

LOUISIANA GAMING CONTROL BOARD

BOARD OF DIRECTORS' MEETING

MONDAY, MARCH 14, 2016

LaSalle Building  
LaBelle Hearing Room  
617 North Third Street  
Baton Rouge, Louisiana

TIME: 10:00 A.M.

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## APPEARANCES

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RONNIE JONES

Chairman (At Large)  
Third Congressional District  
June 30, 2019

FRANKLIN AYRES BRADFORD  
(Economic Planner)

Fifth Congressional District  
June 30, 2019

MARK STIPE

(Attorney)  
Seventh Congressional District  
June 30, 2020

JAMES SINGLETON

(Public/Business Administration)  
Second Congressional District  
June 30, 2014

MAJOR CLAUDE MERCER

(Law Enforcement)  
Fifth Congressional District  
June 30, 2018

CLAUDE D. JACKSON

(At Large)  
Fourth Congressional District  
June 30, 2018

ROBERT W. GASTON, III

(At Large)  
Sixth Congressional District  
June 30, 2015

JULIE BERRY

(CPA)  
Third Congressional District  
June 30, 2018

## APPEARANCES CONTINUED

1  
2  
3 WANDA THERIOT  
4 (At Large )  
5 First Congressional District  
6 June 30, 2021

7  
8 LANA L. TRAMONTE  
9 Principal Assistant

10  
11 TRUDY M. SMITH  
12 Confidential Assistant

13  
14 MAJOR MIKE NOEL  
15 Ex-Officio Board Member  
16 Louisiana State Police

17  
18 MICHAEL E. LEGENDRE  
19 Director  
20 Office of Charitable Gaming

21  
22 REPORTED BY:

23  
24 SHELLEY G. PAROLA, CSR, RPR  
25 Baton Rouge Court Reporters

1		PAGE
2	I. CALL TO ORDER	11
3	II. PUBLIC COMMENTS	12
4	III. APPROVAL OF THE MINUTES	21
5	IV. REVENUE REPORTS	22
6	V. CONSIDERATION OF CONTRACTS WITH COURT REPORTER AND HEARING OFFICER	28
7		
8	VI. VIDEO POKER ISSUES	
9	1. In Re: Gaubert Food Marts, Inc.,	
10	d/b/a Diamond Jim's Casino - No.	
11	0400517313 (new application)	29
12	2. In Re: Pilot Corporation	
13	Tennessee d/b/a Pilot Travel	
14	Center #1051 Casino - No.	
15	1003517318 (new application)	33
16	3. In Re: Riverbend Truckstops &	
17	Palace Casinos, Inc., d/b/a	
18	Crowley Truckstop & Casino - No.	
19	0101514033 (transfer of interest)	37
20	4. In Re: Wag-A-Pak, Inc., d/b/a	
21	Cash Wag'n Casino - No.	
22	2900515907 (transfer of interest)	40
23	5. In Re: Cash Magic Winner's	
24	Choice, LLC, d/b/a Cash Magic	
25	Winner's Choice - No. 1002503597	

	PAGE
1	
2	(transfer of interest) 43
3	6. In Re: Cash Magic Houma, LLC,
4	d/b/a Cash Magic Houma - No.
5	5501511337 (transfer of interest) 43
6	7. In Re: Cash Magic Prospect
7	Station, LLC, d/b/a Cash Magic
8	Prospect Station - No. 5500517083
9	(transfer of interest) 43
10	8. In Re: Cash Magic Berwick, LLC,
11	d/b/a Hollywood Truck Plaza &
12	Casino - No. 5103517058 (transfer
13	of interest) 43
14	9. In Re: Cash Magic Bayou Vista,
15	LLC, d/b/a Cash Magic Bayou Vista
16	- No. 5100511651 (transfer of
17	interest) 43
18	10. In Re: Cash Magic Thibodaux, LLC,
19	d/b/a Cash Magic Thibodaux - No.
20	5500511812 (transfer of interest) 43
21	11. In Re: Cash Magic Lucky Magnolia,
22	LLC, d/b/a Cash Magic Lucky
23	Magnolia - No. 4600511567
24	(transfer of interest) 43
25	12. In Re: Cash Magic Raceland, LLC,

	PAGE
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	
11	
12	
13	
14	
15	
16	
17	
18	
19	
20	
21	
22	
23	
24	
25	

d/b/a Cash Magic Raceland - No.  
2900512137 (transfer of interest) 43

13. In Re: Cash Magic Broussard South,  
LLC, d/b/a Cash Magic Broussard  
South - No. 5000513043 (transfer  
of interest) 44

14. In Re: Cash Magic Broussard North,  
LLC, d/b/a Cash Magic Broussard  
North - No. 5000513263 (transfer  
of interest) 44

15. In Re: Cash Magic Vinton, LLC,  
d/b/a Cash Magic Vinton - No.  
1000513267 (transfer of interest) 44

16. In Re: Cash Magic Breaux Bridge,  
LLC, d/b/a Cash Magic Breaux  
Bridge - No. 5000514139 (transfer  
of interest) 44

