

1: 1 LOUISIANA CONTROL BOARD

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4 BOARD OF DIRECTORS' MEETING

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8

9 December 19, 2013

10

11 House Committee Room 1

12 Louisiana State Capitol

13 900 North Third Street

14 Baton Rouge, Louisiana

15

16

17

18 TIME: 10:00 A.M.

19

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21

22

23

24

25

2

1 APPEARANCES

2 RONNIE JONES

Chairman (At Large)

3

4 FRANKLIN AYRES BRADFORD

Vice-Chair (Economic Planner)

5 Fifth Congressional District

June 30, 2013

6

7 JAMES SINGLETON

(Public/Business Administration)

8 Second Congressional District

June 30, 2014

9

10 MARK STIPE

(Attorney)

11 Seventh Congressional District

June 30, 2014

12

13 DENISE NOONAN

(At Large)

14 First Congressional District

June 30, 2015

15

16 MAJOR CLAUDE MERCER

(Law Enforcement)

17 Fifth Congressional District

June 30, 2018

18

19 CLAUDE D. JACKSON

(At Large)

20 Fourth Congressional District

June 30, 2015

21

22 ROBERT W. GASTON, III

(At Large)

23 Sixth Congressional District

24

MAJOR MARK NOEL

25 Louisiana State Police

3

1 APPEARANCES CONTINUED

2

3 MICHAEL E. LEGENDRE

LDR Director, Office of Charitable Gaming

4

5 LANA TRAMONTE

Executive Assistant

6

7 TRUDY SMITH

Confidential Assistant

8

9 REPORTED BY:

10

11 SHELLEY G. PAROLA, CSR, RPR

12 Baton Rouge Court Reporters

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1 I. CALL TO ORDER

2 CHAIRMAN JONES: Good morning and  
3 welcome to the Louisiana Gaming Control  
4 Board December meeting. Miss Tramonte,  
5 would you call the roll.

6 THE CLERK: Chairman Jones?

7 CHAIRMAN JONES: Here.

8 THE CLERK: Mr. Bradford?

9 MR. BRADFORD: Here.

10 THE CLERK: Mr. Jones? [No  
11 response.] Mr. Stipe?

12 MR. STIPE: Here.

13 THE CLERK: Mr. Singleton? [No  
14 response.] Miss Noonan?

15 MS. NOONAN: Here.

16 THE CLERK: Major Mercer?

17 MAJOR MERCER: Here.

18 THE CLERK: Mr. Jackson?

19 MR. JACKSON: Here.

20 THE CLERK: Mr. Gaston?

21 MR. GASTON: Here.

22 THE CLERK: Colonel Edmonson?

23 MAJOR NOEL: Major Noel for Colonel  
24 Edmonson.

25 THE CLERK: Secretary Barfield?

1 MR. LEGENDRE: Mike Legendre for  
2 Secretary Barfield.

3 II. PUBLIC COMMENTS

4 CHAIRMAN JONES: At this time I'd  
5 call for any public comment related to  
6 business before the Gaming Control  
7 Board. Okay, good.

8 III. APPROVAL OF THE MINUTES

9 CHAIRMAN JONES: I would ask for a  
10 motion to waive the reading and approve  
11 the minutes from the last meeting.

12 MS. NOONAN: I move.

13 MR. STIPE: Second.

14 CHAIRMAN JONES: All in favor?  
15 [Collective "aye."] Any opposed? [No  
16 response.] The motion carries.

17 IV. REVENUE REPORTS

18 CHAIRMAN JONES: At this time I'd  
19 ask for Revenue Reports, State Police.  
20 Please take the table and identify  
21 yourself.

22 MS. JACKSON: Good morning, Chairman  
23 Jones and Board Members. My name is  
24 Donna Jackson with Louisiana State  
25 Police. The riverboat revenue report

1 for November 2013 is shown on page one  
2 of your handout.

3           During November, the 14 operating  
4           riverboats generated Adjusted Gross  
5           Receipts of \$144,143,475, up almost  
6           \$12 million or 9 percent from October,  
7           and up \$11 million or 8.6 percent from  
8           November 2012.

9           Adjusted Gross Receipts for fiscal  
10          year 2013-2014 to date are \$712 million,  
11          an increase of 6 percent from fiscal  
12          year 2012-2013.

13          During November the state collected  
14          fees of \$31 million. As of  
15          November 30th, 2013, the state has  
16          collected \$153 million in fees for  
17          fiscal year 2013-2014.

18          Next is a summary of the  
19          November 2013 gaming activity for  
20          Harrah's New Orleans found on page  
21          three. During November Harrah's general  
22          \$31,039,629 in gross gaming revenue, an  
23          increase from October of \$5 million or  
24          20 percent, and an increase of \$2.5  
25          million or 9 percent from last November.

9

1          Fiscal year-to-date gaming revenues for  
2          2013-2014 to date are \$134 million, up  
3          \$5 million or 4 percent from fiscal year  
4          2012-2013.

5          During November, the state received

6 \$4.9 million in minimum daily payments.  
7 As of November 30th, 2013, the state has  
8 collected \$25 million in fees for fiscal  
9 year 2013-2014.

10 Slots at the Racetracks revenues are  
11 shown on page four. During November,  
12 the four racetrack facilities combined  
13 Gross Gaming Adjusted Gross Receipts of  
14 \$31,355,154, an increase of 7.7 percent  
15 or \$2 million from last month, but a  
16 1.2 percent decrease from last November.

17 Adjusted Gross Receipts for fiscal  
18 year 2013-2014 to date are almost \$158  
19 million, a decrease of \$4.5 million or  
20 3 percent from last fiscal year.

21 During November, the state collected  
22 fees totaling \$4.8 million. As of  
23 November 30th, 2013, the state has  
24 collected \$24 million in fees for fiscal  
25 year 2013-2014.

10

1 Overall in November, Riverboats,  
2 Land-Based and Slots at the Racetracks  
3 combined Gross Gaming almost \$207  
4 million in Adjusted Gross Receipts,  
5 which is about \$14 million or 7 percent  
6 more than the previous November.

7 Are there any questions before I  
8 present the Harrah's employee

9 information?

10 CHAIRMAN JONES: Board members, any  
11 questions? [No response.] The board's  
12 clear.

13 MS. JACKSON: Harrah's New Orleans  
14 is required to maintain at least 2,400  
15 employees and a bi-weekly payroll of  
16 \$1,750,835. This report covers the two  
17 pay periods in November 2013. For the  
18 first pay period, the Audit Section  
19 verified 2,458 employees with a payroll  
20 of \$2,033,000. For the second pay  
21 period, the Audit Section verified 2,459  
22 employees with a payroll of \$2,043,000.  
23 Therefore, Harrah's met the employment  
24 criteria during November.

25 CHAIRMAN JONES: Any questions? [No

11

1 response.] Thank you very much.

2 Good morning.

3 MR. BOSSIER: Good morning, Chairman  
4 Jones and Board Members. My name is Jim  
5 Bossier with the Louisiana State Police  
6 Gaming Audit Section. I'm reporting  
7 video gaming information for  
8 November 2013 as shown on page one of  
9 your handout.

10 During November 2013, eight new  
11 video gaming licenses were issued: Six

12 bars and two restaurants. Fourteen new  
13 applications were received by the Gaming  
14 Enforcement Division during November and  
15 are currently pending in the field:

16 Seven bars and seven restaurants.

17 The Gaming Enforcement Division  
18 assessed \$8,350 and collected \$13,250 in  
19 penalties in November, and there are  
20 currently \$13,250 in outstanding fines.

21 Please refer to page two of your  
22 handout.

23 There are presently 13,978 video  
24 gaming devices activated at 1,981  
25 locations.

12

1 Net device revenue for November 2013  
2 was \$48,088,188, a \$400,000 increase or  
3 one percent when compared to net device  
4 revenue for October 2013, and a  
5 \$2 million decrease, or 3.9 percent,  
6 when compared to November 2012.

7 Net device revenue for fiscal year  
8 2014 was \$236,884,723 [sic], a  
9 \$6 million decrease, or 2.5 percent,  
10 when compared to net device revenue for  
11 fiscal year 2013. Page three of your  
12 handout shows a comparison of net device  
13 revenue.

14 Total franchise fees collected for

15 November 2013 were \$14,373,019, a  
16 \$200,000 increase when compared to  
17 October 2013, and a \$500,000 decrease  
18 when compared to November 2012.

19 Total franchise fees collected for  
20 fiscal year 2014 are \$70,758,942, a  
21 \$1.7 million decrease, or 2.4 percent,  
22 when compared to last year's franchise  
23 fees.

24 Page four of your handout shows a  
25 comparison of franchise fees. Does

13

1 anybody have any questions?

2 CHAIRMAN JONES: Board Members,  
3 questions? Thank you, Jim.

4 MR. BOSSIER: Thank you.

## 5 V. CASINO GAMING ISSUES

6 A. Consideration of Petition for Approval of  
7 Financing Transactions by Tropicana  
8 Entertainment, Inc.

9 CHAIRMAN JONES: We'll move on to  
10 Casino Gaming Issues. First up is  
11 Consideration of Petition for Approval  
12 of Financing Transactions by Tropicana  
13 Entertainment, Inc. Ladies and  
14 gentlemen, take the table and introduce  
15 yourself to the Board.

16 MS. FICKLIN: Good morning,  
17 Mr. Chairman and Board Members. My name

18 is Evie Ficklin. I'm an auditor with  
19 the Louisiana State Police.

20 Tropicana Entertainment, Inc., owns  
21 and operates Catfish Queen Partnership  
22 In Commendam, also known as the Belle of  
23 Baton Rouge Casino. On August 16th,  
24 2013, Tropicana entered into the equity  
25 interest purchase agreement with

14

1 Pinnacle Entertainment. Pursuant to  
2 that agreement, Tropicana agreed to  
3 acquire Pinnacle's Lumiere Place Casino  
4 and Hotel and certain other assets in  
5 St. Louis for \$260 million in cash.

