

1: 1 LOUISIANA GAMING LOUISIANA CONTROL BOARD

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4 BOARD OF DIRECTORS' MEETING

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9 Thursday, June 21, 2012

10

11 House Committee Room 1

12 Louisiana State Capitol

13 Baton Rouge, Louisiana

14

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16

17 TIME: 10:00 A.M.

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1 APPEARANCES

2 DALE HALL

3 CHAIRMAN  
4  
5 VELMA ROGERS  
6 Vice-Chairman  
7  
8 AYRES BRADFORD  
9 Board Member  
10  
11 MARK STIPE  
12 Board Member  
13  
14 JAMES SINGLETON  
15 Board Member  
16  
17 DENISE NOONAN  
18 Board Member  
19  
20 MAJOR MARK NOEL  
21 Ex-Officio Board Member  
22  
23 LANA TRAMONTE  
24 Executive Assistant to the Chairman  
25

3

1 APPEARANCES CONTINUED  
2  
3  
4 REPORTED BY:  
5 SHELLEY G. PAROLA, CSR, RPR

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1 I. CALL TO ORDER

2 CHAIRMAN HALL: Good morning  
3 everyone. We'd like to go ahead and  
4 begin, if we can. We have a fairly busy  
5 agenda, not too bad, though. I'd like  
6 to go ahead and call the meeting to  
7 order, and in so doing, I'd like to take  
8 a point of privilege, if I could.

9 II. PUBLIC COMMENTS

10 CHAIRMAN HALL: Two things to give  
11 you a little bit of information on two  
12 things, the first being that after many  
13 years of State service in the Attorney  
14 General's Office, Mr. James Smith is  
15 going to be retiring, and it appears  
16 he's not going too far, though, because  
17 he's going to be doing some part-time  
18 work for the Attorney General Indian --  
19 related to Indian Gaming, but with him  
20 is Mr. Strider, his replacement. But I

21 do want to thank James, not only for the  
22 Gaming Control Board, but publicly and  
23 personally for his years of gaming to  
24 the state and in particular to this  
25 board.

9

1 And if you would, please, James,  
2 would you introduce your replacement,  
3 Mr. Strider. He's been appointed by the  
4 Attorney General.

5 MR. SMITH: Yes. On my left here is  
6 Cliff Strider, who has many years of  
7 experience. He's been with the A.G.'s  
8 Office for a few years now, and he will  
9 be taking over effectively the 1st of  
10 July as Director of the Gaming Division.  
11 I think all of you that have contact  
12 with the Division are going to be very  
13 pleased. He's very easy to work with,  
14 and I think you're going to be very  
15 pleased to have him onboard as Director  
16 of the Gaming Division.

17 CHAIRMAN HALL: Thank you very much.  
18 Mr. Strider, I welcome you publicly, and  
19 anything we can do to help you in the  
20 transition, please let us know, and we  
21 look forward to service with you.

22 MR. STRIDER: Thank you, sir.

23 MR. BRADFORD: Mr. Chairman, just as



24 a point of personal privilege, I'd like  
25 to thank James Smith. I just wanted to

10

1 say personally, thank you, James, for  
2 everything you've done. You've been a  
3 wealth of information for this board.

4 This is a classic brain drain that  
5 happens in our state from time to time,  
6 and we're a little bit fortunate here to  
7 have Cliff coming behind him, because  
8 that really eases the situation.

9 Cliff's excellent and will do very well  
10 behind James, but, James, thank you very  
11 much for your gaming.

12 MR. SMITH: Thank you.

13 CHAIRMAN HALL: Are there any other  
14 public comments this morning? [No  
15 response.] Okay. Miss Tramonte, if you  
16 would call the roll, please.

17 THE CLERK: Chairman Hall?

18 CHAIRMAN HALL: Here.

19 THE CLERK: Miss Rogers?

20 MS. ROGERS: Here.

21 THE CLERK: Mr. Bradford?

22 MR. BRADFORD: Here.

23 THE CLERK: Mr. Jones? [No  
24 response.] Mr. Stipe? [No response.]

25 Mr. Singleton?

11

1 MR. SINGLETON: Here.

2 THE CLERK: Miss Noonan?

3 MS. NOONAN: Here.

4 THE CLERK: Colonel Edmonson?

5 MAJOR NOEL: Major Noel for Colonel  
6 Edmonson.

7 THE CLERK: Secretary Bridges is  
8 not.

9 III. APPROVAL OF MINUTES

10 CHAIRMAN HALL: If we can have  
11 someone make a motion to waive the  
12 reading of the minutes and --

13 MR. SINGLETON: I so move.

14 MR. BRADFORD: Second.

15 CHAIRMAN HALL: Moved and seconded  
16 by Mr. Singleton and Mr. Bradford.

17 Anyone opposed? [No response.] So  
18 moved. Thank you.

19 IV. REVENUE REPORTS

20 CHAIRMAN HALL: And next we have up  
21 Revenue Reports, please. Good morning.

22 MR. BOSSIER: Good morning, Chairman  
23 Hall and Board Members. My name is Jim  
24 Bossier with the Louisiana State Police  
25 Gaming Audit Section.

12

1 Following is the riverboat revenue  
2 report for May 2012. During May, the 12  
3 operating riverboats generated Adjusted

4 Gross Receipts of \$141,487,183, an  
5 increase from last month of \$10 million  
6 or 7.6 percent, and an increase of  
7 \$3 million or 2 percent from May 2011.

8 Adjusted Gross Receipts for  
9 2011-2012 to date are \$1,514,000,000, a  
10 slight increase of \$3 million from  
11 fiscal year 2010-2011.

12 During May, the State collected fees  
13 totaling \$30,419,744. As of May 31, 2012,  
14 the State has collected \$325 million in  
15 fees for fiscal year 2011-2012.

16 Next is a summary of the May 2012  
17 gaming activity for Harrah's New Orleans  
18 found on page three. During May,  
19 Harrah's New Orleans generated  
20 \$28,454,539 in gross gaming revenue, up  
21 \$1.6 million or 6 percent from last  
22 month, but down \$2 million or 7 percent  
23 from May 2011. Fiscal year to date  
24 gaming revenues for 2011-2012 to date  
25 are almost \$310 million, down

13

1 \$13.6 million or 4 percent from fiscal  
2 year 2010-2011.

3 During May the State received  
4 \$5,095,890 in minimum daily payments.  
5 As of May 31, 2012, the state collected  
6 over \$68 million in fees for fiscal year

7 2011-2012.

8 Slots at the Racetrack revenues are  
9 shown on page four. During May, the  
10 four racetrack facilities combined  
11 generated Adjusted Gross Receipts of  
12 \$34,212,602, an increase of 3 percent or  
13 \$1 million from last month, but a slight  
14 decrease of .4 percent from May 2011.

15 Adjusted Gross Receipts for fiscal  
16 year 2011-2012 to date are over  
17 \$367 million, an increase of 3 percent  
18 or \$10 million from fiscal year  
19 2010-2011.

20 During May, the State collected fees  
21 totaling \$5,190,052. As of May 31, 2012,  
22 the State has collected almost  
23 \$56 million in fees for fiscal year  
24 2011-2012.

25 Overall, riverboats, landbased and

14

1 Slots at the Racetracks revenue  
2 generated \$204 million, which is  
3 \$1 million or .5 percent more than last  
4 May.

5 Are there any questions before I  
6 present the Harrah's employee numbers?

7 CHAIRMAN HALL: Please continue.

8 Press the button for me, if you would,  
9 please.

10 MR. BOSSIER: I've included a  
11 spreadsheet for the employee numbers in  
12 your chart folders. Harrah's New  
13 Orleans is required to maintain at least  
14 2,400 employees and a bi-weekly payroll  
15 of \$1,750,835. This report covers the  
16 two pay periods in May 2012. For the  
17 first pay period, the Audit Section  
18 verified 2,481 employees with a payroll  
19 of \$2,023,000. For the second pay  
20 period, the Audit Section verified 2,489  
21 employees with a payroll of \$2,081,000.  
22 Therefore, Harrah's met the employment  
23 criteria during May.

24 Does anybody have any questions?

25 CHAIRMAN HALL: I don't see any.

15

1 MR. BOSSIER: Now I'm going to  
2 present the video poker numbers. During  
3 May 2012, 20 new video gaming licenses  
4 were issued: Eight bars, seven  
5 restaurants, one truckstop and four  
6 device owner's.

7 Sixteen new applications were  
8 received by the Gaming Enforcement  
9 Division in May and are currently  
10 pending the field: Seven bars, seven  
11 restaurants, one truckstop and one  
12 device owner.

13           The Gaming Enforcement Division  
14           assessed \$2,000 in fines and collected  
15           \$3,250 in penalties in May. There are  
16           currently \$1,280 in outstanding fines.  
17           Please refer to page two of your  
18           handout.

19           There are presently 14,446 video  
20           gaming devices activated 2,127  
21           locations.

22           Net device revenue for May 2012 was  
23           \$51,280,500, a \$1.1 million increase or  
24           2.2 percent when compared to net device  
25           revenue for April 2012, and a \$470,000

16

1           increase or nine-tenths of 1 percent  
2           when compared to May 2011.

3           Net device revenue for fiscal year  
4           2012 to date is \$557,606,735, a \$7.8  
5           million decrease, or 1.4 percent when  
6           compared to net device revenue for  
7           fiscal year 2011. Page three of your  
8           handout shows a comparison of net device  
9           revenue.

10           Total franchise fees collected for  
11           May 2012 are \$15,287,966, a \$316,000  
12           increase when compared to April 2012,  
13           and a \$183,000 increase when compared to  
14           May 2011.

15           Total franchise fees collected for

16 fiscal year 2012 to date are  
17 \$166,346,708, a \$2 million or  
18 1.2 percent decrease when compared to  
19 last year's franchise fees.

20 Page four of your handout shows a  
21 comparison of franchise fees. Does  
22 anybody have any questions?

23 CHAIRMAN HALL: I don't see any.

24 Thank you very much.

25 V. CASINO GAMING ISSUES

17

1 A. Consideration of petition by Creative Casinos  
2 of Louisiana, L.L.C., d/b/a Mojito Pointe  
3 Casino Resort, No. R016502995, for a transfer  
4 of membership interest to Ameristar Casinos,  
5 Inc.

6 CHAIRMAN HALL: The next issue on  
7 the agenda is the Casino Gaming Issues,  
8 and up first we have Consideration of  
9 petition by Creative Casinos doing  
10 business as Mojito Point for a transfer  
11 of membership interest to Ameristar  
12 Casinos, Incorporated. And I believe we  
13 have a couple reports and a presentation  
14 to accompany this.

15 MR. GAUTREUX: Morning, Chairman,  
16 Members of the Board. My name is Leonce  
17 Gautreaux, Assistant Attorney General.  
18 Here with me today is Evie Ficklin of

19 the Louisiana State Police Gaming Audit  
20 Section and Senior Trooper Ryan Riley of  
21 the Louisiana State Police.

22 For your consideration today is the  
23 Creative Casinos, LLC's, petition for  
24 approval of a transfer of ownership  
25 interest from Creative Casinos, LLC, to

18

1 Ameristar Lake Charles Holdings, LLC, a  
2 subsidiary of Ameristar Casinos, Inc.

3 Just briefly to provide a little  
4 background: On February 17th, 2011,  
5 this board selected Creative Casinos of  
6 Louisiana as the approved applicant.  
7 Creative Casinos of Louisiana accepted  
8 all the conditions imposed by the  
9 Louisiana Gaming Control Board,  
10 including the design and operation and  
11 building of the approved project as  
12 defined in the conditions.

13 On April 19th, 2011, a local  
14 referendum was held in Calcasieu Parish,  
15 and the local citizens voted to approve  
16 the berth site for Creative Casinos. On  
17 May 19th, 2011, the local election was  
18 certified, and the term of the license  
19 commenced on that date.

20 In the course of between then and  
21 now, the Board has accepted the plans of



22 design. They have submitted the  
23 construction contract which was  
24 accepted, and the Board has provided a  
25 couple of extensions for the

19

1 commencement of construction on the  
2 project, which the current date for  
3 commencement of construction is on or  
4 before July 20th, 2012.

5 On March 14th, 2012, Creative  
6 Casinos and Ameristar entered into a  
7 membership interest purchase agreement  
8 where Ameristar will acquire Creative  
9 Casinos' membership interest in Creative  
10 Casinos of Louisiana for \$32.5 million.  
11 This also includes the acquisition of  
12 the lease option with the Port and the  
13 right to the leasehold interest for the  
14 site for the approved project, the  
15 contracts and agreements, including the  
16 construction contract with Yates, the  
17 plans and the designs and the rights to  
18 Mojito Pointe.

19 The closing of this agreement is set  
20 for -- on or before the fifth business  
21 day after conditions to closing have  
22 been waived or satisfied. Including --  
23 included in those conditions to closing  
24 are required governmental approvals,

25 including this Board's approval for the  
20  
1 transfer of interest. It, also,  
2 includes the approval of the Lake  
3 Charles Harbor and Terminal District  
4 regarding the lease. That approval was  
5 given on March 14th, 2012, when the Port  
6 consented to the transfer of the  
7 ownership interest and entered into a  
8 second amendment to the lease option to  
9 cover the significant changes.

10 At closing, Creative Casinos will  
11 deliver the certificate of membership  
12 interest in Creative Casinos of  
13 Louisiana to Ameristar. Resignation  
14 letters of all current directors and  
15 officers will also be delivered.  
16 Ameristar will then pay the \$32.5  
17 million purchase price, less a  
18 \$1 million pre-closing deposit and a \$5  
19 million holdback, which will be set up  
20 in an escrow account to cover any future  
21 indemnification costs.

22 Upon consummation of the purchase  
23 agreement, Ameristar, the ultimate --  
24 will become the ultimate parent company  
25 of Creative Casinos of Louisiana, the

21

1 licensee. To accomplish this, Creative

2 Casinos will transfer the membership  
3 interest in Creative Casinos of  
4 Louisiana to Ameristar Lake Charles  
5 Holdings, LLC, by active assignment of  
6 membership interest.

7 The final structure will be  
8 Ameristar Casino Company, Ameristar  
9 Casinos Lake Charles Holding Company,  
10 which will be the direct parent of  
11 Creative Casinos of Louisiana, LLC, the  
12 licensee. Creative Casinos will no  
13 longer hold an ownership interest in  
14 Creative Casinos of Louisiana, and now  
15 Miss Ficklin will give her report.

16 MS. FICKLIN: Good morning,  
17 Mr. Chairman and Board Members. I'm  
18 Evie Ficklin. I'm an auditor with the  
19 Louisiana State Police.

20 Ameristar's current ownership as of  
21 April 30th, 2012, is shown on page  
22 three. As of that date, approximately  
23 34.7 percent ownership was held by  
24 various institutional investors, each  
25 holding a greater than 5 percent

22

1 ownership interest. Approximately  
2 60.1 percent is publicly traded, and no  
3 owners of the publicly traded shares  
4 hold a greater than 5 percent interest.

5 Ameristar's \$32.5 million cost to  
6 acquire the membership interest in the  
7 licensee includes certain of Creative  
8 Casinos' expenditures to date. The  
9 chart on page 11 depicts the amount  
10 Creative Casinos has expended as of  
11 April 30th, 2012, in connection with the  
12 development of Mojito Pointe.

13 The information was extracted from  
14 the licensee's monthly report to the  
15 Board required by Condition Number 21,  
16 detailing work in progress and other  
17 expenses.

18 Ameristar's sources and uses  
19 schedule the allocation of the estimated  
20 approximate \$549 million financing over  
21 the construction period are shown on  
22 page 7. Ameristar plans to fund the  
23 project using \$225 million from its cash  
24 operations and drawdowns aggregating  
25 \$324 million under its revolver

23

1 beginning in the first quarter of 2013.  
2 It currently has a \$1.4 billion credit  
3 agreement consisting of \$900 million in  
4 term loans and a \$500 million revolver.  
5 There's also an option under the terms  
6 of the credit agreement that provides  
7 for an additional \$200 million

8 incremental loan.

9 We received independent verification  
10 from the managing director of Deutsche  
11 Bank Trust Company Americas, the credit  
12 agreement's administrative agent, that  
13 Ameristar had \$496 million available  
14 under its revolver as of June 11th,  
15 2012. Ameristar is in compliance with  
16 financial covenants under its financial  
17 agreements.

