

Directors' Meeting, Board of, (Pages 1:1 to 70:24)

1:1 LOUISIANA GAMING CONTROL BOARD

2

3 BOARD OF DIRECTORS' MEETING

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8 THURSDAY, SEPTEMBER 19TH, 2019

9

10 Louisiana State Capitol

11 House Committee Room 3

12 900 North Third Street

13 Baton Rouge, Louisiana

14

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16

17 TIME: 9:58 A.M.

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23

24

25

2

1 APPEARANCES

2 RONNIE JONES

Chairman (At Large)

3 June 30, 2019

4

5 MARK STIPE

(Attorney)

6 Seventh Congressional District

June 30, 2020

7

8 JAMES SINGLETON

(Public/Business Administration)

9 Second Congressional District

June 30, 2020

10

11 CLAUDE D. JACKSON

(At large)

12 Fourth Congressional District

June 30, 2021

13

14 ELTON LAGASSE

(At Large)

15 First Congressional District

June 30, 2021

16

17 JULIE BERRY

(CPA)

18 Third Congressional District

June 30, 2018

19

20 HARRY AVANT

(At Large)

21 Fourth Congressional District

June 30, 2024

22

23

24

25

3

1 APPEARANCES (CONTINUED)

2

3 O. LAMAR POOLE, JR.

(Economic/Community Planner)

4 Sixth Congressional District

5

6 JULIE A. LEWIS

Fifth Congressional District for Investigational

7 Law Enforcement

8

9 MICHAEL LEGENDRE

Office of Charitable Gaming

10 Director

11 TRUDY SMITH

Confidential Assistant

12

13 REPORTED BY:

14 BRITTANY E. VIDRINE, CCR, RPR

Baton Rouge Court Reporters

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1 I. CALL TO ORDER

2 CHAIRMAN JONES: Good morning, and
3 welcome to the regular September meeting
4 of the Louisiana Gaming Control Board.

5 Ms. Smith, would you call the roll,
6 please.

7 MS. SMITH: Mr. Avant?

8 MR. AVANT: Here.

9 MS. SMITH: Ms. Berry?

10 MS. BERRY: Here.

11 MS. SMITH: Mr. Jackson?

12 MR. JACKSON: Here.

13 MS. SMITH: Mr. Lagasse?

14 MR. LAGASSE: Yes, ma'am.

15 MS. SMITH: Ms. Lewis?

16 MS. LEWIS: Here.

17 MS. SMITH: Mr. Poole?

18 MR. POOLE: Here.

19 MS. SMITH: Mr. Singleton?

20 MR. SINGLETON: Here.

21 MS. SMITH: Mr. Stipe.

22 MR. STIPE: Here.

23 MS. SMITH: Chairman Jones?

24 CHAIRMAN JONES: Here.

25 And we have a quorum, and we may

1 conduct business.

2 II. PUBLIC COMMENTS

3 CHAIRMAN JONES: Does anyone in the
4 audience today have any comment about
5 anything on our agenda this morning?

6 This is your opportunity. No one? Thank
7 you.

8 A couple of housekeeping notes.

9 Thanks for finding us this morning. We
10 were relocated. And if you go looking
11 for us the third Thursday in October,
12 you're not going to find us at all. We
13 had to move the meeting date in October
14 to the 24th, so it's one week later next
15 month. So make whatever adjustments in
16 your schedule you need to make.

17 If you have a cell phone, please put
18 it on silent alert for us.

19 III. APPROVAL OF THE MINUTES

20 We'll move to approval of the
21 minutes. Do I have a motion to waive
22 reading and approve the minutes?

23 MS. BERRY: I'll move.

24 CHAIRMAN JONES: Ms. Berry.

25 MS. LEWIS: Second.

1 CHAIRMAN JONES: Ms. Lewis.

2 Any objection? Without objection,

3 the motion carries. The minutes are
4 approved.

5 IV. REVENUE REPORTS

6 We now move to revenue reports.

7 Good morning, Jim.

8 MR. BOSSIER: Morning.

9 Good morning, Chairman Jones and
10 Board Members. My name is Jim Bossier,
11 with the Louisiana State Police Gaming
12 Enforcement Division.

13 The 15 operating riverboats
14 generated Adjusted Gross Receipts of
15 \$164,483,331 in August. This total
16 represents an increase of \$11.8 million
17 or 7.7 percent from last month, and an
18 increase of \$4.3 million or 2.7 percent
19 from last August. As information, this
20 month had one additional Saturday than
21 last August.

22 Adjusted Gross Receipts for fiscal
23 year 2019-2020 to date are \$317 million,
24 a decrease of \$11 million or 3 percent
25 from fiscal year 2018-2019.

9

1 During August, the state collected
2 fees totaling \$35,363,916. As of
3 August 31st, 2019, the state collected
4 \$68 million in fees for fiscal year
5 2019-2020.

6 Next is a summary of the August 2019
7 gaming activity for Harrah's New Orleans,
8 found on page 3. During August, Harrah's
9 generated \$23,300,568 in gross gaming
10 revenue, an increase of almost \$3 million
11 or 14 percent from last month, and a
12 slight increase from 1.7 -- excuse me --
13 slight increase of 1.7 percent from last
14 August.

15 Revenues for fiscal year 2019-2020
16 to date are \$43.7 million, a decrease of
17 \$2.7 million or 6 percent from fiscal
18 year 2018-2019. During August, the state
19 received \$5,081,967 in minimum daily
20 payments. As of August 31st, 2019, the
21 state collected \$10 million in fees for
22 fiscal year 2019-2020.

23 Next I will present the revenues for
24 Slots at the Racetracks. During August,
25 the 4 racetrack facilities combined

10

1 generated Adjusted Gross Receipts of
2 \$29,878,345, an increase of \$700,000 or
3 2.4 percent from last month, and an
4 increase from August 2018 of \$1 million
5 or 3.5 percent.

6 Adjusted Gross Receipts for fiscal
7 year 2019-2020 to date are \$59 million, a
8 decrease of 1 percent from fiscal year

9 2018-2019.

10 During August, the state collected
11 \$4.5 million in fees. As of August 31st,
12 2019, the state has collected almost
13 \$9 million in fees for fiscal year
14 2019-2020.

15 Overall in August, Riverboats, Land
16 Based, and Slots at the Racetracks
17 combined generated \$217.7 million in AGR
18 and \$45 million in state fees. These
19 revenues represent an increase from
20 August 2018 of 3 percent.

21 Are there any questions before I
22 present Harrah's New Orleans employees
23 information?

24 CHAIRMAN JONES: Board members, any
25 questions -- I'm off. I'm back on.

11

1 Board members, any questions from --
2 with respect to Riverboat casinos, the
3 Land Based, and the Slots at the Track?

4 There are no questions. Proceed.

5 MR. BOSSIER: Harrah's New Orleans
6 is required to maintain at least 2,400
7 employees and a bi-weekly payroll of
8 \$1,750,000 -- \$1,750,835. This report
9 covers a pay period in July 2019 and the
10 two pay periods in August 2019. For the
11 second pay period in July, the Division

12 verified 2,500 -- 2,537 employees with a
13 payroll of \$2,068,000. For the first pay
14 period in August, the Division verified
15 2,593 employees with a payroll of
16 \$2,164,000. For the second pay period in
17 August, the Division verified 2,570
18 employees with a payroll of \$2,154,000.
19 Therefore, Harrah's met the employment
20 criteria during July and August.

21 CHAIRMAN JONES: Any questions? No
22 questions.

23 MR. BOSSIER: Okay. I'm going to
24 move on to video poker.

25 12 new video gaming licenses were
12

1 issued during August: Five bars, four
2 restaurants, and three truck stops.

3 18 new applications were received by
4 the Gaming Enforcement Division during
5 August, and are currently pending in the
6 field: 16 bars and two restaurants.

