

1:1

2 LOUISIANA GAMING CONTROL BOARD

3

4

5 BOARD OF DIRECTORS' MEETING

6

7

8

9 JULY 24, 2014

10

11 Louisiana State Capitol

12 House Committee Room 1

13 Baton Rouge, Louisiana

14

15

16

17 TIME: 10:00 A.M.

18

19

20

21

22

23

24

25

2

1 APPEARANCES

2

3 RONNIE JONES

Chairman (At Large)

4 Third Congressional District

June 30, 2019

5

6 FRANKLIN AYRES BRADFORD

(Economic Planner)

7 Fifth Congressional District

June 30, 2019

8

9 JAMES SINGLETON

(Public/Business Administration)

10 Second Congressional District

June 30, 2014

11

12 MARK STIPE

(Attorney)

13 Seventh Congressional District

June 30, 2014

14

15 MAJOR CLAUDE MERCER

(Law Enforcement)

16 Fifth Congressional District

June 30, 2015

17

18 CLAUDE D. JACKSON

(At Large)

19 Fourth Congressional District

June 30, 2018

20

21 ROBERT W. GASTON, III

(At Large)

22 Sixth Congressional District

June 30, 2015

23

24

25

3

1 (APPEARANCES CONTINUED):

2

3 DENNIS N. STINE

(MBA/CPA)

4 Third Congressional District

June 30, 2019

5

6 JAMES SINGLETON

(Public/Business Administration)

7 Second Congressional District

June 30, 2014

8

9 LANA TRAMONTE

Appeal Docket Clerk

10

11

TRUDY SMITH

12 Confidential Assistant

13

14 REPORTED BY:

15 MICHELLE M. DARDEAU, CCR

Baton Rouge Court Reporters

16

17

18

19

20

21

22

23

24

25

4

1

PAGE

2

I. CALL TO ORDER 6

3

II. PUBLIC COMMENTS 8

4

III. APPROVAL OF THE MINUTES 8

5

IV. REVENUE REPORTS 9

6

V. CASINO GAMING ISSUES

7

A. Consideration of Certificate of Compliance

8

for the Alternate Riverboat Inspection of the

9

gaming vessel of Belle of Orleans, LLC d/b/a

10

Amelia Belle Casino - No. R013600020 14

11

B. Consideration of renewal application for

12

riverboat gaming license of Bossier Casino

13

Venture, Inc. d/b/a Margaritaville Resort

14

Casino - No. R011000841 17

15

VI. VIDEO GAMING ISSUES

16

A. Consideration of the following truckstop

17 application:  
18 1. Big D Truckstop, LLC d/b/a Wagin Cajun  
19 Casino of Duson - No. 0109514164 (transfer of  
20 interest) 28  
21 VII. CONSIDERATION OF PROPOSED SETTLEMENTS/APPEALS

22 IN THE FOLLOWING:

23 1. In Re: Boogie's Lounge, LLC d/b/a  
24 Boogie's Lounge - No. 4500116023 (proposed  
25 settlement) 31  
5  
1 2. In Re: Tang Dynasty Entertainment,  
2 LLC - No. P076503029 (proposed settlement) 33  
3 3. In Re: Voodoo, LLC d/b/a Voodoo Bar -  
4 No. 3601115312 (appeal) 33  
5 4. In Re: Felicia N. Strauss - No.  
6 P040061783 (appeal) 54  
7 5. In Re: Cody's Enterprises, Inc. d/b/a  
8 Calcasieu Exxon - No. 1001512817 (appeal) 56  
9 VIII. ADJOURNMENT 60

10  
11  
12  
13  
14  
15  
16  
17  
18  
19

20  
21  
22  
23  
24  
25

6

1 I. CALL TO ORDER

2 CHAIRMAN JONES:

3 Good morning. Welcome to the July  
4 meeting of the Louisiana Gaming Control Board. I'd  
5 like to call the meeting to order. Ms. Tramonte,  
6 would you call the roll?

7 THE CLERK:

8 Chairperson Jones?

9 CHAIRMAN JONES:

10 Here.

11 THE CLERK:

12 Mr. Bradford?

13 MR. BRADFORD:

14 Here.

15 THE CLERK:

16 Mr. Stipe? (No response.)

17 THE CLERK:

18 Mr. Singleton? (No response.)

19 THE CLERK:

20 Ms. Noonan? (No response.)

21 THE CLERK:

22 Major Mercer?

23 MAJOR MERCER:

24 Here.

25 THE CLERK:

7

1 Mr. Jackson?

2 MR. JACKSON:

3 Here.

4 THE CLERK:

5 Mr. Gaston?

6 MR. GASTON:

7 Here.

8 THE CLERK:

9 Mr. Stine?

10 THE CLERK:

11 Here.

12 THE CLERK:

13 Colonel Edmonson?

14 MAJOR 2:

15 Major Noel for Colonel Edmonson.

16 THE CLERK:

17 Secretary Barfield?

18 MICHAEL:

19 Michael Legendre here for Secretary

20 Barfield.

21 CHAIRMAN JONES:

22 We have a quorum. We may conduct

23 business. Before we get to the formal agenda, I

24 just want to take just a minute and acknowledge the

25 passing of Leonce Gautreau. And those of you who

1 have been around for a long time, you know, I knew  
2 him as a friend and as a colleague, and this guy  
3 brought a level of institutional knowledge to this  
4 Board and to the processes that we carry out that's  
5 really unparalleled.

6           It's going to be huge shoes to fill.  
7 We're going to miss his kindness, his tactfulness,  
8 and his intellect. I already do miss him. We've  
9 seen him struggle here in the last few months, and  
10 he fought -- I turned off here somewhere. Here we  
11 go. He fought a gallant fight. So I would simply  
12 ask that you keep he and his family and his friends  
13 in your thoughts and prayers.

14 II. PUBLIC COMMENTS:

15           CHAIRMAN JONES:

16           At this time, I'd like to ask if  
17 there's anyone in the audience who would like to  
18 make public comment related to anything before the  
19 Board today? (No response.)

20 III. APPROVAL OF MINUTES

21           CHAIRMAN JONES:

22           If there will be no one, we will move  
23 on to the approval of the minutes. Do I have a  
24 motion to waive reading and approve the minutes?

25           MR. GASTON:

1           So moved.

2           MR. BARFIELD:



3 Second.

4 CHAIRMAN JONES:

5 Did you get the motion and the  
6 second, because I didn't know where it came from?  
7 They were way too quick for me. All in favor?  
8 (Collective "aye.") Opposed? The motion carries.  
9 It is approved.

10 IV. REVENUE REPORTS:

11 CHAIRMAN JONES:

12 At this time, I would like to call up  
13 State Police Revenue Reports. Good morning, Jim.

14 MR. BOSSIER:

15 Good morning.

16 CHAIRMAN JONES:

17 Bring us good news. I tell you that  
18 every time.

19 MR. BOSSIER:

20 Good morning, Chairman Jones and  
21 Board Members. My name is Jim Bossier with the  
22 Louisiana State Police. Following is the riverboat  
23 revenue report for June 2014:

24 During June, the 14 operating  
25 riverboats generated Adjusted Gross Receipts of

10

1 142,365,154, a decrease from May 2014 of 5 percent,  
2 or almost \$8 million, but virtually even with last  
3 June.

4 Adjusted Gross Receipts for fiscal  
5 year 2013-2014 are \$1,714,000,000, an increase of

6 \$41 million, or 2 percent, from fiscal year  
7 2012-2013.

8           During June, the State collected fees  
9 totaling \$30,608,508. As of June 30th, 2014, the  
10 State collected \$368,410,436 in fees for fiscal year  
11 2013-2014, an increase of almost \$9 million from  
12 last fiscal year.