18 Ameristar's long-term debt schedule  
19 as of March 31, 2012, is shown on page  
20 44. The company's outstanding long-term  
21 debt schedule includes the approximate  
22 \$809 million under its credit agreement  
23 term loans, \$800 million principal  
24 amount, and 7.5 percent senior notes  
25 issued in April 2011, and the subsequent

24

1 issuance of \$240 million additional  
2 seven-and-a-half percent senior notes  
3 issued in April 2012. The proceeds from  
4 the additional 7.5 percent notes were  
5 used to pay the outstanding balance  
6 under its revolver.

7 Ameristar's management provided  
8 copies of existing management agreements  
9 with its various properties as a form of  
10 management agreement Ameristar and

11 Creative Casinos of Louisiana plan to  
12 execute prior to the opening of the  
13 casino. Under the management  
14 agreements, Ameristar currently receives  
15 monthly fees equal to 5 percent of the  
16 gross revenues from the prior month's  
17 operations. Ameristar's projections are  
18 shown beginning on page 51. The company  
19 is projecting sufficient EBIDA, and a  
20 projecting EBIDA schedule is shown on 52  
21 to gaming its debt.

22 Based on Ameristar's historical  
23 financial data, Ameristar's projections  
24 appear reasonable. No financial issues  
25 came to our attention to preclude

25

1 Ameristar's acquisition of the  
2 membership interest in Creative Casinos  
3 of Louisiana. And now Trooper Ryan  
4 Riley will give his report.

5 TROOPER RILEY: Morning.

6 CHAIRMAN HALL: Morning.

7 TROOPER RILEY: My name is Master  
8 Trooper Ryan Riley. I'm with the  
9 Louisiana State Police Gaming Audit  
10 Section. A suitability investigation  
11 was conducted on Ameristar Casinos,  
12 Inc., slash Ameristar Lake Charles  
13 Holdings, LLC, and its officers and

14 directors. This investigation consisted  
15 of inquiries made through federal, state  
16 and local law enforcement agencies,  
17 computerized criminal history databases,  
18 financial and civil institutions, and  
19 gaming regulatory agencies.

20 Tax clearance request forms were  
21 forwarded to the Internal Revenue  
22 Service and the Louisiana Department of  
23 Revenue in order to ensure that all  
24 applicants were current in filing taxes.

25 During the suitability

26

1 investigation, I discovered no  
2 information which would preclude the  
3 licensing of Ameristar Casinos, Inc.,  
4 nor Ameristar Lake Charles Holdings,  
5 LLC, and any of its officers or  
6 directors.

7 MR. GAUTREAU: Just a couple more  
8 points for the Board. If you remember,  
9 this license is subject to conditions  
10 that the Board imposed regarding the  
11 development, construction, reporting and  
12 other regulatory matters. Those remain  
13 on the license. Ameristar will be bound  
14 to fulfill those conditions, should the  
15 Board approve this transfer, including  
16 building an operating the approved

17 project as approved by the Board.  
18 Condition 31 required a proposed  
19 transferee of the transfer of ownership  
20 interest to accept the conditions.  
21 Ameristar has executed an acknowledgment  
22 and acceptance of the conditions. You  
23 may also remember that on March 12th,  
24 2012, the Board approved certain  
25 amendments to the conditions regarding

27

1 the approved project, the amendments to  
2 become effective upon approval of any  
3 transfer of interest. Included in that  
4 is the increase of the minimum  
5 investment from \$400 million to  
6 \$500 million, an increase in the size of  
7 the hotel and the number of rooms from  
8 400 to 700, with at least 70 being VIP  
9 Suites, an increase in the size of the  
10 parking garage from 400 to at least  
11 1,000 spaces, and an elimination of the  
12 entertainment facility.

13 The specific approval before the  
14 Board today is a request to approve the  
15 Creative Casinos, LLC's, transfer of  
16 100 percent of the membership interest  
17 in Creative Casino of Louisiana, LLC, to  
18 Ameristar Lake Charles Holdings, LLC.

19 MR. SINGLETON: May I ask a



20 question?

21 CHAIRMAN HALL: Yes, sir, you may.

22 MR. SINGLETON: Now, when we did  
23 this sometime ago, we authorized -- I  
24 guess after doing this whole thing we  
25 decided that Creative Casinos was the

28

1 best company to get the license, I  
2 guess, is the best way to put that. Now  
3 we're coming back, and Creative Casinos  
4 is telling us now, in a certain way,  
5 that they're going to select who the new  
6 operator's going to be. Am I too far  
7 from that?

8 MR. GAUTREUX: I wouldn't put it  
9 that way. This is postured in the same  
10 position that other transactions have  
11 come before the Board. It's a transfer  
12 of an ownership interest.

13 MR. SINGLETON: But I don't remember  
14 one where there is a new license that's  
15 being issued. I think since I've been  
16 here I've seen us make a transfer to  
17 something that was already in existence,  
18 but we authorized the new licensee for  
19 this casino, Creative Casinos, and I  
20 don't remember, since I've been here,  
21 anyway, anything coming up quite the  
22 same.

23 MR. GAUTREAU: It is postured a  
24 little different, but it's -- it's  
25 legally the same. It's the transfer of

29

1 an ownership interest in the licensee,  
2 which we have done previously numerous  
3 times, or this Board has approved  
4 numerous times. It will be a new owner  
5 for the licensee, but it is the same  
6 rules and law are applicable. It's  
7 transfer of ownership interest which  
8 requires prior approval.

9 MR. SINGLETON: And that's even  
10 before the construction of the casino  
11 starts? All the others, if I remember  
12 correctly, is their casinos are already  
13 in existence.

14 MR. GAUTREAU: There is no  
15 distinction in statute or rules between  
16 that.

17 MR. SINGLETON: Strictly dealing  
18 with the statute?

19 MR. GAUTREAU: Yeah.

20 MR. SINGLETON: Well, what bothers  
21 me a little bit is the statute versus, I  
22 guess, my own personal beliefs and  
23 understanding tells me to some extent --  
24 I can't get away from the fact that  
25 somebody is dictating to me and this

1 board who the licensee should be --

2 MR. GAUTREAUX: Well --

3 MR. SINGLETON: -- the new licensee  
4 should be.

5 MR. GAUTREAUX: I wouldn't put it  
6 that way. This ultimately is the  
7 Board's decision, and I think  
8 Mr. Bradford pointed it out several  
9 meetings ago that it's the Board's  
10 decision to do this.

11 MR. SINGLETON: When you say --  
12 explain that to me again. Creative  
13 Casinos is doing this, but they're  
14 still -- the name is still involved even  
15 though the principle --

16 MR. GAUTREAUX: The licensee is  
17 Creative Casinos of Louisiana, LLC.  
18 That's the licensed entity. It is owned  
19 by Creative Casino, LLC --

20 MR. SINGLETON: Okay.

21 MR. GAUTREAUX: -- a hundred percent  
22 of the membership interest. Creative  
23 Casinos is proposing to transfer  
24 100 percent of that membership interest  
25 to Ameristar Lake Charles Holdings.

1 MR. SINGLETON: So they sold it.

2 MR. GAUTREAUX: So they would

3 basically step in, but the licensee  
4 remains Creative Casinos of Louisiana,  
5 LLC.

6 MR. SINGLETON: But they're selling  
7 their interest in it?

8 MR. GAUTREAUX: Yes.

9 MR. SINGLETON: Okay.

10 CHAIRMAN HALL: Mr. Bradford.

11 MR. BRADFORD: Yeah, just a couple  
12 of things. First of all, I would like  
13 to thank each of you for a tremendous  
14 amount of work that y'all have done in a  
15 fairly short period of time, and  
16 excellent work by the way, all of it,  
17 the audit, the work -- the State Police  
18 work, the Attorney General's work,  
19 everything, and it's been very thorough.

20 I, obviously, have read all this,  
21 looked at it and been involved in it. I  
22 think this is -- I want to speak in  
23 favor of this transfer. I think it's in  
24 the best interests of the State of  
25 Louisiana. Creative Casinos did a great

32

1 job getting it to a certain point and  
2 maybe even did us a favor bringing in a  
3 real -- a real big, national,  
4 financially very stable company to take  
5 this project to a completion, and I just

6 want to speak in favor of the  
7 resolution.

8 CHAIRMAN HALL: Thank you. Is there  
9 anyone else? Miss Noonan?

10 MS. NOONAN: I'd like to also  
11 express my sentiments as Mr. Bradford.  
12 You-guys do an excellent job of keeping  
13 us informed, and also Creative Casinos  
14 recognizes that maybe this is something  
15 that maybe somebody else can come in and  
16 complete. Their name can still be good.  
17 They won't fail at the project, and  
18 we'll all win. I agree with Mr.  
19 Bradford and thank you guys  
20 tremendously.

21 MS. ROGERS: Correlate for us the  
22 difference between this procedure and  
23 the Margaritaville.

24 MR. GAUTREAU: The procedure's the  
25 same. That was a transfer of an

33

1 ownership interest.

2 MS. ROGERS: That's what I thought.  
3 That was my point.

4 CHAIRMAN HALL: As a matter of fact,  
5 we have a resolution prepared, if I  
6 could.

7 MR. GAUTREAU: I do think Ameristar  
8 wants to make a presentation.

9 CHAIRMAN HALL: Oh, I'm sorry.

10 Absolutely correct. I knew that.

11 That's why y'all are here sitting on the  
12 front row, so forgive me, please.

13 MR. DUNCAN: Kelly Duncan for Jones  
14 Walker representing Ameristar. Today  
15 with me is Gordon Kanofsky, who is the  
16 CEO of Ameristar, and Gordon will  
17 introduce other members of the Ameristar  
18 team. I did want to point out that Dan  
19 Lee, whom you know, regrettably is out  
20 of the country and is not here today,  
21 but Lewis Fanger, who is the Chief  
22 Financial Officer of Creative, is here  
23 in the audience.

24 So with that in mind, I'll turn it  
25 over to Gordon.

34

1 MR. KANOFSKY: Thank you, Kelly, and  
2 thank you, Members of the Board. Very  
3 happy to be here. I apologize I was not  
4 able to be here in March when we first  
5 presented to you with respect to this  
6 project; but I'm here today, and I hope  
7 you'll forgive my prior absence. There  
8 was something personal that I wasn't  
9 able to be here then.

10 I'd like to introduce you to some  
11 other members of our management team who

12 are here with me today. On my right is  
13 Troy Stremming, who is our Senior  
14 Vice-President of Governmental Relations  
15 and Public Affairs. On his right is  
16 Jack Mohn, who is our Vice-President of  
17 Design and Construction, and right back  
18 there in the front row is Tom  
19 Steinbauer, who is your Chief Financial  
20 Officer, and so sitting next to Tom  
21 is -- the State Police was talking about  
22 the stability of our financial  
23 condition. I could, you know, feel a  
24 glow coming out of Tom. He was feeling  
25 very proud, and he should be.

35

1 I'd also like to thank a lot of  
2 people. I'd like to thank Creative  
3 Casinos. I'd like to thank the Control  
4 Board staff, Louisiana State Police, the  
5 other state government officials and  
6 agencies that we have met with over the  
7 last few months, the Calcasieu Parish  
8 officials, the City of Lake Charles  
9 officials, certainly Lake Charles Port  
10 District, the whole community, and  
11 hopefully our new neighbors, Pinnacle  
12 Entertainment.

13 Everybody has been extremely  
14 cooperative and welcoming to us into the

15 community. This has been just a very  
16 easy process to navigate, and everybody  
17 has been very straightforward with us,  
18 cooperative and friendly, even though  
19 they've got their own responsibilities  
20 to perform, but it's been done in a very  
21 professional and respectful manner.

22 And we are excited as all can be to  
23 start this project and deliver it. We  
24 know it's been in the works for quite  
25 sometime. There's been a lot of

36

1 frustration that it hasn't gotten  
2 started, but we are very, very much  
3 looking forward to -- we're very much  
4 looking forward to getting started with  
5 this project before the deadline next  
6 month.

7 And I'd like to show you a little  
8 bit about the project. Leonce spoke a  
9 little bit about the required elements  
10 and how it's been upsized with the  
11 approval in March. We will have 700  
12 guest rooms, including the 70 suites;  
13 we'll have 1,600 slot machines, about 60  
14 table games. We'll have a larger garage  
15 than was previously planned with a  
16 thousand structured spaces and 3,000  
17 total space. We'll have the 18-hole



18 golf course and tennis facilities, a  
19 resort pool and spa, conference and  
20 meeting space, certainly a large variety  
21 of dining venues; we'll continue on with  
22 the falconry school and the crochet  
23 court, pleasure boat dock. Everything  
24 that is required under the license  
25 conditions as it's been enhanced in

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1 connection with our acquisition of  
2 Creative Casinos will be there.

3 And this is what it's going to look  
4 like from a master plan perspective.  
5 It's very, very similar to what Creative  
6 has planned. We thought they have a  
7 great design, and we're interested in  
8 getting this started quickly, so we  
9 didn't tinker with it too much. We just  
10 did the required things to enlarge it  
11 along the lines of our plans.

12 You can see in the far right of the  
13 building structure, the front one is a  
14 parking garage. The one right behind  
15 that is a lot of our back house  
16 facilities. Right dead center in there  
17 is the casino vessel, and there are two  
18 hotel towers there in the lighter color  
19 over next to the pool, and over there to  
20 the left of that is the spa and the golf

21 clubhouse and a restaurant to serve all  
22 of those things.

23 So we're very excited about this  
24 project. It's going to be a great flag  
25 ship for Ameristar. This shows the

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1 ground level view of it. You can see  
2 the -- to the right there in the blue  
3 the very front thing facing out on the  
4 water is going to be what we call Star  
5 Club. It's for our very best players to  
6 provide a relaxing and a lounge for  
7 them. It will be immediately adjacent  
8 to the buffet.

9 Over on the casino vessel, we've got  
10 a full compliment of gaming, a little  
11 bit of beverage and entertainment on  
12 there, as well. And you get over to the  
13 far left, the blue space next to the  
14 casino is going to be our sports bar.  
15 The one right up close to the river will  
16 be a steakhouse with a patio and views.

17 The one back behind over by the  
18 hotel tower is -- will be a 24-hour  
19 dining venue, and off there to the right  
20 are going to be some of our most special  
21 suites, which we'll show you a little  
22 bit about as we move forward through  
23 this presentation which will be

24 two-level loft suites.

25 One level up we're going to have a

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1 conference and banquet facility above

2 the casino. That's the yellowish

3 diagram in there, and you can see the

4 second level of the loft suites. The

5 rest of that area will pretty much be

6 used for back of house and transfers of

7 equipment and product to our various

8 venues, since we can't really do it from

9 underground.

10 This is a conceptual plan for the

11 hotels. We're going to have -- it's

12 going to be one elevator that connects

13 everything, but there will be

14 architecturally two separate towers, one

15 a little bit taller than the other. And

16 this is what a typical set of guest

17 rooms will look like. The one on the

18 left is a king bedroom; and the other is

19 a double queen, as we not only enlarge

20 the number of the hotel rooms, as we

21 looked at this, we felt that to do what

22 we at Ameristar like to do in a hotel

23 room, there really wasn't enough space

24 to do it and make it be spacious as

25 much, so we have actually enlarged the

40

1 size of the rooms a little bit from  
2 Creative Casinos' original design.

3 So we will now have in the bathrooms  
4 a -- it really opens up the bathroom.  
5 We will have double sinks, have a  
6 separate tub and separate shower with a  
7 separate water closet for the toilets  
8 and still have a very spacious living  
9 area in the guest rooms; and we think  
10 it's going to be a terrific set of hotel  
11 rooms here for our basic hotel guest.

12 Then moving into some of the suites,  
13 these are the suites that will be higher  
14 up in the tower, not those loft ones  
15 down at ground level, but effectively,  
16 you know, twice as wide as a regular  
17 room with a living room and separate  
18 bedroom, and the bedroom will have a  
19 nice tub over by windows. And every  
20 room, by the way I should mention, will  
21 have a balcony, those on the ground  
22 floor, and we think these are going to  
23 be a very attractive suite that will  
24 help attract higher quality guests and  
25 produce a higher level of revenues on

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1 the casino floor, which is obviously  
2 very important to the state, as well as  
3 to us.

