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LOUISIANA GAMING CONTROL BOARD SPECIAL MEETING
900 NORTH 3RD STREET, BATON ROUGE, LOUISIANA
THURSDAY, FEBRUARY 17, 2022
10:00 A.M.

1 APPEARANCES

2 RONNIE S. JOHNS, CHAIRMAN
3 (At-Large)
4 June 30, 2025

5 JULIE BERRY, VICE CHAIRMAN
6 (CPA)
7 June 30, 2024

8 ASHLEY A. TRAYLOR
9 (At-Large)
10 First Congressional District
11 June 30, 2021

12 RONALD J. SHOLES
13 (Public/Business Administration)
14 Second Congressional District

15 FRANCESCA HAMILTON-ACKER
16 (Attorney)
17 Third Congressional District
18 June 30, 2026

19 CLAUDE D. JACKSON
20 (At-Large)
21 Fourth Congressional District
22 June 30, 2021

23 HARRY AVANT
24 (At-Large)
25 Fourth Congressional District
June 30, 2024

JULIE A. LEWIS
(Investigative and Law Enforcement)
Fifth Congressional District
June 30, 2024

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APPEARANCES (CONTINUED)

NATALIE THURMAN
Principal Assistant

KIMBERLY LEWIS, SECRETARY
Department of Revenue

MAJOR CHUCK McNEAL
Louisiana State Police

REPORTED BY:

NICOLE TAGERT, CCR
Baton Rouge Court Reporters, LLC

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1 I. CALL TO ORDER

2 CHAIRMAN JOHNS: Ladies and gentlemen,
3 good morning. I thank everybody for trying to
4 beat the rain in this morning and those of you
5 that had to deal with the traffic accident out
6 there. We appreciate your efforts to be here
7 this morning.

8 I would like to call the meeting of the
9 Louisiana Gaming Control Board to order.

10 Ms. Thurman, would you call the roll,
11 please.

12 MS. THURMAN: Chairman Johns?

13 CHAIRMAN JOHNS: Here.

14 MS. THURMAN: Mr. Avant?

15 MR. AVANT: Here.

16 MS. THURMAN: Ms. Berry?

17 MS. BERRY: Here.

18 MS. THURMAN: Mr. Jackson?

19 MR. JACKSON: Here.

20 MS. THURMAN: Ms. Lewis.

21 MS. LEWIS: Here.

22 MS. THURMAN: Mr. Poole?

23 (No response)

24 MS. THURMAN: Ms. Hamilton-Acker?

25 MS. HAMILTON-ACKER: Present.

1 MS. THURMAN: Mr. Sholes?

2 MR. SHOLES: Here.

3 MS. THURMAN: Ms. Traylor?

4 MS. TRAYLOR: Here.

5 MS. THURMAN: Colonel Davis?

6 MR. MCNEAL: Major McNeal for Colonel
7 Davis.

8 MS. THURMAN: Secretary Lewis.

9 (No response.)

10 MS. THURMAN: We have a quorum.

11 CHAIRMAN JOHNS: Thank you, Ms. Thurman.
12 We do have a quorum.

13 MS. TOMPLATE: I was just going to say,
14 Heather Tomplate for Secretary Richard. He's
15 on his way.

16 CHAIRMAN JOHNS: Thank you very much. I
17 appreciate that.

18 II. PUBLIC COMMENTS

19 CHAIRMAN JOHNS: Ladies and gentlemen, now
20 is the time for public comments. If there's
21 anything that's on the agenda today that
22 someone in the audience would like to make a
23 public comment about the agenda, an item on the
24 agenda, now is the time to come to the table.
25 We do not allow public comments as we go

1 through each agenda item.

2 Is there any public comments this morning?

3 (No response)

4 III. APPROVAL OF MINUTES

5 CHAIRMAN JOHNS: Hearing none, thank you
6 very much. Members, before you, you have the
7 minutes of the January 20th, 2022 meeting. Is
8 there any discussion on the minutes?

9 If not, I will entertain a motion that we
10 accept the minutes.

11 MR. AVANT: Move.

12 CHAIRMAN JOHNS: Moved by Mr. Avant,
13 seconded by Judge Sholes.

14 Is there any objection?

15 (No response.)

16 CHAIRMAN JOHNS: Hearing none, the minutes
17 of January 20th, 2022 are hereby adopted.

18 V. COMPLIANCE REPORTS

19 CHAIRMAN JOHNS: We're going to move into
20 the compliance reports at this time.

21 MS. MURRAY: Good morning, Chairman Johns
22 and Board members. I am Assistant Attorney
23 General Alonna Murray, and today I will be
24 presenting the reports on riverboat and
25 racetrack licensee's compliance with employment

1 and procurement conditions for the fourth
2 quarter of 2021.

3 I'll begin with the riverboats. These
4 reports are taken from figures reported by the
5 15 operating riverboats and the Louisiana
6 Gaming Control Board in the fourth quarter of
7 2021. Approximately 8579 people were employed
8 by the riverboat industry. Of that number,
9 8377 were Louisiana residents; 5074 were
10 minorities; and 4621 were women.

11 Next I'll address employment. Twelve
12 licensees did not meet their total employment
13 goals and they are: DiamondJacks Casino &
14 Resort, which achieved 35 out of a goal of 650;
15 Sam's Town Hotel and Casino, which achieved 384
16 out of a goal of 700; L'Auberge Baton Rouge,
17 which achieved 737 out of a goal of 800;
18 Horseshoe Casino and Hotel, which achieved 582
19 out of a goal of 1000; Boomtown New Orleans,
20 which achieved 432 out of a goal of 505; Belle
21 of Baton Rouge Casino, which achieved 150 out
22 of a goal of 450; Treasure Chest Casino, which
23 achieved 299 out of 500; Hollywood Casino,
24 which achieved 299 out of a goal of 450; Amelia
25 Belle, which achieved 149 out of a goal of 325;

1 Isle of Capri Casino and Hotel, which achieved
2 446 out of a goal of 650; Boomtown Casino
3 Bossier, which achieved 286 out of a goal of
4 650; and Bally's Shreveport, which achieved 654
5 out of a goal of 950.

6 All licensees, except for Belle of Baton
7 Rouge and Treasure Chest Casino, either met or
8 exceeded their goals in all of the
9 subcategories other than main category of
10 employment. 50.3 percent of Belle of Baton
11 Rouge's employees were women and they have a
12 goal of 51.8 percent, and 45.5 percent of
13 Treasure Chest Casino's employees are women and
14 they have a goal of 51.86 percent.

15 Next I'll address procurement. The
16 licensees are grouped according to three
17 subcategories which appear in your report.
18 Those subcategories are Louisiana, minority,
19 and female procurement. Under the Louisiana
20 procurement, four licensees did not achieve
21 compliance with its voluntary conditions.
22 Those licensees are: Amelia Belle Casino,
23 which achieve 66.3 percent out of a goal of 80
24 percent; Isle of Capri Casino and Hotel, which
25 achieved 30 percent out of a goal of

1 60 percent; Margaritaville Resort Casino
2 achieved 83.6 percent out of a goal of
3 90 percent; and Boomtown Bossier, which
4 achieved 70.9 percent out of a goal of
5 80 percent.

6 Under the subcategory of minority
7 procurement, seven licensees did not achieve
8 compliance with its voluntary condition, and
9 those licensees are: DiamondJacks Casino,
10 which achieved 0 percent out of a goal of 10
11 percent; Sam's Town Hotel and Casino, which
12 achieved 6.1 percent out of a goal of
13 25 percent; Horseshoe Casino and Hotel, which
14 achieved 13.5 percent out of a goal of
15 35 percent; Boomtown New Orleans, which
16 achieved 13.5 percent out of a goal of
17 15 percent; Amelia Belle Casino, which achieved
18 27.8 percent out of a goal of 30 percent; Isle
19 of Capri Casino and Hotel, which achieved 1.5
20 percent out of a goal of 10 percent; and
21 Bally's Shreveport, which achieved 9.2 percent
22 out of a goal of 25 percent.

23 Under the subcategory of female
24 procurement, three licensees did not achieve
25 compliance with its voluntary condition and

1 those licensees are: Horseshoe Casino and
2 Hotel, which achieved 22.4 out of a goal of 35
3 percent; Isle of Capri Casino and Hotel, which
4 achieved 6.4 percent out of a goal of
5 10 percent; and Bally's Shreveport, which
6 achieved 9.4 percent out of a goal of 10
7 percent.

8 Are there any questions regarding the
9 riverboats?

10 CHAIRMAN JOHNS: Any questions, members?
11 Judge, I see you.

12 MR. SHOLES: Can you tell me whether or
13 not those employment numbers have decreased
14 since the last report or over the last year?

15 MS. MURRAY: Over the last year, they've
16 actually increased. We had -- almost all of
17 the riverboats actually were not hitting their
18 employment goals previously due to the COVID-19
19 pandemic. Those numbers have been slowly
20 coming back.

21 MR. SHOLES: And in the subcategories
22 also?

23 MS. MURRAY: In the subcategories, they
24 typically fluctuate. The percentages are
25 actually -- I'm trying to think of the way to

1 say this. We had a couple of riverboats that
2 submitted their reasons behind their numbers,
3 and a couple of them -- I have it here with me.

4 For example, Belle of Baton Rouge, they
5 didn't hit their female employment condition
6 due to three terminations in December. So the
7 numbers -- the percentages are actually very
8 close to hitting. If they had not terminated
9 those three employees, they would have hit that
10 percentage.

11 MR. SHOLES: Thank you.

12 CHAIRMAN JOHNS: And, Judge, I will tell
13 you and members of the Board, I've had numerous
14 conversations with a lot of the properties on
15 these goals. The goals come from many, many
16 years ago and they were set kind of in a
17 voluntary fashion. And to be honest with you,
18 they're outdated. It's just a lot of factors
19 that have gone into all of this.

20 So we're actually working on a new plan
21 that I think that everyone will be very pleased
22 with as we -- if we can get to that. But you
23 heard it from this podium, we take this very,
24 very seriously.

25 Mr. Duty, would you like to come up? This

1 is Wade Duty with the Casino Association.

2 MR. DUTY: Good morning, members. Wade
3 Duty, executive director of Louisiana Casino
4 Association. Chairman Johns is absolutely
5 correct in his previous statements. But keep
6 in mind, many of these goals were set 11 years
7 before the iPhone was invented. They were set
8 when gasoline was \$1.11. So to say they're
9 outdated is being generous. Particularly
10 considering the 2008 recession, the explosion
11 in Native American gaming in Oklahoma, the 2016
12 floods, as well as the COVID experience that
13 all businesses are still working through.

14 But having said all that, the industry
15 recognizes its commitment to this issue, and we
16 are crafting a long-term resolution to try and
17 address both resetting the goals to reasonable
18 and achievable limits, but also to identify new
19 vendors to replace those that simply did not
20 come back. In the Northwest market, we lost a
21 significant minority vendor and we are trying
22 to fill that void.

23 But as those vendors come and go, we need
24 a little resiliency in our system. So long
25 story short, we are going to be coming before

1 you this year with a proposal to both revisit
2 and rework the procurement and employment
3 processes.

