

LGCB Board of Directors' Meeting, (Pages 1:1 to 97:24)

1:1 LOUISIANA GAMING CONTROL BOARD

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4 BOARD OF DIRECTORS' MEETING

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9 Thursday, November 18, 2010

10 House Committee Room 1

11 Louisiana State Capitol

12 Baton Rouge, Louisiana

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16 TIME: 10:00 A.M.

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1 APPEARANCES:

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3 DANE K. MORGAN

4 Chairman

5

6 VELMA ROGERS

7 Vice-Chairman

8

9 AYRES BRADFORD

10 Board Member

11

12 MARK STIPE

13 Board Member

14

15 JAMES SINGLETON

16 Board Member

17

18 DENISE NOONAN

19 Board Member

20

21 BOBBY OSBORNE

22 Ex-Officio Board Member

23

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1 APPEARANCES CONTINUED:

2

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4 LANA TRAMONTE

5 Executive Assistant to the Chairman

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1 I. CALL TO ORDER

2 CHAIRMAN MORGAN: Let's get started.

3 Call the roll.

4 THE CLERK: Chairman Morgan?

5 CHAIRMAN MORGAN: Here.

6 THE CLERK: Miss Rogers?

7 MS. ROGERS: Here.

8 THE CLERK: Mr. Bradford?

9 MR. BRADFORD: Here.

10 THE CLERK: Mr. Jones?

11 MR. JONES: [No response.]

12 THE CLERK: Mr. Stipe?

13 MR. STIPE: Here.

14 THE CLERK: Mr. Juneau?

15 MR. JUNEAU: [No response.]

16 THE CLERK: Mr. Singleton?

17 MR. SINGLETON: Here.

18 THE CLERK: Miss Noonan?

19 MS. NOONAN: Here.

20 THE CLERK: Colonel Edmonson?

21 MAJOR NOEL: Bobby Osborne for
22 Colonel Edmonson.

23 THE CLERK: Secretary Bridges? [No
24 response.]

25 II. COMMENTS FROM THE CHAIR

8

1 CHAIRMAN MORGAN: Okay. We have a
2 quorum. Comments from the Chair: I
3 want to let the audience know, let the
4 board members know, that we are having
5 difficulty finding a meeting room for
6 the December 16th meeting, and,
7 therefore, it might be necessary to move
8 the meeting time to 12:30 or to move it
9 to an alternate location. Right now the
10 only alternate location we have
11 identified is either the East Baton
12 Rouge Council Chambers or LSU.

13 So we will send out notice --
14 appropriate notice. So please be
15 cognizant of that, and in all
16 likelihood, we're going to meet at 12:30
17 here at the Capitol. That's what we're
18 looking at, so.

19 MR. SINGLETON: Mr. Chairman?

20 CHAIRMAN MORGAN: Yes.

21 MR. SINGLETON: What about an
22 alternate date?

23 CHAIRMAN MORGAN: I had entertained
24 that. That's just as difficult and
25 challenging trying to find a room. I'm

9

1 amenable to that. I think we had a
2 couple members whose schedules wouldn't
3 permit that.

4 MR. STIPE: If we can keep it on the
5 same day, it will make it simpler.

6 MR. SINGLETON: Keeping it on that
7 same day makes it harder for me.

8 CHAIRMAN MORGAN: We'll work toward
9 that end. You'll know the potential
10 applicants -- the applicants for the
11 license or have them notified that they
12 are to be prepared to present on that
13 date, so as much as possible, we need to
14 keep it on that date, and we will do
15 everything that's possible to have the
16 meeting on a regular time. We would
17 actually start at nine if we did it in
18 the morning, but as it stands now, it
19 looks like it's going to be the
20 afternoon.

21 III. APPROVAL OF THE MINUTES

22 CHAIRMAN MORGAN: Okay. Item III is
23 Approval of the Minutes. Members, have

24 you had an opportunity to review the
25 minutes? Are there any questions?

10

1 MR. SINGLETON: Move approval of the
2 minutes.

3 CHAIRMAN MORGAN: No questions.

4 MR. BRADFORD: Second.

5 CHAIRMAN MORGAN: It's moved by Mr.

6 Singleton, seconded by Mr. Ayres -- Mr.

7 Bradford, excuse me. Is there any

8 objection? Is there any public comment?

9 Hearing none, those are approved.

10 IV. REVENUE REPORTS

11 CHAIRMAN MORGAN: Item IV is Revenue
12 Reports.

13 MS. JACKSON: Morning, Mr. Chairman,
14 Board Members. My name is Donna Jackson
15 with the Louisiana State Police Gaming
16 Audit Section. The riverboat revenue
17 report for October 2010, is shown on
18 page one of your handout.

19 During October, the 13 operating
20 riverboats generated Adjusted Gross
21 Receipts of \$135,665,483, up almost \$8
22 million or 6 percent from last month,
23 and up 3 percent or \$3.5 million from
24 October 2009.

25 Adjusted Gross Receipts for fiscal

1 year 2010-2011 to date are \$550 million,
2 a decrease of one percent or \$8 million
3 for fiscal year 2009-2010. During
4 October, the State collected fees
5 totaling \$29 million. As of October
6 31st, 2010, the State has collected
7 \$118 million in fees for fiscal year
8 2010-2011.

9 Next is a summary of the
10 October 2010 gaming activity for
11 Harrah's New Orleans found on page
12 three. During October, Harrah's
13 generated \$29,644,959 in gross gaming
14 revenue, an increase from last month of
15 7.4 percent or \$2 million, but a
16 decrease of 3.4 percent or \$1 million
17 from last October. Fiscal year-to-date
18 gaming revenues for 2010-2011 are
19 \$115,668,838, an increase of \$2 million
20 or 2 percent for fiscal year 2009-2010.

21 During October, the State received
22 \$5,095,890 in minimum daily payments.
23 As of October 31, 2010, the State has
24 collected over \$20 million in fees for
25 fiscal year 2010-2011.

12

1 Slots at the Racetracks revenues are
2 shown on page four. During October, the
3 four racetrack facilities combined

4 generated Adjusted Gross Receipts of
5 \$31,350,048, an increase of 3 percent or
6 \$1 million from last month and
7 October 2009. Adjusted Gross Receipts
8 for fiscal year 2010-2011 to date are
9 \$129.5 million, a minimal decrease of
10 \$300,000, or .2 percent for fiscal year
11 2009-2010.

12 During October, the State collected
13 fees totaling \$4,755,802. As of
14 October 31st, 2010, the State has
15 collected \$19.6 million in fees for
16 fiscal year 2010-2011.

17 Overall, riverboats, landbased and
18 Slots at the Racetracks generated
19 \$196,660,490, which is an increase of
20 \$3.4 million or 1.8 percent over last
21 October. Are there any questions?

22 CHAIRMAN MORGAN: Donna, are you
23 covering the employee numbers?

24 MS. JACKSON: Not this month. Jeff
25 will present this month, and I will be

13

1 starting next month. It will be
2 incorporated into mine.

3 CHAIRMAN MORGAN: Let's go ahead
4 and -- is there any questions? Any
5 questions? Let's go ahead and cover
6 employee numbers, and then we'll get to

7 that.

8 MR. TRAYLOR: Good morning, Chairman
9 Morgan and Board Members. My name is
10 Jeff Traylor. I'm the Audit Director
11 for the State Police Gaming Division.
12 I'm here this morning to present the
13 Harrah's New Orleans' employee salary
14 numbers.

15 As you're aware, Harrah's is
16 required to maintain at least 2,400
17 employees in a bi-weekly payroll of
18 \$1,750,835. This report covers the two
19 pay periods in October of 2010.

20 For the first pay period, we
21 verified 2,433 employees for the payroll
22 of \$2,027,300, and for the second pay
23 period, we verified 2,430 employees with
24 a payroll of \$2,021,700. I'll be happy
25 to answer any questions.

14

1 CHAIRMAN MORGAN: They're in
2 compliance. That's good. Any
3 questions? [No response.] Thank you.
4 You did so well. Mr. Campbell's sitting
5 next to you.

6 MR. CAMPBELL: I agree.

7 CHAIRMAN MORGAN: Good to see you.
8 We'll move on to video gaming revenue.

9 MR. BOSSIER: Good morning, Chairman

10 Morgan and Board Members, Jim Bossier
11 with the Louisiana State Police Gaming
12 Audit Section. I'm reporting the video
13 gaming information for October 2010 as
14 shown on page one of your handout.

15 During October 2010, eight new
16 licenses were issued: Six bars and two
17 restaurants. Twenty-three new
18 applications were received during
19 October and are currently pending in the
20 field: Ten bars and thirteen
21 restaurants.

22 During October 2010, the Gaming
23 Enforcement Division assessed \$500 and
24 collected \$1,000 in penalty. There are
25 currently no outstanding penalties.

15

1 Please refer to page two of your
2 handout.

3 There are presently 14,586 video
4 gaming devices activated at 2,203
5 locations. Net device revenue for
6 October 2010 was \$50,936,219, a
7 \$3.3 million increase, or 6.8 percent
8 when compared to net device revenue for
9 September 2010, and a \$761,000 increase,
10 or 1.5 percent, when compared to
11 October 2009.

12 Net device revenue for fiscal year

13 2010-2011 to date is \$197,884,383, a
14 \$194,000 increase or one-tenth of one
15 percent when compared to net device
16 revenue for fiscal year 2009-2010. Page
17 three of your handout shows a comparison
18 of net device revenue.

19 Total franchise fees collected for
20 October 2010 were \$15,151,512, a
21 \$965,000 increase when compared to
22 September 2010, and a \$216,000 increase
23 when compared to October 2009. Total
24 franchise fees collected for fiscal year
25 2010-2011 to date are \$58,871,386, a

16

1 \$68,000, or one-tenth of one percent
2 decrease when compared to last year's
3 franchise fees. Page four of your
4 handout shows a comparison of franchise
5 fees.

6 Does anybody have any questions?

7 CHAIRMAN MORGAN: Any questions?

8 Very thorough, thank you.

9 V. ELECTION OF VICE-CHAIRMAN OF THE BOARD

10 CHAIRMAN MORGAN: This brings us to
11 Item V, Election of Vice-Chairman of the
12 Board. With Major Mercer's resignation,
13 he was the vice-chair, so it will be
14 necessary for the Board to elect a
15 vice-chairman, and we would need a

16 nomination.

17 MR. BRADFORD: Mr. Chairman, it
18 would be my privilege to nominate
19 Miss Velma Rogers, our senior board
20 member, to serve as vice-chairman.