7 The Gaming Enforcement Division
8 assessed \$0, but collected \$3,000 in
9 fines during August; there are currently
10 \$750 in outstanding fines.

11 Please refer to page 2 of your
12 handout.

13 There are presently 12,969 video
14 gaming devices activated at 1,640

15 locations.

16 Net device revenue for August 2019
17 was \$52.1-million, a \$2.2 million
18 increase when compared to July 2019, and
19 a \$2.3 million increase, or 4.8-percent,
20 when compared to August 2018.

21 Net device revenue so far for fiscal
22 year 2020 is \$102 million - a
23 \$4.5 million, or 4.6 percent, increase
24 when compared to fiscal year 2019.

25 Page 3 of your handout shows a

13

1 comparison of net device revenue.

2 Total franchise fees collected for
3 August 2019 were \$15.6-million - a
4 \$600 thousand increase when compared to
5 July 2019, and a \$700 thousand increase
6 when compared to August 2018.

7 Total franchise fees collected for
8 fiscal year 2020 are \$30.6-million
9 dollars - a \$1.4 million increase, or
10 4.7-percent, when compared to fiscal year
11 2019.

12 Page 4 of your handout shows a
13 comparison of franchise fees.

14 Does anybody have any questions?

15 CHAIRMAN JONES: Board members, any
16 questions on video poker revenue? There
17 are no questions.

18 MR. BOSSIER: Thank you.

19 CHAIRMAN JONES: Thank you,

20 Mr. Bossier.

21 V. CASINO GAMING ISSUES

22 A. Consideration of Renewal Application for

23 Riverboat Gaming License of Horseshoe

24 Entertainment, L.P. d/b/a Horseshoe Bossier

25 City Casino & Hotel - No. R010800198

14

1 CHAIRMAN JONES: We'll now move to

2 Casino Gaming Issues. And first up is

3 Consideration of Renewal Application for

4 Riverboat Gaming License of Horseshoe

5 Entertainment, L.P. doing business as

6 Horseshoe Bossier City Casino and Hotel

7 No. R010800198.

8 MS. MOORE: Good morning, Chairman

9 Jones, members of the Board.

10 CHAIRMAN JONES: Good morning.

11 MS. MOORE: I am Assistant Attorney

12 General Charmaine Moore appearing today

13 in the matter of the pending renewal

14 application of Horseshoe Entertainment,

15 L.P. doing business as Horseshoe Bossier

16 City Casino and Hotel.

17 Subsection 95 A of Title 27 requires

18 the Board to act on any renewal

19 application no later than 30 days prior

20 to the expiration of the current license.

21 Horseshoes's license expires on
22 November 22nd, 2019. Because the October
23 board meeting has been rescheduled to
24 October 24th, which would not allow for
25 the license to be renewed within 30 days

15

1 of its expiration date of November 22nd,
2 the Board will need to take action on
3 Horseshoe's license today.

4 State Police has notified the Board
5 and the AG's office that it was not able
6 to complete its investigation of Caesar's
7 for today's board meeting, and has
8 accordingly requested that the license be
9 conditionally renewed for a period of 90
10 days or until February 20th, 2020,
11 commencing on the date of expiration of
12 the current license to allow State Police
13 time to complete its investigation.

14 If it is the Board's pleasure to
15 grant the extension of time requested by
16 State Police, a resolution conditionally
17 renewing the license for 90 days subject
18 to certain stipulations has been prepared
19 for your consideration.

20 CHAIRMAN JONES: Thank you. Board
21 members, are there any questions of
22 Ms. Moore? There are no questions.

23 Do I have a motion to adopt the

24 resolution?

25 MR. AVANT: So moved.

16

1 CHAIRMAN JONES: Mr. Avant.

2 Mr. Stipe.

3 Ms. Smith, would you read the
4 resolution into the record.

5 MS. SMITH: [As read]: "On the 19th
6 day of September 2019, the Louisiana
7 Gaming Control Board did in a duly
8 noticed public meeting consider the
9 license renewal application of Horseshoe
10 Entertainment, L.P. d/b/a Horseshoe
11 Bossier City Casino and Hotel, and upon
12 motion duly made and seconded, the Board
13 adopted the following resolution: Be it
14 resolved that the Riverboat Gaming
15 License of Horseshoe Entertainment, L. P.
16 d/b/a Horseshoe Bossier City Casino and
17 Hotel be conditionally renewed for a term
18 of 90 days commencing November 22nd,
19 2019. Be it resolved that the
20 conditional license renewal hereby
21 granted is subject to the following:
22 One, all conditions previously placed
23 upon the license. Two, the suitability
24 investigations of the pending renewal
25 application of the licensee and a

17

1 recommendation of appropriate action by
2 the Gaming Enforcement Division of
3 Louisiana State Police to the Board.
4 And, three, the stipulations agreed to by
5 the Division and the licensee, a copy of
6 which is attached hereto and made a part
7 hereof as if contained herein in its
8 entirety.

9 CHAIRMAN JONES: Please call the
10 roll.

11 MS. SMITH: Mr. Avant?

12 MR. AVANT: Yes.

13 MS. SMITH: Ms. Berry?

14 MS. BERRY: Yes.

15 MS. SMITH: Mr. Jackson?

16 MR. JACKSON: Yes.

17 MS. SMITH: Mr. Lagasse?

18 MR. LAGASSE: Yes.

19 MS. SMITH: Ms. Lewis?

20 MS. LEWIS: Yes.

21 MS. SMITH: Mr. Poole?

22 MR. POOLE: Yes.

23 MS. SMITH: Mr. Singleton?

24 MR. SINGLETON: Yes.

25 MS. SMITH: Mr. Stipe?

18

1 MR. STIPE: Yes.

2 MS. SMITH: Chairman Jones?

3 CHAIRMAN JONES: Yes. And the

4 motion carries. The resolution has been
5 adopted.

6 B. Consideration of Renewal Application

7 for Riverboat Gaming License of PNK

8 (Baton Rouge) Partnership d/b/a L'Auberge

9 Casino & Hotel Baton Rouge - No. R011000801

10 CHAIRMAN JONES: We now move to the
11 second item on the casino agenda,
12 Consideration of Renewal Application for
13 Riverboat Gaming License of PNK
14 (Baton Rouge) Partnership doing business
15 as L'Auberge Casino & Hotel Baton Rouge -
16 No. R011000801.

17 Good morning.

18 MS. MOORE: Chairman Jones, members
19 of the Board, I'm Assistant Attorney
20 General Charmaine Moore. With me are
21 State Police Auditor Trnessia Ware and
22 Senior Trooper Jeremy Landry. We are
23 here in the matter of the renewal of the
24 Riverboat Gaming License of PNK
25 (Baton Rouge) Partnership doing business

19

1 as L'Auberge Casino & Hotel Baton Rouge.

2 Riverboat licenses are issued for

3 five-year terms, and the license of

4 L'Auberge Baton Rouge was due to expire

5 on August 19th, 2019; however, on

6 July 28th the Board conditionally renewed

7 the license for 90 days or until
8 November 19th to allow the Division time
9 to complete its investigation.

10 The Corporate Security Section of
11 State Police reviewed the financial
12 circumstances of the licensee, and the
13 Gaming Enforcement Section of State
14 Police conducted a suitability
15 investigation of the licensee, its parent
16 companies and principals.

17 At this time, Auditor Trnessia Ware
18 and Trooper Jeremy Landry will present
19 their findings to the Board.

20 MS. WARE: Good morning, Chairman
21 Jones and members of the Board.

22 MR. LANDRY: Good morning.

23 MS. WARE: My name is Trnessia Ware
24 with Louisiana State Police Corporate
25 Securities Audit.

20

1 Licensee PNK (Baton Rouge)
2 Partnership doing business as L'Auberge
3 Casino & Hotel Baton Rouge 65-year
4 renewal of its license.