6 To partially fund its acquisition of  
7 Lumiere and refinance its existing  
8 credit agreement, Tropicana consummated  
9 its new \$315 million credit agreement  
10 November 27th, 2013. The new credit  
11 agreement includes a five-year \$15  
12 million revolver and a seven-year \$300  
13 million term loan.

14 Tropicana's new credit agreement  
15 also includes an accordion feature that  
16 provides Tropicana, its lender's  
17 pre-approval, to incur additional term  
18 loans or increase its revolving  
19 commitments up to an unlimited amount in  
20 the absence of any default; however,

21 because the accordion feature is  
22 unlimited, exercising the accordion  
23 option in the future under the  
24 incremental facility will require the  
25 Board's approval.

15

1 Tropicana provided the sources and  
2 uses of funds schedule shown on page six  
3 of our report. The company used  
4 approximately \$172 in proceeds from its  
5 \$300 million term loan at closing to  
6 repay outstanding amounts under its  
7 previous credit agreement. Tropicana  
8 did not draw down anything under its  
9 revolver.

10 The remainder of the proceeds will  
11 be used with available cash for the  
12 Lumiere acquisition, on buying working  
13 capital and for general corporate  
14 purposes. Although Tropicana has closed  
15 on its new credit agreement, the  
16 pledging of the Belle of Baton Rouge as  
17 security under that agreement is not  
18 considered effective until Tropicana  
19 receives the Board's approval of its new  
20 financing.

21 EBITDA and Tropicana's projections  
22 provided to you in the supplemental  
23 information handout today appears

24 sufficient to maintain its debts.

25 No issues came to our attention to

16

1 preclude the Board's approval of

2 Tropicana's new \$315 million credit

3 agreement, and I'll be happy to answer

4 any questions. And also, I believe,

5 industry has sent Mr. Lance Millage,

6 Tropicana's CFO, as well.

7 CHAIRMAN JONES: Do you have any

8 questions of State Police? We see no

9 issues. Thank you.

10 MS. FICKLIN: Thank you.

11 CHAIRMAN JONES: Someone from

12 Tropicana? Please have a seat and

13 identify yourself. Morning, gentlemen.

14 MR. KELLY: Good morning,

15 Mr. Chairman, Kelly Duncan from Jones

16 Walker. To my immediate right is

17 Patrick Brown, General Manager of the

18 Belle of Baton Rouge, and to Patrick's

19 right is Lance Millage, who is Executive

20 Vice-President and CFO of Tropicana, and

21 we're here to answer any questions that

22 you as a Board might have.

23 CHAIRMAN JONES: Mr. Stipe.

24 MR. STIPE: The primary source of

25 the funds -- primary use of the funds is

17

1 the acquisition in Missouri; is that  
2 accurate?

3 MR. MILLAGE: That's correct.

4 MR. STIPE: Are there any direct  
5 uses of the funds here in this  
6 particular venue for that facility?

7 MR. MILLAGE: At this time, nothing  
8 is planned. I think, as the State  
9 Police told you, it will leave us with  
10 roughly a \$100 million in excess cash on  
11 the balance sheet. That cash will be  
12 used for future developments in all of  
13 our properties. We're currently in our  
14 budget processing for 2014 and '15 with  
15 our board members, and we're evaluating  
16 the Baton Rouge markets specifically.  
17 Given the growth that we've seen in the  
18 market we're opening up, we're very  
19 comfortable with the market. We'd like  
20 to look at ways to improve our gaming  
21 experience, so it's definitely on the  
22 table for 2014, as I believe Mr. Tony  
23 Rodio, our CEO, mentioned to you a month  
24 ago.

25 MR. STIPE: And, I guess, I think

18

1 the Board kind of gave you flexibility  
2 from a personnel standpoint last  
3 meeting.

4 MR. MILLAGE: Um-hmm.

5 MR. STIPE: You've come here for  
6 approval from a funding standpoint to be  
7 able to free up capital expenditures. I  
8 think the number I heard is a hundred  
9 million in capital that's available to  
10 improve this facility. I guess, is  
11 there anything else you're going to  
12 request of us to be able to upgrade the  
13 facility?

14 MR. MILLAGE: You know not until  
15 we've completed our studies and taken a  
16 look at how we can improve that gaming  
17 experience, make it a safer experience  
18 for everybody else to potentially move  
19 that gaming experience closer, from now  
20 until then, I don't foresee anything.

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

22 CHAIRMAN JONES: Any other questions  
23 from the Board? [No response.] The  
24 board looks clear. We have a motion  
25 before us.

19

1 MAJOR MERCER: I move we approve.

2 MR. SINGLETON: I'll second.

3 CHAIRMAN JONES: I have a motion and  
4 a second. Would you read the resolution  
5 into the record.

6 THE CLERK: On the 19th day of

7 December 2013, the Louisiana Gaming  
8 Control Board did, in a duly noticed  
9 public meeting, consider the issue of  
10 Tropicana Entertainment, Incorporated's  
11 request for approval of its new credit,  
12 agreement, and upon motion duly made and  
13 second, the Board adopted this  
14 resolution.

15 Be it resolved that Tropicana  
16 Entertainment, Incorporated's, new  
17 credit agreement consisting of a  
18 \$15 million senior secured revolver and  
19 a \$300 million senior secured term loan  
20 is hereby approved.

21 Thus done and signed in Baton Rouge,  
22 Louisiana, this 19th day of December  
23 2013.

24 CHAIRMAN JONES: That's the  
25 resolution before you, Board Members.

20

1 All in favor? [Collective "aye."] Any  
2 opposed? [No response.] The motion  
3 carries, the resolution passes. Thank  
4 you.

5 MR. KELLY: Thank you.

6 F. Consideration of Petition for Approval of  
7 Transfer of Ownership Interests by AGS  
8 Holdings, LLC, Nos. PO56503059 & PO76503063 to  
9 AP Gaming Acquisition, LLC

10 CHAIRMAN JONES: We're going to jump  
11 the agenda. We have somebody that needs  
12 to make a flight. We're going to move  
13 to F: Consideration of Petition for  
14 Approval of Transfer of Ownership  
15 Interests by AGS Holding, LLC, Nos.  
16 PO56503059 and PO76503063 to AP Gaming  
17 Acquisition, LLC.

18 Gentlemen, would you have a seat and  
19 tell us who you are. Good morning.

20 MR. THOMPSON: Morning, Board  
21 Members, I'm Buddy Thompson, Assistant  
22 Attorney General. With me is State  
23 Police Trooper Kevin Lamotte. I also  
24 have Mr. Paul West, who is the attorney  
25 for the petitioner in the this matter.

21

1 We're here in the matter of the  
2 transfer of ownership in AGS, LLC, which  
3 is a Louisiana permittee which has a  
4 gaming manufacturer and a gaming  
5 supplier permit, and this is a transfer  
6 of ownership in that permittee to AP  
7 Gaming Acquisition, LLC, whose parent  
8 company, AP Gaming Holdings, LP, is a  
9 hundred percent owned by Apollo Fund  
10 VIII. Apollo Fund VIII is an investment  
11 fund which is manage controlled by  
12 Apollo Gaming Management, LLC, which is

13 an SEC registered publicly traded  
14 company with the New York stock symbol  
15 of APO.

16 Subsequent to the transfer, Apollo  
17 Fund VIII will, through a series of  
18 intermediary holding companies --  
19 including AP Gaming Acquisition, LLC --  
20 will hold all of the interest in the  
21 Louisiana permittee, AGS, LLC.

22 There are three individuals who  
23 manage and control Apollo, namely  
24 Mr. Leon Black, Mr. Marc Rowan,  
25 Mr. Joshua Harris. They were previously

22

1 found suitable on December 11th, 2012,  
2 and they continue to maintain  
3 suitability to the present.

4 AP Gaming Acquisition, LLC, and its  
5 parent companies have one and only one  
6 officer and director, Mr. David  
7 Sandberg, and he also was found  
8 previously suitable on December 11th,  
9 2012, and continues to remain in  
10 suitability to the present.

11 There's one institutional investor  
12 involved in this Apollo Fund VIII, and  
13 they own approximately 5.2 percent.  
14 That's the Canada Pension Plan  
15 Investment Board, and they filed an

16 institutional investor form with State  
17 Police requesting that they be qualified  
18 as an institutional investor under  
19 Louisiana Revised Statute 27:3(13)(i)  
20 and Louisiana Revised Statute 27:27.

21 Trooper Lamotte will now give his  
22 findings to the Board.

23 CHAIRMAN JONES: Trooper.

24 TROOPER LAMOTTE: Good morning,  
25 Chairman Jones and Board Members. Based

23

1 on my investigation of all the  
2 individuals involved, I found no  
3 information that would preclude the  
4 Board from approving this transaction.  
5 As far as the Canadian Pension Board  
6 goes, it's regulated by the -- it was  
7 created by Canadian Government in 1997  
8 to regulate the pension funds for  
9 Canadian Government workers and is still  
10 heavily regulated by Canadian Government  
11 at this time, so I found no reason that  
12 it would not qualify with the Board's  
13 approval as an institutional investor.

14 CHAIRMAN JONES: Board Members, any  
15 questions of Mr. Thompson or Trooper  
16 Lamotte? No questions. Thanks,  
17 gentlemen.

18 MR. THOMPSON: Mr. Chairman, a

19 review of the file compiled as a result  
20 of the investigation conducted by State  
21 Police revealed no information to  
22 preclude the approval of this transfer  
23 of ownership interest to AGS, LLC, to AP  
24 Gaming Acquisition, LLC, as well as to  
25 approve the Canada Pension Plan

24

1 Investment Board as a duly recognized  
2 institutional investor.

3 CHAIRMAN JONES: Very good, thank  
4 you. Mr. West.

5 MR. WEST: Good morning, Chairman --

6 CHAIRMAN JONES: Morning.

7 MR. WEST: -- Board Members. I have  
8 with me Daniel Cohen who does have a  
9 catch a plane, so I appreciate you  
10 moving this up on the agenda so he can  
11 get home for the holidays. Daniel is  
12 with Apollo Global Management, and we're  
13 here to answer any questions you have  
14 about the transaction.