17. In Re: Cash Magic Lake Charles,  
LLC, d/b/a Cash Magic Lake Charles  
- No. 1000501777 (transfer of  
interest) 44

18. In Re: Cash Magic Amite, LLC,  
d/b/a Cash Magic Amite - No.  
4600514957

	PAGE
1	
2	(transfer of interest) 44
3	19. In Re: Cash Magic Forest Gold,
4	LLC, d/b/a Cash Magic Forest Gold
5	- No. 4600514933 (transfer of
6	interest) 44
7	20. In Re: Cash Magic St. Helena, LLC,
8	d/b/a Cash Magic St. Helena - No.
9	4600514932 (transfer of interest) 44
10	21. In Re: Cash Magic Shreveport, LLC,
11	d/b/a Cash Magic Shreveport - No.
12	0904515201 (transfer of interest) 45
13	22. In Re: Cash Magic Eunice, LLC,
14	d/b/a Cash Magic Eunice - No.
15	4900514311 (transfer of interest) 45
16	23. In Re: Cash Magic Westbank, LLC,
17	d/b/a Cash Magic Westbank - No.
18	2600514473 (transfer of interest) 45
19	24. In Re: Cash Magic Silver Fox, LLC,
20	d/b/a Cash Magic Silver Fox - No.
21	4600514760 (transfer of interest) 45
22	25. In Re: Cash Magic Springhill, LLC,
23	d/b/a Cash Magic Springhill - No.
24	6003515055 (transfer of interest) 45
25	26. In Re: Cash Magic Vivian, LLC,

		PAGE
1		
2	d/b/a Cash Magic Vivian - No.	
3	0900515050 (transfer of interest)	45
4	27. In Re: Cash Magic Larose, LLC,	
5	d/b/a Cash Magic Larose - No.	
6	2900514756 (transfer of interest)	45
7	28. In Re: Cash Magic Texas Pelican,	
8	LLC, d/b/a Cash Magic Texas	
9	Pelican - No. 1000514911 (transfer	
10	of interest)	45
11	29. In Re: Cash's Casino, Inc., d/b/a	
12	Cash's Truck Plaza - No.	
13	6100510648 (transfer of interest)	45
14	VII. CASINO GAMING ISSUES	
15	A. Consideration of renewal application	
16	for riverboat gaming license of	
17	Golden Nugget Lake Charles, LLC -	
18	No. R016502995	53
19	VIII. RULEMAKING	
20	A. Consideration of adoption of	
21	amendments to LAC 42:III.120	
22	(Application and Reporting Forms)	
23	Multiple Use Reporting Form, DPSSP	
24	6600; Application Withdrawal/	
25	License Surrender Form, LGCBVP	



1		PAGE
2	0100; Surrender Waiver Request	
3	Form, LGCBVP 0101; Labor	
4	Organization Registration	
5	Statement, LGCBGEN 0100	74
6	B. Consideration of adoption of	
7	amendments to LAC 42:XI.2405	
8	(Application and License)	75
9	IX. CONSIDERATION OF PROPOSED SETTLEMENTS	
10	IN THE FOLLOWING:	
11	1. In Re: Lee Clark, Inc., d/b/a	
12	Weegee's Tavern - No. 2600107824	
13	(proposed settlement)	76
14	2. In Re: Golden Nugget Lake Charles,	
15	LLC - No. R016502995 (proposed	
16	settlement - SAR# 15-2-43-091-2811	78
17	3. In Re: Golden Nugget Lake Charles,	
18	LLC - No. R016502995 (proposed	
19	settlement - SAR# 15-2-43-092-2812	80
20	4. In Re: Golden Nugget Lake Charles,	
21	LLC - No. R016502995 (proposed	
22	settlement - SAR# 15-4-43-009-0234	81
23	5. In Re: Golden Nugget Lake Charles,	
24	LLC - No. R016502995 (proposed	
25	settlement - SAR# 15-4-43-010-0238,	

1  
2  
3  
4  
5  
6  
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8  
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12  
13  
14  
15  
16  
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18  
19  
20  
21  
22  
23  
24  
25

PAGE

SAR# 15-4-43-130-3724,

SAR# 15-4-43-103-3126)

83

X. ADJOURNMENT

90

1 I. CALL TO ORDER

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

5 Miss Tramonte, would you call the  
6 roll.

7 THE CLERK: Chairman Jones?

8 CHAIRMAN JONES: Here.

9 THE CLERK: Mr. Bradford?

10 MR. BRADFORD: Here.

11 THE CLERK: Mr. Stipe?

12 MR. STIPE: Here.

13 THE CLERK: Mr. Singleton?

14 MR. SINGLETON: Here.

15 THE CLERK: Major Mercer?

16 MAJOR MERCER: Here.

17 THE CLERK: Mr. Jackson?

18 MR. JACKSON: Here.

19 THE CLERK: Mr. Gaston?

20 MR. GASTON: Here.

21 THE CLERK: Miss Berry?

22 MS. BERRY: Here.

23 THE CLERK: Miss Theriot?

24 MS. THERIOT: Here.

25 THE CLERK: Colonel Edmonson?

1 MAJOR NOEL: Major Noel for Colonel  
2 Edmonson.

3 THE CLERK: Secretary Barfield?

4 MR. LEGENDRE: Mike Legendre for  
5 Secretary Robinson.

6 THE CLERK: Sorry.

7 CHAIRMAN JONES: We do have a quorum  
8 nonetheless.

9 II. PUBLIC COMMENTS

10 CHAIRMAN JONES: At this time, I'd  
11 like to offer an opportunity for public  
12 comment for anyone this morning for any  
13 item on our agenda, any business before  
14 us, to come down to the table.