5 Penn wholly owns and manages
6 L'Auberge's gaming operations. Gaming
7 and Leisure Properties own the L'Auberge
8 real estate assets under a triple net
9 lease.

10 L'Auberge is one of three riverboat
11 casinos in the Baton Rouge gaming market.
12 For fiscal year 2018-2019, L'Auberge
13 ranked first in the Baton Rouge market
14 with gross receipts of approximately
15 148 million.

16 As shown on page four of our report,
17 L'Auberge spent approximately
18 \$2.1 million capital expenditures in
19 2018, and 4.7 million between January 1st
20 and April 30th of 2019.

21 The licensee projects it would spend
22 approximately 2.3 million in capital
23 expenditures in the remainder of 2019,
24 2.8 million in 2020.

25 Corporate expenses are allocated to

21

1 L'Auberge based on its forecasted
2 revenues. For years 2016, 2017 and 2018,
3 the application for such expenses was
4 .4 million, .3 million and .1 million
5 respectively.

6 In conclusion, no financial issues
7 came to our attention to preclude the
8 Board from approving L'Auberge
9 Baton Rouge's license for a period of
10 five years effective August 19th, 2019.

11 Senior Trooper Jeremy Landry will
12 now present his findings.

13 MR. LANDRY: Good morning, Chairman
14 Jones and members of the Board.

15 CHAIRMAN JONES: Good morning.

16 MR. LANDRY: I'm Senior Trooper
17 Jeremy Landry with Louisiana State Police
18 Gaming Enforcement Division.

19 The Division conducted an
20 investigation in regards to the five-year
21 license renewal of PNK (Baton Rouge)
22 Partnership doing business as L'Auberge
23 Baton Rouge and its subsidiaries. The
24 investigation included their officers,
25 directors and persons with a 5 percent or

22

1 more ownership interest in the companies.

2 The investigation consisted of
3 inquiries through federal, state, and
4 local law enforcement agencies,
5 computerized criminal history databases,
6 financial and civil institutes, and
7 gaming regulatory agencies.

8 At the conclusion of the
9 investigation, I discovered no
10 information which would keep the Board
11 from allowing PNK (Baton Rouge)
12 partnership doing business as L'Auberge
13 Baton Rouge, its subsidiaries, or any of
14 its officers, directors or board members
15 to be allowed to continue to participate

16 in the Louisiana Gaming Industry.

17 MS. MOORE: If it is the Board's
18 pleasure to renew the Riverboat Gaming
19 License of PNK (Baton Rouge) Partnership
20 doing business as L'Auberge Casino &
21 Hotel Baton Rouge, a proposed resolution
22 approving the renewal has been prepared
23 for the Board's adoption and the
24 Chairman's signature.

25 CHAIRMAN JONES: Board members, are

23

1 there any questions for the Attorney
2 General's Office or State Police with
3 respect to this application?

4 It's my understanding that the
5 representatives of the licensee would
6 like to address the Board. Come on down.
7 I'm sorry we're shoehorned into a smaller
8 space this morning. We just have to make
9 our way through it.

10 MR. WEST: Good morning,
11 Mr. Chairman, Board members. I'm Paul
12 West, political counsel for Penn National
13 Gaming. With me today is Kim Ginn who is
14 the GM of L'Auberge Baton Rouge, Al
15 Britton, who is the Senior Vice-President
16 of the regional operations for Penn, also
17 in from Wyomissing, Pennsylvania today,
18 Carl Sottosanti who is the general

19 counsel, and Eric Schippers who's the
20 head of governmental relations.

21 We just thought it would be good if
22 Kim could give you an update on what's
23 going on at the property and how the
24 market is going and answer any questions
25 you might have.

24

1 MR. BRITTON: Good morning,
2 Mr. Chairman, members of the Board. I'm
3 Al Britton, Senior Vice-President of
4 Operations for Penn National Gaming. I'm
5 in charge of the south region, which
6 includes Mississippi and our five
7 properties here in Louisiana.

8 I just wanted to express how happy
9 we are to be back in the state of
10 Louisiana. As you know, we were -- we
11 owned the Hollywood Casino in Baton Rouge
12 previously, but when the retransaction
13 occurred, that -- we had to divest of
14 that property, and became a property of
15 GLPI with the Pinnacle acquisition, which
16 we're coming up on the one-year
17 anniversary. We were able to reenter in
18 the state. We're happy to be here. With
19 that, I'd like to turn it over to Kim for
20 some details on operations.

21 MS. GINN: Good morning, Chairman,

22 members of the Board. Thank you for
23 having us here today, and thank you for
24 your time in reviewing our license
25 renewal.

25

1 Some of you may know I've spent most
2 of my 25 years in gaming in the
3 Baton Rouge and Louisiana market, but it
4 is the first time I sit before you as the
5 General Manager of L'Auberge Baton Rouge.
6 I thank Penn for that opportunity. And
7 it's been an amazing year working with
8 and for them.

9 We are very excited about L'Auberge
10 Baton Rouge's future, and we're very
11 proud of our past. We celebrated our
12 seven-year anniversary on September 1st
13 of this month. Time flies. We opened
14 Labor Day weekend of 2012, Saturday of a
15 home LSU game. Not our best idea. But a
16 hurricane had made a soft opening earlier
17 in the week impossible. We've had a
18 great year, and we look forward to many
19 more great years.

20 The nonsmoking ordinance that was
21 enacted in June of '18 certainly did
22 change our revenue and our balance sheet,
23 but we began working with Penn as soon as
24 the transaction closed last October and

25 have built a beautiful state of the art

26

1 smoking terrace that allows our gamers
2 the choice. It is small, and it does
3 represent less than 10 percent of our
4 slots on the gaming floor, but it does
5 give our guests a choice to game and
6 smoke outdoors or game inside in a
7 nonsmoking environment, and that
8 certainly has helped us to remain
9 competitive in the market and in the
10 region.

11 I thank you for your time, and we're
12 happy to answer any questions you may
13 have.

14 CHAIRMAN JONES: Thank you for being
15 here, Al and Kim. How is the -- how is
16 the play in the smoking area?

17 MS. GINN: It's really, really good.
18 They certainly enjoy it. And for
19 whatever reason, gamers in any market do
20 seem to enjoy smoking while they play, so
21 we've been very happy with the success of
22 the smoking section.

23 CHAIRMAN JONES: It's a beautiful
24 facility. I mean, y'all used the space
25 well, and it looked busy every time I've

27

1 walked through it. I don't want to put

2 you and AI on the spot, but I'm going to
3 ask anyway. Are y'all talking about any
4 future improvements to the property?

5 MR. BRITTON: We -- Penn, we
6 reinvest on our properties on a regular
7 basis. I think one of the things with
8 the Pinnacle transaction that we found
9 was most of those properties were
10 starving for slot reinvestment,
11 Baton Rouge being no exception, so, yes,
12 we continue to look for opportunities to
13 reinvest. We've even started talking
14 about -- not sure we're going to go
15 there. But talking about an expansion of
16 the smoking deck because of its
17 popularity and the response we've gotten
18 from our customers. So, yes, the short
19 answer to your question is, "Yes,
20 Chairman, we will be reinvesting in the
21 property."

22 CHAIRMAN JONES: It was really an
23 easy question. I knew where you were
24 going to go, I just didn't know how
25 specific you'd be. So you're not

28

1 starting your second hotel tower this
2 week, though, right?

3 MR. BRITTON: No, no.

4 MS. GINN: Not this week.

5 CHAIRMAN JONES: Okay, not this
6 week.

7 Board members, any questions for the
8 representatives of Pinnacle -- Penn?

9 There are no questions. And there are no
10 questions -- do I need to bring anyone
11 back from the Attorney General's Office
12 or State Police? No?

