halperns. We are in agreement  
6 with the settlement proposed by the  
7 A.G.'s Office.

8 CHAIRMAN MORGAN: Would you say your  
9 name again?

10 MS. KEENAN: Juliann Keenan.

11 CHAIRMAN MORGAN: Do you know what  
12 your gross sales are in the State of  
13 Louisiana?

14 MS. KEENAN: I do not have that  
15 information, but we could provide it  
16 afterwards.

17 CHAIRMAN MORGAN: You're a  
18 non-gaming vendor, right?

19 MS. KEENAN: Yes.

20 CHAIRMAN MORGAN: Any questions by  
21 members? Mr. Stipe?

22 MR. STIPE: Mr. Chairman, this  
23 notice with respect to these 2007 and  
24 2008 annual filings, I guess, is  
25 this -- does this resolve everything

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1 that this entity has in terms of  
2 administrative actions, or are any other  
3 things pending?

4 MR. SCHMOLKE: No, sir. At this  
5 time, the permittee has updated the  
6 Division with all of its members and the  
7 officers that were elected and all  
8 issuance of the stock, so they are, you  
9 know, up to date with the Division as  
10 far as notifying them of any changes  
11 within the company.

12 MR. STIPE: Okay. And then they've  
13 filed their annual affidavit form;  
14 that's all current?

15 MR. SCHMOLKE: I believe so.

16 MR. STIPE: Okay.

17 CHAIRMAN MORGAN: I have a question:  
18 How big is your company?

19 MS. KEENAN: I can't properly tell

20 you that. It's a medium-size company.

21 I would be glad to provide data at a

22 later date.

23 CHAIRMAN MORGAN: Obviously, the  
24 question we have is what measures have  
25 you taken to ensure this does not occur

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1 again.

2 MS. KEENAN: Oh, that I can answer.

3 CHAIRMAN MORGAN: You're on top of  
4 it.

5 MS. KEENAN: Yeah. That I know  
6 because we are -- as legal counsel, we  
7 are constantly calling them and making  
8 sure that they're up to date, and they  
9 now really understand the severity of  
10 not reporting to the Gaming Control  
11 Board when they have these stock  
12 transactions and board and member  
13 changes and that kind of thing, and so  
14 we're on top of them to make sure that  
15 they provide what information that they  
16 need to provide. And they understand  
17 that now. Going through this process,  
18 they are very aware that they need to be  
19 in compliance with the Board's  
20 requirements.

21 CHAIRMAN MORGAN: And that's the  
22 purpose of the process --

23 MS. KEENAN: Yes.

24 CHAIRMAN MORGAN: -- bringing  
25 everyone in compliance. Major Mercer?

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1 MAJOR MERCER: On the arson arrest  
2 of Jody Hicks, was he convicted of first  
3 degree arson?

4 MR. SCHMOLKE: I'm not sure of the  
5 disposition of that. I just know that  
6 whenever she had sent in her personal  
7 history questionnaire, she failed to  
8 mention that, but whenever the Division  
9 brought that to her attention, she did,  
10 you know, acknowledge that, yes, she was  
11 arrested for that. I'm not sure of the  
12 disposition.

13 CHAIRMAN MORGAN: Sergeant Sibley.

14 SGT. SIBLEY: Good morning,  
15 Chairman, Board Members. My name is  
16 Sergeant Sibley with the Louisiana State  
17 Police Gaming Division. The answer to  
18 that question is that charge was  
19 dismissed, sir. In a reference to their  
20 annual affidavits, this company is  
21 current in submission of all its  
22 payments and fees.

23 CHAIRMAN MORGAN: Do you know  
24 anything about the company, how big it  
25 is?

1 SGT. SIBLEY: When they submitted  
2 the original application in 2005, I  
3 think they reported their gross yearly  
4 profits from gaming as \$1 million.