15 Good morning.

16 MS. MILLER: Good morning.

17 CHAIRMAN JONES: I think your  
18 microphone should be on. Yes, ma'am.  
19 Welcome.

20 MS. MILLER: Good morning. My name  
21 is Janet Miller, and I'm with the -- I'm  
22 the Executive Director of the Louisiana  
23 Association on Compulsive Gambling. How  
24 most people know of us is the  
25 1-877-770-STOP number. We also run the

1           only residential treatment center in  
2           Louisiana, as well as there's only two  
3           or three around the country that offer  
4           residential treatment for gambling  
5           services.

6           And so what I wanted to talk to you  
7           about today just for a few minutes is  
8           this is Problem Gambling Awareness Month  
9           nationally. Some states who are smaller  
10          or who have no councils or associations  
11          like this actually only do a week during  
12          this time of the year. We specifically  
13          chose this nationally to do it during,  
14          kind of, March Madness, the basketball  
15          season. It's the longest sports betting  
16          time of the year, unlike the Super Bowl  
17          which is the number one biggest event of  
18          the year.

19          Our organization is neutral to  
20          gaming. We actually work very well with  
21          the gaming industry, with the Gaming  
22          Control Board, with the State Police,  
23          Attorney General's Office, which we have  
24          a gaming -- the Gambling Treatment  
25          Referral Program that we started some

1 years ago, and we also work with  
2 different entities in the community,  
3 with the Office of Behavioral Health,  
4 Department of Health & Hospitals, and  
5 that's where we receive a majority of  
6 our funding.

7 What I wanted to remind you today  
8 is, just so you know, President Obama is  
9 filling out his little NCAA bracket form  
10 today. Just so you know, it's going to  
11 be on ESPN, so look for it. And I'm not  
12 against that, of course, because I like  
13 sports, and I actually do a lot of  
14 football watching and stuff. I have  
15 gambled and so have many people in the  
16 United States. In fact, probably the  
17 majority of people even in Louisiana are  
18 never going to have an issue with  
19 gambling. That's why our organization  
20 is neutral to it; we're not for it or  
21 against it.

22 But what I do want to advocate for  
23 this month, and certainly during these  
24 special sessions that have been meeting  
25 recently and the new session that starts

1           today, is that they're working towards  
2           maybe taking our dedicated funding into  
3           the general fund, which will be a real  
4           huge step backwards or possibly nowhere  
5           at all. In fact, our contact in  
6           Louisiana is the State affiliate for the  
7           National Council on Problem Gambling,  
8           and I also, in your packets, gave you  
9           some information that is specific to  
10          LACGs work.

11                 Probably most notably, as I said in  
12           the beginning, is our helpline. Our  
13           helpline answers the National Council on  
14           Problem Gambling Helpline, so we answer  
15           that helpline and other states'  
16           helplines because we're one of the first  
17           and probably the most comprehensive  
18           helplines in the nation.

19                 In fact, currently our helpline --  
20           the Louisiana Problem Gamblers Helpline  
21           is going to become the first nationally  
22           accredited helpline for problem  
23           gamblers. We have helpline specialists.  
24           The team of people that work with that  
25           is 24/7, always a person answering, and

1           why that accreditation is big is because  
2           there is no other problem gambling  
3           helpline accredited, so they will  
4           actually use us in Louisiana for a  
5           platform for further check and balances  
6           of other helplines, but we also work on  
7           answering other states helplines. So  
8           under the national council, those states  
9           that have no council, those states that  
10          have no funding for gambling, we  
11          actually answer their helplines so that  
12          they can receive help.

13                 So if you're ever in Shreveport, you  
14          need to come to the helpline. I'll put  
15          a little headset on you with all the  
16          computers, and you can answer.  
17          Actually, they don't even let me answer  
18          because it just gets kind of crazy with  
19          all the lines.

20                 So that's probably their most  
21          notable program. The other one is CORE  
22          Center of Recovery, and I gave you  
23          information about that, that just  
24          because people sometimes need help,  
25          it's -- it's known to us and those who



1 work with the gambling problem, is that  
2 it's easy to go your whole lifetime with  
3 never getting any help. Research shows  
4 that probably only eight to ten percent  
5 of people with a gambling problem  
6 actually seek services, not just from us  
7 but from anywhere, which is really sad,  
8 but you can keep this so hidden and  
9 invisible. Like, a room this size, just  
10 so you know, I would think there's  
11 probably a portion of people that either  
12 have a gambling problem, if I'm in a  
13 room this size of people, or somebody's  
14 family member or friend does.

15 I'm not saying that bar none -- all  
16 due respect -- that you do. Maybe  
17 behind me, I don't know, but actually  
18 not just -- but most places nowadays in  
19 2016 have somebody in your family,  
20 friend or someone or yourself, you're  
21 kind of wondering about.