4 Yes, ma'am?

5 MS. BERRY: I have a question. You may
6 have just answered it. Since I've been on the
7 Board, I was told exactly what you said, that
8 those are voluntary numbers that are archaic.
9 And you just said hopefully by the end of this
10 year -- I was wondering what -- what is it
11 going to take to get the numbers to be more
12 realistic? Because, you know, we look at
13 information and we try to make decisions based
14 on these numbers, and we don't want to get down
15 on somebody for something that's totally
16 unrealistic.

17 But we need to be current with
18 procurement, especially in minority also. I
19 mean, I guess that's the employment, too, but
20 all of them. So what does it take to get more
21 realistic numbers? Are they still going to be
22 voluntary?

23 MR. DUTY: They'll still be voluntary.
24 Absent some steps that Louisiana has not taken,
25 these must remain voluntary goals. You have

1 opportunities to make clarifications. What it
2 would take is simply the approval of this Board
3 to accept those new goals when we come before
4 you.

5 This does not require legislative change.
6 That said, however, both the regulators and the
7 industry are stuck with a definition that has
8 significant legal flaws in it. Tracking by
9 race and gender is not something that is
10 actually supportable constitutionally. So we
11 would have to seek a legislative resolution for
12 that.

13 But we believe there's still enough room
14 in the system, absent that solution, to come
15 before you with goals that are reasonable.

16 MS. BERRY: Thank you. I will be looking
17 forward to that.

18 MR. DUTY: Also, think about it, two of
19 these casinos are actually closed. So that's
20 -- but it's still in the reporting system and
21 it's relevant that you see the data. But
22 they're closed, so how do you hold them
23 accountable? It's a little bit tricky.

24 CHAIRMAN JOHNS: That is correct. Isle of
25 Capri, which will be Horseshoe Lake Charles,

1 and then DiamondJacks is closed.

2 The other issue, as I've had conversations
3 with different properties, is the number of job
4 openings that they simply just cannot fill. I
5 know for a fact that one property in the state
6 has as many as 300 job openings today that they
7 just can't fill. So it's been frustrating on
8 their part and frustrating on our part that
9 it's hard to get people back to work.

10 So hopefully in the coming months, that'll
11 lighten up some now that COVID seems to be
12 moving on and a lot of the mandates are no
13 longer there.

14 So with that said, we look forward to
15 working with the industry on this, Mr. Duty,
16 and we will have more conversations.

17 MR. SHOLES: If I may, Mr. Duty, since
18 you're here: Is the industry committed to
19 paying all of its employees a living wage?

20 MR. DUTY: The industry follows state and
21 federal requirements with respect to wages.

22 MR. SHOLES: Would you agree that in
23 Louisiana the wage is probably about \$15 an
24 hour.

25 MR. DUTY: I have not personally examined

1 data that would set that at any particular
2 dollar level.

3 MR. SHOLES: I would appreciate if we
4 could have that discussion one day.

5 MR. DUTY: Understood.

6 CHAIRMAN JOHNS: Thank you, Judge Sholes.
7 Moving on to racetracks, I believe, right?

8 MS. MURRAY: That's correct. In the
9 fourth quarter of 2021, approximately 185,000
10 people were employed by the racetrack casino
11 industry. And of that number, 892 were
12 Louisiana residents, 546 were minorities, and
13 616 were women.

14 Two racetrack casinos achieved total
15 compliance this quarter and they are Evangeline
16 Downs and Fairgrounds. Delta Downs did not
17 achieve its Louisiana employment condition. It
18 achieved 59.6 of 80 percent condition, and they
19 also did not achieve the Louisiana procurement
20 condition. They achieved 56.1 percent out of
21 the 60 percent condition.

22 Louisiana Downs did not achieve its female
23 employment condition. It achieved 55.8 percent
24 out of the 60 percent condition. And Louisiana
25 Downs did not achieve its minority procurement

1 conditions. It achieved 1.1 percent out of the
2 6 percent condition.

3 Are there any questions regarding the
4 racetracks?

5 CHAIRMAN JOHNS: Just a couple of comments
6 from the Chairman. As far as Delta Downs is
7 concerned, that track is literally maybe
8 five miles from the Texas border, and a lot of
9 their employees are -- they're being forced to
10 get employees out of the Texas market because
11 of lack of interest from locals, I guess, of
12 working there. But I've had conversations with
13 Boyd about Delta Downs, and they're working on
14 that.

15 Louisiana Downs is under brand-new
16 ownership. We've had conversations with them
17 also. I think we'll see those minority
18 procurement numbers for the Louisiana Downs
19 increase at the next reporting period.

20 Any questions from the Board on
21 racetracks?

22 (No response)

23 CHAIRMAN JOHNS: Hearing none, thank you
24 so much for your report.

25 IV. REVENUE REPORTS

1 CHAIRMAN JOHNS: We'll move over to
2 revenue reports.

3 Ms. Jackson from the Louisiana State
4 Police will give us our revenue reports.

5 MS. JACKSON: Good morning, Mr. Chairman
6 and Board members. My name is Donna Jackson
7 with Louisiana State Police Gaming Enforcement
8 Division.

9 In January, the 13 operating riverboats
10 generated adjusted gross receipts of
11 \$145,905,090. The state collected fees
12 totaling \$31,369,594. Adjusted gross receipts
13 for fiscal year 2022 to date are
14 \$1,019,000,000, an increase of \$190 million or
15 23 percent from fiscal year 2021, but a
16 decrease of 2 percent from fiscal year 2020.

17 As of January 31st, 2022, the state
18 collected \$219 million in fees for fiscal year
19 2022.

20 Page 2 shows the riverboat revenue broken
21 down by regional market. The overall decrease
22 from December was \$18.2 million or 11 percent.
23 Compared to last January, this month's revenues
24 represent an increase of \$13.3 million or
25 10 percent.

1 Next is a summary of the January 2022
2 gaming activity for Harrah's New Orleans found
3 on Page 3. Harrah's generated \$17,728,620 in
4 gross gaming revenue. These revenues represent
5 a decrease from last month of \$4.4 million or
6 19.8 percent, but an increase of \$2.9 million
7 or 19.4 percent from the same month last year.
8 During January, the state receive \$5,095,890 in
9 minimum daily payments.

10 Adjusted gross receipts for fiscal year
11 2022 to date are \$116.5 million, an increase of
12 \$18 million or 18 percent from fiscal year
13 2021, but a decrease of 31 percent from fiscal
14 year 2020. As of January 31st, 2022, the
15 state collected approximately \$35 million in
16 fees for fiscal year 2022.

17 Next I'll present the revenues for slots
18 at the racetracks. During January, the four
19 racetrack facilities combined generated
20 adjusted gross receipts of \$24,586,303, a
21 decrease of approximately \$4 million or
22 14 percent from December and a decrease of
23 \$2.5 million or 9.4 percent when compared to
24 the same as last year. During January, the
25 state collected \$3.7 million in fees.

1 Adjusted gross receipts for fiscal year
2 2022 to date are \$186 million, an increase of
3 \$21 million or 13 percent from fiscal year
4 2021, but a decrease of 5 percent from fiscal
5 year 2020. As of January 31st, 2022, the
6 state has collected \$28 million in fees for
7 fiscal year 2022.

8 I will now move to the video gaming
9 information. There are 12,185 video gaming
10 devices activated at 1464 locations. Net
11 device revenue for January 2022 was
12 \$65.5 million, a decrease of \$8.7 million or
13 11.7 percent when compared to December 2021,
14 but an increase of \$4.2 million or 6.9 percent
15 when compared to last January.

16 Total franchise fees for January totaled
17 \$20 million, a decrease of \$2.7 million when
18 compared to December 2021 and an increase of
19 \$1.1 million when compared to January 2021.

20 Net device revenue for fiscal year 2022 to
21 date is \$469 million, an increase of
22 \$75.5 million or 19.2 percent when compared to
23 fiscal year 2021. Total franchise fees
24 collected for fiscal year 2022 to date are \$142
25 million, an increase of \$22 million or 18.3

1 percent when compared to last fiscal year.

2 Next, I will present the January revenue
3 for sports book. Two additional casinos opened
4 their retail sports book operations in January.
5 The 13 operating retail sports books accepted
6 over \$49 million in sports wagers, earning \$5.3
7 million in net proceeds during January and owe
8 \$533,000 in taxes to the state.

9 On January 28th, six companies commenced
10 operating mobile sports book in Louisiana. For
11 the four days of operation, the mobile sports
12 book operators accepted \$40.5 million in sports
13 wagers, resulting in a collective loss of
14 approximately \$9 million. The negative net
15 proceeds include a deduction of \$11.7 million
16 for promotional wagers.

17 Questions?

18 CHAIRMAN JOHNS: So when you look at that
19 number, it's kind of surprising, I guess, to
20 most of the public. But the reason for the
21 negative numbers is the credits, I guess you
22 would call it, on the promotional play. Is
23 that correct?

24 MS. JACKSON: Yes, sir. And each
25 licensee -- I'm sorry.

1 CHAIRMAN JOHNS: Maybe I'll get
2 Mr. Traylor up here to explain to the Board how
3 the promotional play works. And I know it was
4 part of the legislation from last year, and so
5 we're going to go with what legislature told us
6 to do.

7 MR. TRAYLOR: Good morning, I am Jeff
8 Traylor, audit director for the State Police
9 Gaming Division. So the law allows each
10 license -- each of the 20 licenses -- a \$5
11 million deduction per calendar year for
12 promotional credits.

13 Since under each license you can have a
14 retail and two mobile skins, it's still only
15 5 million that the three different entities
16 will share for the calendar year. Actually, in
17 the first four days that they were open --
18 since we're talking about six operators, we're
19 talking six licenses, so if you add it all up,
20 that would be 30 million combined between those
21 six. And they used about a third of that in
22 the first four days.

23 So that's a significant amount. We saw
24 it. They've been advertising for months, you
25 know, join now and get \$200 free or \$100 free

1 or whatever the different promotions are. And
2 so they ran through that pretty good. And even
3 when you back that out with the four days,
4 you're still talking 25 plus million dollars in
5 actual cash wagers.

6 CHAIRMAN JOHNS: So some our licenses have
7 already burned through their 5 million; is that
8 what --

9 MR. TRAYLOR: At least one has already
10 used up the five. A couple of others are close
11 to half or a little bit over half. They'll run
12 -- I don't know that they'll run through it
13 faster as we go forward, because now they've
14 got everybody on board and all the free play
15 has been disbursed, but they will continue to
16 have it throughout the year.

17 CHAIRMAN JOHNS: So these numbers are
18 strictly for the last four days of January.

19 MR. TRAYLOR: Four days.

20 CHAIRMAN JOHNS: And then activity from
21 February 1st through this past weekend, Super
22 Bowl, were probably pretty phenomenal.

23 MR. TRAYLOR: I'm sure they're not
24 unhappy.

25 CHAIRMAN JOHNS: Ms. Berry?

1 MS. BERRY: I just want to ask a question
2 and make sure I'm understanding this correctly.
3 The \$5 million per calendar year, per
4 operator --

5 MR. TRAYLOR: Per license.

6 MS. BERRY: Per license, and you said you
7 had two mobile skins. Okay. So if they burn
8 through their 5 million, they're going to be
9 paying us tax on the rest of it?