4           Then down into the patio suites, as  
5           I said, they're going to be a loft. You  
6           can see on the right-hand side is the  
7           bedroom in the lot overlooking the  
8           living room and dining area and public  
9           stuff down on the bottom level, and  
10          these will be to cater to even higher  
11          end guests than the regular suites. And  
12          we'll have a spa, which we will intend  
13          to connect through an upper level, not  
14          through the lobby levels. We want  
15          guests to be able to feel comfortable as  
16          they migrate from hotel rooms to the  
17          spa. They will also be a hair salon in  
18          there and will serve as the base for the  
19          golf course, and we'll have a restaurant  
20          in there to serve people that come in  
21          off of the pool area, as well as those  
22          using the fitness center, the spa and  
23          the like.

24          This is required drawings, not very  
25          exciting. It's a parking garage, but

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1          we'll have a thousand spaces in there;  
2          and this is what it's going to look like  
3          from the outside. It is pretty much the  
4          same esthetic design that Creative  
5          Casinos had. Obviously, the tower is  
6          quite a bit larger as we have gone from

7 400 rooms to 700 rooms. We think it  
8 will be a very iconic structure,  
9 certainly very visible to guests coming  
10 over the interstate 210 bridge, and we  
11 are very proud of and the community and  
12 the State of Louisiana will be proud of,  
13 as well.

14 And then this is a view of the  
15 smaller hotel tower that will be off at  
16 a right angle from the main tower. The  
17 front will pretty much look like this  
18 with a big Ameristar sign up at the  
19 front, and here's sort of a side view.  
20 We'll have a very ample port cochere to  
21 welcome all of the guests to Ameristar,  
22 and that's the end of the slide.

23 And I just -- very, very pleased to  
24 get this project started. We'll be more  
25 pleased to open. It is a big step for

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1 our company, one that our team members  
2 are very excited about. I can tell you  
3 that at all of our other properties,  
4 people came up after this was announced  
5 and said, I want to go to Lake Charles,  
6 so it's a very attractive community.  
7 It's a very attractive state to our team  
8 members. Our shareholders are excited  
9 about it. I thank very much for your

10 consideration of our application. Thank  
11 you.

12 CHAIRMAN HALL: Thank you very much,  
13 Mr. Kanofsky, for your presentation.  
14 Appreciate that, and we will continue  
15 forward. Does the Board have any other  
16 questions or discussion? Yes, ma'am.

17 MS. ROGERS: My question is strictly  
18 curiosity based. Did Creative Casinos  
19 seek out Ameristar, or did Ameristar  
20 offer -- I'm curious -- excuse me, and  
21 the second part is if Ameristar was so  
22 interested, why didn't you apply for a  
23 license when this came up?

24 MR. KANOFSKY: Those are excellent  
25 questions, and I'm really happy to

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1 answer them for you. I'm going to  
2 answer the second one first, if you  
3 don't mind. At the time that this whole  
4 process was going forward, Ameristar's  
5 founder had recently passed away, and he  
6 owned about 54 percent of the stock of  
7 the company. And he left the bulk of  
8 his shareholdings to a private  
9 foundation that he had established for  
10 doing work in the spinal cord injury  
11 area.

12 He had been a quadriplegic for the

13 last 20 years of his life, and I am a  
14 co-executor of his estate along with his  
15 son, as long as a co-trustee of the  
16 foundation along with his son, and we  
17 were going through a rather difficult  
18 internal process about how to make sure  
19 that we could get the estate taxes paid  
20 and get the foundation up and running in  
21 a responsible manner; and we just  
22 couldn't at that time be considering  
23 growth projects for the company until we  
24 had sorted that all out. Otherwise, I  
25 guarantee you we would have been in

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1 here. This is an attractive market.  
2 It's a great place to do business, and  
3 we would have been there.

4 In 2011, we got all of those issues  
5 out of our way, and everybody on the  
6 board of directors and corporate  
7 management will be great. Now we can go  
8 back to pursuing growth.

9 And in early February, I got a call  
10 from Dan Lee. He also placed a call at  
11 the same time to Peter Walsh, our  
12 General Counsel, and said, hey, I'm  
13 having a hard time raising the money to  
14 get this done and to do it in a way that  
15 makes sure that I can complete my



16 obligations to the state to build it  
17 right. I've got it really far along.  
18 I've got the Corps permits; I've got a  
19 design; I've got a construction  
20 contract; I've got a referendum passed;  
21 I've got pretty much everybody in place.  
22 I'm having a hard time raising the money  
23 as a standalone company.

24 I know this would be a great project  
25 for you. You-guys can actually do it

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1 perhaps better than I can. You'd have a  
2 better financial strength to do it. Are  
3 you interested? And I called him back,  
4 and I said, I've got to leave for an  
5 airport in three hours. If you can get  
6 over now and walk us through what you've  
7 got, we're excited. And he did, and we  
8 were excited. And we validated the  
9 project through our internal revenue and  
10 profitability projections, and we said  
11 this is the absolute best thing that we  
12 can be pursuing at the time and, you  
13 know, hopefully pleased to say that the  
14 rest will be history.

15 CHAIRMAN HALL: And I'd just like to  
16 -- if I could, I'd like to say that in  
17 looking back over the things that  
18 occurred prior to my arrival here when

19 the membership in that license or the  
20 interest in that license was originally  
21 awarded, I think the Board made the best  
22 choice it could make at that time, and I  
23 also feel that the presentation was made  
24 forthrightly, honestly. And if this --  
25 if that transaction were not taking

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1 place, that the project would have gone  
2 forward and construction would have  
3 begun next month, you know, as required  
4 under the issuance of that license.

5 So I know there's concerns about the  
6 appearance, but I feel that the Board's  
7 actions were correct and responsible.  
8 They were -- responsible decisions were  
9 made at that time by the Board, and I  
10 feel very comfortable at this point.

11 Thank you.

12 Yes, sir.

13 MR. BRADFORD: I had a question  
14 for -- and I don't want Jacobs  
15 Investments to come over here and not  
16 get to answer a question, so concerning  
17 construction, scheduling especially with  
18 the July start date and everything, is  
19 everything in place to begin  
20 construction and hopefully stay on  
21 schedule?

22 MR. MOHN: Yes, it is. We have been  
23 working with the contractor, Yates  
24 Construction. We've been bidding -- you  
25 know, because this is a fast track

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1 project, obviously, we are bidding  
2 individual packages. We have released  
3 the first four bid packages in -- mainly  
4 for the road construction, pilings and  
5 earth work that obviously are the first  
6 things, and our contractors are ready to  
7 roll on this site on the 20th.

8 MR. STREMMING: If I could add one  
9 thing to that: We're very excited that  
10 the first bid that was awarded was to a  
11 local minority vendor from the area; and  
12 I know that's a multi-million dollar  
13 project in clearing the land, and we're  
14 very excited about that, as well.

15 MR. SINGLETON: Could you explain  
16 that, the last comment?

17 MR. MOHN: The first bid released on  
18 the project was to H.D., Hiram Du  
19 Rousseau, out of Lake Charles. He's  
20 been contracted to build the road, which  
21 obviously based on our site is -- we  
22 have to build a road to even get to the  
23 site, and that bid has been issued to  
24 him for that portion of the work. He is

25 also a subcontractor on some of the

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1 other bids doing some of the earth work  
2 on the site, as well.

3 MR. SINGLETON: What is y'all's  
4 philosophy as relates to minority or  
5 diverse participation across the board?  
6 And I know something about Yates over  
7 the years, and if they can get away from  
8 not doing anything, they will. So it's  
9 up to you to decide whether they're  
10 going to have the participation or not,  
11 and I'm not speaking about something I  
12 heard.

13 MR. KANOFSKY: Sure. We are  
14 extremely committed to making sure that  
15 we are viewed in the community as a  
16 responsible corporate citizen. To do  
17 that we have to engage with the local  
18 business community, and we have to  
19 engage with everybody in the local  
20 business community. It's good for our  
21 business. It doesn't make sense not to  
22 do that; and Troy can speak to some of  
23 the more specific things that we do, but  
24 we are committed to engaging with the  
25 local community and engaging with

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1 diverse vendors and having strong

2 diversity within our employment.

3 It makes people feel comfortable; it  
4 makes people feel good, and it's the  
5 right thing to do; and it's what  
6 Ameristar is all about.

7 MR. SINGLETON: Assuming that you go  
8 forward, I think the question's always  
9 coming up -- you mention employees. I  
10 get a lot of questions from people about  
11 purchasing and the different things that  
12 you need within the casino, the hotel,  
13 et cetera. Do you have a philosophy or  
14 policy in terms of being exclusive of --  
15 I guess people from the area first, and  
16 then from Louisiana second in terms of  
17 your purchasing policy.

18 MR. KANOFSKY: Absolutely, and one  
19 of the things, I meet quarterly with the  
20 purchasing staff and with Troy, and we  
21 talk about ways that we can improve it.  
22 One of the things we've done recently is  
23 across the board is to -- run programs  
24 to invite vendors and subcontractors to  
25 come to us so that they can learn about

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1 our bidding processes and what it takes  
2 to be successful, because we're not --  
3 we are committed to making sure that we  
4 get good prices and good quality

5 product, but we're also interested in  
6 making sure that people understand what  
7 our programs are, being transparent  
8 about that.

9 We have a registration program  
10 through our website where people can  
11 prequalify as vendors. We have to do  
12 background investigations, so it gives  
13 us opportunity to do all that. They see  
14 all of our bidding stuff that is out  
15 there. It is an open book, and it's one  
16 that we actually try to push people into  
17 coming forward to us and identifying  
18 vendors who can do things for us who are  
19 diverse.

20 MR. STREMMING: Diversity and  
21 inclusion are one of the core values of  
22 our company, and one of the first  
23 questions -- I can't speak for Yates,  
24 but I can tell you one of the first  
25 questions that we asked them was was

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1 there a process in place, and actually  
2 prior to Ameristar coming into this,  
3 this venture back in October, I believe  
4 it was, October --

5 MR. MOHN: Yes.

6 MR. STREMMING: -- that Yates  
7 actually had a vendor fair, for lack of

8 a better term, so that they can start to  
9 get, create a pool of diverse vendor  
10 candidates for this work. And it's my  
11 understanding that they have close to a  
12 thousand diverse businesses that are  
13 currently in that pool. As we go  
14 forward, we're certainly going to make  
15 certain that they understand how the bid  
16 process works so that no one has a  
17 problem getting their foot in the door  
18 and is part of that process.

19 MR. SINGLETON: Okay.

20 CHAIRMAN HALL: Any other questions?  
21 Mr. Singleton has called to my attention  
22 that there's a gentleman raising his  
23 hand here in the front.

24 MR. ROBINSON: My name is Musheer  
25 Robinson. I'm Chairman of the NAACP of

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1 Louisiana. I focus on the economic  
2 stuff. I know Ameristar very well. I  
3 knew they were on -- I lived in Clayton,  
4 Missouri, for many years before the  
5 president asked me to come here to  
6 co-chair the bill and I moved to  
7 Louisiana.

8 I understand that Ameristar's  
9 interpretation of the diversity is a  
10 voluntary one; and I agree that it sort

11 of has that voluntary aspect, but in  
12 terms of Yates experience, I have a  
13 huge -- I was the global head of  
14 construction for Marsh & McLennan, and I  
15 insured Yates. They have an abysmal  
16 track record. They can put people in a  
17 database, but they don't use them. And  
18 I'm pleased to understand that you guys  
19 have done something to get somebody  
20 onboard early.

21 But I would sort of like to know  
22 that this is not going to be just some  
23 voluntary thing that's handed over to  
24 the contractor to try to comply because  
25 you're under a fast track mandate, and

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1 somehow the state goaling of the  
2 community, for the American-America  
3 community in particular, which is  
4 33 percent of the state, is left out.

5 If you can give me any comfort with  
6 that, we can begin to work together. We  
7 don't get paid at the NAACP. We're  
8 volunteers, but we want to make sure the  
9 total community participates; and we  
10 want you to be successful, and I  
11 congratulate the Commission on making a  
12 smooth transition with somebody that is  
13 financially strong that has, you know, a



14 reasonable track record in terms of  
15 diversity in its other locations.

16 MR. KANOFSKY: I went to college in  
17 Clayton, Missouri, so welcome neighbor.

18 MR. ROBINSON: Wash U.

19 MR. STREMMING: Yes. We're  
20 certainly new to this state. We want to  
21 understand the processes, but as I said,  
22 I mean, this is something that is a  
23 commitment and, you know, a core value  
24 for our company. So before you and I,  
25 Musheer, had ever had a conversation, we

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1 had already started that process, and I  
2 can assure you that, as already said,  
3 you know, we have quarterly meetings on  
4 this globally in our company; but  
5 obviously this is a top of mind issue.

6 And we've already had conversations with  
7 Yates, and we'll continue to have those  
8 conversations.

9 MR. ROBINSON: Of course, you and I  
10 can get together afterwards.

11 CHAIRMAN HALL: Mr. Singleton.

12 MR. SINGLETON: Just a question. I  
13 see Kelly is sitting at the table. Is  
14 he still going to be an attorney working  
15 with y'all past today or whatever?

16 MR. KANOFSKY: Whether he'll be

17 still be an attorney I guess is up to  
18 the state bar. As long as he is, we  
19 intend to continue to have him represent  
20 us.

21 MR. SINGLETON: At least that's  
22 somebody I know and someone I can fuss  
23 with easily if I have to in terms of  
24 getting back to you-all going over the  
25 years with them; but I just want to

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1 reemphasize again, I appreciate the  
2 comment that y'all are making in so far  
3 as the diversity issues and  
4 participation, and right now I was  
5 asking Mr. Bradford, you think this is  
6 okay, since he's in that business. And  
7 he said, as long as you work at it, it  
8 will be okay.

9 So I'm going to make the assumption,  
10 that y'all are going to work at it, and  
11 to make it happen is something that, I  
12 think, we talked about with Mr. Lee and  
13 the others; and I'm glad to hear that  
14 they had obviously agreed on some things  
15 to put in place. But putting them in  
16 place and getting Yates to execute them  
17 are two different things; and that's why  
18 I think y'all come in, and we just have  
19 to take your word for it at this point

20 that you're going to work at it and you  
21 will make it happen.

22 MR. KANOFSKY: We'll work hard on  
23 it, sir.

24 CHAIRMAN HALL: Very good. I think  
25 the Board -- I mean, we have a

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1 resolution prepared. Miss Tramonte, can  
2 I get you to read the resolution,  
3 please.

4 MS. TRAMONTE: On the 21st day of  
5 June, 2012, the Louisiana Gaming Control  
6 Board did, in a duly noticed public  
7 meeting, consider the issue of Creative  
8 Casino, LLC's, petition relative to  
9 ownership and to amend license  
10 conditions, and upon motion duly made  
11 and second, the Board's adopted the  
12 following resolution.

13 Be it resolved that Creative  
14 Casinos, LLC's, transfer of 100 percent  
15 of the membership interest in Creative  
16 Casinos, LLC, to Ameristar Lake Charles  
17 Holdings, LLC, be and is hereby  
18 approved. Thus done and signed in Baton  
19 Rouge this 21st day of June, 2012.

20 CHAIRMAN HALL: And the Chair would  
21 like to make a recommendation that this  
22 resolution be adopted.

23 MR. SINGLETON: I'll second.

24 CHAIRMAN HALL: Mr. Singleton

25 seconded. Call the roll, please.

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1 THE CLERK: Miss Rogers?

2 MS. ROGERS: Yes.

3 THE CLERK: Mr. Bradford?

4 MR. BRADFORD: Yes.

5 THE CLERK: Mr. Singleton?

6 MR. SINGLETON: Yes.

7 THE CLERK: Miss Noonan?

8 MS. NOONAN: Yes.

9 THE CLERK: Chairman Hall?

10 CHAIRMAN HALL: Yes. And the  
11 resolution is passed. Thank you very  
12 much, gentlemen.

13 MR. DUNCAN: Thank you very much.

14 CHAIRMAN HALL: Congratulations. We  
15 look forward to working with y'all on  
16 this as we go forward.

17 MR. GAUTREAU: Likewise. Thank  
18 you.

19 B. Consideration of approval of Escrow Agreement  
20 for Creative Casinos of Louisiana, L.L.C.,  
21 pursuant to License Condition 16

22 CHAIRMAN HALL: The next issue up,  
23 in fact, deals with Ameristar Casinos  
24 and the escrow account in relation to  
25 this project. We'd like to consider --

1 we need to consider approval of the  
2 escrow agreement for Creative Casinos',  
3 LLC, pursuant to their License Condition  
4 Number 16, and I believe the Attorney  
5 General's Office and State Police has a  
6 presentation.