13           Next is a summary of the June 2014  
14 gaming activity for Harrah's New Orleans, found on  
15 Page 3. During June, Harrah's generated \$29,927,133  
16 in gross gaming revenue, a \$1 million, or 4 percent,  
17 increase from last month, and \$2.8 million, or 10  
18 percent, increase from June 2013. Revenues for the  
19 2013-2014 fiscal year are \$340,142,149, up  
20 \$3 million from last fiscal year.

21           During June, the State received  
22 \$4,931,507 in minimum daily payments. For the  
23 period July 1st, 2013 through June 30th, 2014, the  
24 State collected \$72,556,897 in fees for fiscal year  
25 2013-2014.

11

1           Slots at Racetracks revenue are shown  
2 on Page 4. During June, the four racetrack  
3 facilities combined generated Adjusted Gross  
4 Receipts of 31,177,866, a decrease of \$3.6 million,  
5 or 10 percent, from last month, and a \$1.7 million,  
6 or 5 percent, decrease from June 2013.

7           Adjusted Gross Receipts for fiscal  
8 year 2014-2014 (sic) are \$386,738,543, a decrease of

9 \$15 million, or 4 percent, from fiscal year  
10 2012-2013.

11 During June, the State collected fees  
12 totaling \$4,729,628 (sic). As of June 30th, 2014,  
13 the State collected \$58,668,237 in fees for  
14 2012-2013.

15 Overall, Riverboats, Land Based, and  
16 Slots at the Racetracks combined generated \$203.5  
17 million in Adjusted Gross Receipts which is  
18 \$1.1 million more than last June. Fiscal year to  
19 date revenues for all three venues total  
20 \$2,440,000,000, up \$29 million, or 1.2 percent, from  
21 last year.

22 Are there any questions before I  
23 present Harrah's employee numbers?

24 CHAIRMAN JONES:

25 Any questions, Board Members? (No

12

1 response.) The Board is clear. Please proceed.

2 MR. BOSSIER:

3 Harrah's New Orleans is required to  
4 maintain at least 2,400 employees and a biweekly  
5 payroll of \$1,750.835. This report covers the two  
6 pay periods in June 2014.

7 For the first pay period, the Audit  
8 Section verified 2,464 employees with a payroll of  
9 \$1,966,000. For the second pay period, the Audit  
10 Section verified 2,451 employees with a payroll of  
11 \$1,954,000. Therefore, Harrah's met the employment

12 criteria during June.

13 Now I'm going to video poker.

14 CHAIRMAN JONES:

15 Please do.

16 MR. BOSSIER:

17 Two bars -- during June of 2014, two  
18 new bar video gaming licenses were issued. Ten new  
19 applications were received by the Gaming Enforcement  
20 Division during June and are currently pending in  
21 the field; six bars, two restaurants, one truckstop,  
22 and one device owners'.

23 The Gaming Enforcement Division  
24 assessed \$6,750 and collected \$30,000 in penalties  
25 in June. There are currently \$1,250 in outstanding

13

1 fines.

2 Please refer to Page 2 of your  
3 handout. There are presently 14,081 video gaming  
4 devices activated at 1,945 locations. Net device  
5 revenue for June 2014 was \$48,322,746, a \$1.1  
6 million decrease, or 2.3 percent, when compared to  
7 net device revenue from May 2014, and a \$1.1 million  
8 increase, or 2.4 percent, when compared to June  
9 of 2013.

10 Net device revenue so far for fiscal  
11 year 2014 is \$588,031,152, a \$22 million decrease,  
12 or 3.6 percent, when compared to net device revenue  
13 for fiscal year 2013. Page 3 of your handout shows  
14 a comparison of net device revenue.

15 Total franchise fees collected for  
16 June 2014 were \$14,468,696, a \$300,000 decrease when  
17 compared to May 2014, and a \$500,000 increase when  
18 compared to June of 2013. Total franchise fees  
19 collected for fiscal year 2014 are \$175,867,660, a  
20 \$6.1 million decrease, or 3.4 percent, when compared  
21 to franchise fees for fiscal year 2013. Page 4 of  
22 your handout shows a comparison of franchise fees.  
23 Does anybody have any questions?

24 CHAIRMAN JONES:

25 Any questions on video gaming, Board

14

1 Members? (No response.) It's clear.

2 MR. BOSSIER:

3 Thank you.

4 CHAIRMAN JONES:

5 Thank you, Jim. Thank you very much.

6 V. CASINO GAMING ISSUES

7 A. Consideration of Certificate of Compliance

8 for the Alternate Riverboat Inspection of the

9 gaming vessel of Belle of Orleans, LLC d/b/a

10 Amelia Belle Casino - No. R013600020

11 CHAIRMAN JONES:

12 We now move to Casino Gaming issues.

13 Parts of Consideration of Certificate of Compliance

14 for the Alternate Riverboat Inspection of the gaming

15 vessel of Belle of Orleans, LLC d/b/a Amelia Belle

16 Casino. That's number R013600020.

17 Good morning. For the record, please

18 identify yourselves.

19 MR. TYLER:

20 Good morning, Chairman. Assistant

21 Attorney General Michael Tyler appearing in this

22 matter.

23 MR. FRANCIC:

24 Good morning. John Francic with

25 ABSC.

15

1 CHAIRMAN JONES:

2 Good morning, John.

3 MR. TYLER:

4 Chairman Jones, Board Members, we

5 come to you today to present the information with

6 respect to the renewal inspection for the

7 Certification of Compliance for the Amelia Belle

8 Casino.

9 On May 14th, 2014, the Amelia Belle

10 Casino began to process for the renewal of its

11 Certificate of Compliance. For more on this

12 process, I now turn this matter over to John

13 Franzeck of ABSC.

14 CHAIRMAN JONES:

15 Please.

16 MR. FRANCIC:

17 Good morning, Chairman, Board

18 Members. I'm here to report the annual

19 certification for Amelia Belle Casino. The

20 inspectors, Doug Chapman and Linsey Due, did on May

21 14th attend Riverboat Belle of Orleans to conduct  
22 the annual inspection in accordance with the  
23 Alternate Inspection Program in the State of  
24 Louisiana.

25 The inspectors reviewed fire

16

1 protection equipment, life-saving equipment, egress  
2 routes, mooring system, train records, and conducted  
3 a fire drill. The deficiencies are noted on Page 5  
4 of your report. A followup exam was conducted on  
5 June 16th and cleared all deficiencies noted on May  
6 14th.

7 The 2014 annual survey as required by  
8 Louisiana Gaming Control Board is complete and  
9 presents no safety concerns to its patrons or  
10 employees on the riverboat.

11 It is recommended by ABSC that Amelia  
12 Belle be issued a Certificate of Compliance.

13 MR. TYLER:

14 We now present these findings to this  
15 Honorable Board and request that upon the Board  
16 accepting the reports submitted by ABSC that this  
17 Board will move for the renewal of the Certificate  
18 of Compliance for the Amelia Belle Casino.

19 CHAIRMAN JONES:

20 Board Members, questions? I see no  
21 lights. We have recommendations from ABSC and the  
22 Attorney General's Office. I have a motion to issue  
23 the Certificate of Compliance by Mr. Ayres. Do I

24 have a second?

25 MR. GASTON:

17

1 Second.

2 CHAIRMAN JONES:

3 Second? From Mr. Bradford, not Mr.

4 Ayres. Ayres Bradford.

5 MR. GASTON:

6 I second.

7 MR. BRADFORD:

8 I have two last names.

9 CHAIRMAN JONES:

10 One of those hyphenated ones. We

11 have a motion and a second. All in favor?

12 (Collective "aye.") Any opposition? The motion

13 carries. The certificate has been issued.