10 MR. TRAYLOR: On any free play going
11 forward, yes, ma'am.

12 MS. BERRY: For the rest of the year?

13 MR. TRAYLOR: Yes, ma'am.

14 MS. BERRY: I think mobile might have
15 helped us a little.

16 MR. TRAYLOR: It certainly will eliminate
17 that 5 million faster.

18 MS. BERRY: And the tax rate that they pay
19 on that?

20 MR. TRAYLOR: Mobile is 15 and the retail
21 is 10 percent.

22 MR. AVANT: This is for one year only?

23 MR. TRAYLOR: For every year. And it's
24 from the beginning of the year. So --

25 MS. BERRY: For the fiscal year?

1 MR. TRAYLOR: For this, it's calendar.
2 For the casinos, they have the same thing for
3 the casinos, but that's on fiscal year.

4 CHAIRMAN JOHNS: Anything else, Mr. Avant?
5 Ms. Berry?

6 MS. BERRY: Thank you.

7 CHAIRMAN JOHNS: Any other questions from
8 the Board?

9 (No response)

10 CHAIRMAN JOHNS: I will just say this: I
11 want to publicly thank Louisiana State Police
12 and the Gaming Division -- the state police and
13 the Gaming Division at the Attorney General's
14 Office for the incredible work that they did to
15 get mobile out and running the way that we
16 have. We have had very, very few problems.
17 That's what I think we should all be very, very
18 happy with and very thankful for is that the
19 programs have rolled out the way that we
20 envisioned it to roll out.

21 So thank y'all very much for your work.
22 Please thank all your staff for us because I
23 know they probably got tired of hearing from
24 me. Thank y'all very much.

25 Ms. Berry?

1 MS. BERRY: I'm sorry, I keep thinking of
2 things that I've been wanting to ask. While
3 you're up here, sir, how many states tax the
4 promos? We're not the only one?

5 MR. TRAYLOR: I can honestly tell you I
6 can't tell you right now. We looked at this
7 when they did it for the casinos and you had
8 some states that taxed half of the promos. You
9 had -- I think there was one or two at the time
10 that still had or were contemplating changing
11 how they did it, and there were other states
12 that don't at all.

13 MS. BERRY: I'm sorry. I was just
14 curious.

15 MR. TRAYLOR: We had looked it up before,
16 but since we did it then, we weren't really all
17 that --

18 MS. BERRY: And it doesn't change?
19 There's still an amount, so we're still
20 collecting the tax. Thank you.

21 CHAIRMAN JOHNS: Let me ask Mr. Duty to
22 come back up. I know he's got some numbers on
23 that for us.

24 MR. DUTY: Good morning again. Wade Duty,
25 executive director of Louisiana Casino

1 Association. Mr. Traylor is correct. About
2 half of the states do not tax promotional
3 credits at all. And our next closest
4 jurisdictional neighbor, Mississippi, does not
5 tax promotional credits. And that's one of the
6 things that the legislator evaluated in
7 offering this tool. And we believe they got it
8 right by tying it to a calendar year and
9 allowing the licensee to control the
10 expenditure of promotional credits that would
11 not be taxed.

12 It gave us a very effective -- the most
13 effective marketing tool that we had. So as
14 you've seen, some of them have already depleted
15 that and you will see those numbers flip to a
16 tax paying category. So that -- because of the
17 timing of this coming online with the Super
18 Bowl, which is probably the most heavily
19 wagered online sporting event in the U.S., that
20 was the aggressiveness for this promotional
21 stance. So that will taper, but it will be
22 seasonal.

23 When you get into basketball season and
24 March Madness and other events and then back
25 into the fall as we ramped up into football

1 season, so it will ebb and flow, but again,
2 they've spent a lot of it already. So
3 hopefully that gives you a little more insight.

4 MS. BERRY: Thank you.

5 CHAIRMAN JOHNS: That helps a lot, Mr.
6 Duty. Thank you very much.

7 Any other questions? Thank you,
8 Ms. Jackson. Thank you, Mr. Traylor.

9 VI. FANTASY GAMING ISSUES

10 CHAIRMAN JOHNS: Moving along to Item
11 Number 6 on the agenda, consideration of the
12 petition for the approval of the transfer of
13 indirect ownership DraftKings doing business as
14 DraftKings DE.

15 And I think we have the Attorney General's
16 Office here today. Good morning.

17 MR. GATHE: Good morning, Chairman Johns
18 and Board members. I'm Assistant Attorney
19 General Jeremy Gathe here in the matter of the
20 transfer of indirect ownership interest in
21 DraftKings, Inc. doing business as DraftKings
22 DE.

23 Reporting with me today is Ms. Tammy Haupt
24 from Louisiana State Police Audit Division and
25 Sergeant Vincent LeNguyen of Louisiana State

1 Police Gaming Enforcement.

2 On December 6th, 2021, DraftKings DE, a
3 Delaware Corporation, and its subsidiary SBTech
4 Malta Limited doing business as SBTech
5 petitioned the Board seeking the approval of
6 their proposed transfer of indirect ownership
7 interest by way of a merger involving their
8 parent company, DraftKings NV. DraftKings DE
9 holds a fantasy sports contest operator license
10 and a temporary certificate of authority as a
11 sports wagering platform provider.

12 SBTech holds a temporary certificate of
13 authority as a sports wagering service
14 provider. On August 9th, 2021, an agreement
15 and plan of merger was entered into by and
16 among DraftKings NV, Golden Nugget Online
17 Gaming, Inc. New Duke Holdco, Inc -- which is
18 a Nevada corporation and a direct wholly-owned
19 subsidiary of DraftKings NV -- Duke Merge Sub,
20 Inc -- which is a Nevada corporation and a
21 direct wholly-owned subsidiary of New Duke
22 Holdco, Inc. and Gulf Merger Sub -- which is a
23 Delaware corporation and direct wholly-owned
24 subsidiary of New Duke Holdco, Inc.

25 Pursuant to the merger agreement, Duke

1 Merger Sub will merge with and into DraftKings
2 NV with DraftKings NV surviving and becoming a
3 wholly-owned subsidiary of New Duke Holdco.
4 Immediately following this merger, Gulf Merger
5 Sub will work with and into Golden Nugget
6 Online, Inc. with Golden Nugget Online, Inc.
7 being the surviving entity and also becoming a
8 wholly-owned subsidiary of New Duke Holdco,
9 Inc. As a result of both mergers, New Duke
10 Holdco, Inc. will become a new publicly traded
11 parent company of both DraftKings NV and Golden
12 Nugget Online Gaming and the ultimate parent
13 company of DraftKings DE and SBTech through its
14 ownership of DraftKings NV.

15 Golden Nugget Online Gaming does not hold
16 any gaming license or permit in the state of
17 Louisiana. However, pursuant to the merger
18 agreement, stockholders of Golden Nugget Online
19 Gaming will receive a consideration for the
20 merger in the form of shares in New Duke
21 Holdco, Inc.

22 Additionally, as part of the plan with the
23 merger, Landry's Fertitta, LLC will contribute
24 its 40.5 percent partnership interest in LHGN
25 Holdco, LLC, which is an operating subsidiary

1 of Golden Nugget Online Gaming to New Duke
2 Holdco, Inc. in exchange for shares class A
3 (indiscernible) from New Duke Holdco. So as a
4 result, Landry Fertitta, LLC will hold an
5 indirect ownership interest in New Duke Holdco,
6 Inc.

7 As this transaction involves a transfer of
8 interest of 5 percent or more, it requires the
9 prior approval of the Board. If it is the
10 Board's pleasure to approve of proposed
11 transfer of indirect interest in DraftKings DE
12 to New Duke Holdco, Inc. and related
13 transactions, a resolution has been prepared
14 for the Board's consideration and the
15 Chairman's signature upon approval.

16 I will now turn the presentation over to
17 State Police.

18 MS. HAUPT: Good morning, Chairman Johns
19 and Board members. My name is Tammy Haupt.
20 I'm an auditor with Louisiana State Police's
21 Gaming Enforcement Division.

22 As detailed by Mr. Gathe, the proposed
23 DraftKings/GNOG merger would indirectly
24 transfer ownership in DraftKings Delaware from
25 DraftKings Nevada to New DraftKings through a

1 series of merger transactions identified in the
2 merger and contribution agreements and outlined
3 in our report. The merger is an all-stock deal
4 with an implied equity value of approximately
5 \$1.56 billion.

6 DraftKings, Inc., a Delaware corporation,
7 was founded in 2011 with a singular focus on
8 the daily fantasy sports industry and expanded
9 its product offerings to include sports book
10 and iGaming in 2018. DraftKings Delaware is
11 the primary owner and operator of DraftKings
12 business-to-consumer operations with its mobile
13 and online sports book launched in 17 states,
14 retail sports book offered on 12 states, daily
15 fantasy sports available in 44 states, and
16 iGaming accessible in five states.

17 In January of 2022, DraftKings went live
18 with its mobile sports betting app in New York
19 and Louisiana and announced its exclusive
20 agreement to become the official sports book
21 provider of the Oregon lottery.

22 Both DraftKings' 2020 audited financial
23 statements and nine-month interim financial
24 statement, dated September 30 of 2021, noted a
25 going concern based on the operating losses and

1 negative operating cash flows for the past
2 several years. According to DraftKings'
3 representatives, they expect to continue to
4 incur annual operating losses and negative
5 operating cash flows for the foreseeable future
6 and will continue to use its corporate cash
7 reserves to fund operations until profitable.

8 As of September 30th, 2021, DraftKings
9 had approximately \$2.4 billion of cash on its
10 balance sheet to fund operations until they
11 reach profitability. The company's current
12 multiyear plan and profitability depend on the
13 rate of continued legalization of sports book
14 and iGaming in new states over the next few
15 years, causing a dip in profitability. They
16 expect states to turn profitable within two to
17 three years of launch.

18 New Jersey, DraftKings' most mature sports
19 book and iGaming state, is already contribution
20 positive, and they expect other states to
21 follow suit and become profitable as the ratio
22 of mature states to new states increases.

23 In conclusion, there is cause for concern
24 financially since DraftKings has consistently
25 reported losses and negative operating cash

1 flows over the past several years. However,
2 the balance sheet, as of September 30th, 2021,
3 appears to be strong and the stock appears to
4 be performing well, currently trading at \$22.99
5 a share closing yesterday.

6 Otherwise, no financial issues came to the
7 audit section's attention that were of such a
8 nature to preclude the Board from approving the
9 proposed transfer of indirect interest in the
10 licensee to New DraftKings. Local counsel for
11 DraftKings is in attendance today and available
12 to answer any questions you may have.