13 If I don't, I would entertain a
14 motion to adopt the resolution.

15 MS. BERRY: So moved.

16 MR. POOLE: So moved.

17 CHAIRMAN JONES: Ms. Berry and --
18 oh, Mr. Poole. I didn't see you down
19 there.

20 Would you read the resolution into
21 the record?

22 MS. SMITH: [As read]: "On the 19th
23 day of September 2019, the Louisiana
24 Gaming Control Board did in a duly
25 noticed public meeting consider the

29

1 license renewal application of PNK
2 (Baton Rouge) Partnership d/b/a L'Auberge
3 Casino & Hotel Baton Rouge, and upon
4 motion duly made and seconded, the Board
5 adopted the following resolution: Be it
6 resolved that the Riverboat Casino
7 License of PNK (Baton Rouge) Partnership

8 d/b/a L'Auberge Casino & Hotel
9 Baton Rouge be renewed for a term of five
10 years commencing August 19th, 2019,
11 subject to all conditions previously
12 placed on the license."

13 CHAIRMAN JONES: Call the roll.

14 MS. SMITH: Mr. Avant?

15 MR. AVANT: Yes.

16 MS. SMITH: Ms. Berry?

17 MS. BERRY: Yes.

18 MS. SMITH: Mr. Jackson?

19 MR. JACKSON: Yes.

20 MS. SMITH: Mr. Lagasse?

21 MR. LAGASSE: Yes.

22 MS. SMITH: Ms. Lewis?

23 MS. LEWIS: Yes.

24 MS. SMITH: Mr. Poole?

25 MR. POOLE: Yes.

30

1 MS. SMITH: Mr. Singleton?

2 MR. SINGLETON: Yes.

3 MS. SMITH: Mr. Stipe?

4 MR. STIPE: Yes.

5 MS. SMITH: Chairman Jones?

6 CHAIRMAN JONES: Yes. And the
7 motion carries. The resolution is
8 adopted. Congratulations.

9 MS. GINN: Thank you.

10 MR. BRITTON: Thank you.

11 MR. WEST: Thank you.
12 C. Consideration of Renewal Application for
13 Riverboat Gaming License of Bossier Casino
14 Venture, LLC d/b/a Margaritaville Resort
15 Casino - No. R011000841

16 CHAIRMAN JONES: Thank you. We'll
17 now move to the third item, Consideration
18 of Renewal Application for Riverboat
19 Gaming License of Bossier Casino Venture,
20 LLC d/b/a Margaritaville Resort Casino -
21 No. R011000841.

22 State Police and police. Welcome
23 back. I'm sorry, Ms. Moore.

24 MS. MOORE: I'm sorry. I can't get
25 back.

31

1 CHAIRMAN JONES: Should I come
2 assist you with the chair?

3 MS. MOORE: Thank you.

4 CHAIRMAN JONES: I have chair
5 problems, too. I get it. I understand
6 it.

7 MS. MOORE: It doesn't roll too well
8 on this carpet.

9 Chairman Jones, Board members,
10 again, I am Assistant Attorney General
11 Charmaine Moore, and with me are State
12 Police Auditor Trnessia Ware and Senior
13 Trooper Jeremy Landry.

14 We are here in the matter of the
15 renewal of the Riverboat Gaming License
16 of Bossier Casino Venture, LLC doing
17 business as Margaritaville Resort Casino.

18 Riverboat licenses are issued for
19 five-year terms, and the license of
20 Margaritaville will expire on
21 September 21st, 2019; however, on
22 July 18th, the Board conditionally
23 renewed the license for 90 days or until
24 September 21st to allow the Division time
25 to complete its investigation.

32

1 The Corporate Security Section of
2 State Police reviewed the financial
3 circumstances of the licensee and the
4 Gaming Enforcement Section conducted a
5 suitability investigation of the
6 licensee's parent companies and
7 principals.

8 At this time, Auditor Trnessia Ware
9 and Trooper Jeremy Landry will present
10 their findings to the Board.

11 MS. WARE: Chairman Jones, members
12 of the Board, Trnessia Ware with
13 Louisiana State Police Corporate
14 Securities Audit.

15 Licensee Bossier Casino Venture, LLC
16 doing business as Margaritaville Resort

17 Casino Bossier City 65-year renewal of
18 its license.

19 Penn National Gaming wholly owns and
20 manages Margaritaville's gaming
21 operations.

22 VICI Properties, Inc., currently
23 owns Margaritaville's real estate assets
24 under a triple net lease.

25 Margaritaville is one of six

33

1 riverboat casinos in the Shreveport,
2 Bossier City market. For fiscal year
3 2018-2019, Margaritaville ranked second
4 in the Shreveport, Bossier City market
5 with gross receipts of approximately
6 162 million.

7 As shown on page four of our report,
8 Margaritaville spent approximately
9 6.4 million for capital expenditures in
10 2018. The licensee projects it will
11 spend approximately 3.6 million for
12 capital expenditures for years 2020
13 through 2023.

14 For 2018 and 2017, Margaritaville
15 recorded expenses of 3.1 million and 1.4
16 million respectively for consulting fees
17 and management fees.

18 Commencing January 2019,
19 Margaritaville paid spending monthly

20 corporate overhead service fee in the
21 amount of 2 percent of net revenues.

22 In conclusion, no financial issues
23 came to our attention to preclude the
24 Board from approving the Margaritaville
25 Resort Casino Bossier City license for a

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1 period of five years effective
2 September 21st, 2019.

3 Senior Trooper Jeremy Landry will
4 now present his findings.

5 MR. LANDRY: Chairman Jones and
6 members of the Board, Senior Trooper
7 Jeremy Landry with Louisiana State Police
8 Gaming Enforcement Division. The
9 Division conducted an investigation in
10 regards to the five year license renewal
11 of Bossier Casino Venture, LLC doing
12 business as Margaritaville Bossier City
13 and its subsidiaries.

14 The investigation included their
15 officers, directors and persons with a
16 five percent or more ownership interest
17 in the companies. This investigation
18 consisted of inquiries through federal,
19 state and local law enforcement agencies,
20 computerized criminal history databases,
21 financial and civil institutions, and
22 gaming regulatory agencies.

23 At the conclusion of this
24 investigation, I discovered no
25 information which would keep the Board

35

1 from allowing Bossier Casino Venture, LLC
2 doing business as Margaritaville Bossier
3 City, its subsidiaries, or any of its
4 officers, directors or board members to
5 be allowed to continue to participate in
6 the Louisiana Gaming Industry.

7 MS. MOORE: If it is the Board's
8 pleasure to renew the Riverboat Gaming
9 License of Bossier Casino Venture, LLC
10 doing business as Margaritaville Resort
11 Casino, a proposed resolution approving
12 the renewal has been prepared for the
13 Board's adoption and the Chairman's
14 signature.

15 CHAIRMAN JONES: Thank you. Board
16 members, do we have any questions of the
17 Attorney General's Office or State
18 Police?

19 MR. JACKSON: So moved.

20 CHAIRMAN JONES: Yes, sir,
21 Mr. Jackson? Was that a motion? I
22 think -- don't jump the gun yet. I think
23 representatives of the property might
24 want to address this. But you'll get to
25 make it. All right. The two of you are

1 up next.

2 MR. JACKSON: I'll withdraw my
3 motion.

4 CHAIRMAN JONES: It's like herding
5 kittens some days.

6 We haven't had a chance to talk to
7 Barry in a long time. Let's hear it from
8 Barry. You drove all the way down here,
9 now we're going to let you talk, Barry.

10 MR. WEST: Okay. Good morning, Mr.
11 Chairman and Board members. Paul West
12 for Penn National Gaming. Al Britton is
13 still here, and with me is -- with us is
14 Barry Regula who is the General Manager
15 of the Margaritaville property in Bossier
16 City. He's just going to give a quick
17 update on what's going on in
18 Margaritaville.