14 MR. TYLER:

15 Thank you.

16 CHAIRMAN JONES:

17 Thank you, gentlemen.

18 B. Consideration of renewal application for

19 riverboat gaming license of Bossier Casino

20 Venture, Inc. d/b/a Margaritaville Resort

21 Casino - No. R011000841.

22 CHAIRMAN JONES:

23 At this point, consideration for

24 renewal application for riverboat gaming license of

25 Bossier Casino Venture, Inc. d/b/a Margaritaville



1 Resort Casino. Number R011000841.

2 Ladies, please identify yourselves

3 for the record.

4 MS. HIMEL:

5 Good morning, Chairman Jones, Members

6 of the Board. My name is Assistant Attorney General

7 Dawn Himel, appearing in the next two matters.

8 In this matter, I have with me

9 Trnessia Ware who is from State Police Audit and

10 Richard Swearingen from State Police.

11 CHAIRMAN JONES:

12 Please proceed.

13 MS. HIMEL:

14 As you stated, this is the matter of

15 the renewal of the riverboat license of Bossier

16 Casino Venture, Inc. d/b/a Margaritaville Bossier

17 Casino, located in Bossier City, Louisiana.

18 Riverboat licenses are issued for a

19 five-year term, and this license is now due to

20 expire on September 21st, 2014. As part of the

21 renewal process, our office worked with the counsel

22 for the licensee to review the license conditions

23 that were previously placed upon the licensee by the

24 Board in an effort to update the license conditions.

25 The most recent conditions imposed on

19

1 the licensee numerous items regarding construction

2 of the project, escrow for the project. They

3 referenced the 1996 conditions and named the

4 licensee as Grand Palais Riverboat, Incorporated;  
5 therefore, numerous changes were needed regarding  
6 the conditions.

7           There were a lot of conditions that  
8 were satisfied or completed and no longer  
9 applicable; so those were removed from the proposed  
10 new conditions. Some substantive changes were made  
11 to the conditions, and there was some editing, but  
12 the substantive of those remain the same.

13           The licensee has accepted and agreed  
14 to be bound by the conditions, and a proposed  
15 resolution subject to the Statement of Conditions  
16 authorizing the renewal of the license to commence  
17 on September 21st, 2014 has been prepared if the  
18 Board does approve the renewal.

19           And at this time, Auditor Trnessia  
20 Ware will present her findings, and then Trooper  
21 Richard Swearingen will present his.

22           CHAIRMAN JONES:

23           Thank you.

24           MS. WARE:

25           Good morning, Chairman Jones and

20

1 Members of the Board.

2           CHAIRMAN JONES:

3           Good morning.

4           MS. WARE:

5           My name is Trnessia Ware with

6 Louisiana State Police Corporate Securities Audit.

7 Licensee Bossier Casino Venture, Incorporated d/b/a  
8 Margaritaville Resort Casino seeks renewal of its  
9 license to conduct gaming operations in Bossier  
10 City, Louisiana.

11           Bossier Casino Venture Holdco, Inc.  
12 is the licensee's parent company. Margaritaville,  
13 located in Bossier City, Louisiana, opened in  
14 June of 2013. Margaritaville is one of six  
15 riverboat casinos in the Shreveport/Bossier City  
16 market.

17           For visitor year 2013-2014,  
18 Margaritaville ranked third in Shreveport/Bossier  
19 market with gross receipts of approximately  
20 \$120,000,000. In 2014, Margaritaville budgeted  
21 approximately 1.1 million per capital expenditures.  
22 Margaritaville projects it will spend approximately  
23 4 million in 2015 and approximately 5 million each  
24 year through 2018.

25           In February 2012, Holdco and

21

1 Margaritaville entered into a Casino Management  
2 Agreement with St. Gabriel Downs, owned by Mr.  
3 William Trotter, and Silver Slipper Gaming, owned by  
4 Mr. Paul Alanis and Mr. Loren Ostrow, to develop and  
5 operate Margaritaville.

6           For the 2013 calendar year,  
7 development fees were 1.6 million. St. Gabriel and  
8 Silver Slipper Gaming also received a base  
9 management fee of 50,000 per month with annual

10 incentives based upon percentage of EBITDA.

11 For the 2013 calendar year,  
12 Margaritaville recorded a \$581,480 expense for  
13 management fees. Margaritaville's management  
14 advised that preliminary figures as of June 30th,  
15 2014 indicate that its debt ratio under Opco loan is  
16 2.9 which is in compliance with the 3.5 financial  
17 covenant requirement.

18 In conclusion, no financial issues  
19 came to our attention to preclude the Board from  
20 approving the Margaritaville Casino Bossier City  
21 license for a period of five years, effective  
22 September 21st, 2014. Sgt. Richard Swearingen will  
23 now present his findings.

24 SGT. SWEARINGEN:

25 Good morning, Chairman Jones, Members

22

1 of the Board. Sgt. Richard Swearingen with the  
2 State Police Gaming Enforcement Division. I  
3 currently supervise the riverboat licensing section  
4 for the Division.

5 A renewal suitability investigation  
6 was conducted on Bossier Casino Venture,  
7 Incorporated d/b/a Margaritaville Resort Casino  
8 Bossier City and all associated entities and key  
9 personnel.

10 This investigation consisted of  
11 inquiries through Federal, State and local law  
12 enforcement agencies, computerized criminal history

13 databases, financial and civil institutions, and  
14 gaming regulatory agencies.

15 Tax clearance request forms were  
16 forwarded to the Internal Revenue Service and the  
17 Louisiana Department of Revenue in order to ensure  
18 the applicants are current in their tax files.

19 During this renewal suitability  
20 investigation, I discovered no information which  
21 would preclude the continuing license of Bossier  
22 Casino Venture, Incorporated d/b/a Margaritaville  
23 Resort Casino Bossier City and all associated  
24 entities and key personnel.

25 At this time, I will gladly answer

23

1 any questions you may have. Thank you.

2 CHAIRMAN JONES:

3 Board Members, any questions for Ms.  
4 Himel, Ms. Ware, or the Sergeant? Do you have  
5 something, Dennis?

6 MR. STINE:

7 Well, just that --

8 CHAIRMAN JONES:

9 Pull your microphone down, please.

10 Thank you.

11 MR. STINE:

12 I just noticed that they've missed  
13 their - in 2012 their original proforma against  
14 current years' numbers, and even their projected  
15 proformas in the future, they've missed their EBITDA

16 by more than a half, and they've doubled their debt  
17 from their original proforma.

18 Does that give you pause regarding --  
19 I understand they're good today with respect to  
20 leverage, but does that give you pause that they  
21 missed their proforma that was written in 2012 by  
22 that much?

23 And I'm looking at my document on  
24 Page 21, where in 2012 they had budgeted a  
25 \$43 million EBITDA -- in other words, they budgeted

24

1 for 2014 a 43 million. They hit 23 million, and  
2 they budgeted debt of 129 million and it would be --  
3 I'm sorry. 167 million, and instead it's 232  
4 million.

5 So I guess what I'm saying is, the  
6 numbers weren't even close, and I guess my only  
7 concern is if there's a blip -- and, again, I  
8 recognize that they hit their leverage currently,  
9 but I'm just a little concerned going forward.

10 MS. HIMEL:

11 And the licensee might be able to  
12 give you any, you know, assurances as far as that,  
13 but it's my understanding that in 2012 they didn't  
14 really have a basis to go off of.

15 MR. STINE:

16 Right. I recognize that. We were  
17 shooting from the hip, but the hip wasn't even  
18 close.

19 MS. HIMEL:

20 Right. Well, the numbers I think  
21 today are, you know, much more reflective, and they  
22 are current with their numbers.