15 It's a \$215 million transaction. By  
16 many measures it's not a large  
17 transaction. AGS has got a very limited  
18 presence here in the state. I think  
19 they have 25 slot machines in the whole  
20 state, but we're hoping to improve upon  
21 that once the acquisition is made and

22 Apollo acquires the company.

23 CHAIRMAN JONES: Board, any  
24 questions for Mr. West?

25 MR. GASTON: I move, Mr. Chairman.

25

1 CHAIRMAN JONES: We have a motion by  
2 Dr. Gaston, and a second --

3 MR. BRADFORD: I'll second.

4 CHAIRMAN JONES: -- by Mr. Bradford.

5 Miss Tramonte, would you read the  
6 resolution into the record.

7 THE CLERK: On the 19th day of  
8 December 2013, the Louisiana Gaming  
9 Control Board did, in a duly noticed  
10 public meeting, consider AGS, LLC's,  
11 petition for transfer of ownership  
12 interest by AGS Holdings, LLC, to AP  
13 Gaming Acquisition, LLC, and upon motion  
14 duly made and second, the Board adopted  
15 the following resolution.

16 Be it resolved that Canada Pension  
17 Plan Investment Board, CPPIB, is hereby  
18 determined to be an institutional  
19 investor in accordance with Louisiana  
20 Revised Statute 27:3(13)(i). Be it  
21 further resolved that the presumption of  
22 suitability afforded to CPPIB as an  
23 institutional investor pursuant to  
24 Louisiana 27:27 shall not preclude the

25 Board from investigating the suitability

26

1 or qualifications of CPPIB should the  
2 Board or the Gaming Enforcement Division  
3 of the Louisiana State Police become  
4 aware of facts which may result in CPPIB  
5 being found unsuitable or disqualified.

6 Be it further resolved that the  
7 proposed transfer of 100 percent of the  
8 membership in AGS Capital, LLC, parent  
9 company of the permittee, AGS, LLC, to  
10 AP Gaming Acquisition, LLC, is hereby  
11 approved.

12 Thus done and signed in Baton Rouge,  
13 Rouge, this 19th day of December 2013.

14 CHAIRMAN JONES: Board, all in  
15 favor? [Collective "aye."] Any  
16 opposition? [No response.] Motion  
17 carries. The resolution passes. Thank  
18 you very much.

19 B. Consideration of Petition to Amend License  
20 Conditions by Louisiana Casino Cruises, Inc.,  
21 d/b/a Hollywood Casino Baton Rouge, No.  
22 R011700193

23 CHAIRMAN JONES: We'll return to the  
24 regular order, which at this time is  
25 Consideration of Petition to Amend

27

1 License Conditions by Louisiana Casino

2 Cruises, Inc., doing business as  
3 Hollywood Casino Baton Rouge. That's  
4 Number RO11700193. Ladies and  
5 gentlemen, welcome to the Board. Please  
6 tell us who you are.

7 MR. RIGOT: Morning, Chairman Jones,  
8 Board Members. My name is Jim Rigot.  
9 I'm the General Manager of the Hollywood  
10 Casino Baton Rouge. I'm not the  
11 smartest guy or smartest person that God  
12 put on earth, and I don't have all the  
13 answers, so I invited two individuals  
14 with me today I'd like to introduce you  
15 to. To my right I have Sasha Hyderkahn.  
16 Sasha is our compliance manager. These  
17 two ensure, obviously, that we follow  
18 the rules and procedures and policies  
19 and internal controls, in other words,  
20 stay compliant.

21 To my left I have Cynthia Simms.  
22 Cynthia is our Vice -- I should say  
23 Director of Human Resources. I just  
24 promoted you.

25 MS. SIMMS: Thank you.

28

1 MR. RIGOT: Director of Human  
2 Resources, and Cynthia oversees our  
3 recruitment effort and development and  
4 training and so forth.

5 I asked that Donna pass out a  
6 prepared statement I have gone ahead and  
7 done and will read momentarily, but I'd  
8 like to take this opportunity to thank  
9 the Chairman for recently visiting  
10 Hollywood Casino and taking the  
11 initiative to walk the property and  
12 spend some quality time with myself.

13 In speaking with Wade Duty, the  
14 President of the Louisiana Casino  
15 Association, as well as other general  
16 managers, it's come to my attention that  
17 you've also visited all the other  
18 casinos, so I don't feel all that  
19 honored. It's just the reality is that  
20 you're spreading it around. I get that.  
21 You went up to Bossier -- Bossier City,  
22 Shreveport, Lake Charles and New  
23 Orleans, and we're delighted. I also  
24 know my two friendly neighbors here in  
25 Baton Rouge, L'Auberge as well as the

29

1 Belle, you visited them, as well.

2 CHAIRMAN JONES: It was still  
3 special time, Mr. Rigot.

4 MR. RIGOT: Well, I can certainly  
5 tell you on behalf of all the casinos,  
6 we appreciate your caring attitude and  
7 willingness really to listen to the

8 issues facing the casino industry. I'd  
9 also like to take this opportunity to  
10 thank the board members and your staff  
11 members, as well as the Attorney  
12 General's Gaming Division, a shout out  
13 to Leonce, and the LSP Gaming  
14 Enforcement Division, a shout out to  
15 Major Mike Noel, for their support this  
16 past year.

17 Going forward in a collaborative  
18 effort, I believe we can continue for  
19 all of us who are working in the  
20 industry, as well as the regulators, as  
21 well as the citizens of Louisiana and as  
22 well as our visitors to the state, make  
23 us all proud.

24 'Tis the season, so I want to wish  
25 everyone a happy holiday season, Merry

30

1 Christmas and a happy, healthy new year.

2 Now to the business at hand.

3 Approximately two years ago,  
4 October 20th, 2011, the Louisiana Casino  
5 Gaming Board unanimously approved  
6 Hollywood Casino's petition amending the  
7 number of employees of 600 to 525. It  
8 begs to question why is Hollywood Casino  
9 in Baton Rouge here 26 months later  
10 asking for further staff reduction? The

11 short answer: L'Auberge of Baton Rouge.

12 L'Auberge has been open for 16  
13 months. For the last four months of  
14 2012 and all of 2013, we now have  
15 empirical data and actual results to  
16 better understand L'Auberge's impact on  
17 the Baton Rouge gaming market.  
18 January 1st through August 31st, 2012,  
19 the eight months leading up to  
20 L'Auberge's opening, Hollywood Casino  
21 Baton Rouge was experiencing  
22 year-over-year growth in gross revenues:  
23 Earnings before interest, tax  
24 depreciation, amortization and net  
25 income. As they say, all is good.

31

1 Things quickly changed with the  
2 opening of L'Auberge on September 1st,  
3 2012. Even though we were experiencing  
4 year-over-year growth for that eight  
5 months leading up to L'Auberge's  
6 opening, Hollywood Casino Baton Rouge  
7 finished 2012 with gross revenue down  
8 \$8.8 million, EBITDA down \$5.7 million  
9 and net income down \$2.7 million.

10 As you know, Miss Donna Jackson with  
11 the State Police Gaming Audit Division  
12 presents to the Louisiana Gaming Control  
13 Board the monthly revenue reports every

14 month. The 12 months leading up to  
15 L'Auberge opening, the Belle and  
16 Hollywood Casino Baton Rouge generated  
17 \$195 million of GGR. The 12 months  
18 immediately following the opening of  
19 L'Auberge, the three Baton Rouge  
20 riverboats in total Gross Gaming  
21 \$291 million in gross gaming revenue, an  
22 increase of \$96 million, a little less  
23 than 50 percent increase. Of the  
24 \$291 million gross gaming revenue,  
25 L'Auberge was responsible for

32

1 \$149 million.

2 So by L'Auberge entering the  
3 marketplace, the market grew  
4 \$96 million; however, L'Auberge's actual  
5 gross gaming revenue was \$149 million of  
6 that. The \$53 million difference  
7 between the market growth and  
8 L'Auberge's actual gross gaming revenues  
9 came at the expense and cannibalization  
10 of the Belle, \$15 million or down  
11 20 percent, and Hollywood Casino,  
12 \$38 million or down 31 percent.

13 For the first 12 months of  
14 L'Auberge, Hollywood Casino Baton Rouge  
15 saw an average decline in gross gaming  
16 revenue of more than \$3 million each and

17 every month. The following highlights  
18 the negative impact L'Auberge had on  
19 Hollywood for the first 12 months: Slot  
20 revenue down \$32.2 million or 30  
21 percent, table gaming revenue down  
22 \$4.5 million or 35 percent, poker  
23 revenue down \$1.2 million or 98 percent,  
24 buffet covers down 25 percent,  
25 steakhouse covers 15 percent down; deli

33

1 covers down 14 percent, nightclub  
2 admissions down 43 percent.

3 Now the L'Auberge's anniversary,  
4 Hollywood Casino Baton Rouge's  
5 year-over-year growth revenue declines  
6 are not as dramatic as the \$3 million  
7 per month for the first 12 months, but  
8 we still have not found equilibrium.  
9 I'm happy to report, though, the monthly  
10 year-over-year declining gaming revenues  
11 are getting less and less, but we still  
12 are not stabilized. September we're  
13 down \$1.9 million, October down  
14 \$1.3 million and November  
15 down \$1.2 million.