19 MR. BRITTON: It's me again.

20 CHAIRMAN JONES: Welcome again.

21 MR. BRITTON: Very nice to see
22 you-all again. Good morning, again.

23 We were very happy with the
24 opportunity to acquire Margaritaville at
25 the beginning of this year, and happy to

1 have what we believe is the best property
2 in the Bossier, Shreveport market,

3 certainly the newest, and with that, we
4 acquired a very good management team,
5 including Barry. And with that, I'll
6 hand it over to Barry on an operations
7 update.

8 MR. REGULA: Thanks, Al. Good
9 morning, Chairman and good morning Board.
10 And before I start, I want to thank Kim
11 Ginn for maybe being the one person in
12 Louisiana who has served more in
13 Louisiana gaming than I have. So thank
14 you for that, Kim.

15 So we're very proud of the business
16 we've developed over the past six years.
17 And the place we occupy has a good
18 neighbor in Shreveport, Bossier City and
19 the Bossier City community.

20 We've grown our revenues and market
21 share every year from 2014 to 2018.
22 We've received a great deal of
23 recognition for the quality of the
24 facility and the quality of the guest
25 experience. We've gotten a number of

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1 awards, and I think the ones I'm most
2 proud of are the best casino resort for
3 four years running from Gaming South
4 Magazine, and the best place to work for
5 three years running from Biz Magazine.

6 And now as part of Penn National
7 Gaming, we benefit from the support and
8 the player network that the preeminent
9 gaming company and regional gaming
10 provides to us, and we're looking forward
11 to the new opportunities that weren't
12 available when we were a standalone
13 property.

14 So there's no secret that there's a
15 lot of competition for gaming in
16 northwest Louisiana. To the north, we've
17 got Oaklawn, which just expanded or just
18 started an expansion, and they added
19 table games and sports betting this year.
20 We've got Choctaw Durant which broke
21 ground on a \$500 million expansion. And
22 then there's WinStar. WinStar has 1,000
23 more slot machines than the entire
24 Bossier gaming market -- Bossier,
25 Shreveport gaming market, and they

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1 continue to expand their footprint. But
2 in spite of this competition, I'm proud
3 of how Margaritaville has been able to
4 attract guests from Texas and Arkansas
5 due to our unique -- we have a unique
6 brand in Margaritaville. We've got
7 amenities that are second to none, and we
8 have exemplary guest service.

9 Recently we were just voted number
10 15 by TripAdvisor on their list of the 50
11 best casinos in America, and that's based
12 on the five-star reviews that we received
13 from their guests.

14 But despite all that, we haven't
15 stopped reinvesting in the property even
16 though we're only five and a half years
17 old. We've expended millions of dollars
18 between 2014 and 2018 to improve the
19 experience. We spent over \$11 million in
20 the casino on a beautiful high limit
21 salon and Asian gaming parlor. Hundreds
22 of new slot machines. We added new
23 restaurants including the Riverview
24 Brewhouse, the Bamboo Asian Cafe, and
25 we've refreshed our popular world tour

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1 buffet and award winning Jimmy's Seafood
2 and steak restaurant. So we spent the
3 remaining several million dollars on the
4 hotel in maintaining the building and
5 grounds in peak condition. And we're
6 excited for the future. Seeing the
7 benefits for our integration with Penn
8 continue.

9 We're merging with a nationwide
10 my-choice loyalty program next month.
11 But in this time, this entire year, we've

12 gotten lots and lots of inquiries from
13 the Penn Gaming Network for people to
14 come and visit Margaritaville and Bossier
15 City.

16 So we continue to grow our business
17 despite the conditions in the market. We
18 look forward to more success in the years
19 to come. And with that, I welcome any
20 questions you may have.

21 CHAIRMAN JONES: Board members, any
22 questions? No questions. But it's a
23 beautiful property.

24 MR. REGULA: Thank you.

25 CHAIRMAN JONES: I was just visiting

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1 with you again recently, and I saw the
2 ratings online, as well. There weren't
3 but two or three Louisiana properties
4 that were on the list, as I recall.

5 MR. REGULA: That's right.

6 CHAIRMAN JONES: I think another
7 Shreveport, Bossier property was on the
8 list, wasn't it?

9 MR. REGULA: Uh-huh.

10 CHAIRMAN JONES: So you're snapping
11 at their heels, and I congratulate you on
12 that. And I don't want to embarrass you
13 in front of your boss, but let me say
14 this: We don't establish public gaming

15 policy for the state. That's a
16 legislative matter. There are challenges
17 to the gaming industry in Louisiana,
18 specifically the casino industry in
19 Louisiana, that will eventually need to
20 be addressed by the Legislature.

21 We can provide information to them,
22 advice and counsel, but, ultimately, it's
23 the industry that's going to have to push
24 lawmakers to make some tough decisions.

25 And I just wanted to tell you that he's

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1 one of the guys who does that. He was a
2 huge supporter of the Riverboat Gaming
3 Taskforce. He understands the unique
4 challenges of northwest Louisiana, which
5 have some representatives who look at
6 gaming differently than others throughout
7 the state. And Barry is undeterred to
8 that, and I thank him for that kind of
9 support, because, you know, our role is
10 to regulate not to legislate, but the
11 industry, through its general managers,
12 through its corporate teams, can have a
13 positive impact on helping this industry
14 compete with other states. And the
15 outcome of not competing is not going to
16 be good for the state. And I wanted to
17 thank you for taking an aggressive role

18 there. That means a lot, I think, to the
19 people in northwest Louisiana, and you
20 probably ought to be thanked for that.

21 MR. REGULA: Well, thank you very
22 much, Chairman. I appreciate those
23 words.

24 MR. BRITTON: I appreciate your
25 comments, Chairman Jones.

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1 CHAIRMAN JONES: Any other
2 questions? There are no questions.

3 I think we have a hanging motion and
4 a hanging second. Mr. Jackson and
5 Ms. Lewis. Ms. Smith, would you read the
6 resolution into the record.

7 MS. SMITH: [As read]: "On the 19th
8 day of September, 2019, the Louisiana
9 Gaming Control Board did in a duly
10 noticed public meeting consider the
11 License Renewal Application of Bossier
12 Casino Venture, LLC d/b/a Margaritaville
13 Resort Casino, and upon motion duly made
14 and seconded, the Board adopted the
15 following resolution: Be it resolved
16 that the Riverboat Casino License of
17 Bossier Casino Venture, LLC d/b/a
18 Margaritaville Resort Casino be renewed
19 for a term of five years commencing
20 September 21st, 2019, subject to all

21 conditions previously placed upon the
22 license."

23 CHAIRMAN JONES: Call the roll.

24 MS. SMITH: Mr. Avant?

25 MR. AVANT: Yes.

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1 MS. SMITH: Ms. Berry?

2 MS. BERRY: Yes.

3 MS. SMITH: Mr. Jackson?

4 MR. JACKSON: Yes.

5 MS. SMITH: Mr. Lagasse?

6 MR. LAGASSE: Yes.

7 MS. SMITH: Ms. Lewis?

8 MS. LEWIS: Yes.

9 MS. SMITH: Mr. Poole?

10 MR. POOLE: Yes.

11 MS. SMITH: Mr. Singleton?

12 MR. SINGLETON: Yes.

13 MS. SMITH: Mr. Stipe?

14 MR. STIPE: Yes.

15 MS. SMITH: Chairman Jones?

16 CHAIRMAN JONES: Yes. And the

17 motion carries. The resolution is

18 adopted. Congratulations. Thank you

19 very much.

20 MR. REGULA: Thank you very much.

21 MR. BRITTON: Thank you.

22 D. Consideration of Certificate of Compliance for

23 the Alternate Riverboat Inspection of the gaming

24 vessel of Louisiana - I Gaming, a Louisiana
25 Partnership in Commendam d/b/a Boomtown Harvey -

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1 No. R012600196

2 CHAIRMAN JONES: We move to the last
3 casino item on the agenda. Consideration
4 of Certificate of Compliance for the
5 Alternate Riverboat Inspection of the
6 gaming vessel of Louisiana - I Gaming, a
7 Louisiana Partnership in Commendam doing
8 business as Boomtown New Orleans - No.
9 R012600196.