13 I'm going to turn it over to licensing now
14 for their findings.

15 MR. LENGUYEN: Good morning, Chairman
16 Johns and Board members. Sergeant Vincent
17 LeNguyen with Louisiana State Police Gaming
18 Enforcement Division. The Division reviewed
19 that the series of mergers related to New Duke
20 Holdco, Inc. to determine if there's any new
21 entities or individuals that are going to be
22 associated with this petition of indirect
23 transfer of ownership. Through our review, the
24 post merger will result in the Board of
25 Directors of New Duke Holdco, Inc. would

1 comprise of the existing board members of the
2 current DraftKings, Inc.

3 Tillman Fertitta would be the only new
4 board member added to the board. The
5 management of New Duke Holdco, Inc. and their
6 subsidiaries would comprise of the key officers
7 of the existing DraftKings, Inc. All of these
8 individuals have previously been found suitable
9 by the Board in conjunction with their current
10 licensing as daily fantasy sports. They also
11 have a couple of pending licenses for the sport
12 wager platform and one of the subsidiaries has
13 a pending license for the sports wager service
14 provider.

15 As a result, no information was found that
16 would preclude them from continuing to
17 participate in the gaming industry.

18 CHAIRMAN JOHNS: Thank you very much for
19 your presentation.

20 Any questions from Board members?

21 (No response)

22 CHAIRMAN JOHNS: So in your
23 recommendation, everybody is suitable, no
24 issues? We feel comfortable in moving forward
25 with this with your recommendation; is that

1 correct?

2 MR. LENGUYEN: Yes, sir.

3 CHAIRMAN JOHNS: Ms. Berry has moved that
4 we adopt the resolution that will be read
5 shortly. Do I have a second on that?

6 Ms. Hamilton-Acker has seconded that
7 motion. So Ms. Thurman, would you read the
8 resolution, please?

9 MS. THURMAN: On the 17th day of
10 February, 2022, the Louisiana Gaming Control
11 Board did, in a duly noticed public meeting,
12 consider the petition of DraftKings, Inc. dba
13 DraftKings, a Delaware corporation, for
14 approval of the proposed transfer of indirect
15 ownership interest in DraftKings DE and upon
16 motion duly made and seconded, the Board
17 adopted this resolution.

18 Whereas, on August 9, 2021, DraftKings,
19 Inc., a Nevada corporation, Golden Nugget
20 Online Gaming, Inc, New Duke Holdco, Inc., Duke
21 Merger Sub, Inc., and Gulf Merger Sub, Inc.,
22 did enter into an agreement and plan of merger
23 providing for the indirect transfer of
24 100 percent of the ownership interest of
25 DraftKings DE to New Duke Holdco, Inc.

1 Whereas, DraftKings NV holds 100 percent
2 of the ownership interest in DraftKings DE and
3 whereas the direct transfer of ownership
4 interest in DraftKing's DE to New Duke Holdco,
5 Inc. pursuant to the agreement and plan of
6 merger and the related agreements entered into
7 in connection therewith requires Board
8 approval.

9 Now therefore, be it resolved, that
10 DraftKings DE's request for approval of merger
11 between DraftKings NV with and into Duke Merger
12 Sub, Inc. with DraftKings NV surviving,
13 resulting in the indirect transfer of 100
14 percent of the ownership interest in DraftKings
15 DE to New Duke Holdco, Inc. is hereby approved.

16 Be it resolved that the execution of the
17 agreement and plan of merger by and between the
18 parties is hereby approved.

19 Be it resolved that the execution of all
20 documents necessary to effectuate the
21 transactions contemplated by and provided for
22 in the agreement and plan of merger and related
23 agreements, all as more particular described
24 and provided for therein is hereby approved.

25 Thus done and signed in Baton Rouge,

1 Louisiana this 17th day of February, 2022.

2 CHAIRMAN JOHNS: Thank you, Ms. Thurman.
3 Board members, we have a motion before us by
4 Vice Chairman Berry, seconded by
5 Ms. Hamilton-Acker that we approve this
6 resolution.

7 Ms. Thurman, would you call the roll,
8 please?

9 MS. THURMAN: Mr. Avant?

10 MR. AVANT: Yes.

11 MS. THURMAN: Ms. Berry?

12 MS. BERRY: Yes.

13 MS. THURMAN: Mr. Jackson?

14 MR. JACKSON: Yes.

15 MS. THURMAN: Ms. Lewis?

16 MS. LEWIS: Yes.

17 MS. THURMAN: Ms. Hamilton-Acker?

18 MS. HAMILTON-ACKER: Yes.

19 MS. THURMAN: Mr. Sholes.

20 MR. SHOLES: Yes.

21 MS. THURMAN: Ms. Traylor?

22 MS. TRAYLOR: Yes.

23 MS. THURMAN: Chairman Johns?

24 CHAIRMAN JOHNS: Yes.

25 MS. THURMAN: It is unanimous.

1 CHAIRMAN JOHNS: Unanimous vote, that
2 resolution is hereby adopted. Thank you very
3 much.

4 CASINO GAMING ISSUES

5 CHAIRMAN JOHNS: Moving on to Item Number
6 7, casino gaming issues. Consideration of
7 petition for approval of a modification to a
8 prior approved debt transaction of Golden
9 Nugget Lake Charles.

10 MS. BELL: Good morning, Chairman Johns
11 and Board members. My name is Patricia Bell
12 with Louisiana State Police Gaming Audit
13 Section. Golden Nugget Lake Charles, LLC
14 submitted a petition to modify a previously
15 approved debt transaction.

16 On November 18, 2021, the Board approved a
17 1.7 million term loan and a 500 million
18 revolver in conjunction with a SPAC merger
19 agreement. Both parties involved agreed to
20 terminate the merger on December 9, 2021. As a
21 result, Golden Nugget, LLC now named Fertitta
22 Entertainment, LLC, did not have access to
23 additional funds from the merger.

24 Fertitta Entertainment requested approval
25 to obtain a 3.3 billion term B loan along with

1 the 500 million revolver, undrawn, and to issue
2 senior secured and unsecured notes for 1
3 billion and 1.25 billion, respectively.

4 The senior unsecured notes and the senior
5 secured notes will be sold in a Rule 144A
6 offering or other private offering and are
7 therefore exempt from prior approval pursuant
8 to LAC 42:III.2524(A)(2).

9 Page 4 of the report contains the sources
10 and uses for the transaction. Golden Nugget
11 requested approval to close on the transaction
12 prior to Board approval to take advantage of
13 favorable market rates. The Board granted
14 approval subject to certain conditions. Golden
15 Nugget closed on the transaction on January
16 27th, 2022.

17 As of September 30, 2021, Fertitta
18 Entertainment, LLC and its subsidiary were in
19 compliance with the credit agreement's
20 restrictive covenants.

21 In conclusion, no financial matters came
22 to our attention to preclude the Board's
23 approval of this transaction. The Attorney
24 General's Office has prepared a resolution for
25 the transaction should the Board move to

1 approve.

2 CHAIRMAN JOHNS: Thank you very much.
3 Anyone from Golden Nugget here this morning?

4 MS. ELDER: Yes, sir.

5 CHAIRMAN JOHNS: Any comments on the
6 transaction?

7 MS. ELDER: No, sir. We have closed, but
8 we are --

9 CHAIRMAN JOHNS: If you don't mind, Ms.
10 Elder, just identify yourself for the record.

11 MS. ELDER: Good morning, Amy Elder with
12 Baker Donelson, representing Golden Nugget.

13 We have closed the transaction on January
14 27th in compliance with the restrictions under
15 the permission to close. There were no pledges
16 of or by licensee assets or equity as provided
17 in the permission to close.

18 CHAIRMAN JOHNS: Any questions from Board
19 members? Any questions?

20 (No response)

21 CHAIRMAN JOHNS: Thank you, Ms. Elder. I
22 appreciate it. So we do have a resolution that
23 has been a drafted. Do I have a motion to
24 adopt that resolution?

25 MS. TRAYLOR: Move.

1 CHAIRMAN JOHNS: Ms. Traylor has moved
2 that we adopt the resolution.

3 MR. JACKSON: Second.

4 CHAIRMAN JOHNS: And Mr. Jackson has
5 seconded that motion.

6 Ms. Thurman, would you read the
7 resolution, please?

8 MS. THURMAN: On the 17th day of
9 February, 2022, the Louisiana Gaming Control
10 Board did, in a duly noticed public meeting,
11 consider the petition of Golden Nugget Lake
12 Charles, LLC for approval of modification to
13 prior approved debt transaction, and upon
14 motion duly made and seconded, the Board
15 adopted this resolution:

16 Whereas, on November 18, 2021, the Board
17 approved certain debt transactions to be
18 entered into by and between Golden Nugget, LLC
19 and Jefferies Finance, LLC for the purpose of
20 refinancing the outstanding indebtedness of
21 Golden Nugget, LLC, as more particularly set
22 forth in the resolution adopted by the Board
23 and executed by its Chairman on that date;

24 And whereas, on January 6, 2022, Golden
25 Nugget, LLC petitioned the Board for approval

1 of certain modifications to the debt
2 transactions approved by the Board on
3 November 18, 2021;

4 And whereas, on January 12th, 2022,
5 Golden Nugget, LLC changed its name to Fertitta
6 Entertainment, LLC;

7 And whereas, on January 14th, 2022,
8 Fertitta Entertainment, LLC filed an amendment
9 to the petition filed on January 6, 2022 to
10 increase the amount of the loan and the
11 interest rate;

12 And whereas, the proposed modifications to
13 the refinancing of the outstanding indebtedness
14 of Fertitta Entertainment, LLC approved by the
15 Board on November 18, 2021 require prior Board
16 approval.

17 Now therefore, be it resolved, that the
18 increase in aggregate principal amount of the
19 senior secured term loan be approved by the
20 Board on November 18, 2021 from \$1.7 billion to
21 \$3.3 billion and the increase in the interest
22 rate on said term loan B from Libor plus .3
23 percent to SOFR plus .400 percent are hereby
24 approved.

25 Be it resolved that the approvals granted

1 by the Board on November 18, 2021 in regard to
2 the giving of guarantees and the granting of
3 secured by Landry's Gaming, LLC, Golden Nugget,
4 LLC, and any and all of their subsidiaries to
5 secure the proposed refinancing as more
6 particularly set forth in the Board's
7 resolution of November 18th, 2021, shall
8 apply, *pari passu*, to the modifications
9 approved herein.

10 Be it resolved that the execution of all
11 documents necessary to effectuate the
12 refinancing arrangements as modified and
13 approved here in and on November 18th, 2021,
14 is hereby approved.

15 Thus done and signed in Baton Rouge,
16 Louisiana this 17th day of February, 2022.

17 CHAIRMAN JOHNS: Thank you, Ms. Thurman.
18 Members, we have resolution before you. A
19 motion by Ms. Traylor and a second by Mr.
20 Jackson that we adopt this resolution.