16 The Baton Rouge gaming market has  
17 become extremely competitive. When one  
18 considers Hollywood Casino Baton Rouge  
19 achieved over \$150 million in gross

20 gaming revenue in fiscal year 2006, and  
21 in the first 12 months of its operation  
22 L'Auberge achieved just shy of  
23 \$150 million of gross gaming revenue, it  
24 clearly demonstrates that two riverboats  
25 can easily accommodate over \$300 million

34

1 of gaming revenues. That's right. Two  
2 riverboats can easily accommodate over  
3 \$300 million in gaming revenues;  
4 however, in the last 12 months all three  
5 riverboats combined produced less than  
6 \$300 million, \$285 million to be exact  
7 the last 12 months.

8 There clearly now is more gaming  
9 supply in Baton Rouge than market  
10 demand. Despite our new reality, I'm  
11 very confident Hollywood Casino Baton  
12 Rouge will continue to be successful and  
13 a long-term key player in this market.  
14 My optimism comes from the fact we have  
15 a wonderful product; we have a strong  
16 balance sheet, and most importantly, we  
17 have a great community of caring and  
18 dedicated employees who are committed to  
19 provide our customers with great  
20 customer service.

21 Many of our employees are long-term  
22 and have been with the boat since its

23 inception. Thirty-three percent,  
24 one-third of the workforce, has over ten  
25 years of dedicated service. They are

35

1 responsible for creating many years of  
2 fun and excitement, as well as memories  
3 for our guests. They know how to treat  
4 our customers like Hollywood stars.

5 Next December Hollywood Casino will  
6 celebrate its 20th anniversary. I'm  
7 hopeful Hollywood Casino Baton Rouge  
8 will be around for at least another 20  
9 years.

10 I'm excited about Baton Rouge's  
11 future. I'm encouraged to see the  
12 commitment to the revitalization of  
13 downtown. The Downtown Development  
14 District and Baton Rouge Area Chamber  
15 has done a wonderful job in bringing  
16 exciting change and development to  
17 downtown Baton Rouge and the surrounding  
18 parishes.

19 To show our commitment, Hollywood  
20 Casino in Baton Rouge continues to  
21 invest in this property. This past year  
22 we spent over a million dollars in new  
23 slot product. To improve customer  
24 service, we invested in a jackpot kiosk.  
25 We renovated and expanded our Take Two

1 Deli. We recently completed a remodel  
2 in all public restrooms on the boat. We  
3 are constantly painting, wallpapering  
4 and laying carpet to keep the property  
5 fresh and exciting for our customers.

6 I'm hopeful in the new year we can  
7 stabilize and eventually return to a  
8 growth story. We understand it's a  
9 privilege, not a right, to hold a casino  
10 license. I want the Board to know that  
11 Hollywood Casino Baton Rouge takes its  
12 employment and procurement goals very  
13 seriously. Since L'Auberge entered the  
14 Baton Rouge marketplace, Hollywood  
15 Casino Baton Rouge have declined  
16 33 percent, and monthly visitations to  
17 our property have decreased over 30,000  
18 per month. It's smart business to run  
19 your operation efficiently, and it's  
20 prudent to adjust staffing levels to  
21 mirror business volumes.

22 The last 15 months has clearly  
23 demonstrated Hollywood Casino no longer  
24 needs 525 employees to ensure a safe and  
25 clean environment for our customers and

1 employees. We no longer require 525  
2 employees to provide our customers with

3 great customer service. I'm requesting  
4 the Board approve lowering our head  
5 count by 14 percent. My intention and  
6 desire is to allow attrition to get us  
7 where we need to go.

8 On October 20th, 2011, the Louisiana  
9 Gaming Control Board adopted a  
10 resolution that stipulated the  
11 following: Hollywood Casino Baton Rouge  
12 employ at least 525 persons in riverboat  
13 and support operations, which employment  
14 head count numbers shall be effective  
15 for one year commencing October 20th,  
16 2011, and reviewed and either reaffirmed  
17 or modified by the Louisiana Gaming  
18 Control Board thereafter. Respectfully,  
19 I'm asking the Board to modify our  
20 employment goal and lower it from 525 to  
21 450. At this time, I welcome any  
22 questions.

23 CHAIRMAN JONES: Thank you for your  
24 presentation. You answered a couple of  
25 the questions in your presentation and

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1 was thorough, and you gave us a lot of  
2 information. How would you foresee the  
3 reduction in staffing to affect your  
4 customer experience?

5 MR. RIGOT: We've analyzed that over

6 and over, and at this point in time, we  
7 feel comfortable with the reduction it  
8 won't have any impact at all on any of  
9 the customer service, safety. There's  
10 three things that we will not compromise  
11 on, and that is safety; that's  
12 cleanliness, and that's customer  
13 service. And all three things I don't  
14 see any problem at all with a lower head  
15 count to achieve those three things, and  
16 those are the three things, like I say,  
17 we won't compromise on.

18 CHAIRMAN JONES: And I will  
19 compliment you: When I was at the boat,  
20 there was a lot going on, and it was a  
21 good visit. And I appreciate your  
22 enthusiasm, your excitement, your energy  
23 for the property. All of the cuts will  
24 be through attrition, correct?

25 MR. RIGOT: Yes, sir.

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1 CHAIRMAN JONES: Have you or any of  
2 your representatives met with the mayor  
3 or any of his administration?

4 MR. RIGOT: We have not. We reached  
5 out to the mayor, and my administrative  
6 assistant is on vacation right now. She  
7 tried to contact Sue, the mayor's  
8 assistant, and unfortunately we weren't

9 able to make contact. But our intention  
10 was to let the mayor know. I think the  
11 mayor would -- on the heels of last  
12 month in terms of the Belle's reduction,  
13 I think he's very familiar with the  
14 struggle or the challenge, I should say,  
15 that both the Belle and Hollywood have  
16 had since L'Auberge entered the  
17 marketplace.

18 I guess what I'm really also happy  
19 to note, you know, I understand in  
20 aggregate we benefited by the third boat  
21 being in the market in the respect in  
22 terms of employee count, and a lot of  
23 the legislation that was passed for  
24 riverboat gaming was to create jobs.  
25 When you look at the goals prior to

40

1 L'Auberge coming in, the Belle had a  
2 commitment of 600 head count. We had a  
3 commitment of 525, total 1,125. So what  
4 we've done, in essence, the Belle went  
5 from 625 to 450 -- I mean, 600 to 450, a  
6 25 percent reduction, 150 to be exact,  
7 and we're asking for the consideration  
8 going from 525 to 450.

9 My point is simply this: If  
10 approved, the 450 at the Belle and the  
11 450 at Hollywood would give us a total

12 of 900, 225 less than when L'Auberge  
13 came in, granted, but L'Auberge  
14 overcompensated for that. Their goal is  
15 800, so that you could see clearly that  
16 225 shortfall in aggregate was more than  
17 made up by L'Auberge. So we've created  
18 more jobs in the marketplace by having  
19 three boats now in the marketplace for  
20 sure.

21 CHAIRMAN JONES: And I appreciate  
22 your acknowledgement about what gaming  
23 was first proposed and offered to this  
24 legislature to do, and that's to create  
25 jobs and improve the economy, and this

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1 Board doesn't operate in a vacuum. We  
2 understand the lack of all gaming that  
3 goes out there with regard to gaming,  
4 and we -- you know, we know what's going  
5 on nationally in terms of trends, and  
6 gaming is not going to be where it was  
7 once we get out of this economic  
8 situation that we're in. And you're all  
9 looking for creative ways to make this  
10 work; and we want to help you make it  
11 work, but we still have more questions,  
12 Mr. Stipe.

13 MR. STIPE: The decrease of 75  
14 employees, what's the annual savings for

15 that?

16 MR. RIGOT: I don't have that right  
17 now available. I know our payroll is in  
18 the neighborhood of a million dollars a  
19 month. I would suspect that when you  
20 talk about 75 employees, average  
21 employee let's just say is 20,000 -- I'm  
22 again talking now -- you're looking at  
23 about a million and a half savings there  
24 in the aggregate.

25 MR. STIPE: Okay. And that million

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1 and a half savings, what are your plans  
2 for reinvesting that into the facility?  
3 How are we reallocating that into the  
4 facility?

5 MR. RIGOT: What we're going to do  
6 is we're always looking at the  
7 marketplace. I mean, as you look at  
8 gaming in all jurisdictions, we're not  
9 the only ones obviously in a very  
10 competitive market. We are a mature  
11 market and another operator came in.  
12 That's not unusual. We're seeing it  
13 play out in Atlantic City and many, many  
14 other jurisdictions.

15 The thing we don't want to go and do  
16 is overinvest. I mean, that might be  
17 using analogies, but you see what

18 happened with the Russians and the  
19 United States in terms of the spending.  
20 We outspend Russia still to this day and  
21 it has not recovered. You see in  
22 Atlantic City -- just giving you an  
23 example -- Revel is a two-and-a-half  
24 billion dollar property that was  
25 introduced to Atlantic City. It's now

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1 at just about \$400 million. After  
2 several owners, it's now about  
3 \$400 million of debt service that is  
4 taking place there, and they can't even  
5 service the \$400 million.

6 In Nevada, Cosmopolitan, the M  
7 Resort, I can go on and on and on and  
8 give you lots of examples where people  
9 overspend. So we want to be cautious  
10 about what the market can really deliver  
11 so that we can get a return on our  
12 investment.

13 To answer your question, we're going  
14 to go ahead and continue to go ahead and  
15 make the property fresh and exciting for  
16 our customers. We're going to go ahead  
17 and invest; and our budget, like I say,  
18 is not completely done for 2014, but  
19 we're for sure going to go ahead and  
20 invest in our slot product. We're going

21 to invest in our property as far as any  
22 and all areas that need upgrading and  
23 remodeling. We're constantly trying to,  
24 like I say, freshen up the property, but  
25 I can't sit here and tell you that we're

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1 going to make a major commitment in  
2 terms of capital dollars and employ, you  
3 know, tens and hundreds of millions of  
4 dollars in this market understanding  
5 right now know it's questionable as to  
6 whether or not that would be a good  
7 investment to secure an ROI.