22 So we have actually answered over a  
23 million calls in our helpline now. We  
24 started in 2000. We also have helped  
25 over 3,300 people through our treatment

1 center. We've had, about, 38 other  
2 states go through, and three other  
3 foreign countries have sent their  
4 residents. We're known nationally and  
5 internationally.

6 What's really sad, though, is I  
7 asked the security man -- the police  
8 officer outside upfront if he knew of  
9 CORE, and he said "no," and I said,  
10 that's the problem. The problem that  
11 I've been advocating for the last two  
12 years is to get some of the gaming funds  
13 to get advertisement out to people all  
14 over the state that can receive free  
15 treatment and counseling services  
16 through us and other places in this  
17 state, and they don't have to pay  
18 anything because it comes from that  
19 gaming and compulsive problem gambling  
20 fund.

21 That's unheard of. When other  
22 states heard that a couple weeks ago  
23 that a couple bills were going through  
24 to either take our funding or roll it  
25 into general fund, the states were ready

1 to sign letters and send things because  
2 they know that we're one of the few  
3 states that works really well with all  
4 the different partnerships and people  
5 here.

6 And so I certainly want to advocate  
7 for that not to happen, but I also want  
8 you to know that sometimes even those of  
9 us in the field who work with helping  
10 other people need to let you know that  
11 this help is available, and it's free  
12 for a Louisiana resident. It does come  
13 from somewhere. The Department of  
14 Health & Hospitals holds that money and  
15 manages that for all the different  
16 regions around the state, but no one has  
17 to struggle with getting help.

18 In fact, for the treatment center,  
19 we work with Greyhound Bus Line to get  
20 tickets for people all over the state,  
21 and they've even done it for other state  
22 residents to come in and go home without  
23 having to incur a cost or put their  
24 family out. We do family counseling.  
25 We're all gambling certified counselors.

1           It's huge.

2           So next week, since it's Problem  
3           Gambling Awareness Month, we're having  
4           -- "Have the Conversation" is the slogan  
5           this year and last year. We decided to  
6           keep asking people to talk about this  
7           problem, and so we're actually having  
8           your Chairman Jones, as well as State  
9           Police and the Attorney General's  
10          Office, Wade Duty from the Casino  
11          Association, we're having alumni through  
12          the treatment centers through the  
13          counseling come. We're having a full  
14          day. It's free and open to the public.  
15          It's a come and go or come and stay, and  
16          it's at the East Baton Rouge Library  
17          from nine to two on Wednesday, the 23rd.

18          That's it. I just wanted to be  
19          brief and just let you-guys know it's  
20          back out there, and I'm up here. I just  
21          wanted to let you know that's who I am,  
22          and that's why I'm here almost every  
23          month. Thank you, sir.

24                 CHAIRMAN JONES: I feel a little bit  
25                 like Inspector Renault in Casablanca:

1 Sport Book in Louisiana? Betting on  
2 sports, really? I'm shocked.

3 MS. MILLER: I know.

4 CHAIRMAN JONES: Janet, thank you  
5 for coming.

6 MS. MILLER: You're welcome.

7 CHAIRMAN JONES: You know, you-guys  
8 don't get enough credit for what you do  
9 in this state, and quite frankly, we  
10 wouldn't -- we would not have gaming  
11 today were it not for the companion  
12 piece of offering counseling and  
13 services to those people who have issues  
14 and can't control that activity. And we  
15 appreciate the partnership that you've  
16 established with this Board and with the  
17 industry, and I look forward to coming  
18 next week and talking to the group.

19 So thank you for coming today.

20 MS. MILLER: Thank you, sir. Thank  
21 you, everyone.

22 III. APPROVAL OF THE MINUTES

23 CHAIRMAN JONES: We will now -- can  
24 I get a motion to waive reading and  
25 approve the minutes?

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

2 CHAIRMAN JONES: Dr. Gaston, second  
3 by Miss Berry. Any objection? Without  
4 objection, the motion carries. The  
5 minutes are adopted.

6 IV. REVENUE REPORTS

7 CHAIRMAN JONES: We now have Revenue  
8 Reports. Good morning.

9 MS. JACKSON: Good morning, Chairman  
10 Jones and Board Members. My name is  
11 Donna Jackson, Louisiana State Police  
12 Gaming Enforcement Division.

13 The riverboat revenue report for  
14 February 2016 is shown on page one of  
15 your handout. During February, the 15  
16 operating riverboats generated Adjusted  
17 Gross Receipts of \$166,059,833, up \$11.7  
18 million or 7.6 percent from last month,  
19 and up \$1.6 million or 1 percent from  
20 last February; although, most riverboats  
21 individually were down.

22 Adjusted Gross Receipts for fiscal  
23 year 2015-2016 to date are  
24 \$1,292,000,000, an increase of  
25 \$80 million or 7 percent from fiscal

1 year 2014-2015.

2 During February, the State collected  
3 fees totaling \$35.7 million. As of  
4 February 29th, 2016, the State has  
5 collected almost \$278 million in fees  
6 for fiscal year 2015-2016.