21 MR. SINGLETON: I'll second the
22 motion.

23 CHAIRMAN MORGAN: We have a motion
24 by Mr. Bradford seconded by
25 Mr. Singleton. I assume you will accept

17

1 it?

2 MS. ROGERS: Yes, and I will be
3 honored.

4 CHAIRMAN MORGAN: Thank you very
5 much, and I'll have a roll call vote.

6 THE CLERK: Miss Rogers?

7 MS. ROGERS: Yes.

8 THE CLERK: Mr. Bradford?

9 MR. BRADFORD: Yes.

10 THE CLERK: Mr. Stipe?

11 MR. STIPE: Yes.

12 THE CLERK: Mr. Singleton?

13 MR. SINGLETON: Yes.

14 THE CLERK: Miss Noonan?

15 MS. NOONAN: Yes.

16 THE CLERK: Chairman Morgan?

17 CHAIRMAN MORGAN: Absolutely, yes.

18 Congratulations.

19 MS. ROGERS: Thank you.

20 CHAIRMAN MORGAN: Great to have you

21 a wing man -- wing person, wing woman.

22 VI. ADOPTION OF BOARD POLICY ON PUBLIC COMMENTS

23 CHAIRMAN MORGAN: We'll move to Item

24 VI is Adoption of the Board Policy on

25 Public Comments. Members before the

18

1 audience, Act 850 of the Louisiana

2 Legislature of this past year requires

3 that a public comment period be afforded

4 prior to any action on an agenda item.

5 I have submitted proposed language for

6 the policy, and I will read that and

7 then entertain any comment with that

8 regard.

9 So the Board will allow for public

10 comment on agenda items prior to action

11 by the Board on matters requiring a vote

12 to be taken. Public comments shall be

13 germane to the matter before the Board

14 and shall be limited to two minutes per

15 person unless otherwise approved by the

16 Board. The Board will allow general

17 public comment during the general public

18 comment agenda item.

19 Is there any discussion with regard

20 to the policy?

21 MR. STIPE: And if we wanted to

22 enlarge the two minutes, there'd simply
23 be a motion and a second by the Board?

24 CHAIRMAN MORGAN: Just approval by
25 the Chairman unless it's objected.

19

1 MR. STIPE: All right.

2 CHAIRMAN MORGAN: Is there any
3 public comment on the public comment?
4 [No response.] Okay. We would need a
5 motion if you would entertain adoption
6 of the policy.

7 MS. ROGERS: I so move.

8 CHAIRMAN MORGAN: Motion Miss
9 Rogers.

10 MR. SINGLETON: Second.

11 CHAIRMAN MORGAN: Seconded by
12 Mr. Singleton. Is there any objection?
13 Hearing none, that policy is adopted. I
14 encourage everyone, including the
15 attorneys, to remind me of the public
16 comment requirement. I have a tendency
17 to forget.

18 VII. CASINO GAMING ISSUES

19 A. Consideration of petition by Boyd Gaming
20 for approval of Second Amended and
21 Restated Credit Agreement

22 CHAIRMAN MORGAN: We'll move on to
23 Item VII, Casino Gaming Issues. I will
24 give an opportunity for public comment

25 on any issues on that agenda item right

20

1 now. Okay. Hearing none, moving into
2 to Item A, Consideration of petition by
3 Boyd Gaming for Approval of Second
4 Amended and Restated Credit Agreement.

5 MS. FICKLIN: Good morning, Mr.
6 Chairman and Board Members. I'm Evie
7 Ficklin. I'm an auditor in Gaming
8 Audit.

9 Boyd Gaming is seeking the Board's
10 approval of its second amended and
11 restated credit agreement of Boyd's new
12 credit agreement. Boyd's long-term debt
13 schedule with 3.18 billion outstanding
14 as of September 30th, 2010, is shown on
15 page 17. Of that amount, Boyd had
16 approximately 1.7 billion outstanding
17 under its existing credit agreement.
18 This current credit facility matures May
19 24th, 2012, and consists of a \$3 billion
20 revolver and also provides for a
21 \$1 billion incremental loan.

22 Boyd's proposed new credit agreement
23 will mature in December 2015. It's one
24 of three interrelated transactions Boyd
25 has initiated to extend the maturity

21

1 date of a portion of its long-term debt

2 through various refinancings.

3 In addition to the proposed new
4 credit agreement, Boyd has recently
5 executed the following transactions. In
6 October 2010, Boyd commenced a tender
7 offer for \$158.8 million outstanding
8 7.75 percent senior subordinated notes
9 maturing 2012, and on November 10th,
10 2010, Boyd issued \$500 million, 9.125
11 percent senior notes maturing in
12 December 2018. This transaction didn't
13 require Board approval.

14 Boyd plans to use a portion of the
15 proceeds from the new \$500 million notes
16 to retire the \$158.8 million outstanding
17 under the 7.75 percent notes, and then
18 use the balance to repay a portion of
19 the \$1.7 billion outstanding under its
20 existing credit agreement.

21 These transactions effectively
22 extend the maturity date of the
23 refinanced amounts until to 2018.
24 Boyd's new credit agreement offers the
25 lenders under its existing credit

22

1 agreement the option to extend the
2 maturity date of their respective
3 revolving loans and commitments until
4 December 2015. Those lenders who agree

5 to extend the maturity date, identified
6 a Class A lenders, will receive higher
7 interest rates and fees and the right to
8 reduce their commitments by up to
9 50 percent.

10 Those lenders not extending, the
11 Class B lenders, will retain the
12 revolver's current May 2012 maturity
13 date and the existing credit agreement's
14 interest rate and fees.

15 As of October 26th, 2010, Boyd had
16 received extension commitments totaling
17 \$1.2 billion from its lenders under its
18 existing credit agreement that currently
19 hold approximately \$2.2 billion in
20 commitments.

21 Other changes under Boyd's new
22 credit agreement include the conversion
23 at closing of \$500 million of its
24 existing revolver loans into a term loan
25 maturing 2015, and the reduction of the

23

1 incremental loan from one billion to
2 500 million.

3 Security under Boyd's existing
4 credit agreement includes the pledging
5 of all capital stock in each guarantor
6 subsidiary. If Boyd's new credit
7 agreement is approved, Boyd and the

8 guarantors must execute a security
9 agreement that includes the specific
10 exceptions, all real and personal
11 property.

12 Boyd advised on November 9th, 2010,
13 that upon closing, the amendment and
14 extension of the new credit agreement
15 would initially reduce the overall
16 capacity to approximately 2.1 billion to
17 2.25 billion, including not extending
18 amounts.

19 In summary, Boyd's proposed new
20 credit agreement, in conjunction with
21 its \$500 million note offering, will
22 push out the maturity date of a
23 significant amount of Boyd's long-term
24 debt thereby giving the company
25 additional flexibility while the economy

24

1 recovers. Nothing came to the attention
2 of audit to preclude the approval of the
3 second amended and restated credit
4 agreement.

5 Are there any questions?

6 MR. STIPE: I have just a couple.
7 The related party transactions, I guess
8 it was January they came before the
9 Board, they had a note payable with a
10 subsidiary. Does that stay in place?

11 They had a California hotel and finance
12 company, a wholly-owned subsidiary of
13 Boyd, and I think Sam's Town had a line
14 of credit with that entity. Does that
15 stay in place, or is that taken out?

16 MS. FICKLIN: I didn't read that at
17 all in any of the documentation that I
18 was reading related to the credit
19 agreement; but Boyd representatives are
20 here today, and they may be able to --

21 MR. STIPE: And then, does the
22 credit agreement deal with the
23 management agreement that was in place
24 at all?

25 MS. FICKLIN: There should be no

25

1 change to the management agreement.

2 [Conferring.] Yes, sir, it was just a
3 refinancing.

4 CHAIRMAN MORGAN: We'll get Boyd
5 officials up in a second. Let's see if
6 there's any more questions, State
7 Police? Anyone? Why don't we have --
8 who is coming -- Paul is going to be
9 able to answer these questions? Paul,
10 we'll get the hard questions for you.

11 MR. WEST: Good morning, Chairman
12 and Board Members. My name is Paul West
13 with Baker, Donelson. With me today is

14 Jack Bernsmeier, who is the management
15 of the Louisiana properties for Boyd,
16 and Brian Larson, who is the general
17 counsel of Boyd Gaming.

18 CHAIRMAN MORGAN: Y'all heard the
19 questions.

20 MR. LARSON: Yes. With respect to
21 the first question, Chairman Morgan and
22 Board Members, the California finance
23 arm stays in place. It is just an
24 intercompany note between two of our
25 subsidiaries, so it really has no effect

26

1 on the overall financing of the company
2 at all, and with respect to the second
3 question, the management agreement stays
4 in place. As was said earlier, it was
5 just -- this is just a refinancing. It
6 does not affect the management
7 agreement.

8 MR. STIPE: And I understand in your
9 earnings call, what -- the purpose of
10 this was to pay down and to de-leverage
11 your balance sheet. Is that a fair --

12 MR. LARSON: Yes, that is correct.
13 Brian Larson, again. This pushes out
14 our maturities from May of 2012, when
15 our credit facility was originally due,
16 to December of 2015, for the bulk of it;

17 and then our earliest, any kind of
18 significant maturity, is in 2014. So it
19 pushes everything out about four years
20 and gives us more time.

21 MR. STIPE: When your organizations
22 came for approval, I guess, earlier this
23 year, there was some capital expenditure
24 projections that were made in terms of
25 these -- two of these facilities. Does

27

1 your new credit agreement impair your
2 ability to meet those capital
3 expenditures; and are those capital
4 expenditures, projections still in
5 place, and do you still envision making
6 those in the facilities?

7 MR. LARSON: Yes. I'll answer the
8 first part of that question, and then
9 I'll let Jack Bernsmeier answer the
10 second part. The new credit facility
11 does not impair any of our rights to be
12 able to go ahead and make capital
13 expenditures or improvements that we
14 need to make in Louisiana or any other
15 state. So we still have that ability,
16 and they're not impacted at all.

17 With respect to what we have
18 planned, I'll let Jack answer that.

19 MR. BERNISMEIER: Let me speak just

20 to what's happening in Louisiana. Some
21 of these projects have already been
22 done. Some of them are in place, and
23 some are getting ready to take place
24 first of next year.