7 MR. GAUTREAUX: It will be just us.

8 CHAIRMAN HALL: Okay, just you.

9 MR. GAUTREAUX: Leonce Gautreaux,  
10 Assistant Attorney General. As you  
11 know, one of the conditions on the  
12 license, Condition 16, requires a \$25  
13 million escrow amount to be placed in a  
14 Gaming Control Board escrow account.  
15 This agreement requires that that  
16 account be established, that deposit be  
17 made on or before July 20th, 2012, which  
18 is a requirement of the condition, a  
19 cash deposit. E-mailed notification  
20 would be given to confirm the delivery  
21 of the \$25 million. That \$25 million is  
22 subject to payment to the State if the  
23 project is canceled, if the license is  
24 surrendered prior to substantial  
25 completion, or if the Gaming Control

1 Board revokes the license prior to  
2 substantial completion. It's subject to

3 payment to Ameristar when the approved  
4 project is substantially complete and  
5 gaming operations commence.

6 Ameristar will have the right to  
7 interest but not the principal amount,  
8 which must be maintained, the \$25  
9 million at all times.

10 The Board, Louisiana State Police  
11 Audit Division will at all times have  
12 unrestricted verification rights to the  
13 balance of the escrow account, and  
14 Ameristar is required to submit monthly  
15 statements verifying the escrow amount.

16 This is similar to the previous escrows  
17 that we've done both for PNK and  
18 Margaritaville, and if it's the Board's  
19 desire to approve this escrow account,  
20 it could just be done by simple motion  
21 to approve the escrow agreement and  
22 authorize the Chairman to execute the  
23 agreement on behalf of the Board.

24 CHAIRMAN HALL: Is there any  
25 discussion by any of the board members?

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1 Mr. Singleton?

2 MR. SINGLETON: Do we have a  
3 resolution?

4 CHAIRMAN HALL: Do I have a  
5 resolution? We need a --

6 MR. SINGLETON: I'll make a motion  
7 that we approved the escrow account.

8 MS. ROGERS: Second.

9 CHAIRMAN HALL: Motion by Mr.  
10 Singleton, seconded by Miss Rogers. Is  
11 there any -- no further discussion? If  
12 you would call the roll, please.

13 THE CLERK: Miss Rogers?

14 MS. ROGERS: Yes.

15 THE CLERK: Mr. Bradford?

16 MR. BRADFORD: Yes.

17 THE CLERK: Mr. Singleton?

18 MR. SINGLETON: Yes.

19 THE CLERK: Miss Noonan?

20 MS. NOONAN: Yes.

21 THE CLERK: Chairman Hall?

22 CHAIRMAN HALL: Yes. So we'll  
23 execute that as soon as possible. Thank  
24 you very much, gentlemen.

25 VI. VIDEO GAMING ISSUES

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1 A. Consideration of the following truckstop  
2 applications:

3 1. Lott Oil Company, Inc., d/b/a Lott's  
4 O'Luck #2 - No. 1602515760 (stock  
5 transfer)

6 2. Lott Oil Company, Inc., d/b/a Lott's  
7 O'Luck #3 - No. 4101515762 (stock  
8 transfer)

9 CHAIRMAN HALL: Next on the agenda  
10 are video gaming issues. We have some  
11 transfers of interest and a couple of  
12 new ones, actually. If I can get State  
13 Police and the Attorney General's  
14 Office, please.

15 MS. SCOTT: Good morning,  
16 Mr. Chairman and Members of the Board.  
17 I'm Ashley Scott. I'm an Assistant  
18 Attorney General appearing this morning  
19 on Items 1 and 2 concerning transfers of  
20 the stock of Lott Oil Company d/b/a  
21 Lott's of Luck #2 and Lott's of Luck #3.  
22 If it pleases the court, I'll address  
23 the two items.

24 CHAIRMAN HALL: Okay.

25 MS. SCOTT: Lott Oil Company is a

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1 Type 5 licensee which operates two  
2 truckstop facilities, one in DeSoto  
3 Parish and one in Red River Parish.

4 On December 31st, 2010, Luther Lott,  
5 Jr., donated 430 shares of stock in the  
6 licensee to his wife Kim Mourad Lott,  
7 and 430 additional shares were donated  
8 to the Luther & Kim Lott 2005 Life  
9 Insurance Trust. After receiving the  
10 430 shares of stock, Kim Mourad Lott  
11 donated all 430 shares to the Luther &



12 Kim Lott 2005 Life Insurance Trust.  
13 On December 31, 2011, Luther Lott,  
14 Jr., donated 1,150 shares of stock in  
15 the licensee to his wife, Kim Mourad  
16 Lott, and an additional 1,150 shares of  
17 stock to the Luther & Kim Lott 2005  
18 Insurance Trust. Immediately after  
19 receiving the 1,150 shares of stock from  
20 her husband, Kim Lott donated all 1,150  
21 shares to the Luther & Kim Lott 2005  
22 Life Insurance Trust.

23 The income and principal  
24 beneficiaries of the Luther & Kim Lott  
25 2005 Life Insurance Trust are Luther and

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1 Kim Lott's children, Michael and Kathryn  
2 Lott. Daniel T. Murchison, Jr., was  
3 appointed trustee of the Luther & Kim  
4 Lott 2005 Life Insurance Trust.

5 Subsequent to the six transfers, I  
6 have detailed the current ownership of  
7 the Lott Oil Company as the following:

8 The Luther & Kim Lott 2005 Life  
9 Insurance Trust owns 3,160 shares or  
10 44.51 percent interest. The Luther W.  
11 Scott, Sr., Testamentary Trust owns  
12 1,590 shares of stock or 22.39 percent  
13 interest. The Luther W. Lott, Sr., 2005  
14 Life Insurance Trust owns 1,042 shares

15 of stock for a 14.68 percent interest.  
16 Luther W. Lott, Jr., owns 604 shares of  
17 stock for an 8.51 percent interest.  
18 Michael M. Lott owns 339 shares of stock  
19 for a 4.77 percent interest. Kathryn C.  
20 Lott owns 287 shares of stock for a  
21 4.04 percent interest, and Kim M. Lott  
22 owns 78 shares of stock for a  
23 1.10 percent interest.

24 Trooper Vincent Lenguyen conducted  
25 the investigation of the transfers of

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1 the stock before the Board this morning  
2 and is here to report his findings.

3 TROOPER LENGUYEN: Good morning,  
4 Chairman and Board Members, my name is  
5 Trooper Vincent Lenguyen with Louisiana  
6 State Police. Following the licensee's  
7 notification to the Division regarding  
8 the six transfer of 3,160 shares of  
9 stock of the licensee, I began the  
10 investigation of the transfers.

11 I found no information that would  
12 preclude the donation of stock from  
13 Luther W. Lott, Jr., and Kim M. Lott to  
14 the Luther & Kim Lott 2005 Life  
15 Insurance Trust.

16 I conducted a suitability  
17 investigation on Daniel T. Murchison,

18 Jr., as a trustee of the Luther & Kim  
19 Lott 2005 Life Insurance Trust. I found  
20 no information that would preclude  
21 Mr. Murchison from participating in the  
22 gaming industry.

23 I also conducted an updated  
24 suitability investigation of the  
25 licensee's shareholders and officers,

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1 including: Luther W. Lott, Jr., Kim M.  
2 Lott, John W. Dewitt and Daniel J.  
3 Broderick. I found no information that  
4 would preclude any of the foregoing  
5 individuals from continuing  
6 participation in the gaming industry.

7 Michael M. Lott and Kathryn C. Lott  
8 have less than 5 percent ownership  
9 interest of the licensee and are not  
10 officers of the licensee and do not have  
11 a significant influence over the  
12 operation of the licensee. Therefore,  
13 they were not required to submit to  
14 suitability. Additionally, Kathryn C.  
15 Lott is a minor.

16 MS. SCOTT: The Office of the  
17 Attorney General has reviewed the file  
18 compiled as a result of the  
19 investigation conducted by the State  
20 Police. Our review revealed no

21 information to preclude a finding of  
22 suitability for Daniel T. Murchison or  
23 the continued licensing of Lott Oil  
24 Company d/b/a Lott's O'Luck Luck #2 and  
25 Lott's O'Luck #3.

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1 CHAIRMAN HALL: Very good. Thank  
2 you. Do you have a motion -- so we have  
3 two of them, actually. So the transfer  
4 of stock ownership is essentially the  
5 same for both, Lott's O'Luck #2 and  
6 Lott's O'Luck #3, with two different  
7 certificate numbers, and so we're going  
8 to consider both of those at one time.

9 MS. SCOTT: That's correct.

10 CHAIRMAN HALL: And so the motion  
11 would be to approve that transfer.

12 MR. BRADFORD: So moved.

13 MR. SINGLETON: Second.

14 CHAIRMAN HALL: Moved by Mr.  
15 Bradford, second by Mr. Singleton. Is  
16 there any objection? [No response.]  
17 Motion carries. Thank you very much.

18 3. St. Martin Truck & Casino Plaza, LLC,  
19 d/b/a St. Martin Truck & Casino Plaza,  
20 LLC - No. 5000516580 (new application)

21 CHAIRMAN HALL: Next is St. Martin  
22 Truck & Casino as a new application.

23 MR. PITRE: Chairman, Board Members,

24 I'm Earl Pitre, Jr., Assistant Attorney  
25 General, here in the matter of St.

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1 Martin Truck & Casino, LLC, doing  
2 business as St. Martin Truck & Casino  
3 Plaza, LLC. To my right is Senior  
4 Trooper Eddie Daigle.

5 The applicant is a Louisiana Limited  
6 Liability Company organized on  
7 August 10th of 2011. The establishment  
8 is located at 1339 S. Evangeline  
9 Thruway, also known as Highway -- U.S.  
10 Highway 90, in Broussard, Louisiana, in  
11 St. Martin Parish.

12 On December 8th, 2011, the applicant  
13 purchased the licensed establishment  
14 from the previous Type 5 licensee,  
15 Riverbend Truckstop and Palace Casinos,  
16 Incorporated. On the same date, the  
17 applicant purchased the land and  
18 improvements from Redman Gaming, LLC.

19 In addition, the applicant assumed the  
20 rights and obligations of Redman in and  
21 to an agreement that Redman had with  
22 Michael Wahlder, pursuant to which  
23 Redman was obligated to pay Wahlder  
24 11 percent of the device revenue  
25 generated operated at the truck stop.

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1 The members of the applicant are as  
2 follows: Bryan Bush with 50 percent and  
3 Kerry Denny with 50 percent. The  
4 manager is Bernard Terradot.

5 Senior Trooper Eddie Daigle  
6 conducted the suitability investigation  
7 on the relevant persons associated with  
8 the applicant and also conducted an  
9 on-site inspection of the facilities.

10 He will present Office of State Police's  
11 findings to the Board.

12 S.T. DAIGLE: Good morning, Chairman  
13 and Board Members. I'm Trooper Eddie  
14 Daigle with Louisiana State Police. I  
15 conducted a suitability investigation on  
16 Bryan Bush, Melanie Bush, Kerry Denny,  
17 Sheila Denny, Bernard Terradot, Anna  
18 Terradot and Michael Wahlder. No  
19 information was found that would  
20 preclude them from participating in the  
21 video gaming industry.

22 An on-site inspection was conducted,  
23 and it was determined that all -- the  
24 establishment meets all criteria set  
25 forth in the video gaming law as a

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1 qualified truckstop facility.

2 Tax clearance certificates and  
3 inquiries reveal that the applicant and

4 the relevant persons are current in the  
5 filing and payment of all required taxes  
6 and returns.

7 All applicable state and all local  
8 permits were posted.

9 The establishment consists of 5.31  
10 contiguous acres. The truckstop also  
11 has a separate gaming area.

12 MR. PITRE: The Office of the  
13 Attorney General has reviewed the file  
14 compiled as a result of investigation  
15 conducted by the Office of State Police.  
16 Our review indicates that no information  
17 has been found which would preclude the  
18 issuance of Type 5 license to St. Martin  
19 Truck and Casino Plaza doing business as  
20 St. Martin Truck and Casino Plaza, LLC.

21 CHAIRMAN MORGAN: Thank you. Is  
22 there any discussion? So we need a  
23 motion -- the motion would be to approve  
24 the new applicant, St. Martin Truck and  
25 Casino Plaza doing business as St.

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1 Martin Truck and Casino Plaza, LLC, No.  
2 5000516580. Is there a motion to  
3 approve the application?

4 MS. NOONAN: I'll motion.

5 CHAIRMAN HALL: Miss Noonan.

6 Second?

7 MR. BRADFORD: Second.

8 CHAIRMAN HALL: Mr. Bradford

9 seconds. Any opposition? So the

10 motion -- hearing none, the motion

11 carries. Thank very much.

12 4. Breaux Bridge Truck and Casino Plaza,

13 LLC, d/b/a Breaux Bridge Truck and

14 Casino Plaza - No. 5000516581

15 CHAIRMAN HALL: Next up would be

16 Breaux Bridge Truckstop and Casino.

17 Y'all had both of those, also.

18 MR. PITRE: Chairman, Board Members,

19 again, Earl Pitre, Jr. I'm an Assistant

20 Attorney General here in the matter of

21 Breaux Bridge Truck and Casino Plaza,

22 LLC, doing business as Breaux Bridge

23 Truck and Casino Plaza, LLC. To my

24 right is Senior Trooper Eddie Daigle.

25 The applicant is a Louisiana Limited

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1 Liability Company organized on

2 September 6th of 2011. The

3 establishment is located at 1911 Mills

4 Highway, also known as Louisiana Highway

5 94, in Breaux Bridge, Louisiana, in St.

6 Martin Parish.

7 On December 14, 2011, the applicant

8 purchased the licensed establishment

9 from the previous Type 55 licensee,



10 Riverbend Truckstops and Palace Casinos,  
11 Incorporated. On the same date, the  
12 applicant purchased 3.118 acres of land  
13 and improvements comprising a portion  
14 of the licensed location from Redman  
15 Gaming of Louisiana, LLC.

16 At the time of these transfers,  
17 Redman was leasing part of the land and  
18 improvements, i.e., 1.91 acres, from ACD  
19 Developments, LLC. The rights and  
20 obligations of Redman in regard to ACD  
21 were assumed by the applicant when the  
22 licensed establishment, land and  
23 improvements owned by Riverbend and  
24 Redman were transferred to the applicant  
25 on December 14th, 2011. Thereafter, on

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1 December 27, 2011, the applicant  
2 purchased the 1.91 acres from ACD, and  
3 the assumed lease was terminated.

4 In addition, Redman was paying A & D  
5 Gaming, LLC, 20 percent to 30 percent of  
6 the net gaming revenues from the  
7 location. On December 27th, 2011, the  
8 applicant bought out A & D Gaming's  
9 revenue interest.

10 The members of the applicant are as  
11 follows: Bryan Bush, 19 percent; Kerry  
12 Denny with 17 percent; Randolph Brunson

13 with 17 percent; David Nussbaumer with  
14 17 percent; Raymond Loup with  
15 17 percent; Randall Loup with  
16 15 percent. The manager is Bernard  
17 Terradot.

18 Senior Trooper Eddie Daigle  
19 conducted the suitability investigation  
20 of the relevant persons associated with  
21 the applicant and also conducted an  
22 on-site inspection of the facilities.  
23 He will present Office of State Police's  
24 findings to the Board.

25 S.T. DAIGLE: Good morning,

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1 Chairman, Board Members. I'm Trooper  
2 Eddie Daigle, Louisiana State Police. I  
3 conducted a suitability investigation on  
4 Bryan Bush, Melanie Bush, Kerry Denny,  
5 Sheila Denny, Bernard Terradot, Anna  
6 Terradot, Ralph Brunson, David  
7 Nussbaumer, Janette Nussbaumer, Raymond  
8 Loup, Mardell Loup, Randall Loup and  
9 Hayley Loup. No information was found  
10 that precluded them from participating  
11 in the video gaming industry.

12 An on-site inspection was conducted,  
13 and it was determined that the  
14 establishment meets all criteria set  
15 forth in video gaming law as a qualified

16 truckstop facility.  
17 Tax clearance certificates and  
18 inquiries revealed that the applicant  
19 and relevant persons are current in the  
20 filing and payment of all required taxes  
21 and returns.

22 All applicable state and local  
23 permits were posted.

24 The establishment consists of 5.028  
25 contiguous acres. The truckstop has a

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1 separate gaming area.