23 MR. STINE:

24 So you feel comfortable with the  
25 proforma today, Ms. Ware?

25

1 MS. WARE:

2 Yes, we do.

3 MR. STINE:

4 Thank you.

5 CHAIRMAN JONES:

6 Anything else, Dennis?

7 MR. STINE:

8 No.

9 CHAIRMAN JONES:

10 Any other questions from the Board?

11 Do I --

12 MR. JACKSON:

13 I make a motion to adopt.

14 MAJOR MERCER:

15 Second.

16 CHAIRMAN JONES:

17 Moved and seconded. We have a motion  
18 to adopt the resolution. Do we have a second? Ms.  
19 Tramonte, would you read the resolution into the  
20 record?

21 THE CLERK:

22 On the 24th day of July 2014, the  
23 Louisiana Gaming Control Board did in a  
24 dually-noticed public meeting consider the license  
25 renewal application of Bossier Casino Venture,

26

1 Incorporated d/b/a Margaritaville Resort Casino, and  
2 upon motion dually made and second, the Board  
3 adopted this resolution.

4 Be it resolved that the license to  
5 conduct riverboat gaming issued to Bossier Casino  
6 Venture, Incorporated d/b/a Margaritaville Casino -  
7 Resort Casino be renewed for a term of five years,  
8 commencing September 21st, 2014, subject to the  
9 Statement of Conditions to the riverboat gaming  
10 license of Bossier Casino Venture attached hereto  
11 and made a part hereof. Thus done and signed in  
12 Baton Rouge, Louisiana this 24th day of July 2014.

13 CHAIRMAN JONES:

14 Would you please call the roll?

15 THE CLERK:

16 Mr. Bradford?

17 MR. BRADFORD:

18 Yes.

19 THE CLERK:

20 Mr. Singleton?

21 MR. SINGLETON:

22 Yes.

23 THE CLERK:

24 Major Mercer?



25 MAJOR MERCER:

27

1 Yes.

2 THE CLERK:

3 Mr. Jackson?

4 MR. JACKSON:

5 Yes.

6 THE CLERK:

7 Mr. Gaston?

8 MR. GASTON:

9 Yes.

10 THE CLERK:

11 Mr. Stine?

12 MR. STINE:

13 Yes.

14 THE CLERK:

15 Colonel Jones? Chairman Jones?

16 Excuse me.

17 CHAIRMAN JONES:

18 There's no Colonel Jones here, but

19 I'll answer to that. Yes. The motion carries, and

20 the renewal application for the riverboat gaming

21 license for Bossier Casino Ventures has been

22 approved. I'll sign today. Thank y'all very much.

23 MS. HIMEL:

24 Thank you.

25 CHAIRMAN JONES:

28

1 Let the record reflect that

2 Administering Mr. Singleton joined us. He's now  
3 part of our quorum.

4 MR. SINGLETON:

5 Thank you.

6 VI. VIDEO GAMING ISSUES

7 A. Consideration of the following truckstop  
8 application:

9 1. Big D Truckstop, LLC d/b/a Wagin Cajun  
10 Casino of Duson - No. 0109514164 (transfer of  
11 interest)

12 CHAIRMAN JONES:

13 We now move to Video Gaming Issues.  
14 Consideration for the following truckstop  
15 application. Big D Truck Stop, LLC d/b/a Wagin  
16 Cajun Casino of Duson. No. 0109514164. This is a  
17 transfer of interest.

18 MS. HIMEL:

19 Yes, sir.

20 CHAIRMAN JONES:

21 You're still there.

22 MS. HIMEL:

23 Yes. I'm Assistant Attorney General  
24 Dawn Himel, and with me I have Trooper Vincent  
25 Lenguyen who conducted the suitability - well, the

29

1 investigation on the transfer.

2 As you stated, this is a transfer in  
3 the truckstop Big D Truck Stop, LLC d/b/a Wagin  
4 Cajun Casino of Duson. It was a matter of transfer

5 of 33 1/3 percent of the membership in Big D, LLC.

6 They operate -- well, they hold a  
7 Type 5 video gaming license and operate a truckstop  
8 facility at 400 Austria Road in Duson, and that's in  
9 Acadia Parish.

10 Lance Palermo assigned and  
11 transferred his 33 1/3 percent to a company called  
12 Gray Gaming, LLC. Lance and his wife, Tonya  
13 Robinson Palermo, each are 50-percent members of  
14 Gray Gaming, LLC.

15 As a result of the transfer of  
16 membership interest, the current ownership of the  
17 licensee is 33 1/3 percent held by Pat Brumfield, 33  
18 1/3 percent held by Bayou Gaming, Inc., and 33 1/3  
19 percent held by Gray Gaming, LLC.

20 Trooper Vincent Lenguyen conducted  
21 the investigation on the transfer, and he is present  
22 today to present his findings.

23 CHAIRMAN JONES:

24 Trooper Lenguyen.

25 TROOPER LENGUYEN:

30

1 Good morning, Chairman.

2 CHAIRMAN JONES:

3 Good morning.

4 TROOPER LENGUYEN:

5 Good morning, Members. My name is  
6 Trooper Vincent Lenguyen with the Louisiana State  
7 Police Gaming Enforcement Division. I conducted the

8 investigation of the transfer of membership interest  
9 of Big D's Truckstop, LLC. Lance A. Palermo and  
10 Tonya D. Robinson Palermo are each 50-percent  
11 members of Gray Gaming, LLC. They both have  
12 previously met suitability on the license issued to  
13 Big D's Truckstop, LLC.

14 I found no information that would  
15 preclude the continuum of licensing of Big D  
16 Truckstop, LLC d/b/a Wagin Cajun Casino of Duson or  
17 preclude the associate person to be found suitable  
18 from continuing to participate in the gaming  
19 industry.

20 MS. HIMEL:

21 And the Office of the Attorney  
22 General did review the file compiled as a result of  
23 the Division's investigation. Our review indicates  
24 no information that would preclude the continued  
25 licensing of Big D Truckstop, LLC.

31

1 CHAIRMAN JONES:

2 Board Members, do you have questions  
3 for Ms. Himel or Trooper Lenguyen? (No response.)  
4 Do we have a recommendation?

5 MR. STINE:

6 So moved.

7 MR. GASTON:

8 Second.

9 CHAIRMAN JONES:

10 I have a motion and a second from my

11 right, your left. All in favor? (Collective  
12 "aye.") Opposed? The motion carries.

13 MS. HIMEL:

14 Thank you.

15 CHAIRMAN JONES:

16 Thank you.

17 VII. CONSIDERATION OF PROPOSED SETTLEMENTS/APPEALS

18 IN THE FOLLOWING:

19 1. In Re: Boogie's Lounge, LLC d/b/a Boogie's  
20 Lounge - No. 4500116023 (proposed settlement)

21 CHAIRMAN JONES:

22 We now move to the agenda item VII,  
23 Consideration of Proposed Settlements and Appeals in  
24 the following matters.

25 The first settlement is in regard to

32

1 Boogie's Lounge, LLC d/b/a Boogie's Lounge. That's  
2 Number 540011602316. This is a proposed settlement.  
3 Good morning.

4 MS. GOWEN:

5 Good morning, Chairman Jones, Board  
6 Members. Karen Godwin, Assistant Attorney General,  
7 appearing in the matter of Boogie's Lounge, LLC  
8 d/b/a Boogie's Lounge on behalf of Louisiana State  
9 Police.

10 On March 20th, 2014, the Division  
11 conducted an under-age compliance investigation at  
12 Boogie's Lounge. The licensee violated Revised  
13 Statute 27:443 by allowing an underage patron to

14 play a video poker machine and cash out tickets.

15 The licensee has stipulated to having  
16 committed this violation. The Division and the  
17 licensee have agreed to a settlement in this matter  
18 for civil penalty of \$1,000.