7 Next is a summary of the  
8 February 2016 gaming activity for  
9 Harrah's New Orleans found on page  
10 three. During February, Harrah's  
11 generated \$25,616,413 in gross gaming  
12 revenue, an increase of \$3 million or  
13 13.8 percent from last month, but a  
14 decrease of \$777,000 or 3 percent from  
15 last February. Fiscal year-to-date  
16 gaming revenues for 2015-2016 are \$202.5  
17 million, a decrease of \$14.5 million or  
18 7 percent from fiscal year 2014-2015.

19 During February, the State received  
20 \$4,754,098 in minimum daily payments.  
21 As of February 29th, 2016, the State has  
22 collected \$40 million in fees for fiscal  
23 year 2015-2016.

24 Slots at the Racetracks revenues are  
25 shown on page four. During February,

1 the four racetrack facilities combined  
2 generated Adjusted Gross Receipts of  
3 \$31,624,782, an increase of \$1.3 million  
4 or 4.4 percent from last month, but a  
5 decrease of \$1.6 million or 5 percent  
6 from last February.

7 Adjusted Gross Receipts for fiscal  
8 year 2015-2016 to date are \$237.5  
9 million, a decrease of 6 percent or  
10 almost \$16 million from fiscal year  
11 2014-2015.

12 During February, the State collected  
13 fees totaling \$4.8 million. As of  
14 February 29th, 2016, the State has  
15 collected \$36 million in fees for fiscal  
16 year 2015-2016.

17 Overall in February, Riverboats,  
18 Landbased and Slots at the Racetracks  
19 combined generated \$223 million in  
20 Adjusted Gross Receipts and \$45 million  
21 in state fees.

22 Are there any questions before I  
23 present the Harrah's employee  
24 information?

25 CHAIRMAN JONES: Board Members, any



1 questions? [No response.] No, ma'am.

2 MS. JACKSON: Harrah's New Orleans  
3 is required to maintain at least 2,400  
4 employees and bi-weekly payroll of  
5 \$1,750,835. This report covers pay  
6 periods in January and February 2016.

7 For the first pay period in January,  
8 the Division verified 2,451 employees  
9 with a payroll of \$1,895,000. For the  
10 second pay period in January, the  
11 Division verified 2,461 employees with a  
12 payroll of \$1,875,000.

13 For the first pay period in  
14 February, the Division verified 2,426  
15 employees with a payroll of \$1,892,000.  
16 For the second pay period in February,  
17 the Division verified 2,420 employees  
18 with a payroll of \$1,879,000.

19 Therefore, Harrah's met employment  
20 criteria during January and February.

21 CHAIRMAN JONES: Any questions?  
22 The Board is clear.

23 MS. JACKSON: Thank you.

24 CHAIRMAN JONES: Thank you very  
25 much.

1 Jim.

2 MR. BOSSIER: Good morning, Chairman  
3 Jones and Board Members. My name is Jim  
4 Bossier with the Louisiana State Police  
5 Gaming Audit Section. I'm reporting  
6 video gaming statistics for  
7 February 2016 as shown on page one of  
8 your handout.

9 Eleven new video gaming licenses  
10 were issued during February: Four bars  
11 and seven restaurants. Ten new  
12 applications were received by the Gaming  
13 Enforcement Division during February and  
14 are currently pending in the field:  
15 Seven bars, two restaurants and one  
16 truckstop.

17 The Gaming Enforcement Division  
18 assessed \$600 and collected \$5,350 in  
19 fines during February, and there are  
20 currently \$3,000 in outstanding fines.  
21 Please refer to page two of your  
22 handout.

23 There are presently 12,855 video  
24 gaming devices activated at 1,799  
25 locations. Net device revenue for

1 February 2016 was \$52.6 million, a  
2 \$6.6 million, or 14.2 percent increase  
3 when compared to January 2016, and a  
4 \$2 million decrease, or 3.7 percent,  
5 when compared to February 2015.

6 Net device revenue so far for fiscal  
7 year 2016 is \$383.7 million, an \$8.7  
8 million, or 2.2 percent decrease, when  
9 compared to fiscal year 2015. Page  
10 three of your handout shows a comparison  
11 of net device revenue.

12 Total franchise fees collected for  
13 February 2016 were \$15.8 million, a  
14 \$2 million increase when compared to  
15 January 2016, and a \$600,000 decrease  
16 when compared to February 2015. Total  
17 franchise fees collected for fiscal year  
18 2016 are \$114.8 million, a \$2.8 million  
19 decrease, or 2.3 percent, when compared  
20 to fiscal year 2015. Page four of  
21 handout shows a comparison of franchise  
22 fees.

23 Does anybody have any questions?

24 CHAIRMAN JONES: Board Members, any  
25 questions? No questions.

1 MR. BOSSIER: Thank you.

2 CHAIRMAN JONES: Thank you very  
3 much.

4 V. CONSIDERATION OF CONTRACTS WITH COURT REPORTER  
5 AND HEARING OFFICER

6 CHAIRMAN JONES: As is our annual  
7 duty, Board Members, you have before you  
8 two contracts, one for our court  
9 reporting services, the other related  
10 adjudication for our hearing officer.  
11 The court reporting contract is  
12 executed. The amounts that are detailed  
13 in the contract are not to exceed  
14 \$70,000 for the term of the contract.  
15 The contract for professional services  
16 for adjudication officer, terms are also  
17 listed in that contract not to exceed  
18 \$25,000.