2 MR. PITRE: The Office of the  
3 Attorney General has reviewed the file  
4 compiled as a result of the  
5 investigation conducted by the Office of  
6 State Police. Our review indicates that  
7 no information has been found which  
8 would preclude the issuance of Type 5  
9 license to Breaux Bridge Truck and  
10 Casino Plaza, LLC, doing business as  
11 Breaux Bridge Truck and Casino Plaza,  
12 LLC.

13 CHAIRMAN HALL: So the motion would  
14 be for approval of the new application  
15 for Breaux Bridge Truckstop and Casino.  
16 The application number is 5000516581,  
17 and the Chair would make recommendation  
18 that we approve the application. Do I

19 have a second?

20 MS. ROGERS: I second.

21 CHAIRMAN HALL: Miss Rogers. Is  
22 there any opposition? Hearing none, the  
23 motion carries. Thank you very much.

24 5. Monicarlo Casino, LLC, d/b/a Monicarlo  
25 Casino - No. 4800516569 (new

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1 application)

2 CHAIRMAN HALL: So next would be  
3 Monicarlo. Good morning.

4 MS. COLLY: Chairman Hall, Members  
5 of the Board, I am Assistant Attorney  
6 General, Nicolette Colly, appearing  
7 before the Board on the matter of the  
8 original Type 5 application of Monicarlo  
9 Casino, LLC, d/b/a Monicarlo Casino,  
10 LLC.

11 The applicant is a Louisiana, LLC,  
12 formed on December 1st, 2009. The  
13 establishment is located at 5353 West  
14 Airline Highway, Garyville, Louisiana,  
15 in St. John the Baptist Parish. The  
16 property where the truckstop is located  
17 is owned by the applicant.

18 The membership interest of the  
19 company is as follows: Carl V. Monica,  
20 49 percent; TMI Enterprise, Inc.,  
21 51 percent. The device operator for the

22 location will be TMI Enterprise, LLC.  
23 The device operating agreement provides  
24 for the applicant and the device  
25 operator to split the net gaming

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1 revenue, 55 percent to Monicarlo and  
2 45 percent to TMI.

3 TMI Enterprise is 100 percent owned  
4 by L & B Holdings, LLC, and is managed  
5 by Louis B. Vielee.

6 The membership interest of L & B  
7 Holdings is as follows: Wendy Jane  
8 Vielee Inter Vivos Trust, 25 percent;  
9 Summer Vielee Shaw Inter Vivos Trust,  
10 25 percent; Rachel Renea Vielee Inter  
11 Vivos Trust, 25 percent; Brandi Susann  
12 Vielee Inter Vivos Trust 25 percent.

13 The trustees of the trust are Wendy  
14 Vielee, Summer Vielee, Rachel Vielee and  
15 Jody Guillory. The beneficiaries of the  
16 trust are Wendy Vielee, Summer Shaw,  
17 Rachel Vielee and Brandi Vielee.

18 Trooper Vincent Lenguyen has  
19 conducted a suitability investigation of  
20 the relevant persons associated with the  
21 applicant and has also inspected the  
22 truckstop facility. He is present this  
23 morning to report his findings to the  
24 Board.

25 TROOPER LENGUYEN: Trooper Vincent

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1 Lenguyen with Louisiana State Police.  
2 Carl V. Monica, Louis Vielee, Jody  
3 Guillory, Anne Guillory, Wendy Vielee,  
4 Summer Vielee Shaw and Rachel Vielee  
5 were previously found suitable in  
6 connection with other licensees.

7 A criminal history check was  
8 conducted on these individual, and no  
9 information was found that would  
10 preclude a finding of suitability.

11 Brandi Vielee is a minor and is not  
12 required to submit to a suitability  
13 investigation.

14 Tax clearance certificates and  
15 inquiries revealed that the applicant  
16 and its owners are current in the filing  
17 and payment of all required taxes and  
18 returns.

19 An on-site inspection was conducted,  
20 and it was determined that the  
21 establishment meets all criteria set  
22 forth in video gaming law as a qualified  
23 truckstop facility. All required  
24 licenses and permits were posted and  
25 valid at the time of inspection.

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1 The establishment consists of at

2 least five contiguous acres. No fuel  
3 sales report was submitted; therefore,  
4 the applicant will be operating with 25  
5 devices until fuel sale data supports  
6 qualification for additional machines.

7 MS. COLLY: The Office of the  
8 Attorney General has reviewed the file  
9 compiled as a result of the  
10 investigation conducted by the Video  
11 Gaming Division of the Office of State  
12 Police. Our review indicates that no  
13 information has been found to preclude  
14 issuance of a Type 5 video gaming  
15 license to Monicarlo Casino, LLC, d/b/a  
16 Monicarlo Casino.

17 CHAIRMAN HALL: Thank you. The  
18 motion will be Monicarlo Casino, LLC,  
19 approval of a new application, Number  
20 4800516569. Do I have a motion to  
21 approve?

22 MR. SINGLETON: Move approval.

23 CHAIRMAN HALL: Move approved by  
24 Mr. Singleton.

25 MS. NOONAN: Second.

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1 CHAIRMAN HALL: Miss Noonan seconds.  
2 Is there any objection? Hearing none,  
3 the motion passes. Next would be --  
4 thank you very much.

5 6. Buddy's Casino, LLC, d/b/a Gillis Truck  
6 Stop and Buddy's Casino, LLC - No.  
7 1000516320 (new application)

8 CHAIRMAN HALL: Next would be  
9 Buddy's Casino, LLC, doing business as  
10 Gillis Truck Stop and Buddy's Casino.

11 MS. MOORE: Good morning, I'm  
12 Assistant Attorney General, Charmaine  
13 Moore, appearing before the Board on the  
14 matter of the original application of  
15 Buddy's Casino, LLC, doing business as  
16 Gillis Truck Stop and Buddy's Casino for  
17 a Type 5 video gaming license.

18 The applicant is a Louisiana Limited  
19 Liability Company organized on May 17th,  
20 2010. The establishment is located in  
21 Calcasieu Parish, 6191 Highway 171  
22 North, Lake Charles, Louisiana. The  
23 property is owned by Sonia Investment,  
24 LLC. Sonia leases the truckstop  
25 facility to Buddy's, which in turn

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1 subleases the convenience store, fuel  
2 facility and restaurant back to Sonia.

3 The membership interest of the  
4 applicant is Bouree Gaming, LLC,  
5 50 percent; Daniel J. Haag, 30 percent;  
6 George B. Morris, III, 20 percent.

7 Bouree Gaming, LLC, will be the



8 device operator for the operation, and  
9 it is owned in equal shares of 33 and a  
10 third percent by Geoffrey B. Morris,  
11 Kristin P. Palmer and Edward A. Pratt.  
12 Sonia Investment, LLC, is owned one  
13 hundred percent by Kamila Mohammed.

14 Trooper Kevin Smith conducted the  
15 suitability investigation of the  
16 relevant persons associated with this  
17 applicant and the truckstop facility,  
18 and he's here this morning to report his  
19 findings.

20 TROOPER SMITH: Good morning,  
21 Mr. Chairman, Members of the Board. I'm  
22 Master Trooper Kevin Smith, Louisiana  
23 State Police Gaming Enforcement  
24 Division. I conducted a suitability  
25 investigation of Geoffrey B. Morris,

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1 Kristen Palmer, Edward Pratt, his spouse  
2 Jean Pratt, Daniel J. Haag, his spouse  
3 Julie Haag, George B. Morris, III, his  
4 spouse, Charlene Morris, and Kamila  
5 Mohammed and her spouse, Iqbal Mohammed,  
6 and found no information to preclude the  
7 presumption of suitability for these  
8 individuals.

9 Tax clearance certificates and  
10 inquiries revealed that Buddy's, Bouree

11 Gaming and Sonia Investment and their  
12 owners are current in the filing and  
13 payment of all required taxes and  
14 returns.

15 An on-site inspection was conducted,  
16 and it was determined that the  
17 establishment meets all criteria set  
18 forth in video gaming laws as a  
19 qualified truckstop facility.

20 All required licenses and permits  
21 were posted and valid at the time of  
22 inspection.

23 The establishment consists of at  
24 least 5 contiguous acres.

25 Fuel sales reports were submitted

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1 and audited for the months of January,  
2 February and March of 2012. The audit  
3 shows that for three months reported,  
4 the applicant has an average month of  
5 fuel sales of 164,729 gallons, of which  
6 52,194 gallons are diesel, qualifying  
7 the applicant for up to 50 gaming  
8 devices.

9 MS. MOORE: The Attorney General's  
10 Office has reviewed the file compiled by  
11 State Police, and our review indicates  
12 no information has been found to  
13 preclude issuance of a Type 5 video

14 gaming license to Buddy's Casino, LLC,  
15 doing business as Gillis Truck and  
16 Buddy's Casino.

17 CHAIRMAN HALL: So the motion would  
18 be for approval of a new application,  
19 Buddy's Casino, LLC, d/b/a Gillis Truck  
20 Stop and Buddy's Casino, with the  
21 application number 1000516320. The  
22 Chair moves approval of the application.  
23 Do I have a second?

24 MR. BRADFORD: Second.

25 MS. NOONAN: Second.

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1 CHAIRMAN HALL: Second by  
2 Miss Noonan. Do I hear any opposition?  
3 Hearing none, the application for  
4 license is to be issued and is approved.  
5 Thank you very much.

6 MS. MOORE: Thank you.

7 B. Petition for Declaratory Ruling

8 1. Consideration of petition by Cajun Land  
9 Travel Plaza, L.L.C.

10 CHAIRMAN HALL: The next order of  
11 business is a petition from Cajun Land  
12 Travel Plaza, LLC, for declaratory  
13 ruling from the Board, and I believe we  
14 do have someone from Cajun Land here.  
15 Miss Moore, you'll be representing the  
16 Attorney General. Thank you.

17 MR. MAYRONNE: Thank you, Mr.  
18 Chairman, Members of the Board. I'm  
19 Paul Mayronne, Jones Fussell Law Firm on  
20 behalf of the petitioner, Cajun Land  
21 Travel, LLC. The petition before you  
22 this morning deals with the Type 5  
23 gaming license to operate video gaming  
24 devices within a qualified truckstop.

25 As the Board is well aware, that

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1 area of the gaming law has gone through  
2 quite a number of changes over the last  
3 several years and in particular in this  
4 last legislative session. The basis of  
5 our petition is to try to seek some  
6 clarity on some of those changes as they  
7 apply to my client and also to other  
8 similarly suited applicants.

9 Cajun Land owns two tracts of land  
10 in St. Mary Parish along Lake Florida  
11 Bypass Road. Those tracts are just over  
12 eight-and-a-half acres. They're zoned  
13 for a truckstop with video draw poker  
14 devices, and a building permit was  
15 actually issued for the construction of  
16 the facility back in December of 2007.  
17 That permit is still effective today,  
18 though the facility has not been  
19 completed.

20 The three particular issues that the  
21 petition presents before you is, one,  
22 whether or not the publications, notices  
23 and press releases which were issued  
24 under the prior law, Revised Statute  
25 27:306, are adequate and result in

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1 compliance under the new law, which is  
2 Revised Statute 27:419. We also are  
3 requesting a ruling on whether or not  
4 the required distance of the facility  
5 from the protected properties is, in  
6 fact, 500 feet, as a result of the  
7 issuance of the building permit back in  
8 2007, as is contemplated under Revised  
9 Statute 27:422(D)(1)(A).

10 And then, finally, the last issue  
11 deals with the requirements necessary to  
12 stay in compliance with that distance  
13 from protected properties; vis-a-vie,  
14 when the application needs to be made  
15 and when the facility needs to be  
16 completed.

17 With regards to the publications,  
18 notices and press releases, as I said,  
19 the building permit was issued back in  
20 2007 for the facility. In 2007 and in  
21 2009, Cajun Land pursued the necessary  
22 publications through the Franklin

23 Banner-Tribune and The Daily Review,  
24 also press releases to the local radio  
25 stations, and finally issued the notice

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1 of intent in 2007 to the President of  
2 the St. Mary Parish in accordance with  
3 the law at the time.

4 It is our belief that the issuance  
5 of those notice, press releases and  
6 publications, which were done at the  
7 time in accordance with 27:306, are  
8 still adequate and still would result in  
9 compliance under the similar provisions  
10 as changed in the recent legislative  
11 session into 27:419, and we would  
12 respectfully request a ruling from the  
13 Board on that issue.

14 Now, with regards to the protected  
15 distance of the facility from the  
16 protected properties, again, the seminal  
17 point here we believe is the date upon  
18 which the building permit was issued,  
19 that permit being issued back in  
20 December of 2007, and it is our belief  
21 that under the new law, 42(D)(1)(A) of  
22 Section 27 of the Revised Statute, that  
23 Cajun Land and similarly situated  
24 applicants, would be governed by the  
25 500-foot rule. We would ask,

1 respectfully request a ruling on that  
2 issue so that there is clarity for my  
3 client and similarly situated  
4 applicants.

5 Finally, with the change in the new  
6 law, there are certain regulations which  
7 must be adhered to in order for that  
8 protected distance -- again, what we  
9 believe is 500 feet -- to be complied  
10 with. Certain steps have to be made  
11 with when the application for licensing  
12 has to be made and also when the  
13 facility needs to be completed. It is  
14 our belief, and we would respectfully  
15 suggest to the Board, that under Revised  
16 Statute 27:422(D)(1)(a), which we  
17 believe establishes the 500-foot rule,  
18 that in order to stay in compliance, we  
19 must simply submit our application for  
20 the gaming license on or before  
21 August 1, 2012.

22 That statute, while requires the  
23 submission of the application by that  
24 date, does not speak to the status of  
25 construction of the facilities, and it

1 is our belief that the application can  
2 be made on that date. The facility does

3 not yet have to be completed, but  
4 subsequently under the Louisiana  
5 Administrative Code, Section  
6 2405(A)(5)(C)(1), that Cajun Land, or  
7 any other similarly situated applicant,  
8 would have 120 days in which to complete  
9 the facility and have it open for  
10 business and still be in compliance with  
11 the applicable law.

12 As I've said, the law has undergone  
13 a number of changes. We are grappling  
14 with that and doing our very best to  
15 understand it. We would most appreciate  
16 some guidance from this Board on these  
17 issues to guide us as we move forward.

18 But in regards to each issue, again, it  
19 is our belief that the publications,  
20 notices and press leases that we have  
21 issued and have been submitted with our  
22 petition are in compliance with 27:419  
23 of the Revised Statutes. We also  
24 believe that as long as we make  
25 application for the gaming license on or

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1 before August 1, 2012, we are subject to  
2 the 500-foot distance requirement from  
3 protected properties.

4 And then finally, that the  
5 facilities need not be constructed when



6 we make that application on August 1,  
7 but that the applicant -- the  
8 application needs to be made by that  
9 date and then the facility subsequently  
10 completed and open for business within  
11 120 days of that application in order  
12 for us to stay in compliance with the  
13 applicable law.

14 With that being said, Mr. Chairman,  
15 I'd be happy to answer any questions  
16 that any of the board members may have.

17 CHAIRMAN HALL: Miss Moore, would  
18 you like to comment, please.

19 MS. MOORE: Yes, sir. Charmaine  
20 Moore, Assistant Attorney General. The  
21 2012 regular session of the Louisiana  
22 Legislature passed Act 161. That act  
23 becomes effective August 1st, 2012.  
24 What the act does is basically it moves  
25 all of the video poker statutes from

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1 Chapter 6 in Title 27 to Chapter 8.

2 There are also a few changes made in  
3 those statutes. One of those is in  
4 regard to the prohibited distance  
5 requirements for truckstops. The  
6 statute basically remains the same  
7 except that there's now a deadline of  
8 August 1st, 2012, in order to qualify

9 for an exception to the 1 mile  
10 requirement.

11 Our office has reviewed the petition  
12 submitted by Cajun Land Travel Plaza and  
13 also both the current statutes in regard  
14 to distance requirements and the  
15 statutes which will become effective on  
16 August 1st. While we would decline to  
17 offer an opinion as to whether the  
18 factual assertions particular to that  
19 applicant or their exhibits are adequate  
20 for licensing until such time as State  
21 Police does their investigation, we do  
22 believe that we can say that if an  
23 applicant for a Type 5 video gaming  
24 license has complied with the  
25 publication and press release

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1 requirements, has notified the local  
2 governing authority of its intent to  
3 construct and operate a truckstop, has  
4 obtained a building permit prior to  
5 January 1st, 2008, and files an  
6 application for licensure on or before  
7 August 1st, 2012, then it would be  
8 subject to the 500-foot prohibited  
9 distance requirement provided in both  
10 the current law and the law to become  
11 effective August 1st.