25 So Treasure Chest in New Orleans,
28

1 we've recently completed painting all of
2 the boat and the barge, and we're happy
3 about that. We also have new carpet in
4 both boat and barge that is taking place
5 right now. We have a buffet renovation
6 going on there, also, in the next few
7 weeks, and next year we're doing a
8 parking lot resurface, which is actually
9 a fairly big project because it's about
10 15 acres of parking lot. So those are
11 the bigger things there.

12 In Shreveport in Sam's Town, we've
13 started the boat remodel. The casino
14 floors on all three levels has started.
15 That will finish next year. We've also
16 just done a buffet carpet and upholstery
17 job; that's complete. And then we have
18 approval, which we just received
19 approval, to do a complete hotel rooms'
20 renovation, so that will be all of the
21 soft goods, case goods, carpet,
22 everything in all 514 rooms. That's a

23 pretty big project for us.

24 Over at Delta Downs at the
25 racetrack, we're just this week

29

1 finishing up a buffet remodel. We a --
2 it's not a capital project, but we did a
3 racetrack resurface just recently. We
4 are in the process of putting in a new
5 digital surveillance system, going from
6 analog to digital. That is a very
7 expensive project to the tune of
8 \$1.3 million; new currency counter for
9 cage operations, also fairly expensive,
10 and next year we have approval to do a
11 hotel room recarpeting and new
12 televisions.

13 So all of that combined is, about,
14 \$6 million. It does not include a lot
15 of the smaller projects, and it does not
16 include slot machines. The slot machine
17 capital for this year for those two
18 properties was about \$4 million, so
19 that's kind of the bigger items that
20 have been going on.

21 MR. STIPE: Thank you.

22 CHAIRMAN MORGAN: Any other
23 questions? My question was
24 particularly, I noted, Mr. Smith had
25 mentioned it -- we have the ability,

1 flexibility to pursue any growth
2 opportunities. Obviously, I'm concerned
3 and want our current properties be to be
4 kept fresh, and so that was good news.
5 I appreciate y'all.

6 MR. BERNSMEIER: Thank you.

7 CHAIRMAN MORGAN: Do those
8 expenditures come out of what was
9 projected in your capital expenses, what
10 was submitted before?

11 MR. BERNSMEIER: Correct.

12 CHAIRMAN MORGAN: Okay. Any other
13 questions?

14 MR. BRADFORD: I have just a
15 clarification. Most of what you
16 mentioned -- and it sounds excellent by
17 the way -- officially would be
18 classified as not capital improvements
19 but regular operational maintenance; is
20 that correct?

21 MR. BERNSMEIER: Well, it would be
22 qualified as maintenance capital, not
23 development.

24 MR. BRADFORD: Right, right.

25 CHAIRMAN MORGAN: Any other

1 questions? [No response.] Thank you.
2 Any questions for State Police? We have

3 a resolution prepared. Is there -- for
4 the Board to adopt the resolution. Is
5 there a motion?

6 MR. BRADFORD: So moved.

7 CHAIRMAN MORGAN: Motion by
8 Mr. Bradford to adopt the resolution.
9 Is there a second?

10 MS. NOONAN: Second.

11 CHAIRMAN MORGAN: Seconded by Miss
12 Noonan. Why don't you read the
13 resolution.

14 THE CLERK: On the 18th day of
15 November 2010, the Louisiana Gaming
16 Control Board did, in a duly public
17 meeting, consider the issue of Boyd
18 Gaming Corporation's petition for
19 approval of amendment and extension of
20 credit facility, and upon motion duly
21 made and seconded, the Board adopted the
22 following resolution: Be it resolved
23 that Boyd Gaming Corporation's second
24 amended and restated credit agreement be
25 and is hereby approved. Thus done and

32

1 signed in Baton Rouge, Louisiana, this
2 18th day of November, 2010.

3 CHAIRMAN MORGAN: Would you call the
4 roll.

5 THE CLERK: Miss Rogers?

6 MS. ROGERS: Yes.
7 THE CLERK: Mr. Bradford?
8 MR. BRADFORD: Yes.
9 THE CLERK: Mr. Stipe?
10 MR. STIPE: Yes.
11 THE CLERK: Mr. Singleton?
12 MR. SINGLETON: Yes.
13 THE CLERK: Miss Noonan?
14 MS. NOONAN: Yes.
15 THE CLERK: Chairman Morgan?
16 CHAIRMAN MORGAN: Yes. It's
17 approved.
18 MR. WEST: Thank you.
19 MR. BERNSMIEIER: Thank you.

20 B. Consideration of Certificate of Compliance
21 for the Alternate Riverboat Inspection of
22 the gaming vessel of Eldorado Casino
23 Shreveport Joint Venture, License No.
24 R013600005

25 CHAIRMAN MORGAN: Next item is B,

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1 Consideration of the Certificate of
2 Compliance for the Alternate Riverboat
3 Inspection of the gaming vessel Eldorado
4 Casino Shreveport Joint Venture, License
5 No. R013600005.

6 MR. TYLER: Chairman Morgan,
7 Assistant Attorney General, Michael
8 Tyler, appearing in this matter. I'm

9 joined today by John Fransic of ABSC.

10 Today we come before the Board
11 seeking the acceptance of the Alternate
12 Inspection report of Eldorado Casino,
13 Hollywood Dreams, as performed and
14 prepared by ABSC, as well as the renewal
15 of the certificate of compliance of
16 Hollywood Dreams.

17 On October 6th, 2010, Eldorado
18 Casino began the renewal process for its
19 certificate of compliance. For more on
20 this process and the findings of the
21 alternate inspection of Eldorado
22 Casino's Hollywood Dreams, I turn this
23 presentation over to John Fransic of
24 ABSC.

25 MR. FRANSIC: Good morning,

34

1 Chairman, Board Members. I'm John
2 Fransic with ABS Consulting here to
3 report the results of the annual
4 inspection for the Eldorado Resorts
5 Casino.

6 The surveyors for ABS Consulting,
7 Richard Goss and John Kahler, did attend
8 the riverboat Hollywood Dreams, also
9 known as Eldorado Resort Casino, on
10 October 6th, 2010. The inspection was
11 carried out in accordance with the

12 Louisiana Gaming Control Board riverboat
13 gaming checklist and found in full
14 compliance. No deficiencies were found.

15 It is recommended of ABS Consulting
16 that the riverboat, Hollywood Dreams, be
17 reissued the certificate of compliance.

18 MR. TYLER: We now present these
19 findings to this honorable board for
20 acceptance and request that the Board
21 will move for the renewal of Eldorado
22 Casino's Hollywood Dreams' certificate
23 of compliance. Any questions?

24 CHAIRMAN MORGAN: Any questions?

25 MR. STIPE: I do have one. We have

35

1 three or four of these today; and I
2 looked through them, and under the
3 emergency drills section, of the four of
4 these inspections, as I read it, this
5 particular facility looks to have the
6 least robust compliance, I suppose. I
7 mean, am I reading too much into the
8 language of these particular studies,
9 these particular reports? And, I guess,
10 I just -- your report to this board is
11 that they -- they performed
12 satisfactorily in the emergency drills
13 that's a component of the inspection?

14 MR. FRANSIC: Correct.

15 MR. STIPE: Okay.

16 MR. FRANSIC: Yes. I mean, the
17 surveyors that go onboard, they initiate
18 the drill to see how the personnel
19 onboard respond to the emergency, and
20 then their opinion, if they prove
21 satisfactory, they know what they're
22 doing, they're doing the required jobs
23 as per the station bill, they'll approve
24 it satisfactory.

25 MR. STIPE: Okay. Is there a

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1 follow-up -- is there a follow-up if
2 there's some deficiencies? I mean, it
3 can be -- obviously, you can be
4 satisfactory but less than perfect. Is
5 there some follow-up plan that's
6 developed or protocols or...

7 MR. FRANSIC: For the --

8 MR. STIPE: For the emergency drills
9 in particular.

10 MR. FRANSIC: For the emergency
11 drills? If there are issues or
12 problems, mostly it would be towards
13 training -- training the personnel to
14 respond in a timely fashion or their
15 knowledge of their duties. So if
16 there's any problems, then it would just
17 be going back to verify that they did

18 additional training. You know, when did
19 they do it, and what type of training
20 was involved with that?

21 MR. STIPE: But your recommendation
22 as to this facility, your recommendation
23 is for -- I mean, that this facility is
24 -- your recommendation to this board is
25 that this particular facility is in

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1 compliance and that the emergency drills
2 were satisfactory.

3 MR. FRANSIC: Yes.

4 MR. STIPE: All right. That's all I
5 have.

6 MR. BRADFORD: I have a question.
7 John, I just wanted to get your opinion
8 on riverboats in general concerning fire
9 protection equipment. It seems to me a
10 significant part -- I know y'all do a
11 lot of maritime stuff and a lot of
12 mechanical and electrical stuff -- but
13 it seems to me as far as patrons are
14 concerned in day-to-day operations, fire
15 protection is paramount importance.

16 MR. FRANSIC: Very much, yes, sir.

17 MR. BRADFORD: And your reports seem
18 to go to a great length in checking all
19 fire protection, fire protection
20 equipment and all that, and is that

21 correct? You do spend a lot of time?

22 MR. FRANSIC: Yes. Well, the
23 majority of the fire equipment onboard,
24 like such as fire extinguishers or CO2
25 systems, they're actually checked

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1 thoroughly by a third party. They come
2 onboard and actually do all the testing.
3 We make sure that's being done, you
4 know, if they have the inspection tag on
5 there for the whole system.

6 The surveyors when they go onboard,
7 we just kind of look over the system and
8 make sure, well, if the hoses look fine,
9 it's not deteriorated. So they just
10 verify what the third party has done
11 that, but they don't actually perform
12 that.

13 MR. BRADFORD: They don't really
14 wait for you for that. That's their
15 regularly scheduled safety process.

16 MR. FRANSIC: It's an annually
17 scheduled process, yes, sir.

18 CHAIRMAN MORGAN: Any other
19 questions? If it's the pleasure of the
20 Board, we would need a motion to renew;
21 is that correct?

22 MR. TYLER: That's correct.

23 CHAIRMAN MORGAN: To issue a

24 renewal -- approval of the --

25 MR. BRADFORD: So moved.

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1 CHAIRMAN MORGAN: Motion by Mr.

2 Bradford.

3 MS. ROGERS: Second.

4 CHAIRMAN MORGAN: Second by Miss

5 Rogers. Any objection? Hearing none,

6 that's approved.