10 Good morning.

11 MS. LANDRY: Good morning, Chairman
12 Jones and Board members. I'm Assistant
13 Attorney General Lisha Landry and with me
14 is Mr. John Francic of ABSG Consulting.

15 We're here in the matter of the
16 issuance of the Certificate of Compliance
17 to Louisiana I Gaming, a Louisiana
18 Partnership in Commendam doing business
19 as Boomtown New Orleans, located in
20 Harvey, Louisiana.

21 On July 31st, 2019, ABSG began the
22 inspection process for the approval of
23 Boomtown Casino's Certificate of
24 Compliance.

25 And now, Mr. Francic will provide

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1 more details on the inspection.

2 MR. FRANCIC: Good morning, Chairman
3 and Board members. I'm John Francic with
4 ABSG Consulting here to report the annual
5 certification for Boomtown Casino Harvey.

6 The inspectors, Doug Chapman and
7 Pete Bullard did on July 31st attend the
8 riverboat Boomtown to conduct the annual
9 inspection in accordance with the
10 alternate inspection riverboat gaming
11 vessels in the State of Louisiana.

12 The inspectors reviewed fire
13 protection equipment, egress routes,
14 warning system, life-saving items, and
15 conducted a fire drill.

16 The deficient items found during the
17 inspection can be found starting on page
18 six of your report. And follow up to all
19 deficient items was conducted on
20 September 3rd, and all items were found
21 corrected and found satisfactory. This
22 can be found in the supplemental report.

23 The 2019 annual survey as required
24 by the Louisiana Gaming Control Board is
25 complete and presents no safety concerns

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1 to its patrons or employees onboard the
2 riverboat. It is the recommendation of
3 ABGS Consulting that Boomtown Casino

4 Harvey be issued the Certificate of
5 Compliance.

6 MS. LANDRY: We will now present
7 these findings to the Board and request
8 that upon the Board's accepting the
9 report submitted by ABSG, you'll move for
10 the issuance of Boomtown Casino's
11 Certificate of Compliance.

12 CHAIRMAN JONES: Board members, any
13 questions for the table?

14 MR. LAGASSE: I have a motion.

15 MR. SINGLETON: I second.

16 CHAIRMAN JONES: We have a motion.
17 Mr. Singleton seconds. Mr. Lagasse.

18 Any objection? Without objection to
19 the Certificate of Compliance, the motion
20 carries. Thank you.

21 VI. CONSIDERATION OF SETTLEMENT AND APPEALS IN THE
22 FOLLOWING:

23 1. Diamond Billiard Club, LLC d/b/a

24 Diamond Billiard Club - No. 3601117276

25 CHAIRMAN JONES: We now move to

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1 Consideration of Settlements and Appeals
2 in the following matters.

3 First up is a settlement. It is
4 Diamond Billiard Club, LLC doing business
5 as Diamond Billiard Club - No.
6 3601117276.

7 Good morning.

8 MR. PICOU: Good morning, Chairman

9 Jones, Board members. I'm Assistant

10 Attorney General Charlie Picou here in

11 the matter of the settlement of Diamond

12 Billiard Club, LLC doing business as

13 Diamond Billiard Club which holds a

14 Type I video draw poker gaming license.

15 The settlement addresses the

16 licensee's failure to timely notify the

17 Division of the transfer of membership

18 interest, which was required to be made

19 no later than ten days after the transfer

20 occurred. Prior to the transfer,

21 Chien R. Tran held 100 percent of the

22 membership interest of the licensee. On

23 December 10th, 2018, Mr. Tran sold 95

24 percent of his membership interest to

25 Hoang Ahn Nguyen. The licensee did not

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1 notify the Division of the transfer of

2 membership interest until April 8th,

3 2019, which gave rise to violations of

4 gaming law.

5 The suitability documents for Hoang

6 Ahn Nguyen were submitted with the

7 notification. The settlement contains a

8 civil penalty of \$500, which is

9 consistent with the resolution of other

10 matters of this type.

11 The settlement has been signed by
12 the hearing officer, and is now before
13 the Board for final approval.

14 I'm happy to answer any questions
15 that you may have.

16 CHAIRMAN JONES: Board members, are
17 there any questions of Mr. Picou related
18 to this proposed settlement? There are
19 no questions.

20 Do I have a motion?

21 MR. AVANT: So moved.

22 MR. SINGLETON: Second.

23 CHAIRMAN JONES: Mr. Avant.
24 Mr. Singleton. Any objection? With no
25 objection, the motion carries. The

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1 settlement is approved. Thank you.

2 MR. PICOU: Thank you.

3 CHAIRMAN JONES: We'll now move to
4 three appeal items on the docket. And I
5 would -- I would -- I just want to remind
6 everyone that we have the record -- we
7 have the record of the hearing that's
8 already been conducted, and so we have
9 all that evidence already before us. But
10 those of you who are here for your
11 appeal, I just want to caution you, you
12 can't -- you can't offer any new evidence

13 into the record. We have to go based on
14 what we have in the record. And I would
15 simply ask that you explain to us why the
16 hearing officer got the decision wrong.

17 2. David B. Melius Investments, Inc. d/b/a
18 Bruno's Tavern - No. 360114939 (appeal)

19 CHAIRMAN JONES: And our first
20 appeal is David B. Melius Investments,
21 Inc. doing business as Bruno's Tavern -
22 No. 3601114939.

23 Mr. Melius, you'll have the
24 opportunity to go first. Just simply
25 explain to us -- welcome to the Board.

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1 MR. MELIUS: Thank you, Chairman
2 Jones.

3 CHAIRMAN JONES: We have all the
4 evidence that's been previously
5 submitted. And all we'd like for you to
6 do this morning is explain to us why the
7 hearing officer got the decision wrong.

8 MR. MELIUS: Thank you, Chairman
9 Jones and members of the Board. My wife
10 and I drove up here a month or so ago to
11 have the hearing officer hear our case,
12 if you will. And we decided to come back
13 again and appeal to you-all.

14 We're in New Orleans. We're in a
15 very unusual situation. We're at the

16 mercy of our city issuing licenses,
17 occupational licenses, even liquor
18 renewal licenses. And every year, the
19 City of New Orleans requires you to turn
20 in your previous years sales in order to
21 get the occupational license. Well, you
22 obviously can't do that until January.

23 My case is, basically, we did that
24 in January; we showed proof that we filed
25 for our application in January, as

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1 required -- or earlier than is required,
2 but the city simply didn't issue it. I
3 made several appeals to the City to get
4 it, and, quite frankly, when they came in
5 and checked all my licenses, everything
6 was in order except my license hadn't
7 been received yet.

8 CHAIRMAN JONES: Okay. We have all
9 of that in the record.

10 MR. MELIUS: I understand. And I'm
11 between a rock and a hard place. As a
12 business person, I've been in business
13 for 45 years in this business. I've
14 never had a violation of not having a
15 license, not having it done timely, but I
16 can tell you, there's not a place in the
17 City of New Orleans that has their
18 license on January 1st, because it's

19 expired on December 31st. So we have no
20 option, no way to appeal this, no way to
21 make it right. Was it late? Yes, it was
22 very late. And when I went down and
23 finally got it, the clerk told me that
24 they were having problems with their
25 online renewals, which is how I renew

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1 every year and how I pay my sales tax.
2 So I'm basically just using -- appealing
3 to send some fairness as opposed to the
4 strictest interpretation of the law.

5 CHAIRMAN JONES: I appreciate that.

6 MR. GATHE: Good morning, Chairman
7 Jones, Board members. I'm Assistant
8 Attorney General Jeremy Gathe present
9 before the Board on behalf of the
10 Division in this matter.