21 Ms. Thurman, would you please call the
22 roll?

23 MS. THURMAN: Mr. Avant?

24 MR. AVANT: Yes.

25 MS. THURMAN: Ms. Berry?

1 MS. BERRY: Yes.

2 MS. THURMAN: Mr. Jackson?

3 MR. JACKSON: Yes.

4 MS. THURMAN: Ms. Lewis?

5 MS. LEWIS: Yes.

6 MS. THURMAN: Ms. Hamilton-Acker?

7 MS. HAMILTON-ACKER: Yes.

8 MS. THURMAN: Mr. Sholes?

9 MR. SHOLES: Yes.

10 MS. THURMAN: Ms. Traylor?

11 MS. TRAYLOR: Yes.

12 MS. THURMAN: Chairman Johns?

13 CHAIRMAN JOHNS: Yes.

14 MS. THURMAN: It is unanimous.

15 CHAIRMAN JOHNS: By unanimous vote. That
16 adoption -- that resolution is hereby adopted.
17 Thank you very much.

18 Moving on to the consideration of the
19 application of Caesar's Entertainment, Inc. for
20 shelf approval.

21 UNKNOWN FEMALE: Good morning, Chairman
22 and Board members. I'm (indiscernible). I'm
23 an auditor with Louisiana State Police.

24 Caesar's Entertainment, Inc. formerly
25 known as El Dorado Resorts, Inc. is requesting

1 the Board's approval under LAC 42:III.2525
2 shelf application, a fifth application for a
3 \$24 billion shelf for a three-year period that
4 will commence upon the Board's approval.

5 Caesar's meets the requirements under
6 Section 2525; it's a publicly traded company.
7 Caesar's has filed periodic documents, reports,
8 and information to the FCC as required by a
9 security issuer under Sections 13 and 15B of
10 the Securities Exchange Act of 1934 and
11 Caesar's subsidiaries are considered to
12 affiliates as defined under LAC 42:III.2522.

13 Board approval will allow Caesar's and/or
14 its subsidiaries who get financing through
15 various debt vehicles up to a maximum
16 24 billion, inclusive of its existing debt.
17 Based on Caesar's 15.2 billion, an aggregate
18 principal amount of debt outstanding on
19 September 30th, 2021, board approval of
20 Caesar's shelf application would allow the
21 company to increase its outstanding debt by
22 approximately 8.8 billion. Caesar's long-term
23 debt schedule is shown on Page 19 of our
24 report.

25 Caesar's long-term debt schedule reflects

1 its most significant acquisition. On July
2 20th, 2020, Caesar's, then operating as El
3 Dorado Resorts, Inc., acquired Caesar's
4 Entertainment Corporation. At the time of this
5 acquisition, Caesar's Entertainment Corporation
6 was a publicly traded company and the largest
7 U.S. gaming company.

8 Subsequent to the company's acquisition of
9 Caesar's Entertainment Corporation, El Dorado
10 changed its name from El Dorado Resorts, Inc.
11 to Caesar's Entertainment, Inc. and the company
12 caused Caesar's Entertainment Corporation, or
13 former Caesar's, as its wholly-owned
14 subsidiary, to change its name to Caesar
15 Holdings, Inc. Caesar's stock chart is shown
16 on Page 18.

17 Caesar's plans to use the proceeds from
18 its debt transactions for general corporate
19 purposes and those purposes include the
20 company's ongoing projects in Louisiana at
21 Harrah's New Orleans and Horseshoe Lake
22 Charles, formerly known as Isle of Capri Lake
23 Charles.

24 As detailed in this schedule, Louisiana
25 projections on Page 13 and described on Pages

1 14 and 15 in our report, no issues came to
2 audit's attention to preclude the Board's
3 approval of the Caesar's application for a
4 \$24 billion shelf to issue debt financing. And
5 the Attorneys General's Office has prepared a
6 resolution for the transaction should the Board
7 move to approve.

8 Are there any questions?

9 CHAIRMAN JOHNS: Any questions for state
10 police? Any questions?

11 (No response)

12 CHAIRMAN JOHNS: So you feel comfortable
13 with the transaction?

14 UNKNOWN FEMALE: I do.

15 CHAIRMAN JOHNS: Thank you very much. Do
16 I have a motion to adopt that we read?

17 Ms. Lewis has made the motion that we
18 adopt the resolution. Vice Chairman Berry has
19 seconded that motion.

20 Ms. Thurman, would you read the
21 resolution, please?

22 MS. THURMAN: On the 17th day of February,
23 2022, the Louisiana Gaming Control Board did,
24 in a duly noticed public meeting, consider the
25 petition for authority to issue debt

1 instruments under LAC 42:III 2525, filed by
2 Caesar's Entertainment, Inc., i.e. an
3 application for shelf approval of debt
4 transactions, and upon motions duly made and
5 seconded, the Board adopted the following
6 resolution:

7 Be it resolved that Caesar's Entertainment
8 Inc.'s application for shelf approval of debt
9 transactions be and is hereby approved subject
10 to the following terms and condition:

11 Number 1, for a period of three years,
12 beginning February 17th, 2022, Caesar's
13 Entertainment, Inc. is granted approval
14 pursuant to LAC 42:III.2525 to enter into debt
15 transactions as defined in LAC 42:III.2522, not
16 to exceed a cumulative total of \$24 billion.
17 For purposes of this shelf approval, the
18 cumulative total of 24 billion shall include
19 debt currently existing or approved in earlier
20 debt transactions.

21 Number 2, within ten days of consummation
22 of the debt transaction, including amendments
23 and modifications of existing debt
24 transactions, Caesar's Entertainment, Inc.
25 shall provide a term sheet or executive summary

1 of the debt transaction and an executed copy of
2 the documents evidencing the debt transaction
3 to the Louisiana State Police, Gaming
4 Enforcement Division, Audit Section, Corporate
5 Securities Unit.

6 Number 3, this shelf approval may be
7 rescinded by the chairman of the Board and
8 issuance of a written notice of rescission
9 setting forth the reasons therefor. The
10 rescission remain in effect until lifted by the
11 Board, upon such terms as are satisfactory to
12 the Board.

13 Number 4, this self approval shall expire
14 on February 17th, 2025.

15 It is hereby further resolved that the
16 Chairman of the Louisiana Gaming Control Board
17 be delegated the authority to issue a written
18 decision of the shelf approval in accordance
19 with LAC 42:III.2525(E) and as provided herein
20 above.

21 Thus done and signed in Baton Rouge,
22 Louisiana this 17th day of February, 2022.

23 CHAIRMAN JOHNS: Thank you, Ms. Thurman.

24 Members we have a resolution before you.
25 We have a motion by Ms. Lewis that we adopt the

1 resolution, seconded by Vice Chairman Berry.

2 Ms. Thurman, would you call the roll?

3 MS. THURMAN: Mr. Avant?

4 MR. AVANT: Yes.

5 MS. THURMAN: Ms. Berry?

6 MS. BERRY: Yes.

7 MS. THURMAN: Mr. Jackson?

8 MR. JACKSON: Yes.

9 MS. THURMAN: Ms. Lewis?

10 MS. LEWIS: Yes.

11 MS. THURMAN: Ms. Hamilton-Acker?

12 MS. HAMILTON-ACKER: Yes.

13 MS. THURMAN: Mr. Sholes?

14 MR. SHOLES: Yes.

15 MS. THURMAN: Ms. Traylor?

16 MS. TRAYLOR: Yes.

17 MS. THURMAN: Chairman Johns?

18 CHAIRMAN JOHNS: Yes.

19 MS. THURMAN: It is unanimous.

20 CHAIRMAN JOHNS: By unanimous vote, the
21 resolution is hereby adopted. Thank you very
22 much.

23 I see we have some members of legislator
24 that joined us this morning. Thank you for
25 being here. I hope you find it entertaining

1 this morning. Not as entertaining as y'all's,
2 but thank you for your hard work. We really
3 appreciate it.

4 Ladies and gentlemen, we're going to move
5 once to the next item which I think is going to
6 take a little time. The consideration of the
7 petition of a plan of reopening by Louisiana
8 Riverboat Gaming Partnership doing business as
9 DiamondJacks Casino & Resort.

10 Ms. Landry, welcome to the table.

11 MS. LANDRY: Good morning, Chairman Johns
12 and Board members. I'm Assistant Attorney
13 General Lisha Landry.

14 Louisiana Riverboat Gaming Partnership
15 doing business as DiamondJacks Casino & Resort
16 filed a plan of reopening and a petition
17 seeking Board approval to amend the Board's
18 September 8th, 2021 resolution. The resolution
19 originally required the licensee to recommence
20 gaming operations on its vessel within 60 days
21 of the local option election. The St. Tammany
22 Parish voters did not approve of the gaming and
23 the licensee's relocation of berth site to that
24 parish.

25 On September 16, 2021, the Board amended

1 the resolution to reflect the change in the
2 date from local option election from November
3 13th, 2021 to December 11th, 2021.

4 On December 11th, the proposition to
5 relocate the licensee's berth site to St.
6 Tammany Parish failed. On January 20th,
7 2022, the Board amended it's September 8th
8 resolution to allow DiamondJacks until February
9 4th, 2022 to submit a comprehensive and
10 verifiable plan to recommence gaming operations
11 by February the 25th, 2022.

12 On February 4th, DiamondJacks filed a
13 petition requesting to suspend the deadline to
14 reaching its gaming operations upon its vessel
15 indefinitely and to allow a 60 day period to
16 negotiate and file a new petition regarding the
17 proposed sale of the entity that owns
18 DiamondJacks or, in the alternative, for the
19 Board to accept a surrender of its riverboat
20 gaming license, which expires on December
21 9th, 2024.

22 The licensee has remained closed since
23 March of 2020 and does not have valid
24 certificate of compliance. The licensee cannot
25 remain closed indefinitely. The Board has two

1 options in regards to this petition. The Board
2 can approve and accept the immediate surrender
3 of the licensee's riverboat gaming license or
4 the Board can temporarily suspend the condition
5 to recommence gaming operations and grant the
6 licensee 60 days to negotiate a transfer of
7 ownership interest in the licensee.

8 The transfer of ownership interest will
9 require Board consideration at a later date and
10 will be based on the Office of State Police
11 suitability and financial investigations of the
12 proposed buyer. Alternative resolutions have
13 been prepared for the Board based on these two
14 available options.

15 Attorney Peter Connick is here on behalf
16 of the licensee to address the Board and answer
17 any questions that you may have.

18 CHAIRMAN JOHNS: Okay. Thank you, Ms.
19 Landry for your presentation. Mr. Connick,
20 good morning.

21 MR. CONNICK: Good morning.

22 CHAIRMAN JOHNS: If you and your guest
23 would identify yourselves for the record,
24 please.

25 MR. CONNICK: Peter Connick, and with me

1 today is Mr. Robert Smith who is the executive
2 chair of DiamondJacks Louisiana.

3 CHAIRMAN JOHNS: And what is your position
4 at DiamondJacks, Mr. Smith?

5 MR. SMITH: I'm the administrative manager
6 for the property since we've been closed.

7 CHAIRMAN JOHNS: So you're not from the
8 corporate level then?

9 MR. SMITH: No, sir.

10 CHAIRMAN JOHNS: You don't make corporate
11 decisions?

12 MR. SMITH: No, sir.

13 CHAIRMAN JOHNS: Thank you very much.

14 Mr. Connick, is there any reason why
15 someone from upper-level management, including
16 Mr. Stevens, is not here today?