8 MR. STIPE: I mean, to me the  
9 difference in this market and the others  
10 that you mentioned is, I mean, there's a  
11 finite number of these facilities that  
12 are authorized, and you have one of  
13 those facilities. You can operate one  
14 of those facilities. You know, it's a  
15 license to operate, not a license to  
16 make a certain EBITDA that's guaranteed,  
17 right?

18 MR. RIGOT: Well, we certainly want  
19 to stay, I think -- listen, I think all  
20 businesses you pay attention to the Ps.  
21 You pay attention to the Ps being:  
22 People, product, points of distribution,  
23 points of sale and pricing and on and on

24 and on. But one P you can't ignore is  
25 profitability, and at the end of the

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1 day, you have to stay profitable, and if  
2 by chance, you know, we go ahead and get  
3 ourselves in a situation where we  
4 over-leverage and spend too much money,  
5 you may get in a situation whereby we  
6 may not be the owners next year. We may  
7 be forced into bankruptcy, and that's  
8 what we want -- we want to stay cash  
9 flow positive, and that's the intent is  
10 to do exactly that.

11 So we're trying to be smart; we're  
12 trying to be prudent, and we're going to  
13 spend to where we think we can get an  
14 ROI -- an acceptable ROI.

15 MR. STIPE: And I guess my concern  
16 is that -- I mean, you're in  
17 the entertainment -- ultimately, you're  
18 in the entertainment business. There's  
19 no shortage of very nice restaurants in  
20 downtown Baton Rouge that you compete  
21 with. These other two facilities aren't  
22 going anywhere. I guess I hear what  
23 you're saying about there's a limit,  
24 but, I mean, what's the overall plan to  
25 kind of get the facility back and to

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1 continue to grow the market?

2 MR. RIGOT: Well, as we see growth,  
3 we're encouraged by IBM, we're  
4 encouraged by Chicago Bridge & Iron,  
5 CBI, and we're encouraged by a lot of  
6 different industry now making a  
7 commitment to the area. As these  
8 employers bring employees, a lot of them  
9 are going to be high salary. Our hope  
10 is that the market will eventually grow,  
11 and our hope is maybe perhaps instead of  
12 us asking for a decrease, the  
13 consideration for going from 525 to 450,  
14 maybe we'll find in the very near future  
15 me coming back here and say, you know  
16 what? Our goal now can be raised  
17 because the revenues are there to  
18 justify that kind of consideration.

19 But I can tell you right now, in the  
20 short-term anyway, we're challenged,  
21 and -- these are top line numbers I gave  
22 you. I can tell you that the bottom  
23 line numbers, the percentage of decrease  
24 is even more exasperated. It's more of  
25 a decrease. In other words, there's

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1 fixed costs associated with our  
2 operation that we have no control over.  
3 The utility bills that we get, for

4 instance, just because our business is  
5 down one-third, they're not going to go  
6 ahead and say, okay, we're going to  
7 discount your utilities one-third. We  
8 still have, you know, mandated  
9 positions, which I understand, you know,  
10 in terms of surveillance, security, and  
11 on and on and on that we can't go ahead  
12 and address.

13 What I'm talking about -- and, you  
14 know, in valet, for instance, our  
15 business -- let's say at 3:00 in the  
16 morning we don't have any need and  
17 there's no cars coming into the valet  
18 because the business now is no longer  
19 there. It's gone to L'Auberge, let's  
20 just say. So I'd like to be able to go  
21 ahead and say, you know what? We're  
22 going to cut a shift. The valet is no  
23 longer going to be necessary at 3:00 in  
24 the morning. We'll change our hours,  
25 and then we'll say, you know what? When

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1 customers are coming here, that's when  
2 we'll go ahead and put a valet attendant  
3 out front to accommodate that.

4 Those individuals, however, those  
5 few people, if we don't have them out  
6 there at 3:00 in the morning, that's a

7 head count that I'm no longer going to  
8 be able to say to you, Mr. Stipe, that,  
9 you know, we have it. It's a good  
10 business decision. It's not affecting  
11 the experience of a customers on the  
12 boat, but it's a good business decision  
13 on our part to reduce that valet or  
14 maybe outsource the valet. You know, we  
15 may get into a position there, but we  
16 want to have those options to make an  
17 intelligent decisions, you know,  
18 relative to our operation.

19 CHAIRMAN JONES: Anything else?  
20 Miss Noonan first, and then we'll --

21 MS. NOONAN: What is the average  
22 customer to employee ratio now?

23 MR. RIGOT: Good question. We  
24 have -- I can tell you we have 72,000  
25 visitors on average per month visiting

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1 our property. So let me break it down.  
2 I guess 72,000 would be a little over --  
3 maybe 2,200 or so a day visiting our  
4 property, and in terms of employee  
5 count, we would probably have about 300  
6 employees -- about 300 employees. So  
7 it's 300 -- I'm doing this all in my  
8 head -- maybe a seven or eight to one  
9 ratio.

10 MS. NOONAN: Okay. And you said in  
11 the paperwork that we received, you're  
12 slowly, it looks like -- you know, the  
13 decreases are declining.

14 MR. RIGOT: They are, and I'm  
15 encouraged by that.

16 MS. NOONAN: Okay. So my guess is  
17 what else have you looked at besides  
18 employee -- cutting employees to help  
19 regenerate your income?

20 MR. RIGOT: Well, there's -- in the  
21 gaming market there's really two areas  
22 that you can really address, and it's  
23 labor and it's marketing spin. And  
24 we're trying to be very strategic and,  
25 you know, reward customers commensurate

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1 with their gaming activity versus a  
2 shotgun approach. So there's an  
3 opportunity -- I guess what I'm trying  
4 to say is to be real strategic in terms  
5 of how you spend your marketing dollar  
6 and then labor, as you know another  
7 reason why we're here, obviously.

8 MS. NOONAN: And this attrition,  
9 will it just be for valet and people on  
10 the floor, or are you working -- can we  
11 see where you-guys are going to work  
12 from the top down to the bottom? I

13 mean, are you just -- it sounds like you  
14 may just be eliminating p.m. shift  
15 workers and staff, the people that  
16 really need the money the most. What  
17 about from the top down?

18 MR. RIGOT: No. We've looked at all  
19 the departments. We've done a lot of  
20 consolidation; and I can share those  
21 numbers with you, but we've done some  
22 consolidation. There's people  
23 multitasking. They've taken on more  
24 jobs than they have in the past and more  
25 responsibility than they have in the

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1 past. So we combined jobs at the top to  
2 get those efficiencies, and you're  
3 right. That's where the real savings  
4 occurs.

5 MS. NOONAN: We would have liked to  
6 have seen that today. I think that  
7 would have helped us, you know, if we  
8 could see where you guys -- actually  
9 numbers. All this information is great,  
10 and we understand the market. We  
11 understand that everybody's struggling.  
12 It's been, what, two years you asked for  
13 a reduction, now you're coming in again.  
14 You knew that L'Auberge was coming up.

15 MR. RIGOT: We knew L'Auberge was

16 coming up, but we didn't know how --  
17 here's -- I guess I'll put it this way:  
18 When you have two properties in the  
19 market and a third property's coming in,  
20 you first say to yourself, okay, we know  
21 what our market share is now. We know  
22 what the revenues are now. That we  
23 know. What we don't know is what impact  
24 L'Auberge is basically going to have on  
25 the market.

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1 So all three properties -- if you  
2 look at three properties, you say to  
3 yourself, okay, one-third, one-third and  
4 one-third, all things being equal, that  
5 should be the market share. Everybody  
6 should have one-third, one-third and  
7 one-third of the market.

8 Well, we all knew, okay -- and  
9 you're right. We knew that L'Auberge,  
10 their commitment to the market spending  
11 in excess of \$400 million. When you  
12 look at the land acquisitions north of  
13 50 million and we look at the build-out  
14 and the construction, the FF&E and so  
15 forth, they're in at over \$400 million.

16 So we knew it was going to be a  
17 formidable competitor to prove to be the  
18 case. We knew it wasn't going to be a

19 one-third, one-third and one-third  
20 market share split. So what we assessed  
21 it at was going to be 50 percent.  
22 Basically that's where they are. The  
23 ratio right now is 51 L'Auberge, 28  
24 Hollywood and 21 Belle. So that's the  
25 relationship now. It's not a one-third,

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1 one-third, one-third. They went ahead,  
2 like I said, and they cornered the  
3 market.

4 Well, so we thought it would be  
5 50 percent. We thought we would be  
6 30 percent, and we thought the Belle  
7 would be 20 percent. Well, if you know  
8 that you're going to have a competitor  
9 come in and they're going to be  
10 50 percent of the market, if you're  
11 making a hundred dollars -- two boats  
12 making a hundred dollars, the next year  
13 that that boat comes in the first full  
14 year, they have to grow the market a  
15 hundred percent, okay, if they're going  
16 to have 50 percent of the market.

17 So the market goes from a hundred  
18 dollars to \$200. The L'Auberge gets  
19 their 50 percent or a hundred, and we,  
20 the Belle and Hollywood, stay neutral,  
21 okay? So we were hoping -- we got the

22 market share right, but what we didn't  
23 get right was the growth. We thought  
24 the market would grow a lot more than  
25 what it has, okay? There were reports

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1 out there that the market was a 40 to  
2 \$50 million per month market. That was  
3 said out there, okay? We didn't believe  
4 that, but we thought it was going to be  
5 at least a 400 -- close to a  
6 \$400 million market. The reality is  
7 it's not even a \$300 million market.  
8 They did \$291 million with three boats  
9 in the first 12 months, but that was a  
10 lot of inflated. What I mean by  
11 inflated marketing is that you had your  
12 Harry Connick, Jr.s, your Al Greenes and  
13 so forth every week.

14 Well, that's not the case anymore.  
15 You don't have that. You do that,  
16 though -- and in fairness to them, I  
17 would have done the same thing, to  
18 create the awareness in the marketplace  
19 that you're here. You're open for  
20 business.