12           Then in true Louisiana tradition, I  
13           would like to offer Mr. Mayronne a  
14           little lagniappe. My understanding of  
15           the 2405 is that although the applicant  
16           cannot file an application any earlier  
17           than 120 days prior to the planned  
18           completion of the facility and  
19           commencement of operations, it's our  
20           opinion that the applicant would have,  
21           actually, 180 days to complete the  
22           construction and open.

23           CHAIRMAN HALL: Very good. Does the  
24           Board have any questions with the  
25           proposal? And for brevity sake, what I

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1           will do, the last two statements that  
2           you essentially made would be the  
3           proposal, and I understand that should  
4           be hopefully sufficient guidance for you  
5           to be able to determine for your client  
6           how they should move forward from this  
7           point.

8           That being the case, the Chair would  
9           move that we adopt the proposed ruling  
10           as explained by Miss Moore. Is there  
11           any objection to that?

12           MR. SINGLETON: I'll second.

13           CHAIRMAN HALL: Second, thank you.  
14           Should I ask for that first before we --

15 thank you.

16 MR. BRADFORD: I just have a  
17 question for Paul. The building permit,  
18 there is no expiration date on that that  
19 you --

20 MR. MAYRONNE: There is not an  
21 express expiration date. There has been  
22 work that has commenced and is ongoing.  
23 It's just not completed. We've  
24 continued to stay in contact with the  
25 Parish of St. Mary to make sure we're in

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1 compliance.

2 MS. MOORE: Most of the parishes  
3 will allow them to renew the building  
4 permit, and they did submit, you know,  
5 in one of their attachments, a letter  
6 from the parish president, I believe it  
7 was, that said that it was still  
8 current.

9 CHAIRMAN HALL: That being the case,  
10 we have a motion. We have a second. Is  
11 there any opposition? Hearing none, the  
12 proposed ruling is adopted, and the  
13 motion carries.

14 MS. MOORE: Thank you.

15 MR. MAYRONNE: Thank you.

16 VII. RULEMAKING

17 A. Adoption of consolidation and

18 re-designation of LAC 42:VII, Pari-Mutuel  
19 Live Racing Facility Slot Machine Gaming;  
20 LAC 42:IX, Landbased Casino Gaming; and  
21 LAC 42:XIII, Riverboat Gaming

22 CHAIRMAN HALL: The next issue is --  
23 we're moving along here, and I  
24 appreciate y'all hanging in. We had a  
25 very ambitious agenda this month.

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1 Several of these things had to be taken  
2 care of this month, so we'll continue to  
3 move here as quickly as we can while  
4 giving it due attention.

5 Rulemaking: I believe, Mr. Pitre,  
6 you have some presentation on proposed  
7 rules with consolidation, that I believe  
8 we're at the point now where we're at  
9 the final motion for adoption and  
10 consolidation; is that correct?

11 MR. PITRE: Yes, sir. Chairman,  
12 Board Members, Earl Pitre, Jr.,  
13 Assistant Attorney General, here in the  
14 matter of rule adoption of the  
15 consolidation and redesignation of Parts  
16 VII, IX, XIII to Parts 3 -- I mean, Part  
17 III of Title 42. It's been a long time  
18 coming for this.

19 At the Board's meeting on  
20 December 14th, 2011, there was the vote

21 to institute promulgation proceedings --  
22 procedures for the rules listed in Item  
23 VII(A) of today's agenda. Following  
24 this vote, the Attorney General's  
25 Office, caused to be published in the

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1 Louisiana Register, a notice of intent  
2 for the proposed rules directing all  
3 individuals with questions or concerns  
4 to contact my office directly. I  
5 received comments during this time.

6 The first comment resulted in the  
7 change in the referred Subsection to E  
8 rather than D to the proposed LAC Title  
9 42, Part III, Section 2108, Paragraph B.

10 The second comment requested a change in  
11 the number of camera recordings to a  
12 single DV device referred to in proposed  
13 LAC Title 42, Part III, Section  
14 3302(B)(3). However, that was resolved  
15 by -- by the riverboat gaming industry's  
16 tech personnel.

17 The third comment resulted in the  
18 change from key gaming to non-key gaming  
19 employee permit in proposed LAC Title  
20 42, Part III, Section 2955(B).

21 As part of the promulgation process,  
22 I also submitted two reports each to the  
23 Board's House and Senate oversight

24 committees. The first report detailed  
25 the substance of the proposed rules, and

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1 the second informed the committees of  
2 the questions and concerns voiced by the  
3 public.

4 Following the delivery of the second  
5 report to the committees, they were  
6 given 30 days in which to call hearings  
7 to satisfy any concerns that they might  
8 have had. As no hearings were called,  
9 the default action of the committees  
10 following the lapse of the 30-day period  
11 is to approve the proposed rules.

12 If the Board has no questions, a  
13 motion to adopt the rules is needed.

14 CHAIRMAN HALL: Are there any  
15 questions? Do I have a motion to adopt  
16 the rules?

17 MS. NOONAN: I make a motion.

18 CHAIRMAN HALL: Do I have a second?

19 MS. ROGERS: Second.

20 CHAIRMAN HALL: Miss Rogers. Is  
21 there any opposition to adoption of the  
22 rules? None -- not hearing any, the  
23 rules are adopted, and thank you all  
24 very much for the work you did on this.  
25 I know it was a tremendous amount of

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1 work, Mr. Pitre. Between you and State  
2 Police, I think we appreciate you-all  
3 very much, and getting that done for the  
4 Board is very important.

5 MR. PITRE: Thank you.

6 CHAIRMAN HALL: Just as a note, the  
7 effective date will be the date that the  
8 rules are published after this final  
9 adoption today. So I'm not sure when  
10 that will be.

11 MR. PITRE: Hopefully, it will be  
12 next month.

13 CHAIRMAN HALL: We were trying to  
14 get that done on this year's budget, so  
15 we'll see how this goes.

16 B. Institution of rulemaking procedures for  
17 promulgation of LAC 42:III.401, 402 & 403;  
18 and to amend LAC 42:III.111, LAC  
19 42:XI.2403, LAC 42:XI.2405, LAC  
20 42:XI.2407, LAC 42:XI.2409, LAC 42:XI.2417  
21 and LAC 42:XI.2424, (Electronic  
22 Submissions)

23 CHAIRMAN HALL: Next is institution  
24 of the rulemaking procedures for  
25 electronic submissions. Mr. Pitre, I

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1 think you're handling that also.

2 MR. PITRE: Yes, sir. I'm here  
3 to -- in the matter of instituting



4 rulemaking procedures for the following  
5 rules for promulgation of Louisiana  
6 Administrative Code Title 42, Part III,  
7 Sections 401, 402 and 403, and the  
8 amending of Louisiana Administrative  
9 Code Title 42, Part III, Section III and  
10 Title 42, Part II, Sections 2403, 2405,  
11 2407, 2409, 2417 and 2424.

12 The new rules and amendments to Part  
13 III will allow the Board and State  
14 Police to create systems for the various  
15 types of gaming where they can receive  
16 electronic submissions from applicants  
17 and licensees. The amendments to video  
18 poker rules in Part XI are in the  
19 discretion of State Police's development  
20 of a system to receive those  
21 transmissions.

22 If the Board has no questions, a  
23 motion to institute the rulemaking  
24 process is needed.

25 MS. ROGERS: I so move.

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1 CHAIRMAN HALL: Miss Rogers makes  
2 that motion. Do I have a second?

3 MR. SINGLETON: Second.

4 CHAIRMAN HALL: Mr. Singleton.  
5 Thank you very much. Any opposition?

6 MR. BRADFORD: Quick question.

7 CHAIRMAN HALL: Yes, sir.

8 MR. BRADFORD: Anything requiring a  
9 notary stamp and signature that doesn't  
10 apply here?

11 MR. PITRE: The notarized signatures  
12 will have to be in paper form.

13 CHAIRMAN HALL: No opposition? Very  
14 good. No opposition, so the motion  
15 carries. So if you please, continue  
16 forward.

17 MR. PITRE: Thank you.

18 CHAIRMAN HALL: Okay. Thank you.  
19 Appreciate you very much. Senator  
20 Peterson, thank you for stepping in with  
21 us.

22 SENATOR PETERSON: You're welcome.

23 VIII. CONSIDERATION OF PROPOSED

24 SETTLEMENTS/APPEALS

25 1. In Re: Logansport Gaming, LLC, d/b/a

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1 Logansport Truckstop - No. 1601502532

2 (proposed settlement)

3 CHAIRMAN HALL: Up now is  
4 consideration of the following  
5 settlements.

6 MS. HIMEL: Good morning, Chairman  
7 Hall, Members of the Board. I'm Dawn  
8 Himel, Assistant Attorney General, on  
9 behalf of Office of State Police. I'll

10 be handling the settlements one and two  
11 on the agenda today.

12 The first one is the matter of  
13 Logansport Gaming, LLC, doing business  
14 as Logansport Truckstop, license number  
15 1601502532. This truckstop is located  
16 in Logansport, Louisiana, in De Soto  
17 Parish.

18 A fire occurred in the kitchen at  
19 the on-site restaurant of the truckstop  
20 on January 31st, 2011. The on-site  
21 restaurant was closed from January 31,  
22 2011, when the fire occurred, until  
23 March 16th, 2012. The licensee did not  
24 timely notify the Division of the fire  
25 and closing of the restaurant, did not

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1 request a waiver or an extension of the  
2 requirement to surrender its license,  
3 failed to surrender its license and  
4 allowed gaming devices to be played  
5 during this time in violation of gaming  
6 law.

7 The truckstop is now in full and  
8 complete compliance. The restaurant is  
9 open, and in lieu of administrative  
10 action, the licensee has agreed to pay a  
11 penalty of the maximum of \$50,000 for  
12 these violations within 15 days of the

13 approval of the settlement by this  
14 Board.

15 Hearing Officer Brown signed the  
16 settlement agreement and approved it on  
17 June 6th, 2012, and we now submit it for  
18 your approval.

19 CHAIRMAN HALL: Okay. Do we have  
20 any questions by the Board?

21 MR. BRADFORD: Move approval.

22 CHAIRMAN HALL: Mr. Bradford moves  
23 approval of the --

24 MR. SINGLETON: I second.

25 CHAIRMAN HALL: Seconded by

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1 Mr. Singleton of the settlement  
2 agreement. Is there any opposition?  
3 Hearing none, the settlement agreement  
4 is adopted and approved. Thank you.

5 MS. HIMEL: Thank you.

6 2. In Re: Viet Le - No. PO40057269

7 (proposed settlement)

8 CHAIRMAN HALL: I believe next --

9 MS. HIMEL: The second one is Viet  
10 Le. His permit number is PO40057269.

11 Mr. Le is a non-key gaming employee  
12 permittee who was arrested on  
13 January 17th, 2012. He entered into a  
14 Pre-trial Intervention Program, which he  
15 completed on May 7th, 2012. He made

16 restitution for the damage, and the  
17 charge was dismissed, nolle prossed.

18 Mr. Le failed to timely notify the  
19 Division of his arrest in violation of  
20 gaming law, and in lieu of  
21 administrative action, the permittee  
22 agreed to pay a penalty of \$250 for this  
23 violation. The settlement agreement was  
24 approved by hearing Officer Reynolds  
25 June 4th, 2012, and I now submit it for

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1 your approval.

2 CHAIRMAN HALL: Did he make  
3 restitution?

4 MS. HIMEL: Yes, sir. The amount of  
5 the damage originally thought was going  
6 to be \$20,000; but it was only a \$180,  
7 and he made full restitution.

8 CHAIRMAN HALL: Yeah. That is a big  
9 difference.

10 MS. HIMEL: Yes, sir.

11 CHAIRMAN HALL: 20,000 and 180.

12 MS. HIMEL: Yes.

13 CHAIRMAN HALL: Is he gainfully  
14 employed with his license now?

15 MS. HIMEL: He is. He works at  
16 Belle of Baton Rouge.

17 MS. NOONAN: I have a question. Is  
18 there any stipulation, is he on any type

19 of probation with his employer for this?

20 MS. HIMEL: With the Belle of Baton  
21 Rouge, not to my knowledge. He has been  
22 gainfully employed. That's all that I  
23 know.

24 MS. NOONAN: Okay. Thank you.

25 CHAIRMAN HALL: Do we have a motion?

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1 MR. BRADFORD: Move for approval.

2 MS. NOONAN: Second.

3 CHAIRMAN HALL: Second by  
4 Miss Noonan. Any opposition? Hearing  
5 none, the motion carries. The  
6 settlement is approved.

7 MS. HIMEL: Thank you.

8 CHAIRMAN HALL: Thank you.

9 3. In Re: Big Easy Gaming, LLC, d/b/a Big  
10 Easy Gaming, LLC - No. 4400615410  
11 (appeal)

12 CHAIRMAN HALL: Up next Items 3 and  
13 4 we have appeals. I believe the first  
14 appeal that will be heard by the Board  
15 would be Big Easy Gaming, LLC, doing  
16 business as Big Easy Gaming.

17 MR. TYLER: Michael Tyler.

18 CHAIRMAN HALL: Morning.

19 MR. PORTEOUS: Good morning, Timothy  
20 Porteous on behalf of Big Easy Gaming,  
21 LLC, and Charles Loescher.

22 MR. TYLER: Good morning, Chairman  
23 Hall, Board Members. Assistant Attorney  
24 General, Michael Tyler, appearing in the  
25 matter of Big Easy Gaming, LLC, d/b/a

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1 Big Easy Gaming and the appeal that has  
2 been brought by the licensee and  
3 Mr. Charles Loescher.

4 MR. PORTEOUS: Chairman Hall,  
5 Members of the Board, again, Timothy  
6 Porteous on behalf of the appellant, Big  
7 Easy Gaming and Charles Loescher. I'd  
8 like to inform the Board that Mr.  
9 Loescher is present at the hearing  
10 today.

11 In all my years of gaming, this  
12 one's really stumped me. I don't  
13 understand Judge Reynolds' ruling. I've  
14 read his opinion numerous times, and  
15 based on the numerous allegations that  
16 were allegedly -- or the allegations  
17 that were brought before Judge Reynolds,  
18 he doesn't make mention of any of them.  
19 He verbatim reports the findings of fact  
20 by the Attorney General and State  
21 Police. He then states the applicable  
22 law and then only decides that due to  
23 Mr. Losher's signing his application and  
24 incorrectly signing it, he's deemed

25 unsuitable; and his company should be

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1 found not able to participate in gaming.

2 He fails to put in his findings of  
3 fact or his ruling that an affidavit of  
4 correction was signed by Mr. Loescher  
5 based on his improperly indicating that  
6 he had once had a license prior to this  
7 application -- to the previous  
8 application or the application we're  
9 here for today.

10 Nothing was proven with even a shred  
11 of truth at the hearing. If you don't  
12 prove your case -- if you're making the  
13 allegations and that's based on -- if  
14 the Division and Attorney General's  
15 Office is putting their case on and they  
16 don't prove it, as attorneys that's what  
17 we're trained to do. We're trained to  
18 defeat everything that you say, and if  
19 you don't prove it, your case is over.

20 Unfortunately, I just am stumped  
21 here because I just don't understand.  
22 If you bring an allegation and you don't  
23 prove it, how do you get to continue to  
24 go forward? We're talking about an  
25 individual here who has a license with

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1 the Real Estate Commission. He holds a



2 license in insurance in the State of  
3 Louisiana. He owns multiple businesses.  
4 He's been a police officer for  
5 St. Bernard, and he's a police officer  
6 for New Orleans.

7 Other than the one investigation  
8 that was brought against him, this  
9 individual's never been in trouble.

10 This is the kind of person you want in  
11 gaming. This is the kind of person who  
12 is suitable. He sat on banks on their  
13 credit commissions. We all know that  
14 with banks, they look at your character;  
15 they look at your credit; they look at  
16 your collateral; they look at  
17 everything.

18 The State Insurance Commission:  
19 They do background checks. This  
20 individual, I believe in this one. I am  
21 just -- unfortunately, I am just really  
22 stumped here because I just don't  
23 understand Judge Reynolds' ruling. This  
24 is the kind of person you would expect,  
25 when they submit to their suitability

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1 investigations, if there's questions or  
2 if there's comments, that's what your  
3 compliance conference is for. That's  
4 when Mr. Loescher was asked at the

5 compliance conference.