7 C. Consideration of Certificate of Compliance

8 for the Alternate Riverboat Inspection of

9 the gaming vessel of Boomtown Bossier,

10 License No. R016500701

11 CHAIRMAN MORGAN: C, Consideration

12 of Certificate of Compliance for

13 Alternate Riverboat Inspection of the

14 gaming vessel Boomtown Bossier, License

15 No. RO16500701.

16 MR. TYLER: Again, Chairman Morgan,

17 Board Members, Assistant Attorney

18 General, Michael Tyler, appearing in

19 this matter. I'm joined by John Francis

20 of ABSC.

21 Today we come before you seeking the

22 acceptance of the alternate inspection

23 report of Boomtown Bossier's Mary's

24 Prize, as performed and prepared by

25 ABSC, as well as the renewal of the

40

1 certificate of compliance of Mary's
2 Prize.

3 On October 2nd, 2010, Boomtown
4 Bossier began the renewal process of its
5 certificate of compliance. For more on
6 the process and the findings of the
7 alternate inspection of Boomtown
8 Bossier's Mary's Prize, I turn this
9 presentation over to John Fransic of
10 ABSC.

11 MR. FRANSIC: Good morning, Mr.
12 Chairman, Board Members. I'm John
13 Fransic with ABS Consulting here to
14 report the results of the annual
15 inspection for Boomtown Casino Bossier
16 City.

17 The surveyors for ABS Consulting
18 were Richard Goss and John Kahler. They
19 did attend the riverboat Mary's Prize,
20 also known as Boomtown Casino, Boomtown
21 City, on October 7th, 2010. The initial
22 inspection was a joint inspection with
23 the Coast Guard on October 22nd, 2009.
24 That inspection resulted in deficiencies
25 at that time, and the Coast Guard took

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1 over for the first part of the year of
2 two more inspections. They cleared
3 those deficiencies resulting in the

4 certificate that was issued on May 18th
5 of this year.

6 Because the semi-annual was coming
7 up in October, the surveyors elected to
8 do an annual inspection because it's
9 been one year since the ABS surveyors
10 were onboard. The inspection went well.
11 There was no problems. They went
12 through the whole inspection without any
13 deficiencies, and even though we're
14 reissuing the certificate now, we went
15 through the whole annual inspection
16 process and thought it was only fair
17 that they get their certificate reissued
18 for a year.

19 So it is the recommendation of ABS
20 Consulting that the riverboat Mary's
21 Prize be reissued the certificate of
22 compliance.

23 MR. TYLER: We now present these
24 findings to this gauging board for
25 acceptance and request that the Board

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1 will move for the renewal of Boomtown
2 Bossier's certificate of compliance.

3 CHAIRMAN MORGAN: Any questions?

4 MS. ROGERS: I have a question. How
5 often do you actually instruct the
6 flotation part of that barge? How often

7 is that inspected, and how do you that?

8 I know it's too big to be put on dry

9 dock.

10 MR. FRANSIC: The hull part --

11 MS. ROGERS: The hull part.

12 MR. FRANSIC: -- yes, ma'am. It's

13 done by divers every five years.

14 They'll go under the vessel itself and

15 then check for debris that might build

16 up underneath the hulls. They do

17 internals of the void spaces. They go

18 down into the compartments, and they do

19 some gaging of the hull to make sure the

20 thickness of the steel is still within

21 acceptable terms.

22 MS. ROGERS: Are those single or

23 double hulls?

24 MR. FRANSIC: They're single hulls.

25 CHAIRMAN MORGAN: Do you have a

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1 question? If it's the pleasure of the

2 Board, we need a motion to approve the

3 reissuance of the certificate of

4 compliance.

5 MR. BRADFORD: So moved.

6 CHAIRMAN MORGAN: Mr. Bradford

7 moves.

8 MS. ROGERS: Second.

9 CHAIRMAN MORGAN: Seconded by Miss

10 Rogers. Is there any objection? [No
11 response.] That's approved.

12 D. Consideration of Certificate of Compliance
13 for the Alternate Riverboat Inspection of
14 the gaming vessel of Horseshoe Casino,
15 License No. R010800198

16 CHAIRMAN MORGAN: The next item,
17 Consideration of Certificate of
18 Compliance for the Alternate Riverboat
19 Inspection of the gaming vessel of
20 Horseshoe Casino, License No.
21 R010800198.

22 MR. TYLER: Chairman Morgan, Members
23 of the Board, again, Assistant Attorney
24 General, Michael Tyler, appearing with
25 John Fransic of ABSC in this matter.

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1 Today we come before you seeking the
2 acceptance of the alternate inspection
3 report of Horseshoe Casino's King of the
4 Red as performed and prepared by ABSC,
5 as well as the initial issuance of a
6 certificate of compliance for King of
7 the Red.

8 On October 4th, 2010, Horseshoe
9 Casino began its initial inspection for
10 the issuance of a certificate of
11 compliance. For more on this process
12 and the findings of the alternate

13 inspection of King of the Red, I turn
14 this presentation over to John Fransic
15 of ABSC.

16 MR. FRANSIC: Good morning, Mr.
17 Chairman and Board Members. I'm John
18 Fransic with ABS Consulting here to
19 report the results of the annual
20 inspection for the Horseshoe Casino
21 Bossier City.

22 The surveyors for ABS Consulting
23 were Richard Goss and John Kahler. They
24 did attend the riverboat, King of the
25 Red, also known as Horseshoe Casino

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1 Bossier City, on October 4th, 2010.

2 This inspection was carried jointly
3 with the United States Coast Guard and
4 was inspected in accordance with the
5 Louisiana Gaming Control Board riverboat
6 gaming checklist. This vessel was found
7 to be in complete compliance with the
8 guidelines, and the Coast Guard issued a
9 temporary certificate of inspection at
10 that time.

11 It is recommended that ABS
12 Consulting, that the riverboat, King of
13 the Red, be issued the certificate of
14 compliance.

15 MR. TYLER: We now present these

16 findings to this gaging board for
17 acceptance and request that the Board
18 will move for initial issuance of a
19 certificate of compliance to Horseshoe
20 Casino.

21 CHAIRMAN MORGAN: Okay. Does the
22 motion need to deal with acceptance into
23 the program, or just what?

24 MR. TYLER: I don't believe in the
25 past we've ever made a motion to --

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1 CHAIRMAN MORGAN: Are there any
2 questions? I need a motion to approve
3 the initial issuance of a certificate of
4 compliance.

5 MS. NOONAN: Motion.

6 CHAIRMAN MORGAN: Motion by Miss
7 Noonan.

8 MR. STIPE: Second.

9 CHAIRMAN MORGAN: Seconded by Mr.
10 Stipe. Are there any objections?
11 Hearing none, that's approved.

12 E. Consideration of Certificate of Compliance
13 for the Alternate Riverboat Inspection of
14 the gaming vessel of Sam's Town
15 Shreveport, License No. R016500097

16 CHAIRMAN MORGAN: Next item's the
17 Consideration of Certificate of
18 Compliance for Alternate Riverboat

19 Inspection of the gaming vessel of Sam's
20 Town Shreveport, License No. RO16500097.

21 MR. TYLER: Again, Assistant
22 Attorney General, Mike Tyler, appearing
23 with John Fransic in this matter.

24 Today we come before this board
25 seeking the acceptance of the alternate

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1 inspection report of Sam's Town Casino,
2 Shreve Star, as performed and prepared
3 by ABSC, as well as the initial issuance
4 of a certificate of compliance for
5 Shreve Star.

6 On October 5th, 2010, Sam's Town
7 Casino began its initial inspection for
8 the issuance of a certificate of
9 compliance. For more on this process
10 and the findings of the alternate
11 inspection of Shreve Star, I turn this
12 presentation over to John Fransic of
13 ABSC.

14 MR. FRANSIC: Good morning, Mr.
15 Chairman, Board Members. I'm John
16 Fransic with ABS Consulting here to
17 report the results of the annual
18 inspection for Sam's Town Casino. The
19 surveyors for ABS Consulting, Richard
20 Goss and John Kahler, did attend the
21 riverboat Shreve Star, also known as

22 Sam's Town Casino, on October 5th, 2010.

23 The inspection was carried out
24 jointly with the United States Coast
25 Guard and was inspected in accordance

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1 with the Louisiana Gaming Control Board
2 riverboat gaming checklist. The vessel
3 was found to be in compliance, with the
4 exception of a few minor deficiencies.
5 The paddle wheel was tested and found
6 operational, but a few of the wooden
7 boards were deteriorated. Since then
8 the wooden boards have been replaced and
9 found in compliance. The Coast Guard
10 did endorse the vessel's certificate of
11 inspection and found the vessel
12 satisfactory.

13 It is the recommendation of ABS
14 Consulting that the riverboat Shreve
15 Star be issued a certificate of
16 compliance.

17 MR. TYLER: We now present these
18 findings to the gaging board for
19 acceptance and request that the Board
20 move for the issuance of a certificate
21 of compliance to Sam's Town Casino.

22 CHAIRMAN MORGAN: Any questions? We
23 need a motion.

24 MR. BRADFORD: So moved.

25 CHAIRMAN MORGAN: Motion by Mr.

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1 Bradford.

2 MS. ROGERS: Second.

3 CHAIRMAN MORGAN: Seconded by Miss

4 Rogers to issue a certificate of

5 compliance. Is there any objection?

6 Hearing none, that's approved.

7 VIII. VIDEO GAMING ISSUES

8 A. Consideration of the following truckstop

9 application:

10 1. Superstop Enterprises, Inc., d/b/a Square

11 Deal Casino - No. 4700511121 (transfer of
12 interest)

13 CHAIRMAN MORGAN: Item VIII,

14 Consideration of the following truckstop

15 application: Superstop Enterprises,

16 Incorporated, doing business as Square

17 Deal Casino, No. 4700511121, transfer of
18 interest.

19 We have an opportunity for public
20 comment with regard to this matter. Is
21 there any public comment? Hearing none,

22 let's hear from the Office of State

23 Police.

24 MR. PITRE: Good morning, Mr.

25 Chairman, Members of the Board, I am

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1 Assistant Attorney General, Earl Pitre,

2 Jr., appearing before you in the matter
3 in the death of a lessor and revenue
4 recipient of the truckstop property
5 leased by licensee, Superstop
6 Enterprises, Incorporated, doing
7 business as Square Deal Casino.

8 The licensee subleased the truckstop
9 property from Robert Family Partnership
10 #1, which leased the property from
11 Donald Stein, Sr., Roland Stein, Roy
12 Stein and Harry Stein, Jr.