19 The Hearing Officer has approved the  
20 settlement. We now submit it for your approval.

21 CHAIRMAN JONES:

22 Any questions for Ms. Godwin? (No  
23 response.) There are no questions. Do I have a  
24 motion to approve the settlement?

25 MR. SINGLETON:

33

1 Move.

2 MAJOR MERCER:

3 Second.

4 CHAIRMAN JONES:

5 Mr. Singleton. Seconded by Mr.  
6 Mercer. All in favor? (Collective "aye.")  
7 Opposition? The settlement is approved.

8 MS. HIMEL:

9 Thank you.

10 CHAIRMAN JONES:

11 Thank you.

12 2. In Re: Tang Dynasty Entertainment, LLC -  
13 No. P076503029 (proposed settlement)

14 CHAIRMAN JONES:

15 Now in regard to Tang Dynasty  
16 Entertainment, LLC. Number P076503029. This is

17 also a proposed settlement. The Chair will defer  
18 that item.

19 3. In Re: Voodoo, LLC d/b/a Voodoo Bar - No.  
20 3601115312 (appeal)

21 CHAIRMAN JONES:

22 We now call appeals. I would remind  
23 everyone that no new evidence may be presented to  
24 the Board during the course of your appeal this  
25 morning. You may simply make your argument. The

34

1 matter is considered based on evidence already  
2 before the Board.

3 This is -- first regarding Voodoo,  
4 LLC d/b/a Voodoo Bar. That's Number 3601115312.  
5 This is an appeal. Good morning.

6 MR. HEBERT:

7 Good morning.

8 THOMAS ROBICHAUX:

9 Good morning, Your Honor. Thomas  
10 Robichaux attorney for the licensee Voodoo, LLC.

11 MR. HEBERT:

12 Christopher Hebert representing the  
13 Division.

14 CHAIRMAN JONES:

15 Very good. Please proceed.

16 THOMAS ROBICHAUX:

17 Thank you, Mr. Chair, Members of the  
18 Board. This is an appeal from a - recommended for  
19 revocation by the Hearing Officer. What we found --

20 what we -- our position is that we are -- we're here  
21 because there's an Order of Revocation on one  
22 licensee based on the failing of a different  
23 licensee.

24           Voodoo, LLC has never had a problem  
25 with its clearances. The sole member, Mr. Shehan,

35

1 had some problems with it. They were cleared up.

2 The only issue was a different licensee, straight

3 LLC, which he also owns. And that licensee had a

4 tax clearance issue. That has since been cleared.

5 Everything is cleared for both Voodoo, LLC, straight

6 LLC, and Michael Shehan personally. But the -- and

7 Mr. Shehan got a personal clearance from the LDR.

8 That letter was presented in the hearings, and the

9 Division said they could not accept that because it

10 wasn't in their form; so that was basically ignored.

11 Then they went and got another letter, a counter

12 letter, a correction letter, in the same general

13 form as the letter that they said they couldn't

14 accept. So they accepted one letter outside of

15 their standard form but not the other letter.

16           So I think there's a big problem

17 here, and the biggest problem, though, is that we

18 can't revoke one licensee for the sins of another

19 licensee. We have -- we have to -- we can only go

20 one degree of separation. The law only allows us to

21 go to the individual owners and not to their own

22 entities.



23           This is akin to -- you know, because  
24 it's a corporate entity, it's a completely separate  
25 person. And it's akin to a spousal separate

36

1 property agreement; once you have that dividing  
2 line, that legal line, we can't cross it.

3           And there is an issue with the LDR  
4 with the way that they issue clearances, because  
5 they just kind of do a general - a general search,  
6 and there's an issue there.

7           But in this case, the evidence is  
8 before - was before the Hearing Officer, is before  
9 the Board, that this is the case, that there was a  
10 separate entity involved.

11           As I said, every single -- every  
12 entity involved, even the third party is going to be  
13 straight LLC. The other licensee is clear.  
14 Everything has been issued. I have submitted copies  
15 of those for your edification, just so you know that  
16 they do exist, that we're not misrepresenting  
17 ourselves.

18           And we suggest to you that it would  
19 be much more appropriate and productive to give a  
20 fine or suspension in this matter rather than a full  
21 revocation.

22           It is a productive site for both the  
23 State and the owner, and there's been no previous  
24 problems with this - with this location, and we ask  
25 that you -- if we can't get rid of the matter

1 completely, we throw ourselves on your mercy and ask  
2 for some consideration of a suspension or fine.

3 THE CLERK:

4 Thank you very much. Mr. Tyler?

5 MR. HEBERT:

6 Mr. Hebert.

7 CHAIRMAN JONES:

8 Excuse me.

9 MR. HEBERT:

10 It's okay.

11 CHAIRMAN JONES:

12 Please proceed.

13 MR. HEBERT:

14 Sure. Thank you for the opportunity.

15 And while I will be happy to answer any of this  
16 Board's questions regarding Mr. Robichaux's  
17 argument, I would first like us to focus on the true  
18 issue at hand here, and that's this: According to  
19 Louisiana gaming law, all applicants for a licensee  
20 and licensees as well as anyone with a 5 percent or  
21 more interest shall be current in all applicable tax  
22 returns and in the payment of all taxes.

23 What is painfully clear based on the  
24 sequence of events that I'll show you this morning  
25 is that Michael Shehan is either unwilling or unable

1 to obtain a tax clearance from LDR. The reason for  
2 that inability to provide a tax clearance is

3 irrelevant. The fact that he is unwilling or unable  
4 to be granted a tax clearance based on Louisiana  
5 gaming law is grounds for revocation of the gaming  
6 license of Voodoo Bar.

7           Let me begin where this all began.

8 On July 20th, the Division was notified by the  
9 Louisiana Department of Revenue that Voodoo Bar as  
10 well as Michael Shehan, member of the licensee, were  
11 delinquent in the filing or payment of Louisiana  
12 State taxes and returns.

13           On November 9th of 2012, the Division  
14 sent a letter which clearly indicates that both  
15 Voodoo Bar and Michael Shehan are delinquent and  
16 notifies each that it had 30 days from the date of  
17 receipt of the letter to resolve the delinquencies  
18 with the LDR.

19           It also provided the licensee with  
20 the name and contact of the specific individual at  
21 LDR with whom to resolve this delinquency.  
22 Additionally, it warns of a Recommendation of  
23 Revocation for failure to comply.

24           This letter was received by Voodoo  
25 Bar on November 15th, 2012, giving Mr. Shehan and

39

1 Voodoo Bar 30 days, or until around December 15th,  
2 2012, to comply. So on November 15th, 2012, Voodoo  
3 Bar knew that its license could be revoked based on  
4 its noncompliance.

5           Let's move to March 5th, 2013, three

6 and a half months after Voodoo Bar is placed on  
7 notice. LDR notifies the Division that the licensee  
8 as well as Mr. Shehan remain ineligible for a tax  
9 clearance. The Division via letter dated March  
10 25th, 2013 offers the licensee an opportunity to  
11 participate in a Compliance Conference. Mr. Shehan  
12 indicates that he will participate in this  
13 Compliance Conference. And, in fact, on April 11th,  
14 2013, Mr. Shehan attends this Compliance Conference  
15 as representative of the licensee.

16           At this conference, Sgt. Lionel  
17 Sibley, representative of the Division, emphasized  
18 that the letter directed the licensee to contact  
19 Mr. Henry Mayes at LDR to resolve these tax  
20 clearance issues. Mr. Shehan indicated that he  
21 would contact Mr. Mayes immediately.

22           Now, because a subsequent LDR  
23 followup shows that neither Mr. Shehan or Voodoo Bar  
24 is eligible for a tax clearance, on April 19th of  
25 2013 - and at this time we're five months out from

40

1 the licensee receiving notice - this Board issued a  
2 Notice of Recommendation of Revocation to the  
3 licensee.