17 MR. CONNICK: Unfortunately, there is
18 nobody from the executive level. Mr. Stevens
19 was unable to make it today. We are here
20 representing the interests of the company.

21 CHAIRMAN JOHNS: I understand that. And
22 my comments are absolutely no reflection on
23 either one of you two gentlemen; please be
24 assured of that.

25 I find it extremely disturbing that

1 something that has gone on now for two years,
2 and this Board has bent over backwards to work
3 with Peninsula P2E on, first of all, an
4 opportunity to move that license to another
5 part of the state; when that failed, to reopen
6 the license in Bossier City.

7 So we stand here today and nothing has
8 been done. I don't think a blade of grass has
9 been changed at the property, as I understand
10 it, up in Bossier. Even with all of the
11 extensions that we have done and the work that
12 this Board as a whole -- staff, state police,
13 Attorney General's Office -- has put into this,
14 and it's a very serious issue. There's only 15
15 licenses in the state.

16 The fact that nobody from the corporate
17 level chose to attend this meeting, I find it
18 extremely disturbing. We are at a -- we're
19 between a rock and a hard place here today.
20 What we could do is just pull the license
21 today. There's a resolution right here that we
22 have -- I've had drafted. We could actually
23 take the license from you today.

24 But is that the best thing in the interest
25 of the state? I just don't know. I understand

1 that there is a possibility of a sale of the
2 property. Would you like to discuss that?

3 MR. CONNICK: Sure. Yes, Chairman. So
4 the company is entering into negotiations with
5 Foundation Gaming, which is an operator who
6 operates two casinos in other jurisdictions.

7 Foundation Gaming is an operator that has
8 experience in the Louisiana marketplace, in
9 particular the Bossier marketplace. It's an
10 operator that's optimistic about the prospect
11 of potentially operating a license that would
12 be developing a casino at the current berth
13 site in Bossier.

14 One of the requests in front of this Board
15 today is to allow those -- those negotiations,
16 I should say, have resulted in an LOI, which I
17 believe has been shared with the Board. One
18 request today is to allow those negotiations to
19 continue for 60 days after this hearing for the
20 opportunity for the companies to enter into
21 definitive agreements and present a petition
22 for approval of the proposed transfer of the
23 ownership interest of the company which
24 operates the license.

25 CHAIRMAN JOHNS: In your professional

1 opinion, do you think that this negotiation can
2 be completed in that 60-day window?

3 MR. CONNICK: The negotiations have been
4 occurring rapidly and in good faith and have
5 resulted in results in a fairly quick manner.

6 CHAIRMAN JOHNS: Mr. Smith, you're there
7 in Bossier City. Is the property operational
8 at all?

9 MR. SMITH: Obviously, we're not operating
10 for gaming at the moment, but the property
11 is -- we've been closed for two years. There
12 obviously are some maintenance issues that
13 would need to be dealt with, but it's in
14 reasonably the same condition that it was in
15 when we closed it.

16 CHAIRMAN JOHNS: The vessel itself is not
17 in compliance?

18 MR. SMITH: The vessel is currently not
19 certified, correct.

20 CHAIRMAN JOHNS: And P2E took it upon its
21 own, without Board approval, to notify the boat
22 inspector to not come in and inspect the boat
23 and let the certification lapse on its own.
24 That I also found very disturbing. That was
25 before me tenure as chairman, and that's water

1 under the bridge, nothing I can do about that
2 at this point in time.

3 In your opinion, how much work would have
4 to be done to put that boat back into
5 compliance, or that vessel I should say?

6 MR. SMITH: To recertify the vessel, there
7 are some HVAC and plumbing issues that would
8 need to be dealt with as well as a full
9 inspection would need to be completed and any
10 repairs or maintenance that that inspection
11 turned up would need to be brought into
12 compliance.

13 For the remainder of the property, we
14 engaged in a liquidation of the furniture,
15 fixtures, equipment, and food and beverage in
16 the hotel, so those items would need to be
17 replaced before it could reopen.

18 CHAIRMAN JOHNS: Do we have any questions
19 from members?

20 Mr. Avant?

21 MR. AVANT: Have y'all tried to sell the
22 boat in the past?

23 MR. CONNICK: There has been no effort --
24 as part of the resolution that was passed in
25 September, if the referendum in St. Tammany

1 would have been successful, the company would
2 need Board approval to sell the vessel. That
3 was part of that petition and that resolution.
4 But it was all contingent upon the successful
5 referendum in St. Tammany, which unfortunately
6 did not succeed.

7 MR. AVANT: I can't imagine two years
8 going by without some heavy maintenance that
9 the vessel has really gotten and the whole
10 facility has got where it's not -- the
11 facility's gotten to where it's not marketable.
12 I just hope it hasn't gotten past the point of
13 being marketable because nobody wants to come
14 in and just totally redo the AC and plumbing.

15 It's just a shame it got to this point.
16 There was no vision of really reopening this at
17 all. We're disappointed in that.

18 CHAIRMAN JOHNS: Anything else, Mr. Avant?

19 MR. AVANT: No.

20 CHAIRMAN JOHNS: Thank you. Ms. Berry?

21 MS. BERRY: I just wanted to comment also,
22 maybe ask a question. Back in September when
23 we allowed y'all to wait until the referendum
24 in St. Tammany went through, we allowed y'all
25 to move the date due to the change in the

1 election, did y'all have any plans of what to
2 do if it failed?

3 I mean, did you wait till it was over? I
4 hate to reiterate what the Chairman said, but
5 this is very disturbing. You always have to
6 plan for the worst scenario. I mean, here we
7 are again being asked for another extension.

8 MR. CONNICK: Yes, ma'am. After the
9 September resolution was passed, the company
10 engaged in conceptual plans of the
11 redevelopment in Bossier in the event that the
12 St. Tammany referendum failed. Of course, at
13 that time, the major focus was to try to
14 achieve the relocation of the license.

15 So there was conceptual plans put in place
16 at that time. Of course, after the referendum
17 failed and those plans began to develop, the
18 company determined that the options considered
19 were not viable business operations for the
20 company.

21 MS. BERRY: And is that when the
22 negotiations with the new potential buyer
23 started?

24 MR. CONNICK: That's correct.

25 MS. BERRY: There was no interest before?

1 MR. CONNICK: There was no negotiations
2 being had about the potential transfer at that
3 point in time. I believe as time went on, the
4 company began to receive interest and phone
5 calls from outside parties.

6 MS. BERRY: So since December, when the
7 election failed and now we're in February and
8 you're asking -- that's about 60 days -- and
9 now you want another 60 days.

10 MR. CONNICK: Part of that time was spent
11 developing the plans to reopen to determine
12 whether those were going to be executed upon.

13 At the time that the company determined
14 that there were not viable business operations
15 for the company is when those negotiations
16 began. It was only -- to my belief, it was
17 only maybe 14 days ago or maybe a little bit
18 prior. But I don't have any direct knowledge
19 of exactly --

20 MS. BERRY: As the Chairman said, this is
21 nothing in regards to y'all or the potential
22 buyers, but it's to the people that aren't here
23 that should be here, and they should know that
24 we're extremely distressed.

25 We represent the state and we represent

1 the taxpayers, and it's just not making it very
2 good for us. So you might pass that along to
3 your corporate people.

4 MR. SMITH: Yes, ma'am.

5 CHAIRMAN JOHNS: I feel sure the message
6 will be delivered.

7 Ms. Hamilton-Acker?

8 MS. HAMILTON-ACKER: Thank you, Chairman.
9 How close are you to concluding your
10 negotiations with the potential buyer?

11 MR. CONNICK: So the LOI is in place. I
12 think it's the one that you guys have seen.
13 There are ongoing conversations on a daily
14 basis. At the moment, I believe there is a --
15 the Foundation Gaming individuals -- I will say
16 at the beginning -- I'm unable to speak.

17 We're under a confidentiality agreement,
18 so I'm not able to speak too much about the
19 nature of the negotiations, but they are
20 progressing rapidly is what I can say.

21 CHAIRMAN JOHNS: Judge Sholes?

22 MR. SHOLES: I'm not certain if either of
23 you can answer this for me, but assuming that
24 you're granted this extension, how long would
25 it take before this property would be able to

1 come back online?

2 MR. CONNICK: I think you're correct,
3 Judge Sholes, as far as Foundation Gaming -- if
4 the transfer did occur, I'm unable to comment,
5 you know, on their internal process and plan of
6 development. So unfortunately, I'm unable to
7 specifically answer that question.

8 CHAIRMAN JOHNS: Judge, as I understand
9 the process, if we were to grant this extension
10 and allow them to come to an agreement, it's
11 going to have to come back to the Board. And
12 at that time, Foundation Gaming -- I wasn't
13 going to mention from this podium who the
14 potential buyer was, but you did, Mr. Connick,
15 so the cat's out of the bag.

16 MR. CONNICK: That was discussed with
17 Foundation Gaming prior to this hearing.

18 CHAIRMAN JOHNS: So they're okay with the
19 fact that we made this public?

20 MR. CONNICK: That's correct.

21 CHAIRMAN JOHNS: Thank you very much. So
22 we would absolutely have some conversations
23 with them, and the whole transaction cannot
24 happen without our approval. So we'll be
25 moving forward at that point.

1 Any other questions? Ms. Berry -- Ms.
2 Lewis, excuse me.

3 MS. LEWIS: If these negotiations should
4 fall through, is there a backup plan?

5 MR. CONNICK: If these negotiations were
6 to fall through, I believe the company would
7 petition the Board to surrender the license
8 back to the state.

9 CHAIRMAN JOHNS: Thank you, Ms. Lewis.

10 So Ms. Landry, can you comment on what
11 happens if we were to ask for the surrender of
12 the license? What process would we have to go
13 through to reissue the license and get that --
14 get a property back into commerce I guess?

15 MS. LANDRY: Well, if the license is
16 surrendered, that license would become
17 available through an application process for
18 interested parties seeking to hold the
19 riverboat gaming license.

20 So just based on previous application
21 processes in the past, it is expected that it
22 would take approximately two years for the
23 Board to grant a new license to a new
24 applicant. Based on previous projects, it
25 would be approximately two to three years from

1 the time of awarding the license for a new
2 riverboat landside facility to be constructed
3 and gaming operations to take place.

4 So therefore, the Board's approval and
5 acceptance of the license would mean that it
6 would be out of commerce for about four to five
7 years. This is just an estimate that's based
8 on previous projects. It could possibly take
9 more time. The Board would need to take time
10 to determine if they even want to reissue the
11 available license.

12 If so, then an application period would be
13 set and state police would have to perform
14 investigations for each applicant that applies
15 for this new license. And then at that time,
16 the Board would have to address each
17 application before it could award the new
18 riverboat gaming license.

19 CHAIRMAN JOHNS: So we could be four to
20 five years out in reality if --

21 MS. LANDRY: Approximately.

22 CHAIRMAN JOHNS: If we were today to adopt
23 the resolution asking for the surrender of that
24 license?

25 MS. LANDRY: Approximately, yes.

1 CHAIRMAN JOHNS: So if we go with a
2 reopening plan and we give them 60 days to
3 negotiate the sale of this property, and then
4 that company would come in and either do
5 improvements to open or possibly even go to a
6 land base, you may be looking at a couple of
7 years, possibly?