13 Pursuant to the lease agreement
14 between the Steins and Robert Family
15 Partnership #1, the Steins received
16 additional rent based on the number of
17 video poker devices placed in and
18 operated at the licensed truckstop
19 facility.

20 On May 4th, 2008, Donald Stein, Sr.,
21 died. According to the Statutory Last
22 Will and Testament, Donald Stein, Sr.,
23 left all of his right, title and
24 interest in and to the truckstop
25 property, which was 25 percent, and the

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1 lease agreement, which was 25 percent,
2 between the Steins and Robert
3 Partnership #1 to his spouse, Kathlyn
4 Stein and his four children: Rhonda

5 Barrillaux, Donald Stein, Jr., Donna
6 Bratcher and Tanya Boudreaux in equal
7 shares of 5 percent each.

8 Trooper Vincent Lenguyen is here to
9 present the State Police's findings.

10 TROOPER LENGUYEN: Good morning,
11 Chairman and Board Members. My name is
12 Trooper Vincent Lenguyen with the
13 Louisiana State Police.

14 Kathlyn Stein previously met
15 suitability in connection with a Type 5
16 video draw gaming license of Superstop
17 Enterprises, Incorporated, d/b/a Square
18 Deal Casino, as the spouse of the
19 deceased. Upon notification of
20 Mr. Stein's death, I conducted an
21 updated suitability investigation of
22 Miss Stein and a full suitability
23 investigation on Rhonda Barrillaux,
24 Christopher Barrillaux, Donald Stein,
25 Jr., Deborah Stein, Donna Bratcher,

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1 Richard Bratcher, David Boudreaux and
2 Tanya Boudreaux and found no information
3 that would preclude them from
4 participating in the gaming industry.

5 MR. PITRE: The Office of the
6 Attorney General has reviewed the file
7 compiled as a result of the

8 investigation conducted by the Office of
9 State Police. Our review indicates that
10 no information has been found which
11 would preclude Kathlyn Stein, Rhonda
12 Barrillaux, Christopher Barrillaux,
13 Donald Stein, Jr., Debra Stein, Donna
14 Bratcher, Richard Bratcher, David
15 Boudreaux and Tanya Boudreaux from
16 participating in the gaming industry.

17 CHAIRMAN MORGAN: Okay. As I
18 understand it, there's administrative
19 action with regard to this issue going
20 forward; however, this transaction
21 actually corrects the alleged violation.

22 MR. PITRE: It does. And it's just
23 that the licensee failed to notify of
24 the death and the heirs, and Vincent
25 Lenguyen -- Trooper Vincent Lenguyen

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1 conducted the suitability investigation
2 of the individuals, and we're presenting
3 them to you today.

4 CHAIRMAN MORGAN: Okay. I just
5 wanted to make sure the board members
6 were aware of that. Nothing precludes
7 us from approving this. It's just there
8 was an alleged violation by not
9 notifying in a timely manner. Any
10 questions?

11 MR. BRADFORD: I have a quick
12 question for Vincent. No problems as
13 far as suitability with David Boudreaux?

14 TROOPER LENGUYEN: No. We looked at
15 his suitability. We did a full-fledged
16 background investigation on the -- those
17 criminal history happened 30 years ago,
18 and like I say, he was never put on
19 trial or been convicted of anything.
20 So, therefore, we didn't -- we feel like
21 it didn't affect the suitability as of
22 right now.

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

24 CHAIRMAN MORGAN: Anyone?

25 MR. BRADFORD: I move for approval.

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1 CHAIRMAN MORGAN: Mr. Bradford moves
2 for approval of the transfer of
3 interest. Is there a second?

4 MS. NOONAN: Second.

5 CHAIRMAN MORGAN: Seconded by Miss
6 Noonan. Is there any objection?
7 Hearing none, that's approved. Thank
8 you.

9 IX. RULEMAKING

10 A. Adoption of LAC 42:XI.2424 (Video Poker
11 Fine Schedule

12 CHAIRMAN MORGAN: The next item is
13 Rulemaking, and I will entertain public

14 comment on each specific item when we
15 get to it. So Item A is Adoption of the
16 Video Poker Fine Schedule.

17 MR. WAGNER: Good morning, Mr.
18 Chairman, Members of the Board, I'm
19 Jonathan Wagner, Assistant Attorney
20 General.

21 Before you today is the Video Poker
22 Fine Schedule, which was promulgated as
23 a notice of intent several months back
24 and has been through the oversight
25 committees with no problems and is now

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1 before the Board for final approval, and
2 the penalty schedule will go into effect
3 upon publication in the Louisiana
4 Register.

5 CHAIRMAN MORGAN: When will that be?

6 MR. WAGNER: I submit that to them
7 on December 10th. It should be
8 available, printed on the 20th, provided
9 no holidays get in the way of the
10 regular publication dates.

11 CHAIRMAN MORGAN: That's very good.

12 This is a pretty significant process.
13 It's a requirement by law that hasn't
14 been adhered to -- not, I don't think,
15 the Board's fault -- for a number of
16 years, so this is actually going to be

17 very helpful in regulations.

18 Are there any questions with regard
19 to it? So we need a motion to formally
20 adopt.

21 MR. WAGNER: Yes, sir.

22 MS. ROGERS: I so move.

23 CHAIRMAN MORGAN: Motion by Miss
24 Rogers.

25 MR. BRADFORD: Second.

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1 CHAIRMAN MORGAN: Seconded by Mr.
2 Bradford. Is there any objection? [No
3 response.] Those are adopted.

4 B. Institution of rule-making procedures for
5 the adoption of LAC 42:III.2737 (Casino
6 Gaming Payment Interception)

7 CHAIRMAN MORGAN: Item B is
8 Institution of rulemaking procedures for
9 adoption of Louisiana Administrative
10 Code 42:III.2737, Casino Gaming Payment
11 interception.

12 Members, just for your edification,
13 the Act 425 of the Legislature requires
14 adoption by the Board -- initiation of
15 the rulemaking by the Board prior to
16 January the 1st. Go ahead and explain
17 this rule.

18 MR. WAGNER: The rule is one I'm
19 very proud of. Our office, along with

20 DCFS, the Department of Children and
21 Family Services, as well as industry,
22 collaborated together to produce this
23 rule as mandated by the Legislature.
24 The result of this rule once adopted
25 will be that if a dead-beat dad or

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1 someone received child support
2 overpayment hits a jackpot, cash or
3 otherwise in a casino, the casinos
4 themselves will be able to access a
5 database provided by Children and Family
6 Services to see that this person is in
7 arrears for child support or otherwise
8 owes money.

9 They will immediately be able to
10 seize up to that amount of the arrearage
11 from the casino patron who then forwards
12 that money to DCFS and then pays it out
13 to the court ordered child recipient.
14 This will make Louisiana only the second
15 state in the country who does seize
16 casino winnings.

17 Before you is the notice of intent
18 that I intended to have published next
19 month, which will put this rule in play
20 for the Board and the industry. So a
21 motion needs to be made to institute
22 rulemaking procedures for this.

23 CHAIRMAN MORGAN: Let me allow for
24 questioning, and I'll also open it up
25 for public comment. I think the Casino

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1 Association has comments. You want to
2 hear Wade first?

3 MR. BRADFORD: I'll wait.

4 CHAIRMAN MORGAN: Okay.

5 MR. DUTY: Good morning, Chairman
6 and Board Members. Wade Duty, Executive
7 Director of the Louisiana Casino
8 Association.

9 Mr. Wagner is correct. We did
10 participate in the drafting of these
11 rules, and we think it's a workable
12 product within the scope of the statute.
13 We do have one suggested change that I
14 think could be handled through any one
15 of a number of means. We've confirmed
16 with DCFS that it would not present an
17 issue for them, and that's simply a
18 confirmation process that would allow us
19 to demonstrate we made the required
20 notification in the event the system
21 that their system is down.

22 We want a means, probably in
23 Subsection G, to identify that we made
24 that required notification, and they
25 agreed that it would be handier for

1 them, too, to have it in electronic
2 format. A long story short, what we're
3 talking about is an e-mail notification
4 that at midnight on Saturday your system
5 was down for seven minutes or whatever,
6 and then DCFS could address that when
7 their technical people returned to work.

8 But outside of that, we support the
9 adoption of the rules.

10 CHAIRMAN MORGAN: Wade, I want to
11 compliment industry, too. I know y'all
12 worked -- it's difficult oftentimes
13 to -- the theory's good. Sometimes to
14 put it into practice is very difficult
15 and challenging, but I do appreciate
16 that and the willingness of industry to
17 work in that regard.

18 I'm not exactly sure on the change
19 of the rule, because I was under the
20 impression we had really bent over
21 backwards to try to make all the changes
22 that industry wanted, but it will be
23 interesting. But y'all will address
24 that through public -- ask for public
25 hearing on that?

1 MR. DUTY: Right. You have multiple
2 avenues to address this either through

3 the written public comment period; we
4 can submit it then. But I just wanted
5 to explain it. We weren't doing it to
6 try to derail the process. This is a
7 noncontroversial amendment that would
8 allow everybody to get the information
9 they needed on both sides of the
10 equation.

11 MR. WAGNER: And I wanted to comment
12 as well that our office is not opposed
13 to the change he is requesting. It was
14 just the timing, and we couldn't get it
15 in in time before the board meeting.

16 CHAIRMAN MORGAN: Well, the Chairman
17 made you get it on this agenda, huh?

18 MR. WAGNER: Yes, sir.

19 CHAIRMAN MORGAN: I'd rather do it
20 today than in December.

21 MR. STIPE: I don't see a record
22 retention period set out for -- I mean,
23 I think if the -- if the database is
24 down, then they need to get a printout
25 that it was inaccessible or something

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1 along those lines, but I don't see a
2 retention period for those records for
3 them. What is there? How long do they
4 need to hold on to those?

5 MR. WAGNER: In all my meetings,

6 ultimately the topic of a retention
7 period has not come up until you've
8 raised it yourself. It's my
9 understanding, and Wade can correct me
10 if I'm wrong here, that in the
11 discussions between industry and DCFS,
12 more or less it was: If the system is
13 down, they print out the record.
14 They've got it; they hang onto it until
15 such time as audit.

16 Now, I would think other retention
17 schedules that are in place which
18 cover -- the audits for industry would
19 also regulate how long they keep these
20 particular records.

21 MR. DUTY: Typically what you see is
22 a minimum of three years. We have other
23 regular retention schedules that extend
24 out five and ten years, so a minimum of
25 three.