4           The licensee did, in fact, request a  
5 hearing which was docketed for June 26, 2013. On  
6 June 26, 2013, Mr. Shehan requested a continuance,  
7 and the Division does not object. The matter was  
8 then continued to July 29th, 2013. Interesting to

9 note that the Division's check on July 23rd, 2013,  
10 just days before the hearing, confirms that neither  
11 Mr. Shehan nor Voodoo Bar are eligible for a tax  
12 clearance.

13 Let's now move to July 29th, 2013,  
14 seven and a half months after the licensee is placed  
15 on notice. Mr. Shehan appears with Mr. Robichaux as  
16 counsel. Immediately prior to the hearing,  
17 Assistant Attorney General Olga Bogran who was  
18 handling this matter at the time asked Mr. Shehan if  
19 he had contacted Mr. Mayes as he had said he would  
20 in both the Compliance Conference as well as when he  
21 requested his first continuance. Mr. Shehan  
22 responded that he had not done so, and Mr. Robichaux  
23 indicated that it would now be done.

24 Prior to the commencement of the  
25 hearing on July 29th, Mr. Robichaux also requested a

41

1 second continuance in the matter, and despite the  
2 Division's objection based on the fact that  
3 Mr. Shehan had not responded to calls from Assistant  
4 Attorney General Brown and did not speak with Henry  
5 Mayes as he indicated he would, the second  
6 continuance was granted and a date set of August 26,  
7 2013.

8 On August 26, 2013, Mr. Shehan and  
9 his attorney failed to appear for this hearing, with  
10 counsel indicating that neither he nor Mr. Shehan  
11 had received notification from the Administrative

12 Hearing Office of the August 26th hearing date. A  
13 third continuance was granted, and the matter was  
14 scheduled for September 9th, 2013. Had they  
15 appeared, it's interesting to note that neither  
16 Mr. Shehan nor Voodoo Bar would have been eligible  
17 to obtain or produce a tax clearance.

18           We now move to September 9th, 2013,  
19 ten months after the licensee was placed on notice.  
20 A hearing in this matter is finally held. At this  
21 point, neither Voodoo Bar nor Mr. Shehan is eligible  
22 for a tax clearance. However, the licensee  
23 introduces a letter which was dated and allegedly  
24 obtained by Mr. Shehan on September 9th, 2013, the  
25 very morning of the hearing, from LDR. This letter

42

1 indicates that Mr. Shehan is in good standing for  
2 all taxes collected by the Louisiana Department of  
3 Revenue.

4           The Division, of course, objects as  
5 this information was not provided to the Division  
6 prior to the September 9th hearing nor was it  
7 provided to the Division in the method and form on  
8 which LDR ordinarily reports tax clearance status of  
9 licensees to the Division. Further, if you'll  
10 notice, the author of this letter is not Henry  
11 Mayes, the individual charged by LDR to submit tax  
12 clearance status updates for licensees.

13           On September 11, 2013, two days after  
14 the hearing, the Division again receives from Henry

15 Mayes a clearance form which indicates that on  
16 September 11th the LDR was unable to grant a tax  
17 clearance to Mr. Shehan. Additionally, on  
18 September 12th, 2013, LDR issues a letter which  
19 indicates that the Notice of Good Standing issued to  
20 Mr. Shehan on September 9th was, in fact, issued in  
21 error.

22           On November 14th of 2013, Hearing  
23 Officer Reynolds issues the original order that the  
24 Type 1 video poker license of Voodoo Bar be revoked  
25 solely on Voodoo Bar's inability and not

43

1 Mr. Shehan's inability to obtain a tax clearance.

2           I would like to note in fairness that  
3 Voodoo Bar does, in fact, become tax compliant  
4 subsequent to that September 9th hearing, leaving  
5 only Mr. Shehan's inability to obtain a tax  
6 clearance at issue.

7           On November 22nd, 2013, the Division  
8 filed a motion to reopen this matter, alleging that  
9 since the hearing on September 9th, the Division had  
10 discovered evidence that was important to refute the  
11 contested evidence which was presented at the  
12 original hearing by Voodoo Bar and which could not  
13 have been obtained by the Division with due  
14 diligence before or during that September 9th  
15 hearing.

16           On March 31st, 2014, the matter was,  
17 in fact, reheard. During which time, the Division

18 introduced the documents received from Mr. Mayes  
19 with LDR in the form of the tax clearance form and  
20 the letter confirming the error on the part of LDR  
21 in issuing a clearance to Mr. Shehan. Additionally,  
22 Mr. Shehan was unable to be granted an individual  
23 tax clearance on March 31st, 2014 as evidenced by  
24 this document which was submitted by Mr. Mayes just  
25 four days prior.

44

1 We now move to April 30th where,  
2 based on this new evidence, Hearing Officer Reynolds  
3 issues a second Order for Revocation based on the  
4 fact that it's Mr. Shehan who is not in good  
5 standing for all taxes selected by LDR. And on  
6 May 28th, 2014, Voodoo Bar files an appeal of the  
7 Hearing Officer's decision.

8 So to summarize the timeline of  
9 events here, July 20th, 2012, the Division is  
10 notified of these delinquencies. November 15th,  
11 2012, Mr. Shehan and Voodoo Bar placed on notice of  
12 the delinquencies via the letter sent by the  
13 Division on November 9th of 2012.

14 In April of 2013, Mr. Shehan attends  
15 a Compliance Conference and says he's going to  
16 contact Mr. Mayes immediately to resolve his issues.  
17 April 19th of 2013, this Board issues a Notice for  
18 Recommendation of Revocation. June 26, 2013,  
19 Mr. Shehan is granted an unopposed continuance.

20 July 29th of 2013, seven and a half



21 months after the licensee is placed on notice, a  
22 second continuance is granted and opposed the  
23 continuance. August 26th, 2013, Mr. Shehan and his  
24 attorney failed to appear for the hearing resulting  
25 in a third continuance.

45

1 September 9th, ten months after the  
2 licensee is placed on notice, we finally have a  
3 hearing in this matter. On March 31st of this year  
4 a rehearing, and on May 28th, Voodoo Bar files this  
5 appeal.

6 So here we are before you, two years  
7 after the Division was originally notified of the  
8 delinquency on July 20th, 2012 and Mr. Shehan  
9 remains out of compliance.

10 In the meantime, since July 20th of  
11 2012, Voodoo Bar, while being unwilling to come into  
12 compliance, has earned net device revenue of over  
13 \$459,000. Based on Louisiana law, Voodoo Bar  
14 remains subject to revocation of its Type 1 video  
15 poker license.

16 Despite allegations made in this  
17 matter regarding the lack of due process and  
18 erroneous allegations claiming that the Division  
19 revoked the license of Voodoo Bar because of alleged  
20 errors and omissions of a third business, one thing  
21 remains perfectly clear: It is irrefutable that  
22 Mr. Shehan as of the hearing held on March 31st,  
23 2014 is not in good standing regarding all

24 individual taxes collected by LDR and is unable to  
25 be granted a tax clearance.

46

1           The one document which states that  
2 Mr. Shehan was able to be granted a clearance was  
3 not obtained by the Division as is customary in  
4 these matters but by Mr. Shehan himself and was  
5 proved to be issued in error, by not only the letter  
6 indicating such but subsequent forms issued by  
7 Mr. Mayes, the individual charged with issuing  
8 clearance forms, which indicated that Mr. Shehan was  
9 not able to obtain an individual tax clearance.

10           This, despite numerous continuances,  
11 clear instructions from the Division in writing and  
12 face-to-face meetings regarding the proper  
13 individual at the LDR to contact regarding these  
14 issues, Mr. Shehan has refused to solve the problem  
15 despite the Division giving him every opportunity to  
16 do so.