8 MS. LANDRY: If they decide that they want
9 to construct a new landside facility, that
10 would be approximately two to three years.

11 CHAIRMAN JOHNS: But to reopen what is
12 there now would take a much shorter time
13 period, I would presume.

14 MS. LANDRY: Based on previous projects,
15 yes, sir.

16 CHAIRMAN JOHNS: Okay. Board, we have a
17 decision to make here. And not only do we have
18 an obligation to the state of Louisiana and the
19 laws that govern gaming here today, we also
20 have an obligation to the city of Bossier.
21 They're very, very concerned about that
22 property, Mr. Connick and Mr. Smith. I mean,
23 they -- the mayor and his counsel, they are
24 extremely concerned about the condition of the
25 property, the number of calls to their police

1 department over the last year of problems --
2 security problems out at the property.

3 I think that I was told by the mayor they
4 had 122 calls out to that property in a
5 one-year period, and that's just not
6 acceptable. We just can't -- the downside that
7 I see today of asking for the surrender of that
8 license is, you know, we get the license, but
9 then we have no control over the property.

10 Am I correct in saying that? The property
11 could stay there dilapidated and we would have
12 no control. Once we take that license back
13 from P2E, we really have no say in what happens
14 to the physical property itself.

15 MS. LANDRY: Correct. Once the licensee
16 surrenders his riverboat gaming license, the
17 Board has no jurisdiction over that property.

18 CHAIRMAN JOHNS: So the city of Bossier
19 could still be sitting there with a dilapidated
20 property for years to come and that would be --

21 MS. LANDRY: The city of Bossier would
22 have to work out something or negotiate
23 something with P2E.

24 CHAIRMAN JOHNS: So as Chairman, I'm
25 inclined -- and I'm going to say this for the

1 record reluctantly, because we have bent over
2 backwards to work with P2E on this reopening
3 process and we've done extension after
4 extension after extension, and come back. And
5 every time we come back, it's the same thing,
6 nothing's been done.

7 But we are caught between a rock and a
8 hard place. So I'm going to make a motion
9 today that we adopt the resolution of a
10 reopening and petition plan which will give P2E
11 60 days to negotiate, in good faith, with
12 Foundation Gaming. And for the record, I've
13 done a little homework on Foundation Gaming and
14 they appear to be a very, very solid company.

15 If we adopt this resolution, we still will
16 have an opportunity to either approve their
17 reopening plans or not approve their reopening
18 plans at that point.

19 Mr. Connick, I want you to deliver a
20 message to the corporate structure. If the
21 Board does vote in favor of this resolution
22 today, there's going to be a 60-day window.
23 But after that 60 days, that's it. We're not
24 going to go through this again with another
25 petition for another extension. There is going

1 to be a surrender. We'll just surrender the
2 license at that point and have to deal with it
3 at that point.

4 But I want to see the license -- I think
5 we all want to see the license be put back in
6 commerce. We want to see the city of Bossier
7 have a decent property there and something that
8 they can be proud of, something that they can
9 have employment at, something that generates
10 money for our state and local government.

11 And so, Members, I'm going to make a
12 motion that -- in your packet, you have two
13 resolutions before you. One is a surrender of
14 the gaming license, the other one is a plan of
15 reopening and petition. I'm going to make a
16 mention that we adopt the resolution of the
17 reopening and petition plan and give them 60
18 days to negotiate with this potential buyer,
19 then come back to the Board with that plan to
20 move forward with the transfer of that license
21 at that point.

22 MR. SHOLES: Accept the motion.

23 CHAIRMAN JOHNS: Thank you, Judge, I
24 appreciate that.

25 Ms. Landry, anything else you would like

1 to add?

2 MS. LANDRY: Just that --

3 CHAIRMAN JOHNS: Have I misspoke?

4 MS. LANDRY: No, you are correct.

5 CHAIRMAN JOHNS: Mr. Connick or Mr. Smith,
6 anything you would like to add before we move
7 forward with this?

8 MR. CONNICK: No, Mr. Chairman.

9 CHAIRMAN JOHNS: Any questions or comments
10 from members?

11 MS. BERRY: I have a question.

12 CHAIRMAN JOHNS: Ms. Berry?

13 MS. BERRY: Backing up what the Chairman
14 said. Sixty days is a reluctant gift, but
15 either way, if we give you the 60 days, if it
16 doesn't work, we'll get the license back one
17 way or the other. This is it. Thank you.

18 CHAIRMAN JOHNS: Thank you, Ms. Berry. I
19 appreciate that.

20 Once again, I'm just going to say this for
21 the record one more time -- I want it in the
22 record -- this is it. No more extensions.
23 After this, we're going to just surrender it
24 and we'll move on from there.

25 We have a resolution on the table that I,

1 as Chairman, made the motion to adopt the
2 resolution and Mr. Sholes has seconded that
3 motion.

4 Ms. Thurman, would you read the
5 resolution, please?

6 MS. THURMAN: On the 17th day of
7 February, 2022, the Louisiana Gaming Control
8 Board did, in a duly noticed public meeting,
9 consider the petition of Louisiana Riverboat
10 Gaming Partnership dba DiamondJacks Casino &
11 Resort, Number R010800195, in regards to the
12 Board's September 8, 2021 resolution, and upon
13 motion duly made and seconded, the Board
14 adopted this resolution:

15 Whereas, on September 8th, 2021, the Board
16 adopted a resolution which contained the
17 following provision: 2.c, in the event of the
18 affirmative vote of the majority of voters in
19 St. Tammany Parish in the local option election
20 to be conducted on November 13th, 2021, to
21 complete construction of the approved project
22 and commence gaming operations in the facility
23 within 24 months from this resolution's date,
24 or in the event of the negative vote of a
25 majority of the voters in St. Tammany Parish

1 and local option election to be conducted on
2 November 13th, 2021, to recommence gaming
3 operations upon the vessel Mary Margaret within
4 60 days of the election.

5 Whereas, on September 16th, 2021, the
6 Board amended its September 8th, 2021
7 resolution to "reflect the change in the local
8 option election date amending such date from
9 November 13th, 2021 to December 11th, 2021"
10 with such amendment requiring DiamondJacks to
11 recommence gaming operations upon the vessel
12 Mary Margaret within 60 days of the election in
13 the event of a negative vote;

14 Whereas, on December 11th, 2021, the
15 proposition to relocate DiamondJacks' gaming
16 operations to St. Tammany Parish failed;

17 Whereas, on January 20th, 2022, the
18 Board amended its September 8th, 2021
19 resolution as amended on September 16th,
20 2021, to allow DiamondJacks until February
21 4th, 2022 to submit a comprehensive and
22 verifiable plan to recommence gaming operations
23 on the vessel Mary Margaret by February 25th,
24 2022 to the Board for consideration at the
25 February 17th, 2022 board meeting.

1 Whereas, on February 4th, 2022,
2 DiamondJacks filed a petition requesting to
3 suspend the deadline to recommence gaming
4 operations upon its vessel indefinitely, and to
5 allow a 60-day period to negotiate and file a
6 new petition regarding a proposed sale of
7 DiamondJacks, or in the alternative, for the
8 Board to accept the surrender of the license;

9 And whereas on February 9th, 2022,
10 DiamondJacks amended said petition.

11 Now therefore, be it resolved that
12 provision 2.c of the September 8th, 2021 Board
13 resolution, as amended on September 16th,
14 2021 and January 20th, 2022, is temporarily
15 suspended in order for DiamondJacks to file a
16 petition for the proposed transfer of ownership
17 of the equity interest in DiamondJacks within
18 60 days of today's date.

19 Be it resolved that DiamondJacks' request
20 to remain closed indefinitely is hereby denied.

21 Be it resolved that the failure of
22 DiamondJacks to meet any deadline provided in
23 this resolution or to request and be granted an
24 extension of such shall result in forfeiture of
25 all privileges and the immediate surrender of

1 its riverboat gaming license to the state of
2 Louisiana by submitting the original copy of
3 said license to the Louisiana Gaming Control
4 Board, attention Natalie Thurman.

5 Thus done and signed in Baton Rouge,
6 Louisiana this 17th day of February, 2022.

7 CHAIRMAN JOHNS: Thank you, Ms. Thurman.

8 We do have a motion by the Chairman to
9 adopt this resolution, a second by Mr. Sholes.

10 Ms. Thurman, would you call the roll,
11 please?

12 MS. THURMAN: Mr. Avant?

13 MR. AVANT: Yes.

14 MS. THURMAN: Ms. Berry?

15 MS. BERRY: Yes.

16 MS. THURMAN: Mr. Jackson?

17 MR. JACKSON: Yes.

18 MS. THURMAN: Ms. Lewis?

19 MS. LEWIS: Yes.

20 MS. THURMAN: Ms. Hamilton-Acker?

21 MS. HAMILTON-ACKER: Yes.

22 MS. THURMAN: Mr. Sholes?

23 MR. SHOLES: Yes.

24 MS. THURMAN: Ms. Traylor?

25 MS. TRAYLOR: Yes.

1 MS. THURMAN: Chairman Johns?

2 CHAIRMAN JOHNS: Yes.

3 By unanimous vote, this resolution is
4 adopted.

5 Ms. Landry, thank you for your hard work
6 on this. You put a lot of work, and the entire
7 Division at the Attorney General's Office and
8 State Police has put a lot of work into this
9 over the last two years. And it's just -- it's
10 just time to put it to bed.

11 So please deliver our message to your
12 corporate structure that the clock is ticking.
13 Thank you for coming, and Mr. Smith we're not
14 always this mean here.

15 VIII. VIDEO GAMING ISSUES

16 CHAIRMAN JOHNS: Moving on to video gaming
17 issues, Number 8 on the agenda. Good morning,
18 Mr. Mead.

19 MR. MEAD: Good morning, Chairman Johns
20 and members of the Board. I'm Assistant
21 Attorney General Matthew Mead present today in
22 the matter of the transfer of ownership
23 interest in the sole member of Allison G.
24 Enterprise, LLC doing business as Bayou Belle
25 Truck Stop & Casino, a type five video gaming

1 licensee.

2 Roger & Nash, Inc. is the sole member of
3 the licensee. And on September 23rd, 2021,
4 Golden Resort Pawnee purchased 51 percent of
5 the shares of stock in Roger & Nash, Inc. from
6 (indiscernible) Rupani (ph) and the remaining
7 49 shares of stock from Riaz Meridia (ph).

8 Also on the date, Mr. Rupani was elected
9 president, treasurer, and director of Roger &
10 Nash, Inc. and (indiscernible) Rupani was
11 selected as secretary. Criminal investigator
12 Glen Veret conducted the investigations into
13 suitability and into the transfers, and he is
14 present today to report the state police's
15 finding.

16 MR. VERET: Good morning, Mr. Chairman and
17 Board members. I'm investigator Glen Veret
18 with the Gaming Enforcement Division.