21 MS. NOONAN: Right.

22 MR. RIGOT: But you do that spin  
23 initially; and you do a shotgun  
24 approach, and you also go ahead and --

25 their acquisition program, they were

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1 reimbursing \$500 for every new member.

2 Well, I understand why you do that.

3 So the market grew, but guess what?

4 It's now starting to find its level.

5 It's no longer going to be \$291 million.

6 I can assure you in the next 12 months

7 it's going to be down to 280 to 285, in

8 my estimation, because a lot of that,

9 like I say, was marketing promotion.

10 So you have a market that didn't

11 grow a hundred percent. So what

12 happened? It grew only less than

13 50 percent, like I said, and the

14 cannibalization effect has now taken

15 effect.

16 So you're right. I wish my crystal

17 ball 26 months ago when we came before

18 you was more accurate than what it was

19 and what it proved to be.

20 Unfortunately, that's not the case, so

21 here we are 16 months -- I'm sorry, 26

22 months ago we asked for the

23 consideration, and 16 months ago, eight

24 months after that, we asked -- was when

25 the introduction of L'Auberge; and here

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1 we are now because we now have facts.

2 We now have empirical data. We have the  
3 reality of what really has transpired  
4 here since the introduction of L'Auberge  
5 in the marketplace.

6 MS. NOONAN: Okay. Thank you. I  
7 would really like to see what you guys  
8 have done from the top down --

9 MR. RIGOT: Sure.

10 MS. NOONAN: -- in the attrition and  
11 the reduction and, you know, combining  
12 departments, things like that. That  
13 would be very helpful, for me anyway.

14 MR. RIGOT: Sure.

15 MS. NOONAN: Thank you.

16 CHAIRMAN JONES: Mr. Bradford?

17 MR. BRADFORD: I'm almost worn out.  
18 I didn't know this was going to be a --  
19 turn into an inquisition, but first off  
20 let me say thank you for running a very  
21 nice operation. Thank both you and  
22 Cynthia for coming here today. You  
23 know, the buzz word all over the state  
24 has been job creation and all that. I  
25 personally believe you can't just say it

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1 and make it so. I think healthy  
2 companies create jobs, and so as we move  
3 forward, I'm sure, with approving this  
4 request, I just wanted to ask one quick

5 question; and then I'm going to make a  
6 motion.

7 CHAIRMAN JONES: We still want to  
8 hear from the Attorney General's Office,  
9 too, Mr. Bradford.

10 MR. BRADFORD: Really, Leonce? But  
11 anyway --

12 CHAIRMAN JONES: If I can.

13 MR. BRADFORD: -- if we go from 525  
14 to 450, does that create -- from a  
15 management and operations side, does  
16 that create better jobs? When I say  
17 "better," I mean more stable, less  
18 part-time where you can offer some of  
19 the people at the lower end of the  
20 spectrum more stable employment that  
21 they can count on and you can attract  
22 good, quality people? Is it better for  
23 you?

24 MR. RIGOT: Most definitely. What  
25 we can do is we can go ahead and like

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1 anything else, I mean, inflation --  
2 what, it's 2 to 3 percent or whatever  
3 it's going to be this year. Our  
4 employees, we can then give them raises;  
5 we can give them merit raises, that type  
6 of thing, and give them benefits and so  
7 forth and so on.

8           We have a lot of tipped employees  
9           that depend on gratuities. Since the  
10          L'Auberge came in the marketplace, it's  
11          not only our revenues have decreased. A  
12          lot of these employees are making three,  
13          four, five dollars less than they  
14          traditionally did, and when you take  
15          that and extrapolate \$3 over, you know,  
16          a 40-hour work week, now that becomes a  
17          mortgage payment for some of these  
18          individuals or a car payment, et cetera.  
19          So they've also taken a hit.

20          So to answer your question, let's  
21          just use dealers for an example. If  
22          there's a hundred dealers and we're  
23          standing around and we have these games  
24          going dead and so forth, they're cutting  
25          into the toke rate. The dealers the way

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1          they are is it's pooled money, and they  
2          divide their hours into that pool of  
3          money. So if we reduce the hours, you  
4          know, commensurate with the business  
5          volume and go from a hundred dealers to  
6          eighty dealers, that's twenty less  
7          dealers that have to go ahead and be  
8          divided into the pool of moneys.

9          So that's what we're really trying  
10          to do here, as well. We're just trying

11 to be smart about our business, quite  
12 frankly --

13 MR. BRADFORD: Right.

14 MR. RIGOT: -- and it will  
15 benefit --

16 MR. BRADFORD: And attrition is  
17 going to take care of this, you think?

18 MR. RIGOT: Yes, sir.

19 MR. BRADFORD: That's all I have.

20 CHAIRMAN JONES: Thank you,  
21 Mr. Bradford. Before we move on to  
22 Leonce, any other questions for Mr.  
23 Rigot or Sasha or Miss Simms from the  
24 Board? If y'all want to, why don't you  
25 just stay put. Leonce, why don't you

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1 just go.

2 MR. GAUTREAU: Good morning,  
3 Chairman, Members of the Board.

4 CHAIRMAN JONES: Morning.

5 MR. GAUTREAU: As you know, the  
6 total employee number is a condition  
7 that was placed on the license back when  
8 it was first awarded in 1994. The  
9 petitioners have a right to ask for  
10 modifications of the licenses depending  
11 upon circumstances in the present date;  
12 however, it is completely within the  
13 Board's discretion to determine whether

14 they will accept those modifications or  
15 modify those modifications or not accept  
16 them at all. That is completely within  
17 the Board's discretion based on their  
18 presentation and the other realities  
19 that economically that are present.

20 CHAIRMAN JONES: Any questions of  
21 Mr. Gautreaux?

22 MR. SINGLETON: I don't think I  
23 have any problems with doing this since  
24 we've done it for others, so we might as  
25 well go ahead and do it for you, but I

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1 think the question I still have is six  
2 months from now or whenever, are you  
3 going to come back -- I think you had  
4 raised the question about dealing with  
5 some of this. I'd like to see this  
6 information to see what you've done and  
7 how you've accomplished going from the  
8 higher number to the lower number, and  
9 I'd be specifically interested in  
10 looking at the top echelon staff versus  
11 the others to see what you've done with  
12 that. And that's a request I'll make.

13 MR. RIGOT: Very good. You're  
14 looking at me. Does that mean you want  
15 to see me go?

16 MR. SINGLETON: I just want to see

17 you come back with the right  
18 information. That's all. It may be  
19 somebody else, and then we got to start  
20 all over again. You know what's going  
21 on. You're the one making the  
22 commitment, and we're making it to you,  
23 so I'd prefer to see you come back.

24 MR. RIGOT: This is certainly not a  
25 happy occasion for me. I certainly

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1 don't want to be here asking for a  
2 decrease; and I understand that this is  
3 difficult, and I understand the  
4 sensitivity of what I'm asking you to  
5 do. And you're right. I'd like to see  
6 the business grow. If we return, and I  
7 believe we will -- and hopefully that's  
8 going to happen sooner than later to a  
9 growth story -- that will certainly go  
10 ahead and give us the ability to go --  
11 you know, basically what we do is all  
12 we're trying to do is mirror our  
13 staffing levels with the business  
14 volumes, and so if the business returns  
15 to our property and we can start to  
16 grow, we're not going to go ahead and  
17 not put extra personnel in front of the  
18 customers to get them and provide them  
19 with, you know, good customer service

20 and so forth and so on.

21 So it's really that simple, and so,  
22 yes, I anticipate the business growing  
23 in the very near term, and at that point  
24 in time, there will be no need for us to  
25 come back and ask you for a reduction of

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1 staff. I hope that doesn't have to  
2 happen.

3 CHAIRMAN JONES: Mr. Rigot, provided  
4 your request is approved this morning by  
5 the Board -- I won't be premature  
6 there -- if it is, what I would ask that  
7 you do is that no later than the  
8 beginning of the second quarter of next  
9 calendar year provide to me a staffing  
10 summary of how you have implemented  
11 this. Because these are tough  
12 decisions, and that's why I think it's  
13 important for us to take the time to  
14 hear you and to answer the questions  
15 because this is really important.

16 I mean, this is how this was sold to  
17 the State of Louisiana before you ever  
18 got here, and our responsibility is to  
19 make sure that you're doing everything  
20 on your end to run a good, efficient  
21 business, trying to make a profit in the  
22 process, but, if you will, we're betting

23 on you to make this work, okay?

24 MR. RIGOT: Mr. Chairman, I'll be  
25 here the first quarter of next year and

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1 give you a presentation, if you'd like,  
2 or I can get -- personally send it to  
3 your attention.

4 CHAIRMAN JONES: You can provide it  
5 on paper, and if we have questions, we  
6 can ask you to appear before the Board.  
7 We'll provide it to the Board Members.

8 MR. RIGOT: Very good.

9 CHAIRMAN JONES: Mr. Bradford, you  
10 had a motion?

11 MR. BRADFORD: I move we approve the  
12 resolution allowing Hollywood Casino  
13 Baton Rouge to change their employment  
14 level to 450.

15 CHAIRMAN JONES: Do I have a second?

16 MS. NOONAN: I'll second.

17 CHAIRMAN JONES: Miss Noonan  
18 seconds. Miss Tramonte, would you read  
19 the resolution into the record.

20 THE CLERK: On the 19th day of  
21 December 2013, the Louisiana Gaming  
22 Control Board did, in a duly noticed  
23 public meeting, consider the issue of  
24 Louisiana Casino Cruises, Incorporated,  
25 doing business as Hollywood Casino Baton

1 Rouge's, petition to amend license  
2 conditions, and upon motion duly made  
3 and second, the Board adopted this  
4 resolution.

5 Be it resolved that Condition 9 of  
6 the Specific Economic and Procurement  
7 Conditions in the Statement of  
8 Conditions be modified and replaced with  
9 the following Condition 9: To employ at  
10 least 450 persons in riverboat and  
11 support operations.