17           Mr. Robichaux argues as if having a  
18 video poker license is a right. The Louisiana  
19 Constitution clearly states that it is not. It's a  
20 privilege, and it is one that is afforded video  
21 poker licensees in exchange for the licensee  
22 fulfilling its statutory obligations. Voodoo Bar  
23 has clearly failed to do so and, therefore, is  
24 ineligible to participate in the video poker gaming  
25 industry.

47

1 CHAIRMAN JONES:

2 Thank you. Before we proceed to  
3 questions, I'll permit Mr. Robichaux briefly  
4 anything new. Don't cover any other ground.

5 THOMAS ROBICHAUX:

6 Correct. I just want to say that the  
7 letters - the letter of clearance from September 9th  
8 and the letter - correction of September 12th do not  
9 contradict each other necessarily. If you look at  
10 the letter of September 12th, correction letter,  
11 that letter says that Mr. Shehan cannot get a tax  
12 clearance because of a business tax, not about --  
13 the original letter said he was clear on his  
14 individual taxes. That remains true.

15 What happened was they picked up the  
16 straight LLC issue. So the correction letter is -  
17 supports our argument and our position and the facts  
18 that it was before the Hearing Officer, was the  
19 facts in the record, that it was a business tax.  
20 And we know that Voodoo, LLC was cleared before the  
21 September 9th hearing, and, therefore, it's a  
22 separate entity. And we can't do that; we can't go  
23 to a second degree of separation, and that's the  
24 issue here.

25 I realize that it was a long time

48

1 coming to get everything straight. It has been  
2 straightened out. Everything has been cleared. And  
3 the Division just simply cannot - just because the

4 letter came through a different means as is  
5 customary, they cannot refuse to acknowledge it.

6           Every court and every entity in the  
7 state government has to give full faith and credit  
8 to the documents produced in due course of business  
9 by the other divisions and other departments of the  
10 government. And so --

11           CHAIRMAN JONES:

12           Pardon me. Please don't tell me what  
13 we can't do. Okay?

14           THOMAS ROBICHAUX:

15           Okay.

16           CHAIRMAN JONES:

17           Okay?

18           THOMAS ROBICHAUX:

19           I apologize. But that's -- I'm just  
20 stating the general rule of evidence here. So I  
21 just think that because of the way that the  
22 liability that was in question is far removed from  
23 the entity that is before you, because it's a  
24 separate entity, that it would -- we ask that you  
25 realize that and remove the revocation and commute

49

1 it to a lesser sentence shall we say. Thank you.

2           CHAIRMAN JONES:

3           Anything to add?

4           MR. HEBERT:

5           Nothing further.

6           CHAIRMAN JONES:

7 Board Members, do you have questions?

8 Mr. Bradford?

9 MR. BRADFORD:

10 If, in fact, your client is current  
11 on all of their -- is that anything that we can even  
12 hear here today? Is that -- that's new information.

13 CHAIRMAN JONES:

14 We can't take any new evidence.

15 MR. BRADFORD:

16 We don't really take new information.  
17 That would be for the Hearing Officer to -- we would  
18 have to remand this back to the Hearing Officer --

19 THOMAS ROBICHAUX:

20 Which I'm okay with.

21 MR. BRADFORD:

22 For him to hear that. Yes. I'm not  
23 buying half of what you're saying, but I just wanted  
24 you to know. So, anyway, that's all I have.

25 CHAIRMAN JONES:

50

1 Mr. Singleton?

2 MR. SINGLETON:

3 When would the Hearing Officer have  
4 made his last ruling?

5 MR. HEBERT:

6 Final ruling in this case was  
7 rendered on April 30th of this year.

8 MR. SINGLETON:

9 Of 2014?

10 MR. HEBERT:

11 Of 2014.

12 MR. SINGLETON:

13 And at that time, it was for  
14 revocation.

15 MR. HEBERT:

16 It was for revocation based on the  
17 fact that Mr. Shehan could not produce a tax  
18 clearance.

19 MR. SINGLETON:

20 And from the Division, that you all  
21 can find no form of information to say that it has  
22 been cleared up?

23 MR. HEBERT:

24 The Division -- it is not the  
25 Division's responsibility to seek out the reasons

51

1 behind --

2 MR. SINGLETON:

3 I get -- I'm not asking you to seek  
4 out the reasons that -- what you're saying is that  
5 you have nothing to show that the clearance has been  
6 done properly.

7 MR. HEBERT:

8 Absolutely nothing. All evidence we  
9 have received since 2012 up until that point on  
10 April - or March 31st, the date of the final  
11 hearing, showed that Mr. Shehan could not obtain a  
12 tax clearance.

13 MR. SINGLETON:

14 And that's over two years, from 2012  
15 to 2014.

16 MR. HEBERT:

17 Correct.

18 CHAIRMAN JONES:

19 Mr. Gaston?

20 MR. GASTON:

21 Mr. Chairman, I'd like to move the  
22 information of the Hearing Officer's decision on  
23 this matter. I think the predominance of the  
24 information is clear, to me at least, and I would  
25 like to move that at this time.

52

1 CHAIRMAN JONES:

2 We have -- pardon me. One second.

3 Are there any other questions? We do have a motion  
4 on the floor. But we defer?

5 MR. STINE:

6 Does Mr. Shehan own Voodoo?

7 THOMAS ROBICHAUX:

8 Yes.

9 MR. STINE:

10 A hundred percent? Ten percent?

11 THOMAS ROBICHAUX:

12 A hundred percent.

13 MR. STINE:

14 Okay. You referenced a lack of due  
15 process. Where was there in your mind a lack of due

16 process in consideration two years -- and, I mean,  
17 justice delayed is justice denied, and you keep  
18 collecting revenues in the video poker arena. I'm  
19 confused by the justice - I mean the due diligence.

20 THOMAS ROBICHAUX:

21 I believe that the failure of the  
22 Division to look at the evidence before it with that  
23 letter, to accept that letter, the September 9th  
24 letter, from LDR as genuine is in itself a due  
25 process error.

53

1 Also the Division's response that  
2 when presented with a prima facie claim of that its  
3 not me; it's this other company, failure to  
4 investigate at all, just saying it's not our duty is  
5 a due process problem. Because even if it's -- if  
6 it's statutory the Division doesn't have to go  
7 forward and go that extra mile, the attorneys when  
8 they sign the pleadings, they have a duty to  
9 research and to do due diligence. And so I think  
10 that there's a due process issue there, that the  
11 Division is sitting back on it's bureaucratic  
12 laurels.

13 MR. STINE:

14 In reading the Court record, nowhere  
15 did the Division object on September the 9th to the  
16 admission of the letter from LDR, and then they  
17 subsequently came up with a -- or the LDR gave  
18 another letter, and I think the Division even asked



19 for another hearing.

20 In my mind, the Division has done  
21 everything for your client, every possible thing for  
22 your client to make him - to allow him to remedy  
23 this process and has been, I think, very -- I just  
24 can't see -- I understand your argument, but I  
25 cannot see it on that charge.

54

1 CHAIRMAN JONES:

2 Anything else, Mr. Stine?

3 MR. STINE:

4 No.

5 CHAIRMAN JONES:

6 The Board is clear. We have a  
7 motion. Do you want to restate the motion?

8 MR. JACKSON:

9 Second.

10 CHAIRMAN JONES:

11 We have a second to affirm the  
12 decision.

13 MR. JACKSON:

14 Second.

15 CHAIRMAN JONES:

16 And we have a second. All in favor?  
17 (Collective "aye.") Opposed? The Hearing Officer's  
18 decision is affirmed. Thank you, Mr. Robichaux.