11 The Division contends that although
12 Mr. Melius expressed difficulty in
13 obtaining the occupational license, it
14 was issued shortly after he went to city
15 hall. The licensee's ability to acquire
16 his occupational license shortly after
17 the Division's compliance inspection
18 suggests that the licensee could have
19 obtained its occupational license sooner
20 than what he did.

21 Additionally, at the administrative

22 hearing, Mr. Melius did admit that he did
23 not have a valid occupational permit at
24 the licensed establishment.

25 We believe that the hearing

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1 officer's decision was correct when she
2 reasoned that the responsibility of
3 compliance for a video poker license is
4 the responsibility of the licensee and
5 may not be delegated to a third party;
6 therefore, based on the information
7 presented today, the Division
8 respectfully requests that the hearing
9 officer's decision be affirmed.

10 CHAIRMAN JONES: Board members, any
11 questions? There are no questions.

12 Mr. Melius, I feel your pain. I live in
13 the City not very far from where your
14 business is, and I understand the level
15 of dysfunction that you and I have to
16 deal with. And before my appointment to
17 this Board, I also had to get an
18 occupational license from time to time.

19 It is absolutely difficult. But in
20 reviewing the record, and the amount of
21 time between the time it expired or at
22 least when it was available to be
23 renewed, in the time that you actually
24 acquired it, it was four months. And

25 we're constrained by having -- we're

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1 constrained by following the law. We
2 have to follow the law. We have to pull
3 the regulations. We have precedent that
4 has preceded you before the Board. I
5 would note that there are 295 video poker
6 locations in Orleans Parish, and
7 inspections are conducted every week by
8 State Police and none have crossed my
9 desk to show that -- a similar situation.
10 That's not to suggest it did not happen
11 to you. I believe everything that you
12 have put into the record and what you
13 have told us this morning.

14 It will be up to my colleagues what
15 path they want to take. But it's my
16 opinion that it was your responsibility,
17 and you failed in that responsibility.

18 Do I have a motion?

19 MR. MELIUS: May I respond to that?

20 CHAIRMAN JONES: We're -- no.

21 MR. MELIUS: Okay.

22 CHAIRMAN JONES: I understand. But,
23 in my opinion, we have some legal
24 obligations sitting in this position.

25 So is there is motion?

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1 Motion to affirm?

2 MR. LAGASSE: Uh-huh.
3 CHAIRMAN JONES: I have a motion to
4 affirm. Do I have a second?
5 Mr. Poole.
6 Would you call the roll, Ms. Smith?
7 MS. SMITH: Chairman Jones?
8 CHAIRMAN JONES: Yes.
9 MS. SMITH: Mr. Avant?
10 MR. AVANT: Yes.
11 MS. SMITH: Ms. Berry?
12 MS. BERRY: Yes.
13 MS. SMITH: Mr. Jackson?
14 MR. JACKSON: Yes.
15 MS. SMITH: Mr. Lagasse?
16 MR. LAGASSE: Yes.
17 MS. SMITH: Ms. Lewis?
18 MS. LEWIS: Yes.
19 MS. SMITH: Mr. Poole?
20 MR. POOLE: Yes.
21 MS. SMITH: Mr. Singleton?
22 MR. SINGLETON: No.
23 MS. SMITH: Mr. Stipe?
24 MR. STIPE: No.
25 MS. SMITH: Motion carries.

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1 CHAIRMAN JONES: Motion carries.
2 Thank you for coming this morning. Yes,
3 sir?
4 MR. MELIUS: May I give my check to

5 this gentleman, because I did have the
6 check made two months ago?

7 CHAIRMAN JONES: Just don't give me
8 a check. I'm not sure who the check goes
9 to, but I don't want it.

10 MR. MELIUS: I'm not sure either,
11 but I don't want to deal with it anymore.
12 I don't make enough on video poker to
13 worry about this.

14 3. Anthony D. Holloway - No. P040047616 (appeal)

15 CHAIRMAN JONES: Next up is the
16 appeal of Anthony D. Holloway,
17 No. P040047616.

18 Good morning. Have a seat.

19 MS. KEITH: Good morning, Chairman
20 Jones, members of the Board.

21 MR. HOLLOWAY: Good morning --

22 CHAIRMAN JONES: Please introduce
23 yourself.

24 MR. HOLLOWAY: -- Mr. Chairman and
25 the Board and the rest of you. I'm a

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1 little nervous, as usual.

2 CHAIRMAN JONES: Okay. So you heard
3 what I explained previously. We have --
4 I thought you had introduced yourself.

5 MR. HOLLOWAY: Oh, my name is
6 Anthony Holloway.

7 CHAIRMAN JONES: And your address

8 is? Your address?

9 MR. HOLLOWAY: Oh, Mr. Chairman and
10 the rest of your Board, good morning.

11 CHAIRMAN JONES: What is your
12 physical address?

13 MR. HOLLOWAY: My address?

14 CHAIRMAN JONES: Yes, where you
15 live.

16 MR. HOLLOWAY: Oh, 323 North
17 Claiborne Street, Sulphur, Louisiana,
18 70663.

19 CHAIRMAN JONES: Very good. Thank
20 you. We already have the information in
21 the record that you previously presented
22 to your hearing officer, so all we need
23 you to do this morning is explain why the
24 hearing officer made an incorrect
25 decision in rendering the decision that

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1 she did. Please proceed.

2 MR. HOLLOWAY: I don't know what to
3 say. I just -- all I know is I made a
4 mistake going to Colorado to do
5 something. On the way back, I got pulled
6 over, and everything was there. And if I
7 had known I was going to get pulled over,
8 I'd have never done the thing in the
9 first place.

10 CHAIRMAN JONES: Okay. Can you cite

11 a specific reason that the hearing
12 officer was incorrect in her decision in
13 affirming revocation?

14 MR. HOLLOWAY: Yeah. My -- more or
15 less my life depends on it.

16 CHAIRMAN JONES: I understand.

17 MS. KEITH: I am Rashida Keith,
18 Assistant Attorney General before the
19 Board present in the matter of Anthony D.
20 Holloway.

21 The law provides in pertinent part
22 that the Board or the Division shall not
23 grant a license or a permit to any person
24 who is disqualified on the basis of a
25 plea of guilty to any offense punishable

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1 by imprisonment of more than one year.

2 Mr. Holloway was arrested on
3 August 9th of 2017, in the state of Texas
4 for violation of two offenses. The 69th
5 District Court in Hartley County formally
6 indicted Mr. Holloway on one of the
7 offenses, which is punishable by up to 20
8 years of imprisonment in the state of
9 Texas. Mr. Holloway plead guilty to that
10 offense.

11 An administrative hearing was held
12 on July 16th of 2019. The Division
13 presented evidence showing that

14 Mr. Holloway was, in fact, arrested on
15 August 9th of 2017 and that he plead
16 guilty to the offense. Mr. Holloway was
17 present, and he spoke on his behalf, but
18 he did not provide any information that
19 was contradictory to the evidence showing
20 his arrest or the fact that he did plead
21 guilty to the offense, which was shown on
22 the order of deferred adjudication signed
23 by him on June 6th of 2018.

24 As a result, the hearing officer was
25 correct when she lawfully revoked

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1 Mr. Holloway's permit finding him
2 unsuitable for and disqualified from
3 possessing a Non-Key gaming employee
4 permit pursuant to Louisiana Gaming Law
5 due to his plea of guilty to an offense
6 punishable by imprisonment of more than
7 one year.

8 As such, the Division respectfully
9 requests its honorable Board to affirm
10 the hearing officer's decision to revoke
11 the Non-Key gaming employee permit issued
12 to Mr. Anthony D. Holloway.