19 Do we have any questions from the  
20 Board? [No response.]

21 Do I have a motion to approve the  
22 two contracts?

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

24 CHAIRMAN JONES: By Dr. Gaston, a  
25 second by Miss Theriot. Any objection?

1           Without objection, the contracts are  
2           adopted. Thank you.

3 VI. VIDEO POKER ISSUES

4 1. In Re: Gaubert Food Marts, Inc., d/b/a Diamond  
5 Jim's Casino - No. 0400517313 (new application)

6           CHAIRMAN JONES: We now move to  
7           Video Poker Issues. First up on the  
8           agenda a new application: Application  
9           for a video gaming license in regard to  
10          Gaubert Food Marts, Inc., doing business  
11          as Diamond Jim's Casino, No. 0400517313.  
12          This is a new application.

13          Good morning.

14          MR. PITRE: Chairman Jones, Board  
15          Members, I'm Assistant Attorney General  
16          Earl Pitre, Jr., appearing before the  
17          Board in the matter of the original  
18          application of Gaubert Foot Marts,  
19          Incorporated, doing business as Diamond  
20          Jim's Casino, applying for approval of a  
21          Type 5 video poker gaming license.

22          On October 30th, 2015, Wagal,  
23          Incorporated, and Gaubert Food Marts,  
24          Incorporated, entered into an active  
25          exchange wherein Gaubert Food Marts,

1 Incorporated, acquired all of Wagal,  
2 Incorporated's, rights, title and  
3 interest in the immovable property of  
4 the truckstop facility. Gaubert Food  
5 Marts, Incorporated, and Wagal,  
6 Incorporated, executed an Amendment of  
7 Act of Exchange made effective on  
8 November 1st, 2015, that clarified that  
9 the exchange included the business of  
10 Diamond Jim's Casino, as well as the  
11 business name, furniture, fixtures, bar  
12 stock, immovable property and movable  
13 property associated with the business.

14 Gaubert Foot Marts, Incorporated, is  
15 owned 100 percent by Gaubert Oil  
16 Company, Incorporated. The membership  
17 interest and officers of Gaubert Oil,  
18 Incorporated, is as follows: Grady  
19 Gaubert as President with  
20 50.5313 percent, Jane Griffin with  
21 22.0917 percent, Nolan Gaubert, II, with  
22 22.0918 percent, Susan Schwaner with  
23 5.2852 percent, and Patricia Gaubert as  
24 Secretary.

25 Trooper James Cannon conducted a

1           suitability investigation of the  
2           relevant persons associated with the  
3           applicant. His -- he is here this  
4           morning to report his findings to the  
5           Board.

6           TROOPER CANNON: Good morning,  
7           Chairman and Members of the Board.

8           CHAIRMAN JONES: Morning.

9           TROOPER CANNON: All associated  
10          persons previously submitted to  
11          suitability investigations in connection  
12          with other video poker licenses.  
13          Updated cursory checks were performed  
14          that revealed no additional records  
15          other than that previously discovered in  
16          prior suitability investigations.

17          An on-site inspection was conducted,  
18          and it was determined that the  
19          establishment meets all criteria set  
20          forth in the video gaming law as a  
21          qualified truckstop facility. All  
22          required license and permits were posted  
23          and valid at the time of inspection.  
24          The establishment consists of slightly  
25          more than five contiguous acres.

1                   Gaubert Foot Marts, Incorporated,  
2                   submitted a Video Draw Poker License  
3                   Application within the 36-month period  
4                   of the previous Video Draw Poker License  
5                   held by Wagal, Incorporated, doing  
6                   business as Diamond Jim's Casino;  
7                   therefore, Gaubert Food Marts is not  
8                   subject to the rule that they must be  
9                   one mile from a school, church,  
10                  playground, synagogue, public library,  
11                  residence or a building on the National  
12                  Historic Registry.

13                  I found no information that would  
14                  preclude the issuance of a Type 5  
15                  license to Gaubert Foot Marts,  
16                  Incorporated, doing business as Diamond  
17                  Jim's Casino, or to preclude Grady  
18                  Gaubert, Kathleen Gaubert, Patricia  
19                  Gaubert, Jane Griffin, John Griffin,  
20                  Nolan Gaubert, Sharon Gaubert and Susan  
21                  Schwaner or Tom Schwaner from continuing  
22                  to participate in the gaming industry.

23                  MR. PITRE: The Office of the  
24                  Attorney General has reviewed the file  
25                  compiled as a result of the



1 investigation by State Police. Our  
2 review indicates that no information has  
3 been found which would preclude  
4 approval.

5 CHAIRMAN JONES: Board Members, if  
6 you have any questions of the Attorney  
7 General or State Police? There are no  
8 questions.

9 Do I have a motion to approve the  
10 application and issue a license? By  
11 Mr. Bradford, seconded by Major Mercer.