5 CHAIRMAN MORGAN: Anything else?  
6 Mr. Jones?

7 MR. JONES: I didn't understand.  
8 You said the charge was dismissed, the  
9 arson charge?

10 SGT. SIBLEY: Yes, sir.

11 MR. JUNEAU: Is that one million  
12 dollars on gaming or just total sales?

13 SGT. SIBLEY: I don't know. That's  
14 the total amount of gross revenue from  
15 the gaming industry that was reported.

16 CHAIRMAN MORGAN: Any other  
17 questions? Do we have -- entertain a  
18 motion.

19 MR. STIPE: Move for approval.

20 CHAIRMAN MORGAN: Mr. Stipe moves  
21 approval.

22 MR. JUNEAU: Second.

23 CHAIRMAN MORGAN: Mr. Juneau  
24 seconds. Is there any objection? [No  
25 response.] It's approved. Hopefully we

1 won't see you again, not in this  
2 situation.

3 2. In Re: Rose Gaming, L.L.C., d/b/a Rose  
4 Gaming, L.L.C. - No. 2600613144

5 CHAIRMAN MORGAN: This is Rose  
6 Gaming, L.L.C., doing business as Rose  
7 Gaming, No. 2600613144.

8 MS. BOGRAN: Chairman Morgan, I'm  
9 Olga Bogran from the A.G.'s Office  
10 Gaming Division. This violation arose  
11 from a licensee's failure to report a  
12 DWI within the ten days that's required  
13 by gaming law. The settlement amount is  
14 for \$250, which is in line with the  
15 other settlements for similar  
16 violations. This has been signed by the  
17 hearing officer and is before you for  
18 final approval.

19 CHAIRMAN MORGAN: Any questions?  
20 Entertain a motion.

21 MR. BRADFORD: Move for approval.

22 CHAIRMAN MORGAN: Motion by  
23 Mr. Bradford to approve.

24 MAJOR MERCER: I'll second.

25 CHAIRMAN MORGAN: Second by Major

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1 Mercer. Is there any objection? [No  
2 response.] Hearing none, that's  
3 approved. Thank you.

4 VII. PUBLIC COMMENTS

5 CHAIRMAN MORGAN: Any public

6 comment? No public comment.

7 VIII. ADJOURNMENT

8 CHAIRMAN MORGAN: Motion to adjourn?

9 MR. SINGLETON: I move we adjourn.

10 CHAIRMAN MORGAN: Boy, Mr. Singleton  
11 jumped on that.

12 MS. ROGERS: Second.

13 CHAIRMAN MORGAN: Seconded by Miss  
14 Rogers. Is there any objection?

15 Hearing none, were adjourned.

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1 REPORTER'S PAGE

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3 I, SHELLEY PAROLA, Certified Shorthand

4 Reporter, in and for the State of Louisiana, the

5 officer before whom this sworn testimony was

6 taken, do hereby state:

7 That due to the spontaneous discourse of this

8 proceeding, where necessary, dashes (--) have been

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

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

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19

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21

22

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24 SHELLEY PAROLA

Certified Court Reporter #96001

25 Registered Professional Reporter

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1 STATE OF LOUISIANA

2 PARISH OF EAST BATON ROUGE

3 I, Shelley G. Parola, Certified Court

4 Reporter and Registered Professional Reporter, do

5 hereby certify that the foregoing is a true and

6 correct transcript of the proceedings on September

7 16, 2010, as taken by me in Stenographic machine

8 shorthand, complemented with magnetic tape

9 recording, and thereafter reduced to transcript,

10 to the best of my ability and understanding, using



11 Computer-Aided Transcription.

12 I further certify that I am not an  
13 attorney or counsel for any of the parties, that I  
14 am neither related to nor employed by any attorney  
15 or counsel connected with this action, and that I  
16 have no financial interest in the outcome of this  
17 action.

18 Baton Rouge, Louisiana, this 13th day of  
19 October, 2010.

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\_\_\_\_\_

22

SHELLEY G. PAROLA, CCR, RPR

CERTIFICATE NO. 96001

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