12 Thus done and signed in Baton Rouge,  
13 Louisiana, this 19th day of December  
14 2013.

15 CHAIRMAN JONES: Would you call the  
16 roll?

17 THE CLERK: Mr. Bradford?

18 MR. BRADFORD: Yes.

19 THE CLERK: Mr. Stipe?

20 MR. STIPE: Yes.

21 THE CLERK: Mr. Singleton?

22 MR. SINGLETON: Yes.

23 THE CLERK: Miss Noonan?

24 MS. NOONAN: Yes.

25 THE CLERK: Major Mercer?

1 MAJOR MERCER: Yes.

2 THE CLERK: Mr. Jackson?

3 MR. JACKSON: Yes.

4 THE CLERK: Mr. Gaston?

5 MR. GASTON: [No response.]

6 THE CLERK: Chairman Jones?

7 CHAIRMAN JONES: Yes. Motion

8 carries.

9 MR. RIGOT: Thank you very much.

10 Thank you.

11 CHAIRMAN JONES: We look forward to

12 hearing from you.

13 C. Consideration of the Certificate of Compliance

14 for

15 the Alternate Riverboat Inspection of the

16 gaming vessel of St. Charles Gaming Company,

17 L.L.C., d/b/a Isle of Capri Lake Charles, No.

18 R011700174

19 CHAIRMAN JONES: Consideration of

20 the Certificate of Compliance for the

21 Alternate Riverboat Inspection of the

22 gaming vessel of St. Charles Gaming

23 Company, L.L.C., doing business as Isle

24 of Capri Lake Charles, No. R011700174.

25 Gentlemen, would you identify yourself.

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1 MR. TYLER: Chairman Jones,

2 Assistant Attorney General, Michael

3 Tyler.

4 CHAIRMAN JONES: Morning.

5 MR. FRANCIC: John Francic with ABS

6 Consulting.

7 CHAIRMAN JONES: Morning.

8 MR. TYLER: Chairman, Board Members,  
9 today I'm joined by John Francic of ABS  
10 Consulting, and we're here to present  
11 the proposed issuance of the renewal  
12 Certificate of Compliance for the Isle  
13 of Capri Casino.

14 On October 29th, 2013, the Isle of  
15 Capri Casino began the process for the  
16 renewal of its Certificate of  
17 Compliance. Some issues were found, and  
18 a follow-up inspection was conducted.  
19 For more on this, I now turn this  
20 presentation over to John Francic of ABS  
21 Consulting.

22 MR. FRANCIC: Chairman, Board  
23 Members, John Francic with ABS  
24 Consulting here to report the annual  
25 certification for the Isle of Capri

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1 Casino. Inspectors Doug Chapman and  
2 Mort Downey did, on October 29th, attend  
3 the riverboat Grand Palais to conduct  
4 the annual inspection in accordance with  
5 the Alternative [sic] Inspection of  
6 Riverboat Gaming Vessels in the State of  
7 Louisiana.

8 The inspectors reviewed fire

9 protection equipment, fire control  
10 plans, egress routes, mooring systems,  
11 machinery spaces, stability and  
12 conducted a fire drill. The  
13 deficiencies found during the inspection  
14 are found on page four and five of your  
15 report; and a follow-up to clear the  
16 deficiencies was done on November 18th,  
17 and all items deficient were corrected  
18 and found satisfactory.

19 The 2013 annual survey as required  
20 by the Louisiana Gaming Control Board is  
21 complete and presents no safety concerns  
22 to its patrons or employees aboard the  
23 riverboat. It is the recommendation of  
24 ABSC that Isle of Capri be issued the  
25 Certificate of Compliance to expire

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1 December 31st, 2014.

2 CHAIRMAN JONES: All matters are  
3 satisfactory?

4 MR. FRANCIC: Yes, Chairman.

5 CHAIRMAN JONES: Mr. Tyler.

6 MR. TYLER: We now present this  
7 matter to this honorable board and  
8 request that after the Board accepts the  
9 report submitted by ABSC, that this  
10 Board will move for the issuance of a  
11 renewal Certificate of Compliance to the

12 Isle of Capri Casino.

13 CHAIRMAN JONES: Do I have any  
14 questions from the Board? The board is  
15 clear. Do I have a motion to --

16 MR. SINGLETON: I move approval.

17 MAJOR MERCER: Second.

18 CHAIRMAN MORGAN: Mr. Singleton and  
19 Major Mercer. All in favor?

20 [Collective "aye."] Any opposition?

21 [No response.] The motion carries.

22 Thank you.

23 D. Consideration of Certificate of Compliance for  
24 the Alternate Riverboat Inspection of the  
25 gaming vessel of Horseshoe Entertainment, L.P.,

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1 d/b/a Horseshoe Casino, No. R010800198

2 CHAIRMAN JONES: We'll move to the  
3 second COC: Consideration of  
4 Certificate of Compliance for the  
5 Alternate Riverboat Inspection of the  
6 gaming vessel Horseshoe Entertainment,  
7 L.P., doing business as Horseshoe  
8 Casino, No. R010800198. Mr. Tyler.

9 MR. TYLER: Thank you. Again,  
10 Chairman, Board Members, Assistant  
11 Attorney General, Michael Tyler, joined  
12 by John Francic of the American Bureau  
13 of Shipping Consultants. We now come to  
14 present the matter of the proposed

15 renewal of the Certificate of Compliance  
16 for Horseshoe Casino.

17 On October 18th, 2013, Horseshoe  
18 Casino began the process for the renewal  
19 of its Certificate of Compliance. Some  
20 issues were found, and a follow-up  
21 inspection was conducted. For more on  
22 this, I now turn this matter over to  
23 John Francic of ABS Consulting.

24 MR. FRANCIC: Chairman, Board  
25 Members, John Francic with ABS

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1 Consulting here to report the annual  
2 certification for Horseshoe Casino.

3 The inspectors, Doug Chapman and  
4 Brad Conklin, did, on October 18th,  
5 attend the riverboat, King of the Red,  
6 to conduct the annual inspection in  
7 accordance with the Alternate Inspection  
8 of Riverboat Gaming Vessels in the State  
9 of Louisiana.

10 The inspectors reviewed fire  
11 protection equipment, fire control  
12 plans, egress routes, mooring systems,  
13 machinery spaces and conducted a fire  
14 drill. They reviewed the manning  
15 variance training records and tested the  
16 knowledge of the crew. The deficiencies  
17 found during the inspection are found on

18 page five and six of your report, and a  
19 follow-up to clear the deficiencies was  
20 done and all items deficient were  
21 corrected and found satisfactory.

22 The 2013 annual survey as required  
23 by the Louisiana Gaming Control Board is  
24 complete and presents no safety concerns  
25 to its patrons or employees onboard the

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1 riverboat. It is the recommendation of  
2 ABSC that Horseshoe Casino be issued a  
3 Certificate of Compliance to expire  
4 December 31st, 2014.

5 MR. TYLER: We now present this  
6 matter to this Board for a decision with  
7 respect to the issuance of the renewal  
8 of the Certificate of Compliance for  
9 Horseshoe Casino.

10 CHAIRMAN JONES: Any questions for  
11 Mr. Tyler or Mr. Francic?

12 MR. GASTON: I move, Mr. Chairman.

13 CHAIRMAN JONES: We have got a  
14 motion by Dr. Gaston.

15 MR. JACKSON: Second.

16 CHAIRMAN JONES: Second by  
17 Mr. Jackson. All in favor? [Collective  
18 "aye."] Opposition? [No response.]

19 The motion carries. The certificate is  
20 issued.

21 E. Consideration of Certificate of Compliance for  
22 the Alternate Riverboat Inspection of the  
23 gaming vessel of Eldorado Casino Shreveport  
24 Joint Venture d/b/a Eldorado Resort Casino  
25 Shreveport, No. R013600005

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1 CHAIRMAN JONES: And now finally the  
2 Consideration of Certificate of  
3 Compliance for the Alternate Riverboat  
4 Inspection of the gaming vessel Eldorado  
5 Casino Shreveport Joint Venture doing  
6 business at Eldorado Resort Casino  
7 Shreveport, No. R013600005. Mr. Tyler.

8 MR. TYLER: Chairman, Board Members,  
9 Assistant Attorney General, Michael  
10 Tyler, appearing with John Francic of  
11 ABS Consulting. We now come before you  
12 with respect to the proposed issuance of  
13 a renewal Certificate of Compliance for  
14 Eldorado Casino.

15 October 7th, 2013, Eldorado Casino  
16 began the process for the renewal of its  
17 Certificate of Compliance. Some issues  
18 were found, and a follow-up inspection  
19 was conducted. For more on this, I now  
20 turn this matter over to John Francic.

21 MR. FRANCIC: Chairman, Board  
22 Members, John Francic with ABS  
23 Consulting here to report the annual

24 certification for Eldorado Resort  
25 Casino.

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1 The inspectors, Doug Chapman and  
2 Brad Conklin, did, on October 7th,  
3 attend the riverboat Hollywood Dream to  
4 conduct the annual inspection in  
5 accordance with the Alternate Inspection  
6 of Riverboat Gaming Vessels in the State  
7 of Louisiana.

8 The inspection reviewed fire  
9 protection equipment, fire control  
10 plans, egress routes, mooring systems,  
11 machinery space and conducted a fire  
12 drill. Deficiencies found during the  
13 inspection are found on page five of  
14 your report. A follow-up exam was done  
15 on November 22nd, and the deficient  
16 items checked on that day were corrected  
17 and found satisfactory with the  
18 exception of the operations manual. The  
19 inspector did on that day, too, correct  
20 the manning variance program. They  
21 implemented that; and they conducted the  
22 training and reviewed the training  
23 records and conducted the knowledge of  
24 the crew that was on staff at that time,  
25 and everything was found satisfactory.