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1 CHAIRMAN MORGAN: It's covered, but
2 I'll let Jeff Traylor --

3 MR. TRAYLOR: We have -- the
4 requirement in Chapter 27 for just about
5 everything is five years with a few
6 exceptions. We didn't really put it
7 into this section because it's already
8 covered in Chapter 27 about a five-year

9 retention.

10 CHAIRMAN MORGAN: Okay. Good point.

11 MR. STIPE: I make one point a
12 meeting whether I need to or not.

13 MR. BRADFORD: Mr. Chairman, I just
14 want to salute Jonathan and Wade and
15 everybody that worked on this. I think
16 it's landmark information in policy and
17 a significant step forward for, you
18 know, a lot of reasons; and I'm just
19 proud to be a part of it, and I'm proud
20 to make the motion for approval.

21 CHAIRMAN MORGAN: We have a motion.
22 I want to -- is Nick -- is Senator
23 Gautreaux here? I don't see him. He
24 said he might be here and was interested
25 in passing this, and I want to

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1 acknowledge him.

2 MR. SINGLETON: I'll second the
3 motion, but I just wanted to -- I think
4 he said there was a change that y'all
5 had agreed to make? I mean, you say you
6 agree with it. Do we need to note that
7 in approving this so we make sure that
8 we all don't have to come back and do it
9 again?

10 CHAIRMAN MORGAN: It has to come
11 back anyway.

12 MR. SINGLETON: It has?

13 CHAIRMAN MORGAN: So they'll report
14 on a public hearing the recommended
15 changes, and then the Board would have
16 an opportunity to adopt that change.

17 MR. WAGNER: Just to explain the
18 process a little bit to Mr. Singleton.
19 We published the notice of intent,
20 provided y'all approve it here today.
21 Then in the Register they provide a
22 20-day comment period, at which point
23 any citizen or organization can contact
24 me directly and propose -- or ask
25 questions and propose changes.

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1 Substantive issues I then have to come
2 back and report to you.

3 MR. SINGLETON: Good. Thank you.

4 CHAIRMAN MORGAN: So we have a
5 motion by Mr. Bradford, seconded by
6 Mr. Singleton, to initiate the
7 rulemaking process. Is there any
8 objection? Hearing none, that's
9 approved. Thank y'all very much for
10 working on this matter.

11 MR. WAGNER: Thank you.

12 X. APPEALS FROM HEARING OFFICERS' DECISIONS

13 1. In Re: SOF Investments, Inc., d/b/a SOF
14 Investments, Inc. - No. 2403607525

15 CHAIRMAN MORGAN: That brings us to
16 Appeals from the Hearing Officers'
17 Decisions. There's Items One and Two.
18 Is there any public comment on any of
19 these items? [No response.]

20 Then we'll take up the first item,
21 SOS Investments, Incorporated, doing
22 business as SOF Investments, License No.
23 2403607525.

24 MS. PICHON: I believe Mr. Webber
25 was coming.

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1 CHAIRMAN MORGAN: He's supposed to
2 be here?

3 MS. PICHON: He said he would be.

4 CHAIRMAN MORGAN: Do you have any
5 way to get in touch with him?

6 2. In Re: Shawanda Harris - No. PO40053971

7 CHAIRMAN MORGAN: We can go to the
8 next item. We'll pass this, and maybe
9 y'all can get in touch and make sure
10 he's on his way. We'll move on to Item
11 2, reference to Shawanda Harris, Permit
12 Number 040053971.

13 MS. HARRIS: Good morning.

14 CHAIRMAN MORGAN: You took the
15 appeal. Why don't you state your name
16 for the record.

17 MS. HARRIS: My name is Shawanda

18 Harris.

19 CHAIRMAN MORGAN: You have the right
20 to make an oral argument to the Board
21 with regard to your case.

22 MS. HARRIS: Okay. I was given a
23 license in 2008 to work in the casino
24 business. In 2010, when it was time to
25 renew my license, I was not able to

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1 renew the license because of some law
2 change. What I have on my background
3 that kept me from getting -- that kept
4 me from getting my license in 2010, I
5 also had that at the time. I do realize
6 that the law has changed, but I feel
7 though -- I feel as though some kind of
8 grandfather clause should have been
9 stipulated into that law being changed
10 for people like myself who was already
11 working in the casino business.

12 I did speak with my state
13 representative, and she did tell me that
14 they're going back into session in March
15 of 2011, and at that time, they will be
16 stipulating some kind of grandfather
17 clause into the -- with the law being
18 changed.

19 I just, also, want to say that
20 hopefully I can be given my license, and

21 hopefully y'all can, like, maybe do
22 something like a provision or permit or
23 something like that where I can get my
24 license until they go back into session
25 to change the law again.

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1 CHAIRMAN MORGAN: Mr. Tyler?

2 MR. TYLER: Assistant Attorney
3 General, Michael Tyler, appearing on
4 behalf of the Division in this appeal
5 matter.

6 Chairman Morgan, Board Members, I
7 believe the Division's position on this
8 matter has been laid out pretty clearly
9 in our memorandum that was submitted.

10 It is a very unfortunate circumstance
11 that Miss Harris is facing, and we do
12 acknowledge the fact that she did
13 disclose the conviction when she applied
14 for her initial permit back in 2008,
15 July of 2008 I believe it was. But
16 after that in August, after she received
17 her permit, the law of crimes of
18 violence did change; wherein, battery on
19 a police officer was added to the crimes
20 of violence.

21 The gaming law under 27:28 is clear
22 that individuals convicted of crimes of
23 violence cannot receive any types of

24 approvals or renewals with regard to
25 their licenses or permits. This is an

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1 argument of matter of law, and with
2 that, by way of what the law says, when
3 the renewal application was submitted,
4 by law the Division was required to
5 conduct a suitability background check
6 on that. That's provided for under the
7 Administrative Code. When an
8 application is submitted, you know, the
9 person specifically subject themselves
10 to a background investigation, and with
11 that the Division is required to make
12 sure that the persons possess all of the
13 requirements to receive an approval of
14 the license or permit.

15 With that, when the renewal was
16 received, the Division conducted a
17 background check, and it saw, again,
18 this conviction and also where in 2008
19 the act was put in place wherefore
20 battery on a police officer was made a
21 crime of violence, and with that, as of
22 the renewal, they were precluded from
23 approving that renewal as a matter of
24 law.

25 Again, it is very unfortunate.

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1 There is no malicious intent. If there
2 was language for some type of
3 grandfather consideration, I'm sure the
4 Division would have given some type of
5 consideration to that; but it's just not
6 there, and it's very unfortunate. But
7 as the circumstances rest, the Division
8 is required by law to deny the renewal
9 application, and unfortunately we have
10 to come to the Board to request that the
11 hearing officer's decision be affirmed
12 as a matter of law.

13 CHAIRMAN MORGAN: It wasn't an
14 action on Miss Harris's part in the
15 interim, because it occurred prior to
16 her receiving her first permit. It was
17 a change in the technical qualifications
18 for her to possess -- continue to
19 possess the permit particularly on the
20 renewal.

21 MR. TYLER: Absolutely. I believe
22 the conviction occurred in around 2002.
23 She submitted her original application
24 for a permit around July of 2008, and
25 she did disclose that information. So

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1 given the fact that she disclosed it and
2 received her permit, it is obvious on
3 its face that there was no issue with

4 the conviction with regard to her
5 receiving the permit. This just simply
6 turned, like you said, Mr. Chairman, on
7 effect of the law and no actions on Miss
8 Harris's part.

9 CHAIRMAN MORGAN: Questions?

10 MR. BRADFORD: I've got a question
11 if I can think of how to state it:
12 Michael, I'm just wondering, you're
13 performing your due diligence here to
14 bring this before this board, and you're
15 restricted in that you're -- by law
16 you're required to ask us to affirm the
17 earlier ruling that revokes her license.

18 MR. TYLER: That's correct.

19 MR. BRADFORD: And, again -- and
20 then you've stated that unfortunately
21 it's a technicality. The conviction she
22 had was in 2002, and in 2008 the law was
23 changed that reclassified what she did
24 in 2002; and we have no provision for
25 grandfathering her in under -- and don't

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1 get me wrong, it's a terrible crime.
2 I'm -- you know, I was wrestling with
3 that last night reading over this thing
4 a couple of times, but the fact of the
5 matter is that when they changed the law
6 to make that particular offense an

7 official violent crime, that's where her
8 renewal got rejected --

9 MR. TYLER: That's correct.

10 MR. BRADFORD: -- based on that?

11 Now, does this board have the
12 authority to overrule what you're
13 asking? Can we -- since you're saying
14 it's a basis of law, in your legal
15 opinion, can we -- can we grant her a
16 license?

17 MR. TYLER: I guess what the
18 question comes down to is whether or not
19 the Board has the discretion --

20 MR. BRADFORD: Correct.

21 MR. TYLER: -- at this point in time
22 to make a decision that's in opposite of
23 what the hearing officer laid out.

24 MR. BRADFORD: Correct.

25 MR. TYLER: My reading of this case

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1 is that by operation of law, the Board's
2 discretion is sort of removed from the
3 decision, and it is pretty much by
4 effect of law that given the fact the
5 Revised Statute states that no person
6 convicted of a crime of violence can
7 have an approval, license or permit,
8 then the Board's discretion is sort of
9 removed from that.

10 MR. BRADFORD: Then the basic
11 question there is the fact that she was
12 not convicted of a crime of violence at
13 the time of the conviction.

14 MR. TYLER: At the time of the --

15 MR. BRADFORD: What she did was
16 later changed to be named a crime of
17 violence.

18 MR. TYLER: That's correct. And on
19 top of that, when it was changed by the
20 act -- in the record of this appeal
21 should have been a copy of the act that
22 was attached to my post-hearing
23 memorandum, as Exhibit A, as well as
24 the -- the record of how the bill moved
25 throughout the legislature, as Exhibit

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1 B.

2 MR. BRADFORD: Right.

3 MR. TYLER: All of that information
4 should show that nowhere in the language
5 was any mitigating provisions provided
6 stating that this shall not apply to
7 individuals convicted prior to either
8 the filing of the bill or the --

9 MR. BRADFORD: How many times did we
10 issue her a renewal license after her
11 conviction in 2002; every two years?

12 MR. TYLER: Well, she received her

13 application -- she submitted her
14 application in July of 2008. That
15 was --

16 MR. BRADFORD: That was the first
17 time?

18 MR. TYLER: I believe, and the law
19 happened to change when the governor
20 signed it in August of 2008. So she was
21 up for renewal in 2010. She submitted
22 her renewal, and that's when it was
23 caught. So this would have been her
24 first renewal.