19 I conducted updated suitability checks on
20 (indiscernible) Rupani and (indiscernible)
21 Rupani. They previously met suitability under
22 various licenses, and I found no information
23 that would preclude them from continuing to
24 participate in the gaming industry.

25 I also conducted the investigation of the

1 transfer of ownership interest and found no
2 information precluding the continuing license
3 of the licensee.

4 MR. MEAD: The office of the Attorney
5 General has reviewed the file compiled by the
6 Office of State Police. Our review indicates
7 that no information has been found that would
8 preclude Board's approval of the transfer of
9 ownership interest.

10 CHAIRMAN JOHNS: Thank you very much. Any
11 questions from Board members? Do I have a
12 motion for the Board to approve the transfer of
13 interest?

14 MS. HAMILTON-ACKER: Yes.

15 CHAIRMAN JOHNS: Ms. Hamilton-Acker has
16 moved that we approve the transfer of ownership
17 interest in Allison Enterprises doing business
18 as Bayou Belle Truck Stop and Casino. Mr.
19 Avant has seconded that motion.

20 Is there any discussion on the motion?

21 (No response)

22 CHAIRMAN JOHNS: Is there any objection to
23 that motion?

24 (No response)

25 CHAIRMAN JOHNS: Hearing no objection, the

1 mission is hereby approved. Thank you very
2 much.

3 IX. EMERGENCY RULEMAKING

4 CHAIRMAN JOHNS: Next, we're going to move
5 into emergency rulemaking. Ms. Himel, good
6 morning.

7 MS. HIMEL: I'm Dawn Himel, Assistant
8 Attorney General here in the matter of
9 emergency rule procedures. This emergency rule
10 shall replace and rescind the emergency rules
11 that this Board adopted in January.

12 The proposed rule has minimal changes, but
13 does clarify the Board's preference in allowing
14 the cooperation of sports wager licensees and
15 operators and investigations that are conducted
16 by sports governing bodies and clarifies the
17 Board's discretion in information or document
18 sharing requested pursuant to those
19 investigations.

20 It incorporates platform providers who
21 operate on behalf of our casinos and to the
22 list of licensees required to comply with
23 compulsive gambling programs and the exclusion
24 list.

25 The proposed rules also clarify the duties

1 and responsibilities of platform providers with
2 regards to excluded persons, advertising, and
3 audit requirements. Probably the biggest
4 change that you'll see between the January
5 rules and these rules are going to be
6 clarification of who, as far as employees of
7 sports wagering platform providers and sports
8 wagering licensees, can gain an mobile
9 platform.

10 So we just want to make sure that a
11 platform provider's employee who is involved
12 with the sports book wasn't allowed to go on
13 the mobile platform and make a wager. If they
14 are -- say you have a platform provider
15 employee that works at the casino, they're not
16 an employee of the casino but they work at the
17 sports book of the licensee, we don't want them
18 wagering there either.

19 So it lays out the restrictions on who can
20 wager. If approved, these rules will become
21 effective today and remain in effect for the
22 maximum time period allowed by the APA, unless
23 extended or rescinded. I do hope to come back
24 before you next month with permanent rules to
25 make these permanent in nature. That will go

1 through the full public comment period as
2 required by the APA.

3 A motion to adopt emergency rules is
4 needed if the Board approves these.

5 CHAIRMAN JOHNS: Thank you, Ms. Himel. We
6 know that this is just a work in progress.
7 It's such a new program that I think every day
8 we're figuring out something new that we've got
9 to address, and that's been some incredible
10 amount of work done from Mr. Hebert and Ms.
11 Himel and the rest of the staff over at the
12 AG's office on this.

13 So the motion will be that we rescind the
14 emergency rules that were adopted in January
15 and we'll be adopting these new rules that were
16 presented to us today.

17 Are there any questions from the Board
18 members?

19 MR. JACKSON: Motion to approve.

20 CHAIRMAN JOHNS: Mr. Jackson has moved
21 that we adopt the new rules and Ms. Berry has
22 seconded that motion.

23 Any further discussion? Is there any
24 opposition to that motion?

25 (No response)

1 CHAIRMAN JOHNS: Hearing none, no
2 opposition, the motion hereby carries. Thank
3 you very much, Ms. Himel. Thank you and all
4 your staff on your hard work on this.

5 X. CONSIDERATION OF PROPOSED SETTLEMENTS

6 CHAIRMAN JOHNS: Moving along to proposed
7 settlements. Good morning, Mr. Pecue.

8 MR. PECUE: Good morning, Chairman Johns.
9 Good morning to the Board. I'm Assistant
10 Attorney General Charlie Pecue here in the
11 matter of the settlement of Brushy Development
12 Corp. doing business as Tallulah Truck Stop.

13 This settlement addresses the late
14 submission of annual forms and fees that are
15 required to be submitted no later than June
16 30th of each year. This type five licensee
17 did not submit the annual forms and fees until
18 October the 14th, 2021, which gave rise to
19 violations of gaming law. The civil penalty
20 contained in the settlement is \$1500, which is
21 an amount that is consistent with previous --
22 for violations of this matter.

23 It's been signed by the Hearing Office and
24 is now before the Board for final approval.

25 CHAIRMAN JOHNS: Any questions for Mr.

1 Pecue?

2 For the record, I will put it into the
3 record we are considering Brushy Development
4 Corp. doing business as Tallulah Truck Stop
5 settlement. I would entertain a motion that we
6 approve the settlement.

7 MS. TRAYLOR: So moved.

8 CHAIRMAN JOHNS: Ms. Traylor has moved
9 that we approve the settlement and seconded by
10 Mr. Jackson.

11 Is there any further discussion on that
12 motion? Is there any opposition to that
13 motion?

14 (No response)

15 CHAIRMAN JOHNS: Hearing none, this motion
16 carries. Thank you, Mr. Pecue.

17 You want to do the next one, too?

18 MR. PECUE: Sure. Chairman, members of
19 the Board, I'm still Assistant Attorney General
20 Charlie Pecue. I'm here in the matter of the
21 settlement of Waring Oil Company, LLC, doing
22 business as Interstate Food Stop #7, which
23 holds a type five video draw poker gaming
24 license. The settlement addresses the
25 licensee's failure to timely notify the

1 Division of a transferred membership interest.

2 On July 13th, 2021, the Division
3 received a video draw poker renewal application
4 from the licensee revealing that Daniel P.
5 Waring, III transferred 15 percent of his
6 membership interest in the licensee to the
7 Daniel P. Waring, III family trust and
8 30 percent of his membership interest to Janice
9 G. Waring.

10 Upon receipt of the interest, Janice G.
11 Waring transferred 10 percent of her membership
12 interest in the licensee to the Ryan Waring
13 Cook 2020 trust, 10 percent to the Jill Waring
14 Upchurch 2020 trust, and 10 percent to Jana
15 Waring Cane 2020 trust.

16 The Division's investigation into this
17 matter revealed that all transfers occurred on
18 December 28, 2020. The licensee did not notify
19 the Division of membership interest -- the
20 transfer until July 13, 2021, which is more
21 than ten days after the transfer occurred.
22 This gave rise to violations of gaming law.

23 The licensee -- the civil penalty is
24 \$1000. It's been signed by the Hearing Officer
25 and is now before the Board for final approval.

1 I'd be happy to answer any questions you
2 might have.

3 CHAIRMAN JOHNS: Any questions for Mr.
4 Pecue?

5 (No response)

6 CHAIRMAN JOHNS: I have a motion that we
7 approve the settlement that's been offered.
8 Ms. Berry has moved that we approve the
9 settlement offer of Waring Oil Company doing
10 business as Interstate Food Stop, and Ms.
11 Hamilton-Acker has seconded that.

12 Any further discussion? Any opposition to
13 that motion?

14 (No response)

15 CHAIRMAN JOHNS: Hearing none, that motion
16 carries. Thank you, Mr. Pecue.

17 And last on the agenda today, we have one
18 more proposed settlement.

19 MS. SIZEMORE: Good morning. Chairman
20 Johns, Board members, I am an Assistant
21 Attorney General Shanna Sizemore here in the
22 settlement of DMB Hospitality, LLC doing
23 businesses as Daiquiris & Brews, which holds a
24 type one video draw poker gaming license.

25 This settlement addresses the late

1 submission of annual forms and fees that are
2 required to be submitted to the Division no
3 later than July 1st of each year. The
4 licensee did not submit the annual forms and
5 fees until December 17th, 2021, which gave
6 rise to a violation of gaming law. The civil
7 penalty contained in this settlement is \$750,
8 which is an amount that is well-established for
9 violations of this nature.

10 The settlement has been signed by the
11 Hearing Officer and it's now before the Board
12 for final approval. I would be happy to answer
13 any questions that you may have.

14 CHAIRMAN JOHNS: Any questions for
15 Ms. Sizemore?

16 (No response.)

17 CHAIRMAN JOHNS: Do I have a motion -- Ms.
18 Traylor has moved that we adopt the settlement
19 offer and Ms. Lewis has seconded that motion.

20 Is there any further discussion on the
21 motion? Any opposition to the motion?

22 (No response)

23 CHAIRMAN JOHNS: Hearing none, the motion
24 carries. The settlement will be approved.
25 Thank you so much.

1 Anything else? Any comments from the
2 Board?

3 I want to thank you for your diligence,
4 your time today. Hard decisions were made
5 today, but I appreciate it very much. Once
6 again, thank you to the state police, gaming
7 and Attorneys General's Office gaming for the
8 incredible work that you've done getting mobile
9 sports betting out and running. It's just been
10 a tremendous success and we did it. I'm very
11 proud that we've done at the right way here in
12 Louisiana, so we thank he very much.

13 XI. ADJOURNMENT

14 CHAIRMAN JOHNS: Ms. Berry has moved that
15 we adjourn.

16 MR. JACKSON: Second.

17 CHAIRMAN JOHNS: And Mr. Jackson, very
18 affirmatively, has seconded that motion.

19 Any opposition?

20 (No response)

21 CHAIRMAN JOHNS: Hearing none, we are
22 hereby adjourned.

23
24 (The proceedings concluded at 11:38 A.M.)
25

REPORTER'S CERTIFICATE

I, Nicole Tagert, a Certified Court Reporter in and for the State of Louisiana, do hereby certify that the foregoing is a true and correct transcript of the proceedings held at this Louisiana Gaming Control Board meeting on the 17th day of February, 2022, as set forth in the foregoing 89 pages.

I further certify that said testimony was reported by me in the voice-writing reporting method, was prepared and transcribed by me or under my direction to the best of my ability and understanding,

I further certify that the transcript has been prepared in compliance with transcript format guidelines required by statute or by rules of the Board and that I have been informed about the complete arrangement, financial or otherwise, with the person or entity making arrangements for deposition services.

I further certify that I have acted in compliance with the prohibition on contractual relationships, as defined by Louisiana Code of Civil Procedures Article 1434 and in rules and advisory opinions of the board.

I further certify that I am not an attorney or counsel connected with this action, and that I have no financial interest in the outcome of this matter.

This certification is valid only for this transcript accompanied by my original signature and original raised seal on this page.



Nicole Tagert, CCR
Court Reporter #2013-012