19 4. In Re: Felicia N. Strauss - No. P040061783

20 (appeal)

21 CHAIRMAN JONES:

22 Next up. Regarding Felicia N.  
23 Strauss. That's Number P040061783. This is an  
24 appeal.

25 MR. HEBERT:

55

1 Yes. Chairman Jones, Members of the  
2 Board, Christopher Hebert representing the Louisiana  
3 Office of State Police in the appeal of Felicia  
4 Strauss. I don't know that Ms. Strauss is present,  
5 but Ms. Strauss is appealing the Hearing Officer's  
6 decision to revoke her non-key gaming employee  
7 permit based on pending charges of possession of a  
8 controlled dangerous substance 3, an offense which  
9 is punishable by imprisonment for more than one  
10 year, as well as a charge of possession of  
11 marijuana.

12 Ms. Strauss has acknowledged in her  
13 letter of appeal and the Division has confirmed that  
14 the matter is still pending in criminal court. Ms.  
15 Strauss' sole argument on appeal is that she's  
16 innocent under the law unless she is convicted.  
17 However, under gaming law, this Board shall not  
18 license any individual who has a pending charge for  
19 any offense punishable by imprisonment of more than  
20 one year, as does Ms. Strauss in this instance.

21 The Division, therefore, asserts that  
22 Ms. Strauss is unsuitable for and disqualified from  
23 possessing a non-key gaming employee permit and asks  
24 that this Board affirm the Hearing Officer's

25 decision.

56

1 CHAIRMAN JONES:

2 Is Ms. Strauss here or anyone  
3 representing Ms. Strauss? (No response.) We have a  
4 recommendation from the Attorney General's Office.  
5 Do we have a motion -- or do we have any questions?  
6 Excuse me. Any questions? (No response.) Do I  
7 have a motion?

8 MR. JACKSON:

9 I make a motion.

10 MR. SINGLETON:

11 Second.

12 CHAIRMAN JONES:

13 A motion. Seconded by Mr. Singleton.  
14 All in favor? (Collective "aye.") Any opposed?  
15 The motion carries. Thank you.

16 MR. HEBERT:

17 Thank you.

18 5. In Re: Cody's Enterprises, Inc. d/b/a  
19 Calcasieu Exxon - No. 1001512817 (appeal)

20 CHAIRMAN JONES:

21 The final item is regarding Cody's  
22 Enterprises, Inc. d/b/a Calcasieu Exxon. Number  
23 15001512817. This is an appeal. Good morning,  
24 ladies and gentlemen. Please introduce yourself  
25 into the record.

57

1 MR. BROUSSARD:

2 Good morning. My name is Albert C.  
3 Broussard. I'm the President of Cody's Enterprises,  
4 Incorporated d/b/a Calcasieu Exxon.

5 MS. BROWN:

6 Good morning. I'm Mesa Brown,  
7 Assistant Attorney General representing the  
8 Division.

9 CHAIRMAN JONES:

10 Very good. You may proceed, sir.  
11 And you understand you can introduce nothing new  
12 this morning?

13 MR. BROUSSARD:

14 Yes, sir.

15 CHAIRMAN JONES:

16 Very good.

17 MR. BROUSSARD:

18 First I want to thank you for taking  
19 the time to hear me today. Due to unforeseen  
20 circumstances, including health issues I've had,  
21 that I have not been able to meet compliance  
22 deadlines in the past. Right now today I'm current  
23 on my payments and/or filings of Federal tax and  
24 State tax returns.

25 I have resources in place to ensure

58

1 the continuance of compliance in the future. I  
2 respectfully request the Board remand my case to the  
3 Hearing Officer for his consideration of new  
4 evidence I have. The Louisiana Office of State

5 Police currently has tax clearances from both the  
6 LDR and Internal Revenue Service. And that's it.  
7 Thank you.

8 CHAIRMAN JONES:

9 Thank you.

10 ASST. ATT. GENERAL BROWN:

11 The Hearing Officer's decision  
12 revoking Cody's Enterprises Type 5 video gaming  
13 license is correct under the facts that were  
14 presented at the April 7th hearing. At the time of  
15 the hearing, Cody's Enterprises and Albert  
16 Broussard, 100-percent owner and President of  
17 Cody's, were both delinquent in Federal and State  
18 taxes.

19 Sheila Broussard, Secretary Treasurer  
20 of the company, was delinquent in payment and/or  
21 filing of her State taxes. As a result of these tax  
22 delinquencies which were present at the time of the  
23 hearing, the Hearing Officer's decision revoking  
24 Cody's Enterprises' license is correct.

25 Mr. Broussard has filed an appeal

59

1 with this Board - he filed it on June 5th - stating  
2 that he is now current on all of his taxes and  
3 requesting that the Board remand the matter back to  
4 the Hearing Office.

5 The tax clearances that Mr. Broussard  
6 would like to present are new evidence which cannot  
7 be heard on appeal. So there are two options: One,

8 to affirm the Hearing Officer's decision revoking  
9 Cody's Enterprises' Type 5 video gaming license; or,  
10 two, the matter can be remanded back to the Hearing  
11 Office in order to allow the new evidence to be  
12 presented. Under these facts, the Division does not  
13 oppose the remanding of this matter back to the  
14 Hearing Office.

15 CHAIRMAN JONES:

16 Thank you. Has the license ever been  
17 disciplined before? Has there ever been a problem  
18 with the license?

19 MR. BROUSSARD:

20 No, sir.

21 CHAIRMAN JONES:

22 Very good. Any questions from --

23 MR. STINE:

24 I move.

25 CHAIRMAN JONES:

60

1 We have a motion to -- to remand? To  
2 remand. We have a motion to remand with a second.

3 MR. GASTON:

4 Second.

5 CHAIRMAN JONES:

6 All in favor? (Collective "aye.")

7 Opposition? The remand is granted.

8 MR. BROUSSARD:

9 Thank you very much.

10 CHAIRMAN JONES:

11 Thank you.

12 VIII. ADJOURNMENT.

13 CHAIRMAN JONES:

14 There being no further business

15 before the Board, I will entertain a motion to

16 adjourn.

17 MR. SINGLETON:

18 I move.

19 CHAIRMAN JONES:

20 By Mr. Singleton.

21 MR. JACKSON:

22 Second.

23 CHAIRMAN JONES:

24 And a second. All in favor?

25 (Collective "aye.") Opposed? Thank you. Meeting

61

1 is adjourned.

2

3

4

5

6

7

8

9

10

11

12

13

14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

62

1 REPORTER'S PAGE

2 I, MICHELLE M. DARDEAU, Certified Shorthand  
3 Reporter, in and for the State of Louisiana, the  
4 officer before whom this sworn testimony was taken,  
5 do hereby state:

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

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



17  
18  
19  
20  
21  
22  
23  
24  
25

63

1 REPORTER'S CERTIFICATION

2 I, MICHELLE M. DARDEAU, Certified Court Reporter  
3 in and for the State of Louisiana, Certificate Number  
4 21014 (in good standing), as the officer before whom  
5 this testimony was taken, do hereby certify that the  
6 foregoing is a true and correct transcript of the  
7 proceedings on July 24, 2014, as taken by me in the  
8 Stenographic machine shorthand, complemented with  
9 magnetic tape recording, and thereafter reduced to  
10 transcript, to the best of my ability and  
11 understanding, using Computer-Aided Transcription.  
12 I further certify that I am not an attorney or  
13 counsel for any of the parties, that I am neither  
14 related to nor employed by any attorney or counsel  
15 connected with this action, and that I have no  
16 financial interest in the outcome of this action.  
17 Baton Rouge, Louisiana, this 31st day of August,  
18 2014.

19

20

---

MICHELLE M. DARDEAU, CCR

21

22

23

24