25 CHAIRMAN MORGAN: I'm going -- the

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1 board members -- and Ms. Smith might be
2 able to elaborate more. A renewal
3 considers a new standard and a new date.
4 I'm sympathetic, too, to the issue, but
5 if I understand it, a renewal -- if the
6 standard criteria has changed, when the
7 renewal comes up, you have to apply the
8 new standard.

9 MS. ROGERS: I'm sympathetic, too,
10 but I see this as moot. I don't see as
11 this board -- we can't change the law.
12 We don't have -- we don't have -- we
13 can't change the law.

14 MS. HARRIS: I'm not asking for you
15 to change the law, but I think you can

16 say, well, you know, yes, she can renew
17 her license and be given her license. I
18 would think it's up to you if it came
19 this far, and I'm not asking you to
20 change the law or anything like that.

21 Like I said, in March of 2011, they
22 will be going back to session, and at
23 that time they're going to put in the
24 grandfather clause. But because I was
25 given the license already, I think

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1 somebody could change something, can do
2 something about it.

3 CHAIRMAN MORGAN: I think the
4 problem we as a board struggle with, we
5 don't have the authority to circumvent
6 state law. The legislature -- the last
7 expression of the legislature set the
8 standard. We all empathize. One thing
9 that's coming to my mind that concerns
10 me is that affirming the Board's -- we
11 would need to have -- I would -- I would
12 like for this board to have the
13 opportunity to allow you to be
14 reinstated once the law is changed.

15 So I don't want the action of the
16 Board, if possible -- because if you're
17 denied -- we'd have to get attorneys'
18 opinions -- but there is a provision

19 that you can't reapply for a period of
20 time, and I want to make sure that
21 somehow we can work through that issue.

22 MR. BRADFORD: Is there a way that
23 we can just have her -- can we just
24 suspend her license rather than revoke
25 it?

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1 CHAIRMAN MORGAN: The only thing
2 before the Board is to -- the action of
3 the hearing office. You either have to
4 affirm it, or you can remand it back.
5 Mr. Stipe has some other options.

6 MR. STIPE: Miss Harris, are you
7 currently working?

8 MS. HARRIS: No, sir.

9 MR. STIPE: And I apologize to the
10 Board. I looked at this yesterday, and
11 I'm -- it's a not a good set of facts
12 and a good situation. I guess my --
13 what I would move is that we -- if the
14 parties agree -- to continue this for 60
15 days, and I personally would like to
16 talk to our staff counsel and see, you
17 know, what is possible or what is not
18 possible, because I -- Mr. Tyler kind of
19 laid out, you know, what -- what I think
20 the law is, but I'd like -- I'd like the
21 opportunity for a little time to look

22 and see if there is something else.

23 CHAIRMAN MORGAN: I'm not opposed to
24 that. I would like some written briefs
25 for us to entertain with regard to

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1 research of the law and that might be
2 advice from our internal counsel to the
3 Board as to a little more research.

4 MR. BRADFORD: If we revoke her
5 license or if we move to affirm the
6 lower court, then she cannot reapply for
7 ten years; is that right?

8 CHAIRMAN MORGAN: Not ten, five
9 years.

10 MR. BRADFORD: Five years. But if
11 we somehow continue this until there is
12 a grandfather clause, is there a way to
13 do that?

14 CHAIRMAN MORGAN: Ideally, I'm
15 familiar with the withdrawal process,
16 and ideally -- the ideal thing would be
17 if there was a way for her to withdraw
18 her application for renewal; but it's
19 beyond that because the matter went
20 before the hearing officer, and he's
21 rendered a decision. So our -- what's
22 before the Board is his decision, not
23 any other alternatives, if I understand.

24 But we can certainly continue it for

25 further research. We can remand it back

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1 for further consideration, but I think
2 Mr. Stipe and somebody else said, the
3 facts are the facts and the law is the
4 law. It's not -- it's unfortunate for
5 you, but it's a matter of what authority
6 the Board would have.

7 MS. HARRIS: And I understand that,
8 but I'm thinking, are you not over where
9 you can change -- I'm just getting
10 nervous.

11 CHAIRMAN MORGAN: Well, you have a
12 right to be, and we're all empathetic to
13 the situation. You know, it's not a
14 reflection upon you. It was unintended
15 consequences of the law is what
16 happened. They make the laws; we
17 enforce them and apply them to the
18 standard. I know it's not what you want
19 to hear, but that's the fact. Courts
20 deal with this every day.

21 MR. HEBERT: Chairman, Members of
22 the Board, Christopher Hebert, Assistant
23 Attorney General. If I may, in
24 instances in the past -- and because
25 this is a denial, not a revocation --

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1 and instances in the past where there

2 has been a material change in
3 circumstances, that person has been
4 allowed to immediately reapply. And I
5 think that -- and I want you to know
6 about that option. Because this sounds
7 like one of those instances where it
8 might apply if, in fact, the legislature
9 goes and changes the law or, you know,
10 provides some type of grandfather
11 provision, then Miss Harris would
12 immediately then be able to reapply for
13 that license because she's had that
14 material change in circumstances.

15 CHAIRMAN MORGAN: Okay. I can't
16 remember if we have a motion on the
17 floor. Go ahead, Mr. Bradford.

18 MR. BRADFORD: If she reapplies,
19 she'll be revoked; she'll be denied
20 again until there is such a grandfather
21 clause, and that won't be until next
22 summer.

23 MR. SMITH: If then.

24 CHAIRMAN MORGAN: If the legislature
25 passes it.

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1 MR. SMITH: It's tough to assume
2 what the legislature is going to do.

3 MS. HARRIS: So what do y'all do
4 with a person in my position? They're

5 just out of a job and go back to
6 welfare, and that's it?

7 CHAIRMAN MORGAN: Well, obviously,
8 we don't want that to happen, but the --
9 depending on the action of the Board,
10 but if the action of the Board is
11 adverse to you, you have the right to go
12 to district court and take the matter up
13 in the court, and the court could issue
14 a stay order against the Board or some
15 other things. But that's -- that's what
16 the process is.

17 MS. HARRIS: Okay.

18 CHAIRMAN MORGAN: We haven't ruled
19 yet.

20 MS. ROGERS: I have another
21 question. Was there a reason for them
22 adding this clause to the law? I mean,
23 did they have maybe several cases like
24 that, or was this out of the blue?

25 MR. TYLER: To be honest with you, I

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1 do not know.

2 CHAIRMAN MORGAN: I think putting it
3 in 14:2 has enhances to the punch.

4 MR. STIPE: In our statute it simply
5 references 14:2, the Gaming Statute,
6 correct me if I'm wrong, but the gaming
7 statute simply references 14:2. And so

8 what you had is not a change in the
9 Gaming Statute but a change in 14:2 for
10 whatever reason.

11 CHAIRMAN MORGAN: The reference.

12 MR. STIPE: And so that's how we've
13 gotten to this.

14 MR. SINGLETON: Mr. Chairman?

15 CHAIRMAN GAUDIN: Yes.

16 MR. SINGLETON: Mr. Stipe made a
17 motion, and we didn't get a second, so
18 it's not on the floor. But I'm still a
19 little confused. If we wanted to delay
20 this, did I hear you that we can't delay
21 it because of what the law says?

22 CHAIRMAN MORGAN: No, you can. I
23 think you would need the agreement --
24 her at least, I don't know about the
25 Division. The Division, Trudy?

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1 MS. TRUDY SMITH: The law requires
2 that the Board render a decision on
3 appeal within 60 days. So in instances
4 where the Board, you know, was requested
5 to continue a matter, the parties have
6 waived the 60-day requirement to render
7 a decision.

8 MR. SINGLETON: So we could go
9 longer than 60 days?

10 CHAIRMAN MORGAN: Not unless they

11 agree to it.

12 MR. SINGLETON: Who would have to
13 agree?

14 CHAIRMAN MORGAN: The parties before
15 the Board.

16 MR. SINGLETON: We've got both
17 parties here. If we're interested in
18 trying to relate to this, I'm maybe
19 asking the question: Can we get both
20 parties to agree to delay this beyond 60
21 days. I guess that would be the
22 question.

23 CHAIRMAN MORGAN: Miss Harris, do
24 you agree -- would you agree to prolong
25 it for further research by the Board?

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1 MS. HARRIS: It seems as though I
2 don't have a choice. I mean, I agree to
3 getting my license back today --

4 MR. BRADFORD: That's not going to
5 happen.

6 MS. HARRIS: -- but it's not going
7 to happen, so...

8 MR. TYLER: I guess I have a
9 question. From the standpoint of
10 delaying this, are we talking about a
11 delay meaning the parties consent to
12 some type of continuance, and if that's
13 the case, what kind of time period are

14 we --

15 CHAIRMAN MORGAN: Sixty days, two
16 board meetings.

17 MR. STIPE: For two reasons: The
18 main reason is the December meeting is
19 pretty much taken up with a pretty
20 significant agenda item that I think
21 will monopolize everybody's time, and
22 additionally, if we're going to have
23 some briefings, I just thought it would
24 be easier to go over the holidays and
25 get everyone some time. So that's where

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1 60 days comes from. That is -- it would
2 be the January meeting.

3 CHAIRMAN MORGAN: I need to make
4 sure that 60 days doesn't fall before
5 the next meeting, though. I don't have
6 a calendar, but...

7 MR. TYLER: Well, one more question
8 from the standpoint of the talk of the
9 continuance and the talk of the
10 briefing, are you -- is the Board going
11 to be asking for briefings from the
12 parties, as well as what you're going to
13 get from your counsel?

14 MR. STIPE: I know you briefed the
15 matter, and it's in some ways very
16 straightforward. But if you have any --

17 I mean, to my way of thinking, if you
18 have any additional comments, thoughts,
19 case law or what have you, I would
20 suggest we set a time for those.

21 CHAIRMAN MORGAN: Particularly on
22 point.

23 MR. BRADFORD: Miss Harris, have you
24 consulted an attorney in this matter?

25 MS. HARRIS: No, sir.

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1 CHAIRMAN MORGAN: We're trying to
2 make sure that the Board meeting isn't
3 before the 60 days.