6 "Oh, do you have a previous  
7 license?" He admitted, yes, he had  
8 forgotten. He submitted his affidavit  
9 of correction.

10 If they had proven their case, it  
11 would be one thing. The appeal would be  
12 a lot more difficult. I would have  
13 filed it, but it would be a lot more  
14 difficult. Now I'm just stumped because  
15 I don't understand it. We have letters  
16 submitted on behalf of the Parish of  
17 Jefferson Parish, John Young in support  
18 of Mr. Loescher. We have the President  
19 of Latter and Blum in St. Tammany on  
20 behalf of Mr. Loescher.

21 At this point, that's all I have to  
22 say, unless anybody has any questions.  
23 I'd be happy to entertain any questions  
24 from the Chairman and Members of the  
25 Board. Thank you.

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1 CHAIRMAN MORGAN: I'd like to hear  
2 from Mr. Tyler.

3 MR. TYLER: Just real quick,  
4 Mr. Chairman. Mr. Porteous stated the  
5 Hearing Officer didn't really issue any  
6 findings, but I believe if you review  
7 his decision, he did go through pretty

8 clearly his findings; and they were more  
9 deep than just stating he didn't sign  
10 his application, or whatever it is that  
11 Mr. Porteous referenced with respect to  
12 that rendered decision.

13 But what we had at the hearing was  
14 allegations that were brought by State  
15 Police, and I believe that the notice  
16 shows that the allegation were pretty  
17 detailed. And those allegations had to  
18 come before the hearing office to make a  
19 determination as to whether or not  
20 Mr. Loescher was suitable pursuant to  
21 his submission.

22 With that, we put on evidence with  
23 respect to the allegations. We showed  
24 that information was out there from the  
25 standpoint of reputation. We showed

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1 that information was out there from the  
2 standpoint of things that happened with  
3 Mr. Loescher while he was a New Orleans  
4 police officer, things dealing with  
5 character, integrity, honesty, things of  
6 that nature, and we put on our case. We  
7 put on our evidence. Our exhibit book  
8 was pretty thick, and we introduced, for  
9 the most part, all of our exhibits.

10 With that, they didn't introduce

11 anything. They didn't really challenge  
12 the allegations that were made, and it's  
13 the applicant's duty to prove that  
14 they're suitable. It's not State  
15 Police's duty, once they complete their  
16 investigation, to prove that the  
17 applicant is suitable. If things are  
18 found, it's the applicant's duty to  
19 present things that may clear up any  
20 issues or if they feel there are  
21 misunderstandings that may be present.

22 With that we submitted our case.  
23 They didn't submit anything to counter  
24 it. The decision was rendered. That's  
25 what we stand on. We feel that the

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1 decision was proper, and at the end, the  
2 Division hopes and prays that you affirm  
3 the hearing officer's decision.

4 CHAIRMAN HALL: Do we have any  
5 questions?

6 MS. ROGERS: Yeah. I have  
7 questions. Why was the Type 1 license  
8 granted, for what purpose? You said  
9 that the -- he had a Type 1.

10 MR. TYLER: No, ma'am, Type VI.  
11 He's a device owner.

12 CHAIRMAN HALL: I think she's  
13 asking -- at one time he had a Type 1

14 license. It's not effective today.

15 MR. TYLER: In 1996 -- I'm sorry,  
16 Miss Rogers, is that what you're asking?

17 MS. ROGERS: Was he in gaming  
18 before?

19 MR. TYLER: I don't think the  
20 license was ultimately used. I think it  
21 was turned in back in '06. It was only  
22 for about a six-month period, and that's  
23 the answer. Yeah.

24 MS. ROGERS: Just curious.

25 MR. PORTEOUS: Yes, ma'am. Chairman

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1 Hall, Members of the Board, if I may.

2 As I said earlier, when a -- when  
3 someone puts on their case and they're  
4 making allegations, they have to prove  
5 their case. At the hearing, once we  
6 defended Mr. Loescher and his company,  
7 the job that was done by Mr. Frank  
8 DeSalvo, a very seasoned criminal  
9 defense attorney in New Orleans, we took  
10 a quick recess, and we knew we had  
11 defeated every allegation. We took --  
12 we made a decision not to beat a dead  
13 horse into the ground.

14 We put the case to Judge Reynolds.

15 And he ultimately ruled against us.

16 Again, he did, in fact, state the --

17 almost verbatim the findings or the  
18 allegations that were submitted in the  
19 initial report or the recommendation by  
20 the State Police and the Attorney  
21 General's Office, but he didn't -- in  
22 his reasons he never acknowledges any of  
23 them. He just doesn't. He just says  
24 the applicant had the -- when he signed  
25 and notarized his application, that was

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1 it and he didn't carry his burden.

2 We actually -- at this time, we ask  
3 that the Board reject the recommendation  
4 of Hearing Officer Reynolds ordering the  
5 alternative. We ask that the case be  
6 remanded back to Judge Reynolds so Mr.  
7 Loescher is allowed the opportunity to  
8 put on his case, put on all the evidence  
9 about his character.

10 He will -- he will be -- this state,  
11 this Board be proud of Mr. Loescher and  
12 his company. He has always been the  
13 symbol for all the businesses he's in,  
14 whether it's in insurance, whether it's  
15 in real estate, the hotels, the  
16 properties he owns, the ATM company he  
17 has, when he was a member of NOPD and  
18 St. Bernard Police Department. He's  
19 received accommodations, certificates

20 from all the departments.

21 You know, unfortunately there was  
22 one bad guy who made an allegation  
23 against Mr. Loescher which prompted an  
24 investigation. The Department of  
25 Justice, the FBI, Louisiana State

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1 Police, New Orleans Police Department,  
2 New Orleans Public Integrity Bureau,  
3 they did a massive investigation, but  
4 yet not one charge would be brought  
5 against him because ultimately it was  
6 determined there was nothing there  
7 against this individual. Because a  
8 known criminal, a criminal who has had  
9 50 aliases made a allegation against  
10 Mr. Loescher, now he's got to defend  
11 himself. He's now been guilty instead  
12 of -- he's guilty and has to prove his  
13 innocence instead of being he's innocent  
14 until proven guilty.

15 This individual has always done the  
16 right thing, and because of one bad guy,  
17 now he's got a reputation out there.  
18 And that's unfortunate because in  
19 everything he's done, he's always had  
20 background checks; he's always made it  
21 through; he's always come out clean.

22 And that's why I'm here today

23 fighting on behalf of Mr. Loescher and  
24 his company, Big Easy Gaming, because I  
25 believe in him. I believe in the

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1 letters that were written on behalf of  
2 the Parish President, John Young, from  
3 the civic association, letters from  
4 Latter and Blum in St. Tammany, you  
5 know, the license -- the insurance  
6 commission in Louisiana, the real estate  
7 commission and insurance board, the real  
8 estate commission.

9 Everything points to a good  
10 character, and yet because we had one  
11 investigation by a known felon in  
12 Louisiana, now he's got a bad  
13 reputation, and that's unfortunate  
14 because this gentlemen -- he and his  
15 wife and family in St. Tammany or  
16 Slidell, they're wonderful people, and  
17 that's why I'm up here feeling as  
18 strongly as I do today about this case.

19 So I do welcome questions. I'd be  
20 happy to answer any. I'd ask that this  
21 board reject Hearing Officer's Reynolds'  
22 ruling or in the alternative send it  
23 back to Hearing Officer Reynolds.

24 MR. TYLER: Mr. Chairman, if I just  
25 could real quick, just on behalf of the



1 Division, I would assert a record  
2 objection to the request for remand.

3 CHAIRMAN HALL: I have a couple  
4 questions.

5 MS. ROGERS: He didn't realize the  
6 seriousness when went before the judge?  
7 You make it sound like he didn't defend  
8 himself. I don't understand when you go  
9 before a judge that you don't understand  
10 the seriousness, and you don't have your  
11 say or say whatever you want to say?  
12 You make it sound like he needs to go  
13 back to defend himself. He didn't  
14 defend himself?

15 MR. PORTEOUS: Ma'am, with all due  
16 respect -- and I don't disagree with  
17 you, but as attorneys, once the case is  
18 put on, when you're defending a case and  
19 you have defeated every allegation that  
20 is presented, it is almost like beating  
21 a dead -- kicking a dead horse. It is,  
22 like -- we expect as attorneys, when  
23 you've defeated their case -- first of  
24 all, we understand that this case in a  
25 criminal proceeding would never have

1 gone forward because there's not enough  
2 evidence to even go against

3 Mr. Loescher. But once -- ma'am, I know  
4 you disagree with me, but allegations  
5 are just allegations. Good thing we  
6 don't always believe everything we read.

7 MS. ROGERS: That's my point that  
8 you didn't -- you didn't defend him.

9 MR. PORTEOUS: Ma'am, at every step  
10 of the prosecution or in the case, we  
11 defended him. If the Attorney General  
12 and State Police put their case on and  
13 they just don't prove their case, we win  
14 at that point. As you defense  
15 attorneys, as lawyers, we know, okay,  
16 they haven't done their job. It's not  
17 my fault that they didn't do their job.  
18 It's unfortunate that Mr. Loescher has  
19 to prove his innocence because of  
20 allegations. That's unfortunate.  
21 That's not how the system actually  
22 works. You don't prove yourself  
23 innocent -- you're not guilty until you  
24 prove yourself innocent; but that's what  
25 we're actually saying here and that's

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1 what you're looking at me. You're  
2 assuming Mr. Loescher is guilty until --

3 MS. ROGERS: Oh, I didn't say that.  
4 Hey, I just said I read all of this, and  
5 I read every word of it.

6 MR. PORTEOUS: Yes, ma'am, and I  
7 appreciate that.

8 MS. ROGERS: But my point being: As  
9 a person, I'm thinking if I were  
10 charged, I certainly would defend  
11 myself. I get the feeling that you  
12 didn't think that was an important --

13 MR. PORTEOUS: No. Actually, we  
14 did. That's why we took the recess and  
15 why we thought about it. But at the  
16 end, we realized they have not proven  
17 one thing. And the reasons, based on  
18 their recommendation -- I say "they."  
19 Let me be a little clearer about this.  
20 The reason the Attorney General and  
21 State Police made a recommendation  
22 against Mr. Loescher was based on their  
23 findings during their investigation.  
24 Unfortunately, they didn't prove that at  
25 the hearing almost not even to any --

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1 with any degree of certainty, not even  
2 just a little bit.

3 It's hard for us to have to continue  
4 to go forward when you don't prove your  
5 case and the reasons you say Mr.  
6 Loescher is unsuitable. If you don't  
7 prove it, then it's hard for us to say,  
8 well, we have to just continue. We have

9 to just beat it into the ground that  
10 this is the greatest guy.  
11 He's a family man, and he's a  
12 businessman; and he holds the license  
13 with the insurance department. He holds  
14 a real estate license; he's been on  
15 boards with the banks; he owns real  
16 estate properties; he owns a company.  
17 You know, and that's why we're here now  
18 pleading before this board and asking if  
19 we don't get the recommendation that you  
20 reject the hearing officer's decision,  
21 that we go back in front of Judge  
22 Reynolds and I ask for clarification  
23 from Judge Reynolds, because like I  
24 said, all he decided was that he didn't  
25 sign his application -- or he signed his

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1 application improperly or he signed, it  
2 was notarized, so he must have attested  
3 everything was true. But yet he doesn't  
4 acknowledge the affidavit that was put  
5 into evidence. I think it was Exhibit 4  
6 by the Attorney General and State  
7 Police.

8 CHAIRMAN HALL: Mr. Singleton, I  
9 believe.

10 MR. BRADFORD: Very briefly I just  
11 want to say, I appreciate your passion

12 and your representation of your client,  
13 and I appreciate that he's active in the  
14 community and has all these other  
15 licenses and involved in all these other  
16 businesses. However, we're charged with  
17 whether or not he should be involved in  
18 gaming, and that's all that we're  
19 concerned about. Obviously, we have  
20 reams of information saying that he  
21 should not be involved in gaming.

22 That's all I have to say.

23 MR. PORTEOUS: If I may, what you  
24 have is allegations. You don't have --  
25 you have an allegation.

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1 MR. BRADFORD: And that's a valid  
2 point; however, suitability is  
3 subjective.

4 MR. PORTEOUS: Okay. No,  
5 unfortunately, that's where I agree with  
6 you and disagree -- not with you, but  
7 it's now just left to the whim of either  
8 someone's opinion, because if you don't  
9 read it in 27:310(A) because -- if you  
10 don't have a conviction or something but  
11 someone's out there -- because like I  
12 said, an unfortunate character who has  
13 50 aliases and a known felon makes an  
14 allegation.

15           Now, you go to 310(B), and now it  
16           just becomes subjective, and if you have  
17           allegations that have not been proven,  
18           then it's up to the subjective decision  
19           of the Board.

20           CHAIRMAN HALL: Mr. Porteous, I do  
21           believe in these records, so I'm not  
22           introducing new evidence that we can do  
23           here, that Mr. Loescher was voluntarily  
24           working for that gentlemen and being  
25           paid by him.

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1           MR. PORTEOUS: No, sir.

2           CHAIRMAN HALL: That's not shown  
3           anywhere? He was not working --

4           MR. PORTEOUS: No.

5           CHAIRMAN HALL: -- any kind of  
6           detail for any of those businesses --

7           MR. PORTEOUS: No.

8           CHAIRMAN HALL: -- on Bourbon Street  
9           for those two individuals?

10          MR. PORTEOUS: No, sir.

11          CHAIRMAN HALL: None whatsoever?

12          MR. PORTEOUS: That's my point of  
13          being up here today. We don't have the  
14          evidence.

15          CHAIRMAN HALL: And we also -- the  
16          fact that in the investigation with NOPD  
17          Mr. Loescher didn't come to work for an

18 extended period of time and was paid by  
19 NOPD for not coming to work? Is that  
20 also not -- I believe it was documented  
21 very well in the record.

22 MR. PORTEOUS: Chairman Hall.

23 CHAIRMAN HALL: And I don't know.  
24 Was there anything given to introduced  
25 to show that that was not -- in fact,

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1 the case? Because that's -- whatever  
2 was introduced to show that's not the  
3 case was not in the record.

4 MR. PORTEOUS: Chairman Hall, with  
5 all due respect, no, it's not. It's  
6 been proven that during the  
7 investigation that you're talking about,  
8 where Mr. Loeschler did not come to  
9 work --

10 CHAIRMAN HALL: Right.

11 MR. PORTEOUS: -- his superior  
12 admitted that they didn't know that he  
13 was working in a homicide Division.  
14 They didn't know where he was supposed  
15 to be because he was interviewing other  
16 people. They were at his house, that  
17 they ultimately had to admit, was not  
18 his house. So they didn't know that he  
19 was working in specific parts or other  
20 parts of the parish. They admitted

21 that.

22 There was not an ounce of evidence  
23 that showed that Mr. Loescher was not  
24 working when he was supposed to be, and  
25 unfortunately, that's what the record --

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1 I can tell you --

2 CHAIRMAN HALL: Well, he resigned as  
3 a result of it.

4 MR. PORTEOUS: No, sir. Again, that  
5 was --

6 CHAIRMAN HALL: That's what the  
7 record reflects.

8 MR. PORTEOUS: With all due respect,  
9 Chairman Hall, the record does not  
10 reflect that because it was put into the  
11 record that -- he actually put his  
12 resignation in a month prior to the  
13 investigation even starting, but that  
14 doesn't -- that gets glanced over  
15 because it sounds good to say, he  
16 resigned the same day. He went in and  
17 gave his statement and resigned.

18 That's why I'm so passionate about  
19 it. It's not true.

20 CHAIRMAN HALL: I'm just reading  
21 what's in the record. I'm not saying  
22 whether it's true or not.

23 MR. PORTEOUS: No. I'm telling you



24 the testimony that was presented.

25 CHAIRMAN HALL: Mr. Singleton.

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1 MR. SINGLETON: Yeah. I guess for  
2 the hearing officer -- maybe someone can  
3 correct me. When you go before the  
4 hearing officer, y'all presented your  
5 case?

6 MR. PORTEOUS: Yes, sir.

7 MR. SINGLETON: Is there an  
8 opportunity for the defense to defend  
9 whatever you say or whatever you do or  
10 whatever you present?