12 Any objections? Without objection,  
13 the motion is adopted and the license is  
14 issued.

15 2. In Re: Pilot Corporation Tennessee d/b/a Pilot  
16 Travel Center #1051 Casino - No. 1003517318  
17 (new application)

18 CHAIRMAN JONES: Up next also a new  
19 application in regard to Pilot  
20 Corporation Tennessee doing business as  
21 Pilot Travel Center, No. 1003517318.  
22 This also is a new application.

23 Good morning.

24 MS. HOOD: Good morning, Chairman  
25 Jones, Members of the Board, Assistant

1 Attorney General Heather Hood present  
2 before the Board in the matter of the  
3 original application of Pilot  
4 Corporation Tennessee doing business as  
5 Pilot Travel Center 1051 Casino,  
6 applying for approval of a Type 5 video  
7 draw poker gaming license.

8 Pilot Travel Center, LLC, purchased  
9 the land and inventories from P.G.'s  
10 Diner doing business as King's Travel  
11 Plaza, a previously licensed truckstop.  
12 They then leased the land and buildings  
13 to Pilot Corporation Tennessee who  
14 leased the restaurant, convenience store  
15 and fuel facility businesses to Pilot  
16 Travel Centers, LLC.

17 Criminal Investigator Glenn Verrett  
18 inspected the truckstop facility and  
19 conducted suitability investigations of  
20 the associated persons and is present  
21 this morning to report his findings to  
22 the Board.

23 TROOPER VERRETT: Good morning,  
24 Mr. Chairman, Board Members.

25 CHAIRMAN JONES: Morning.

1                   TROOPER VERRETT: All associated  
2 persons except for Chris Muth have  
3 previously submitted to suitability  
4 investigations in connection with other  
5 video poker licenses. A suitability  
6 investigation was conducted on Chris  
7 Muth along with a criminal history  
8 inquiry.

9                   An on-site inspection was conducted.  
10 It was determined that the establishment  
11 meets all criteria set forth in video  
12 gaming law as a qualified truckstop  
13 facility. The establishment consists of  
14 at least five contiguous acres,  
15 specifically 8.635 acres.

16                   Pilot Corporation Tennessee doing  
17 business as Pilot Travel Center 1051  
18 Casino submitted a Video Draw Poker  
19 License Application within 36 months;  
20 therefore, they are not subject to the  
21 rule that they must be one mile from a  
22 school, church, playground, synagogue,  
23 public library, residences and buildings  
24 on the National Historic Registry.

25                   I found no information to preclude

1 the issuance of a Type 5 video draw  
2 poker gaming license to Pilot  
3 Corporation Tennessee doing business as  
4 Travel Center 1051 Casino or to preclude  
5 all previously associated persons from  
6 continuing to participate in the gaming  
7 industry or any information to preclude  
8 Chris Muth from participating in the  
9 gaming industry.

10 MS. HOOD: Our review of the  
11 Division's file indicates that no  
12 information has been found to preclude  
13 the approval.

14 CHAIRMAN JONES: Do we have any  
15 questions for the Attorney General's  
16 Office?

17 MR. STIPE: Just one real quick.  
18 There's no pending litigation that would  
19 affect this application?

20 TROOPER VERRETT: No, sir.

21 MR. STIPE: All right. That's all  
22 I've got.

23 CHAIRMAN JONES: Any further  
24 questions? No other questions.

25 Do I have a motion to approve the

1 application and issue the license?

2 MR. JACKSON: Motion to approve.

3 CHAIRMAN JONES: By Mr. Jackson,  
4 second by Miss Berry. Any objections?  
5 Without objection, the motion carries.  
6 The license will be issued.

7 3. In Re: Riverbend Truckstops & Palace Casinos,  
8 Inc., d/b/a Crowley Truckstop & Casino -  
9 No. 0101514033 (transfer of interest)

10 CHAIRMAN JONES: Now, we have some  
11 transfers of interest on the agenda.  
12 First is: Consideration of transfer of  
13 interest in Riverbend Truckstops &  
14 Palace Casinos, Inc., doing business as  
15 Crowley Truckstop & Casino,  
16 No. 0101514033.

17 MR. GASTON: Mr. Chairman, may I  
18 interrupt a second?

19 CHAIRMAN JONES: Yes, sir.

20 MR. GASTON: The next 27 are  
21 transfers of interest. Is there any  
22 way, unless State Police or the  
23 Attorneys General's Office has a  
24 problem, we can take these in globo?

25 CHAIRMAN JONES: Be patient with me.

1           MR. GASTON: I'm not patient. I'm  
2           sorry.

3           CHAIRMAN JONES: I'm going to cover  
4           that for you.

5           MR. GASTON: Thank you, sir.

6           CHAIRMAN JONES: Please proceed.

7           MS. HOOD: Okay. Good morning,  
8           Chairman Jones, Members of the Board,  
9           Heather Hood present before the Board in  
10          the sale of 22.6 percent of the  
11          ownership interest in Riverbend  
12          Truckstops & Palace Casinos doing  
13          business as Crowley Truckstop & Casino.

14          On December 31st, 2015, in a sale,  
15          assignment and transfer of stock, Frank  
16          Relan sold 25.1 shares -- its  
17          22.26 percent ownership interest in  
18          Riverbend Truckstops -- to Bennie Relan.