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1 The 2013 annual survey required by  
2 the Louisiana Gaming Control Board is  
3 complete and presents no safety concerns  
4 to its patrons and employees onboard the  
5 riverboat. It is the recommendation of  
6 ABSC that Eldorado Resort Casino be  
7 issued a Certificate of Compliance to  
8 expire December 31st, 2014.

9 CHAIRMAN JONES: Mr. Tyler.

10 MR. TYLER: Mr. Chairman, Board  
11 Members, John Francic just stated that  
12 everything was corrected with the  
13 exception of the operations safety  
14 manual. The report does show that this  
15 was submitted, and it is currently under  
16 review with ABSC. If you guys have any  
17 questions with respect to that, you can  
18 definitely pose them to John Francic at  
19 this time.

20 CHAIRMAN JONES: It was indicated to  
21 me, Mr. Francic, that what was submitted  
22 initially may not have been formatted  
23 properly, didn't include certain  
24 information. Do you provide specific  
25 direction to the licensees with regard

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1 to what your expectations are on the  
2 manual?

3 MR. FRANCIC: I asked the

4 inspectors -- this is my concern --  
5 because when we changed over to the  
6 manning variance program, they were  
7 asking for guidance. Well, the Board,  
8 you know, approved the manning variance,  
9 and they should stick that in their  
10 operations manual, so they were going by  
11 checking the operations manual and  
12 making sure all this stuff that was  
13 approved by the Board was put in the  
14 operations manual.

15 So this is just updating the  
16 operations manual they should have  
17 onboard is why we started checking these  
18 things, so a lot of them, you know, were  
19 just trying to compile everything. So  
20 we're trying to keep a record of all  
21 these operations manuals.

22 CHAIRMAN JONES: It's just not been  
23 finally approved; is that correct?

24 MR. FRANCIC: Correct. I skimmed  
25 through it to make sure the content, and

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1 they did put the manning variance in  
2 there. I just haven't had an  
3 opportunity to review all things  
4 thoroughly to make sure all the stuff is  
5 in there. But the riverboat guidance  
6 that was provided to everybody, it gives

7 an outline of what should be in the  
8 manual from the maintenance onboard, the  
9 check sheets that they do, their  
10 quarterly inspections and, like I say,  
11 now the manning variance with all their  
12 training records and stuff like that.

13 CHAIRMAN JONES: This one  
14 outstanding issue is not a life safety  
15 issue, correct?

16 MR. FRANCIC: No, Chairman.

17 CHAIRMAN JONES: Okay. Do I have a  
18 motion?

19 MR. BRADFORD: Based on their  
20 recommendation, I move approval.

21 CHAIRMAN JONES: Mr. Bradford.  
22 Second?

23 MS. NOONAN: Second.

24 CHAIRMAN JONES: Miss Noonan. We  
25 have a motion to issue the Certificate

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1 of Compliance. All in favor?  
2 [Collective "aye."] Any opposition?  
3 [No response.] Motion carries. Thank  
4 you, gentlemen.

## 5 VI. CONSIDERATION OF PROPOSED SETTLEMENT/APPEAL

6 1. In Re: Chastity M. Jenkins - No. PO40061595  
7 (proposed settlement)

8 CHAIRMAN JONES: We now move to our  
9 last phase of the agenda. That's the

10 Consideration of the Proposed  
11 Settlements and Appeals. The first case  
12 is with regard to Chastity M. Jenkins.  
13 That's No. PO40061595, proposed  
14 settlement. Good morning.

15 MR. HEBERT: Morning, Chairman,  
16 Members of the Board, Christopher Hebert  
17 representing the Louisiana Office of  
18 State Police in the matter of Chastity  
19 M. Jenkins, number one on your docket.

20 On July 9th the Division received  
21 notification from the Internal Revenue  
22 Service that Miss Jenkins was not  
23 current in the filing or payment of her  
24 federal taxes. On July 11th, the  
25 Division sent notification to Miss

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1 Jenkins that if her tax problem was not  
2 corrected within 30 days, that she would  
3 face possible suspension, revocation or  
4 penalty. That letter was received by  
5 Miss Jenkins on July 17th of this year;  
6 and on September 30th, Miss Jenkins was  
7 able to obtain a tax clearance, but that  
8 was outside of the 30 days that was  
9 allowed by State Police.

10 Miss Jenkins has agreed to pay and  
11 the Division has agreed to accept a \$250  
12 penalty in this matter. The hearing

13 officer has signed off on this  
14 settlement, and we are here this morning  
15 seeking your approval.

16 CHAIRMAN JONES: Any questions for  
17 Mr. Hebert? Do I have a motion?

18 MR. JACKSON: I move we approve.

19 CHAIRMAN JONES: I have got a motion  
20 from Mr. Jackson and a second from  
21 somewhere on my left, Major Mercer. All  
22 in favor? [Collective "aye."] Any  
23 opposition? [No response.] The motion  
24 carries.

25 2. In Re: Leslie White - No. PO40061388 (deferred

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1 appeal from last month)

2 CHAIRMAN JONES: Finally in regards  
3 to Leslie White, this is an appeal  
4 from -- it was deferred from last month.  
5 It's No. PO40061388. Good morning.

6 MS. COLLY: Good morning, Chairman  
7 Jones, Members of the Board, I'm  
8 Assistant Attorney General, Nicolette  
9 Colly, representing the Office of State  
10 Police in this matter, Leslie D. White,  
11 Permit Number 040061388.

12 This is Miss White's appeal which  
13 was continued from the November 21st,  
14 2013, board meeting. I haven't seen her  
15 present, and I've had no contact with

16 her.  
17 As you've read, the denial is based  
18 on Miss White's failure to disclose a  
19 total of nine arrests, four guilty  
20 pleas, two probation periods with one  
21 for a felony drug charge. The most  
22 recent arrest was for issuing worthless  
23 checks in 2010. At the denial,  
24 Miss White admitted to her background  
25 and admitted to failing to disclose.

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1 She also did not demonstrate by clear  
2 and convincing evidence that she is  
3 suitability despite her criminal  
4 background. She also even made claims  
5 of identity fraud, but she did not  
6 present any evidence to support that  
7 assertion.

8 We feel that Hearing Officer  
9 Reynolds properly found that Miss White  
10 failed to accurately and completely  
11 answer portions of her application, and  
12 she failed to provide information which  
13 would reveal facts material to a  
14 suitability determination.

15 Accordingly, the Office of State  
16 Police does request that Hearing Officer  
17 Reynolds' decision denying Miss White's  
18 non-key gaming employee permit

19 application be affirmed.

20 CHAIRMAN JONES: Any questions of  
21 the Attorney General's Office? Is  
22 anyone here representing Miss White, or  
23 is Miss White here? There being no  
24 evidence to the contrary, I'll entertain  
25 a motion to affirm.

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1 MAJOR MERCER: I was going to make a  
2 statement.

3 CHAIRMAN JONES: Yes, sir.

4 MAJOR MERCER: I don't know how  
5 people forget when they're actually  
6 arrested, and as far as the identity,  
7 that is done by fingerprint.

8 CHAIRMAN JONES: Yes.

9 MAJOR MERCER: And I remember a  
10 traffic -- the only traffic ticket I  
11 ever got was back in 1964, and I can  
12 remember every detail of it. So I don't  
13 know how people forget that they're --

14 CHAIRMAN JONES: That was her first  
15 reason, all right? She came up with a  
16 second one later. So I was waiting to  
17 ask some questions. She's not here, but  
18 you're absolutely correct.

19 MAJOR MERCER: But I'll move we  
20 affirm the hearing officer's decision.

21 CHAIRMAN JONES: By Mr. Mercer,

22 seconded by Mr. Jackson.

23 MR. GASTON: This sounds like a slam  
24 dunk to me.

25 CHAIRMAN JONES: That's a technical

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1 term -- technical, legal term. All in  
2 favor? [Collective "aye."] Any  
3 opposition? [No response.] The matter  
4 is affirmed. Thank you very much.

5 MS. COLLY: Thank you.

6 VII. ADJOURNMENT

7 CHAIRMAN JONES: That concludes our  
8 meeting.

9 MR. GASTON: Mr. Chairman?

10 CHAIRMAN JONES: Yes.

11 MR. GASTON: Before we adjourn, I'd  
12 like to apologize for not carrying out  
13 the uniform of the day. I had a recent  
14 surgery; and I'm blessed that everything  
15 is okay, but I can't wear a belt for  
16 another two or three weeks, which is a  
17 wonderful thing. Please accept my  
18 apologies to the Members of the Board.

19 CHAIRMAN JONES: We'll have you come  
20 dressed any way you like, Mr. Gaston.

21 MR. GASTON: I'll be dressed better  
22 in January, I promise.

23 CHAIRMAN JONES: Do you want to give  
24 us a motion to adjourn?

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MR. GASTON: Yes.

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CHAIRMAN JONES: And a second by

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Mr. Jackson.

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REPORTER'S PAGE

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3 I, SHELLEY PAROLA, Certified Shorthand  
4 Reporter, in and for the State of Louisiana, the  
5 officer before whom this sworn testimony was  
6 taken, do hereby state:

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

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

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24 SHELLEY PAROLA  
Certified Court Reporter #96001  
25 Registered Professional Reporter

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1 STATE OF LOUISIANA

2 PARISH OF EAST BATON ROUGE

3 I, Shelley G. Parola, Certified Court

4 Reporter and Registered Professional Reporter, do  
5 hereby certify that the foregoing is a true and  
6 correct transcript of the proceedings given under  
7 oath in the preceding matter on December 19th,  
8 2013, as taken by me in Stenographic machine  
9 shorthand, complemented with magnetic tape  
10 recording, and thereafter reduced to transcript,  
11 to the best of my ability and understanding, using  
12 Computer-Aided Transcription.

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

19 Baton Rouge, Louisiana, this 10th day of  
20 February, 2014.

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SHELLEY G. PAROLA, CCR, RPR

CERTIFICATE NO. 96001