11 MR. TYLER: The opposition has a  
12 chance to, number one, question whatever  
13 witnesses we put on the stand, but then  
14 once we rest our case, the opposition  
15 has a chance to present their case in  
16 chief.

17 MR. SINGLETON: And Chairman Hall  
18 just made the comment a few minutes  
19 ago -- and I read the same thing, and  
20 I'm still confused -- as to why you  
21 didn't refute any of these things before  
22 the hearing officer? I'm talking to  
23 you.

24 MR. PORTEOUS: Yes, sir.

25 MR. SINGLETON: You seem to try to

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1 make this into a defense case, and I  
2 consider it more of a civil type matter.  
3 And you're trying to make it a criminal  
4 type matter the way you seem to be  
5 presenting it, and that's confusing to  
6 me. And nowhere did I see where you  
7 refuted any of the allegations, if you  
8 put it that way, that was made by the  
9 Attorney General's Office.

10 MR. PORTEOUS: Actually, again, Mr.  
11 Singleton, we refuted every allegation  
12 during our cross-examination of the  
13 witnesses put on by the State Police.

14 MR. SINGLETON: Well, that's not in  
15 the record.

16 MR. PORTEOUS: With all due respect,  
17 are you looking at the record or the  
18 transcript?

19 MR. SINGLETON: There's a  
20 transcript.

21 COURT REPORTER: You guys have to  
22 talk one at a time.

23 CHAIRMAN HALL: All right. Excuse  
24 me. They do -- in answer to the  
25 question by Mr. Porteous to Mr.

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1 Singleton, they do have transcripts. I  
2 have them right here. I have the  
3 transcripts.

4 MR. PORTEOUS: Yeah. Mr. Singleton,  
5 I was referring to the transcript you  
6 were just holding up. I think the  
7 report by the Attorney General, State  
8 Police, but in the transcript, every  
9 allegation put on by the State, the  
10 Attorney General's Office was refuted.  
11 It just -- the evidence wasn't put on by  
12 Mr. Loescher because we felt that -- we  
13 knew they didn't carry the burden of why  
14 they decided that Mr. Loescher wouldn't  
15 be suitable to participate in gaming.  
16 The allegations --

17 MR. SINGLETON: The hearing officer  
18 heard all this information and just  
19 ignored it; is that what you're saying?

20 MR. PORTEOUS: Well, and I also  
21 read -- and I appreciate everybody here  
22 reading Hearing Officer Reynolds'  
23 recommendation. He puts the findings of  
24 fact as reported by the Division. He  
25 then states the applicable law and then

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1 just simply says he didn't -- he's got  
2 the duty when he signs, and the  
3 application has been notarized, that he  
4 is, in fact, telling the truth. And  
5 then he simply states -- he simply  
6 says -- excuse me, and this is in the

7 hearing officer's ruling.

8 Mr. Loescher executed the statement  
9 voluntarily with knowledge that any  
10 failure to provide the correct  
11 information is cause for denial of the  
12 application and will result in  
13 revocation currently of his license.  
14 Yet he fails to acknowledge the  
15 affidavit of correction that was  
16 executed by Mr. Loescher.

17 MR. SINGLETON: Okay. That's one of  
18 those small -- but I guess what you're  
19 basically saying is the judge rubber  
20 stamped the Attorney General's  
21 recommendation and then forgot  
22 everything else. That's --

23 MR. PORTEOUS: That is --

24 MR. SINGLETON: That's the way I  
25 interpret it.

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1 MR. PORTEOUS: That's an excellent  
2 way of saying it.

3 MR. SINGLETON: There's no way --  
4 with all due respect, there's no way  
5 that I can totally believe that the  
6 hearing officer would do that.

7 MR. PORTEOUS: Okay.

8 THE WITNESS: Can I talk?

9 CHAIRMAN HALL: You can speak to

10 your attorney.

11 MS. NOONAN: Mr. Porteous.

12 MR. PORTEOUS: Yes, ma'am.

13 MS. NOONAN: You made a comment  
14 just -- you used the word "whim." I  
15 don't take that lightly. These people  
16 from the State Police, these hearing  
17 officers, the people on this board, we  
18 don't take anything on a whim. We use  
19 the information that we're given. We're  
20 given the information, and as  
21 professionals we look at it. It's not  
22 on a whim. It's law, and it's on our  
23 ruling. And I don't appreciate the  
24 word.

25 MR. PORTEOUS: Miss Noonan. I

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1 apologize. I don't recall saying  
2 "whim." I don't mean to minimize  
3 anything that's done by the State  
4 Police, the Attorney General's Office.  
5 Mr. Tyler and I have had numerous cases  
6 together. Unfortunately, I know he's  
7 one of the best ones, and I always go  
8 against him. So I don't think anything  
9 that is done here is on a whim.

10 What I think was done here was very  
11 arbitrary, very subjective. That's what  
12 I believe. I don't think it was a whim.

13 MS. NOONAN: And you're entitled to  
14 your belief.

15 MR. PORTEOUS: Yes, ma'am. I  
16 appreciate that.

17 CHAIRMAN HALL: Any further  
18 discussion? Do I have a motion?

19 MS. NOONAN: I'd like to motion that  
20 we agree with the decision of the  
21 hearing officer to affirm --

22 CHAIRMAN HALL: Affirm the decision  
23 of the hearing officer? Is there a  
24 second?

25 MR. SINGLETON: Yeah. I'll second.

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1 CHAIRMAN HALL: Mr. Singleton  
2 seconds it. Is there opposition to the  
3 affirmation of the hearing officer?  
4 There is none; therefore, the hearing  
5 officer's decision is affirmed.

6 MR. PORTEOUS: Thank you.

7 CHAIRMAN HALL: Thank you.

8 4. In Re: Sicilian Foods, LLC, d/b/a Frank's  
9 Restaurant - No. 3601216030 (appeal)

10 CHAIRMAN HALL: Mr. Porteous, are  
11 you here on the second one, also?

12 MR. PORTEOUS: Yes, sir.

13 CHAIRMAN HALL: This will be  
14 Sicilian Foods doing business as Frank's  
15 Restaurant. It's an appeal also on a

16 application for license.

17 MR. PORTEOUS: Timothy Porteous on  
18 behalf of the appellant, Frank Gagliano,  
19 and Sicilian Foods, LLC.

20 MR. TYLER: Assistant Attorney  
21 General, Michael Tyler, appearing in  
22 this matter on behalf of the Division.  
23 This matter comes as an appeal filed by  
24 Sicilian Foods, LLC, d/b/a Frank's  
25 Restaurant, with regard to the

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1 April 20th, 2012, decision issued by  
2 Hearing Officer Richard L. Reynolds  
3 where he denied the original application  
4 of Sicilian Foods, LLC, d/b/a Frank's  
5 Restaurant, and found Frank Gagliano,  
6 Jr., and Anna Saputo, the applicants --  
7 the members, excuse me, of the LLC --  
8 unsuitable.

9 MR. PORTEOUS: Again, Chairman Hall,  
10 Members of the Board, Timothy Porteous  
11 on behalf of Frank Gagliano and Sicilian  
12 Foods, LLC. This is a case where  
13 Mr. Gagliano pleaded guilty in 1996 to a  
14 misdemeanor of accessory after the fact  
15 to a gambling -- pleaded guilty to  
16 accessory after the fact, to use of a  
17 wire communication, to accepting a  
18 sports wager in 1996. He successfully

19 completed his probation in 1998.

20 He subsequently was arrested three  
21 times. All three cases occurred more  
22 than ten years ago, and all three cases  
23 were nolle prossed, dismissed, not  
24 accepted by the D.A. or the courts for  
25 whatever reasons.

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1 Mr. Gagliano owns multiple  
2 businesses in the City of New Orleans.  
3 He is a successful businessman. He has  
4 held or holds current ATC licenses,  
5 which require background investigations.  
6 He took the stand in his own defense.  
7 He answered questions truthfully,  
8 honestly, and we ask that this Board  
9 reject the recommendation of Hearing  
10 Officer Reynolds and find Mr. Gagliano  
11 and Sicilian Foods suitable to  
12 participate in gaming.

13 It has been more than ten years for  
14 any sort of infraction against  
15 Mr. Gagliano. There are no -- there  
16 have not been any other violations or  
17 findings that, would show that  
18 Mr. Gagliano, within the last ten years,  
19 has been found guilty of a crime.

20 Frank's Restaurant, where the crimes  
21 that were pled guilty to, the



22 misdemeanor in 1996, there have not been  
23 any further criminal activity there.

24 So at this time, we just -- we  
25 submit the case to the Board, and we

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1 turn it over to Mr. Tyler.

2 MR. TYLER: Board Members,  
3 Mr. Gagliano's factual background has  
4 been before you a couple of times,  
5 actually, but in this particular  
6 instance, we actually got a chance to  
7 get down to the nitty-gritty and pursue  
8 a suitability case against Mr. Gagliano.

9 As you can see from the information  
10 provided to you, the background  
11 investigation that was conducted was  
12 very extensive. What we had was -- yes,  
13 we did have a conviction -- actually a  
14 guilty plea -- to a -- although it's  
15 classified as a misdemeanor, it was an  
16 accessory after the fact of the use of  
17 wire communication in accepting sports  
18 wagers. If you actually look at the  
19 bill of information and all the  
20 information presented, this was a  
21 federal investigation that ended up  
22 coming down to the issuance of warrants  
23 for the arrest and indictments for the  
24 individuals who were combined to operate

25 a sports wagering business.

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1 We have -- in this case based upon  
2 the testimony we have submitted, we have  
3 elements of organized crime involved in  
4 that particular instance. Based upon  
5 the information provided by one of the  
6 witnesses that I presented in the case,  
7 you saw where he, meaning the  
8 investigating trooper, did conduct  
9 investigations into the investigation of  
10 the criminal background by talking to  
11 the Assistant U.S. Attorney that handled  
12 the case, as well as a former FBI Agent  
13 that was on the case, as well. And the  
14 communications in that investigation  
15 bore out that Mr. Gagliano, Jr., was,  
16 according to the AUSA on the case and  
17 the FBI agent, involved in this  
18 organized crime family, along with his  
19 brother, Jack, who was also arrested in  
20 this particular FBI sting, as well as  
21 Frank Gagliano, Sr., who I don't believe  
22 was arrested in the sting, but they all  
23 operated out of Frank's Restaurant,  
24 which is the supposed or assumed place  
25 where the licensee would conduct gaming

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1 if it's accepted.

2           We presented all of our evidence.  
3           We showed that the connections were  
4           there. Mr. Gagliano did, in fact,  
5           admit, based upon the information and  
6           the names in the indictment, that he did  
7           know some of the bookies, as he  
8           classified them as, that were arrested  
9           in the indictment. So, therefore, we  
10          did show -- and he also admitted that he  
11          did possibly place wagers with some of  
12          them as well during the time frame  
13          involved.

14          So we showed that he did consort  
15          with bookies. He did consort with  
16          criminal elements. The reputation was  
17          out there that he was a part of the  
18          organized crime, that he functioned  
19          within organized crime, and then we have  
20          the guilty plea showing that he was, in  
21          fact, attesting to his guilt for  
22          accepting -- and the key in that is  
23          accepting -- sports wagers.

24          So, therefore, the Division finds  
25          that the hearing office -- hearing

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1          officer did issue a proper and prudent  
2          decision. He did weigh all of the  
3          facts. And just please understand that  
4          once we put on our evidence and

5 testimony in these cases and the other  
6 side gets a chance to put on their  
7 evidence and testimony, in this  
8 particular case, in fact, we were also  
9 given the opportunity to present  
10 post-hearing memos; and those should  
11 also be a part of the record, as well.

12 And with that, we can recap the  
13 facts as presented. We can recap all  
14 the testimony presented. We can state  
15 what we want to have happen, and based  
16 upon everything that was alleged in the  
17 notice, everything that was presented in  
18 testimony and everything that's  
19 recaptured in our post-hearing memo, the  
20 hearing officer found there to be  
21 suitable information to state that Frank  
22 Gagliano, Jr., is unsuitable based upon  
23 the affiliations with organized crime,  
24 based upon reputation for being involved  
25 in organized crime, and based upon this

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1 conviction which showed that he was, in  
2 fact, accepting wagers.

3 So with that we do pray that you  
4 will sustain the hearing officer's  
5 decision, and that the original  
6 application of Sicilian Foods will be  
7 denied and Frank Gagliano, Jr., and Anna

8 Saputo will be found to be unsuitable.

9 CHAIRMAN HALL: Does the Board have  
10 any questions? There doesn't appear to  
11 be any. Mr. Tyler -- thank you,  
12 Mr. Porteous. Do you have anything else  
13 to say with regard to this?

14 MR. PORTEOUS: Well, the only thing  
15 I will say -- and Mr. Tyler and I have  
16 discussed this in the past, and it came  
17 up during the hearing -- that in the  
18 Attorney General and State Police's  
19 recommendation, they make the  
20 allegations that he was involved in  
21 organized crime, and it went all the way  
22 from New Orleans -- excuse me, all the  
23 way from New York and New Orleans. And  
24 they mentioned people in New York in the  
25 organized crime activities and, in fact,

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1 New Orleans, and they talk about Frank's  
2 father, Mr. Gagliano, Sr. Yet none of  
3 those people were ever indicted during  
4 the indictment that ultimately resulted,  
5 and they acknowledged that Frank was a  
6 small player in their recommendation.

7 And, in fact, he did plead guilty to  
8 the misdemeanor 14 years -- excuse me,  
9 16 years ago and successfully completed  
10 probation 14 years ago and has been an

11 active part of the community. He does  
12 have multiple businesses. He took the  
13 stand in his defense. He presented  
14 evidence to show what he has done in the  
15 community since. His ATC license was  
16 discussed that he had received one going  
17 through -- excuse me, a background check  
18 with that department. It just -- I'm  
19 not really sure what else this gentleman  
20 can do to prove that he is a -- he made  
21 a mistake in the past. He pled guilty  
22 to that 16 years ago. He's not had any  
23 further infractions, and we just ask  
24 that he be given a chance to participate  
25 in gaming in the state. Thank you.

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1 CHAIRMAN HALL: No questions by the  
2 Board? [No response.] The Chair makes  
3 a recommendation that the decision of  
4 the appeals officer be upheld. Do I  
5 have a second?

6 MR. SINGLETON: Second.

7 CHAIRMAN HALL: I have a second by  
8 Mr. Singleton. Is there any opposition?  
9 Hearing none, then the ruling is  
10 affirmed. Thank you.

11 MR. PORTEOUS: Thank you.

12 IX. ADJOURNMENT

13 CHAIRMAN HALL: I have one other --

14 one other item that I would like to  
15 bring forward real quick, and as you may  
16 or may not know -- I think most of you  
17 do -- we're moving as of -- so we'll be  
18 moving in a state-owned space. I do not  
19 have a telephone number for our new  
20 location, but we probably won't have  
21 phones until next Friday. So if you're  
22 looking for us next week, you'll  
23 probably have to drive one or two places  
24 to find us because we won't have phone  
25 gaming. We're moving to 7901

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1 Independence Boulevard, Building A, if  
2 anyone's looking for us; and it's  
3 probably going to take a week for us to  
4 get completely moved, and our phone  
5 lines are supposed to be turned on by  
6 next Friday. But I just wanted to make  
7 sure y'all knew we were moving. We'll  
8 have the address and the phone numbers  
9 posted on the website as soon as  
10 possible.

11 I know today was a long day, and I  
12 appreciate both the -- all of y'all for  
13 hanging in there, and I appreciate the  
14 Board for hanging in to take care of  
15 this important business. And with that,  
16 we have a motion for adjournment and --

17 moved and seconded by Mr. Bradford and  
18 Singleton and no opposition. The board  
19 meeting is 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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20

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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 in the

7 preceding matter on June 21st, 2012, as taken by

8 me in Stenographic machine shorthand, complemented

9 with magnetic tape recording, and thereafter

10 reduced to transcript, to the best of my ability

11 and understanding, using Computer-Aided

12 Transcription.

13 I further certify that I am not an

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

15 am neither related to nor employed by any attorney

16 or counsel connected with this action, and that I

17 have no financial interest in the outcome of this

18 action.

19 Baton Rouge, Louisiana, this 22nd day of

20 August, 2012.

21

22

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23

SHELLEY G. PAROLA, CCR, RPR

CERTIFICATE NO. 96001

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