13 If there are any questions, I'm
14 happy to answer. Thank you.

15 CHAIRMAN JONES: Board members, have
16 any questions?

17 Mr. Holloway, I appreciate the fact
18 that right now we have a patchwork of
19 laws in this country with respect to
20 marijuana. And as confounding for
21 regulators, I just heard from the formal
22 regulator chairman out in the state of
23 Nevada yesterday, it's legal in Nevada,
24 but it's also still a violation of
25 Federal Law. And they're trying to

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1 grapple with how to figure out their way
2 forward. So it's even more complex out
3 there than it is here.

4 Having said that, do I have a
5 motion? What's the pleasure of the
6 Board? Is there a motion?

7 MR. STIPE: Motion to affirm.

8 MR. SINGLETON: Second.

9 CHAIRMAN JONES: Mr. Stipe to
10 re-affirm, and Mr. Singleton seconds.

11 Would you call the roll?

12 MS. SMITH: Mr. Avant?

13 MR. AVANT: Yes.

14 MS. SMITH: Ms. Berry?

15 MS. BERRY: Yes.

16 MS. SMITH: Mr. Jackson?

17 MR. JACKSON: Yes.

18 MS. SMITH: Mr. Lagasse?

19 MR. LAGASSE: Yes.

20 MS. SMITH: Ms. Lewis?

21 MS. LEWIS: Yes.

22 MS. SMITH: Mr. Poole?

23 MR. POOLE: Yes.

24 MS. SMITH: Mr. Singleton?

25 MR. SINGLETON: Yes.

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1 MS. SMITH: Mr. Stipe?

2 MR. STIPE: Yes.

3 MS. SMITH: Chairman Jones?

4 CHAIRMAN JONES: Yes. And the

5 motion carries.

6 Thank you for coming, Mr. Holloway.

7 Thank you.

8 MS. KEITH: Thank you.

9 4. Yea Hiranthom - No. P040065381

10 CHAIRMAN JONES: And finally up is
11 the appeal of Yea Hiranthom. Pardon me
12 if I get that wrong. It's
13 No. P040065381.

14 I think there's a representative
15 this morning. You made it.

16 MR. ANTOON: I did. Thank you.

17 CHAIRMAN JONES: Yes, sir. You were
18 last on the docket, so I figured, you
19 know, we have board members who come from
20 that direction, too. They routinely get
21 stuck on the Basin Bridge.

22 MR. ANTOON: I-10 is not my favorite

23 road, sir.

24 CHAIRMAN JONES: We understand.

25 And you heard my preliminary remarks

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1 to everyone else.

2 MR. ANTOON: Correct.

3 CHAIRMAN JONES: Okay. Please

4 proceed.

5 MR. ANTOON: Yes, sir. My name is

6 Michael Antoon, and I appreciate it,

7 Mr. Chairman and the Board, y'all hearing

8 us this morning. Mr. Yea Hiranthom is

9 next to me.

10 We received the hearing officer's

11 opinion. Since that time, the charges

12 which gave rise to this proceeding have

13 been dismissed completely and outright by

14 the state of Louisiana.

15 MR. PICOU: Objection. That's new

16 information.

17 CHAIRMAN JONES: That's new

18 evidence, but it is new evidence of a

19 material nature that might well change

20 things; it could conceivably. So

21 proceed.

22 MR. ANTOON: Thank you, sir.

23 At any rate, we did receive the

24 hearing officer's decision. She does

25 cite that charge as being the sole reason

1 why his license was suspended.

2 Even without the subsequent
3 dismissal, the hearing officer cites, you
4 know, the fact that the arrest was
5 pending; however, they did not give any
6 consideration -- I apologize. I should
7 have had that -- any consideration that
8 under the law whenever it is solely based
9 on an arrest, the Board can consider the
10 nature and circumstances of that arrest.

11 And that makes sense why. When you don't
12 have a conviction; when you only have an
13 arrest, it's a mere accusation. A lot of
14 times in my line of work we dig into
15 things, and it turns out that they aren't
16 what they initially seemed, and this is
17 one of those circumstances.

18 So we did argue before the hearing
19 officer that there were some
20 circumstances that put this thing into a
21 different perspective; that does not
22 appear to have even been considered in
23 reading the order.

24 CHAIRMAN JONES: But it was in the
25 record?

1 MR. ANTOON: It was in the record,
2 correct. And so even without the

3 subsequent dismissal, we do believe the
4 Board should reconsider, should consider
5 all of the circumstances surrounding this
6 incident, which I think showed that this
7 was more of a mistake than it was a crime
8 as was subsequently recognized by the
9 State of Louisiana.

10 CHAIRMAN JONES: Thank you.

11 Mr. Picou, could I ask, in view of what
12 we think is out there that was filed with
13 the appeal, do you have any objection for
14 remand?

15 MR. PICOU: Personally, I'd like to
16 just address that the hearing officer did
17 consider all facts and circumstances, and
18 they did allow evidence to each and every
19 one of the permittee's arguments at the
20 hearing, and she carefully weighed the
21 law and the evidence in this matter. The
22 law strictly states that at the -- if
23 there is a pending charge for any type of
24 crime involving fraud, which is akin to
25 theft, as well as any crime punishable by

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1 more than one year of imprisonment, it is
2 a statutory disqualifier. At the time of
3 the hearing, there was a pending fraud
4 charge. I believe her decision was based
5 on that knowledge. We would ask that it

6 be affirmed, but I would not be
7 vehemently opposed to a remand.

8 CHAIRMAN JONES: And we have great
9 confidence and faith in our hearing
10 officer and her analysis of cases. In
11 view of what we've learned this morning,
12 I would move that we remand the matter
13 back to the hearing officer for
14 consideration.

15 MR. LAGASSE: Second.

16 CHAIRMAN JONES: I have a second.
17 Would you call the roll?

18 MS. SMITH: Mr. Avant?

19 MR. AVANT: Yes.

20 MS. SMITH: Ms. Berry?

21 MS. BERRY: Yes.

22 MS. SMITH: Mr. Jackson?

23 MR. JACKSON: Yes.

24 MS. SMITH: Mr. Lagasse?

25 MR. LAGASSE: Yes.

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1 MS. SMITH: Ms. Lewis?

2 MS. LEWIS: Yes.

3 MS. SMITH: Mr. Poole?

4 MR. POOLE: Yes.

5 MS. SMITH: Mr. Singleton?

6 MR. SINGLETON: Yes.

7 MS. SMITH: Mr. Stipe?

8 MR. STIPE: Yes.

9 CHAIRMAN JONES: And, yes, motion
10 approves.

11 MS. SMITH: And Chairman?

12 CHAIRMAN JONES: I ignore it all the
13 time. I'm used to it.

14 The motion carries. The matter will
15 be remanded back for further
16 consideration by the hearing officer.

17 MR. ANTOON: Thank you. Thank you,
18 Board.

19 VII. ADJOURNMENT

20 CHAIRMAN JONES: Thank you.
21 And that brings us to adjournment.

22 Do we have a motion to adjourn?

23 Ms. Berry and Mr. --

24 MS. SMITH: Jackson.

25 CHAIRMAN JONES: -- Jackson.

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1 Any objection? We will stand
2 adjourned until the fourth Thursday of
3 next month. Thank you.

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5 (CONCLUDED AT 10:51 A.M.)

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1 STATE OF LOUISIANA
2 PARISH OF EAST BATON ROUGE

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4 I, Brittany E. Vidrine, Certified Court
5 Reporter, do hereby certify that the foregoing is a
6 true and correct transcript of the proceedings on
7 September 19, 2019, as taken by me in Stenographic
8 machine shorthand, complemented with magnetic tape
9 recording, and thereafter reduced to transcript, to
10 the best of my ability and understanding, using
11 Computer-Aided Transcription.

12 I further certify that I am not an
13 attorney or counsel for any of the parties, that I
14 am neither related to nor employed by any attorney

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

18 Baton Rouge, Louisiana, this 10th day of
19 October, 2019.

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22

BRITTANY E. VIDRINE, CCR, RPR

23

CCR NO. 2014025, RPR NO. 963689

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