4 MR. SINGLETON: I guess my question
5 is: If you can't do 60 days, what
6 difference does it make? The 60 days
7 doesn't get us to the point of where if
8 the legislature is going to be the one
9 that has to make a decision so we can
10 change anything. Sixty days from now
11 we're going to be in the same position
12 you're in today.

13 CHAIRMAN MORGAN: You're almost --
14 if there is some --

15 THE CLERK: You need more than 60
16 days.

17 CHAIRMAN MORGAN: More than 60 days.
18 It's almost to your benefit: If the
19 Board is not able to legally reinstate

20 you, it's almost to your benefit for the
21 Board to make a decision, and you can go
22 to district court and seek remedy there,
23 to be candid with you. Because if we
24 prolong it, it's prolonged 60 more days
25 that you're not gainfully employed.

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1 MS. HARRIS: Okay.

2 CHAIRMAN MORGAN: What's the
3 pleasure of the Board? If we're going
4 to continue it to the January meeting,
5 we would need more than -- we need 70
6 days.

7 MR. BRADFORD: I have one more
8 question here, kind of a legal question.
9 If this Board voted today to overrule
10 the lower decision, what -- where would
11 this be thrown? I mean, what would
12 happen?

13 CHAIRMAN MORGAN: You could -- there
14 is a possibility for the Division to
15 appeal.

16 MR. BRADFORD: But her license would
17 not be issued?

18 CHAIRMAN MORGAN: I would have to
19 confer with counsel on that.

20 MR. SMITH: I don't think the
21 license would be issued unless there was
22 some sort of stay order involved or

23 something like that. I don't think
24 you'd get a license out of it just
25 because you delayed it.

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1 CHAIRMAN MORGAN: No. No, if we
2 take action to overturn the hearing
3 officer, the permit would be granted,
4 and then unless the Division would take
5 action.

6 MR. SMITH: If the Division then
7 appealed it and asked for a stay order,
8 that might stop it anyway.

9 CHAIRMAN MORGAN: To answer your
10 question: It would be until the
11 Division appealed.

12 MR. BRADFORD: You know what, just
13 for the fun of it, I'm going to make a
14 motion that we overturn.

15 MS. HARRIS: Thank you.

16 CHAIRMAN MORGAN: We have a motion
17 by Mr. Bradford to -- overturn isn't the
18 correct term.

19 THE CLERK: Reverse.

20 CHAIRMAN MORGAN: Reverse the
21 hearing officer's decision and renew the
22 permit.

23 MR. BRADFORD: And renew the
24 license.

25 CHAIRMAN MORGAN: Okay. Is there a

1 second?

2 MR. SINGLETON: I second.

3 CHAIRMAN MORGAN: Seconded by
4 Mr. Singleton. The Chair would have to
5 object, so we'll take a roll call vote.

6 THE CLERK: Miss Rogers?

7 MS. ROGERS: No.

8 THE CLERK: Mr. Bradford?

9 MR. BRADFORD: Yes.

10 THE CLERK: Mr. Stipe?

11 MR. STIPE: No.

12 THE CLERK: Mr. Singleton?

13 MR. SINGLETON: Yes.

14 THE CLERK: Miss Noonan?

15 MS. NOONAN: No.

16 THE CLERK: Chairman Morgan?

17 CHAIRMAN MORGAN: No.

18 THE CLERK: Motion failed.

19 MR. BRADFORD: I just thought I'd
20 give it a try.

21 MR. SINGLETON: Worth the effort.

22 CHAIRMAN MORGAN: Is there another
23 motion? The Chair moves to affirm the
24 hearing officer's decision.

25 MR. STIPE: Mr. Chairman?

1 CHAIRMAN MORGAN: Yes.

2 MR. STIPE: Let me try again with a

3 better number.

4 CHAIRMAN MORGAN: I'll withdraw my
5 motion.

6 MR. STIPE: That's all right. I
7 would just move that we continue this
8 until the January meeting, and that the
9 parties would file whatever memorandum
10 they believed would support their
11 position within 30 days and for us to
12 consider this matter at the January
13 meeting.

14 MR. BRADFORD: I second.

15 CHAIRMAN MORGAN: Okay. A motion to
16 continue to the January -- what's the
17 date of that, 17th? Well, when you say
18 the January board meeting, the date
19 could vary, and it's seconded by Mr.
20 Stipe?

21 MR. BRADFORD: I'll second.

22 CHAIRMAN MORGAN: Bradford, okay.

23 MR. SINGLETON: I have a question.

24 CHAIRMAN MORGAN: Yes.

25 MR. SINGLETON: You're saying the

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1 parties would submit the briefs. I'm
2 just curious, if she's not working, you
3 know, I don't want to put her on the
4 spot where she's got to do something
5 where can't do it; she don't have the

6 money, unless she can get somebody to
7 volunteer to do it for her.

8 MR. STIPE: And, Mr. Singleton, I
9 hope some other alternative can be
10 presented, but I have to say: There may
11 not be. There may not be another
12 alternative. I don't know the answer to
13 that, and you're right. I mean, it's --
14 it's up to her to concur on that, and it
15 puts, you know, some burden on her to
16 come forward with whatever -- or, at
17 least, think about coming forward with
18 some evidence.

19 And like I said, at the end of the
20 day, there may be not be any alternative
21 than what's presented. I don't know
22 that, but this is the best alternative I
23 can come up with to a least try and
24 explore and see if there is something,
25 so.

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1 CHAIRMAN MORGAN: We have a motion
2 and a second. Is there any objection?
3 Hearing none, it's approved. So it will
4 be -- well, wait, we've got to back up.
5 We have to have a -- we have to make
6 sure both parties don't object to the
7 continuance.

8 LIEUTENANT VERRET: Lieutenant Glenn

9 Verret, State Police Gaming Enforcement
10 Division. The Division has no
11 objections.

12 CHAIRMAN MORGAN: Do you have an
13 objection to continuing it?

14 MS. HARRIS: No.

15 CHAIRMAN MORGAN: Both parties
16 acknowledge they have no objection to
17 the continuance, and that matter is
18 approved. It will be continued to the
19 January meeting. Yes, sir.

20 MR. TYLER: Actually, I do have
21 something to discuss. If we're going to
22 be doing briefs, we need briefing dates,
23 deadlines.

24 CHAIRMAN MORGAN: How much time do
25 you need? Remember last time I didn't

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1 give you enough time, so.

2 MR. TYLER: I can get you-guys
3 something a little bit more detailed
4 before the end of next month.

5 CHAIRMAN MORGAN: Thirty days?

6 MR. TYLER: Thirty days is fine.

7 CHAIRMAN MORGAN: Thirty days? And
8 we'll have staff get with you, if you
9 can hang around a few minutes --

10 MS. HARRIS: Okay.

11 CHAIRMAN MORGAN: -- just to inform

12 you and give you some guidance.

13 MS. HARRIS: Okay. Thank you.

14 1. In Re: SOF Investments, Inc., d/b/a SOF

15 Investments, Inc. - No. 2403607525

16 CHAIRMAN MORGAN: Go back to Item 1

17 under X, it's SOF Investments.

18 Counselor, any luck?

19 MS. PICHON: Good morning again. I

20 spoke with Mr. Webber, and to quote him,

21 he said, he got caught up with something

22 and can't make it.

23 CHAIRMAN MORGAN: Okay. Why don't

24 you proceed.

25 MS. PICHON: Okay. I am Nicolette

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1 Pichon, Assistant Attorney General,

2 representing the Division in the matter

3 of SOF Investments. SOF holds a Type VI

4 device owner video draw poker gaming

5 license. The 100 percent owner, Joseph

6 Dupont, Sr., died on March 5th, 2009,

7 leaving his estate, which encompasses

8 SOF, to his wife and children, Gregory

9 Dupont and Susan Simpson. This change

10 was not only untimely reported to the

11 Division, but the licensee was

12 uncooperative during the Division's

13 suitability investigation.

14 I believe based on Mr. Webber's not

15 being present today and the hearing
16 officer's decision, that the decision
17 should be affirmed to revoke SOF.

18 CHAIRMAN MORGAN: Okay. Any
19 questions? Mr. Stipe?

20 MR. STIPE: I'll move. Oh, I'm
21 sorry, questions?

22 MS. ROGERS: I have a comment. I
23 think that the amount of time that our
24 state employees have devoted to this
25 case is -- borders ridiculous. I don't

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1 think these people really want this
2 license. I have a state license. I dot
3 my Is and cross my Ts, and I reread it
4 at least ten times before I -- and I
5 think all of us do that.

6 So I just don't think it's fair to
7 the State employees that you've spent
8 all this time. I think the ruling
9 should be made where possibly we set a
10 limit or something. That's just my
11 personal opinion.

12 CHAIRMAN MORGAN: Well, they can
13 anticipate a fine -- a substantial fine
14 in the future if this ever happens.
15 Okay. How about a motion?

16 MR. STIPE: I move to affirm the
17 hearing officer's decision.

18 MS. ROGERS: Second.

19 CHAIRMAN MORGAN: Motion by Mr.

20 Stipe and seconded by Miss Rogers. Is

21 there any objection? Hearing none, the

22 hearing officer's decision is affirmed.

23 MS. PICHON: Thank you.

24 XI. PUBLIC COMMENTS

25 CHAIRMAN MORGAN: Public Comments,

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1 Item XI. Are there any public comments

2 on the public comments? All right.

3 Hearing none, do we have a motion to

4 adjourn?

5 XII. ADJOURNMENT

6 MS. NOONAN: I make a motion.

7 CHAIRMAN MORGAN: By Ms. Noonan.

8 MR. BRADFORD: Second.

9 CHAIRMAN MORGAN: And seconded by

10 Bradford.

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1 REPORTER'S PAGE

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

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

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

18
19
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21
22
23

24 SHELLEY PAROLA
 Certified Court Reporter #96001
25 Registered Professional Reporter
 97

1 STATE OF LOUISIANA

2 PARISH OF EAST BATON ROUGE

3 I, Shelley G. Parola, Certified Court
4 Reporter and Registered Professional Reporter, do
5 hereby certify that the foregoing is a true and
6 correct transcript of the proceedings in the
7 preceding matter on November 18, 2010, as taken by
8 me in Stenographic machine shorthand, complemented
9 with magnetic tape recording, and thereafter
10 reduced to transcript, to the best of my ability
11 and understanding, using Computer-Aided
12 Transcription.

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

19 Baton Rouge, Louisiana, this 20th day of
20 December, 2010.

21

22

23 _____

SHELLEY G. PAROLA, CCR, RPR

CERTIFICATE NO. 96001

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