19          The ownership interest of Riverbend  
20          Truckstops & Palace Casinos is currently  
21          as follows: James Koehler,  
22          44.9 percent, Frank Relan has zero,  
23          Bennie F. Relan has 45.1, and Nicky  
24          Nichols has 10 percent.

25          On December 31st, Frank Relan

1 reassigned -- resigned from his position  
2 as Secretary/Treasurer, and Bennie Relan  
3 was appointed to those positions.

4 Criminal Investigator Glenn Verrett  
5 conducted an investigation as to the  
6 transfer of stock. He is present this  
7 morning to report his findings.

8 TROOPER VERRETT: Good morning,  
9 Mr. Chairman, Board Members.

10 I investigated the transfer of stock  
11 and found no information that would  
12 preclude continuing licensing of  
13 Riverboat -- Riverbend Truckstops &  
14 Palace Casinos doing business as a  
15 Crowley Truckstop & Casino.

16 All associated persons had  
17 previously submitted to a suitability  
18 investigation under existing licenses,  
19 and I found no information that would  
20 preclude them from continuing to  
21 participate in the gaming industry.

22 An updated criminal history check  
23 was conducted on all associated persons,  
24 and I found no information that would  
25 preclude them from participating.

1 MS. HOOD: The Office of the  
2 Attorney General has reviewed the file  
3 and found no information that would  
4 preclude the approval of this sale.

5 CHAIRMAN JONES: Board, any  
6 questions for the Attorney General's  
7 Office or State Police? There are no  
8 questions.

9 Do I have a motion to transfer the  
10 interest? By Mr. Bradford, second by  
11 Mr. Singleton. Any objections? There  
12 are no objections. The motion carries,  
13 interest is transferred.

14 4. In Re: Wag-A-Pak, Inc., d/b/a Cash Wag'n  
15 Casino - No. 2900515907 (transfer of interest)

16 CHAIRMAN JONES: Number four up on  
17 the agenda, also a transfer of interest,  
18 in regard to Wag-A-Pak, Inc., doing  
19 business as Cash Wag'n Casino, No.  
20 2900515907.

21 MS. HOOD: Good morning again.  
22 Health Hood, Assistant Attorney General,  
23 present before the Board in the matter  
24 of the sale of 20 percent of the -- the  
25 sale of 20 percent of the ownership



1 interest in Wag-A-Pak, Inc., doing  
2 business as Cash Wag'n Casino.

3 On September 11th, 2015, Albert  
4 Waguespack, Jr., and his wife, Cindy  
5 Waguespack, sold 20 percent of their  
6 stock in Wag-A-Pak, Inc., to their  
7 children: Albert J. Waguespack,  
8 5 percent, Sheri Broussard, 10 percent,  
9 and Steven M. Waguespack, 5 percent.

10 On September 11th, 2015, Albert  
11 Waguespack, Jr., was elected President;  
12 Cindy Waguespack was elected  
13 Vice-President, Sheri Waguespack was  
14 elected Secretary, and Steven Waguespack  
15 was elected Treasurer.

16 Criminal Investigator Glenn Verrett  
17 conducted an investigation as to the  
18 transfers of stock. He is present this  
19 morning to report his findings to the  
20 Board.

21 TROOPER VERRETT: Again, good  
22 morning, Mr. Chairman, Board Members.

23 I investigated the transfer of the  
24 stock and found no information that  
25 would preclude the continuing licensing

1 of Wag-A-Pak, Inc., doing business as  
2 Cash Wag'n Casino.

3 All associated persons previously  
4 submitted to a suitability investigation  
5 under existing licenses, and I found no  
6 information that would preclude them  
7 from continuing to participate in the  
8 gaming industry.

9 An updated criminal history check  
10 was conducted on all associated persons,  
11 and I found no information that would  
12 preclude them from continuing to  
13 participate in the gaming industry.

14 MS. HOOD: The Office of the  
15 Attorney General has reviewed the file  
16 and found no information that would  
17 preclude approval.

18 CHAIRMAN JONES: Board, any  
19 questions for the Attorney General's  
20 Office or State Police? There appear to  
21 be no questions.

22 Do I have a motion -- I'm sorry. Do  
23 I have a motion to approve the transfer  
24 of interest?

25 MR. GASTON: I move.

1                   CHAIRMAN JONES: Dr. Gaston, second  
2                   by Miss Theriot. Any objection to that  
3                   transfer? Without objection, the motion  
4                   carries.

- 5   5. In Re: Cash Magic Winner's Choice, LLC, d/b/a  
6   Cash Magic Winner's Choice - No. 1002503597  
7   (transfer of interest)
- 8   6. In Re: Cash Magic Houma, LLC, d/b/a Cash Magic  
9   Houma - No. 5501511337 (transfer of interest)
- 10  7. In Re: Cash Magic Prospect Station, LLC, d/b/a  
11  Cash Magic Prospect Station - No. 5500517083  
12  (transfer of interest)
- 13  8. In Re: Cash Magic Berwick, LLC d/b/a Hollywood  
14  Truck Plaza & Casino - No. 5103517058  
15  (Transfer of interest)
- 16  9. In Re: Cash Magic Bayou Vista, LLC, d/b/a Cash  
17  Magic Bayou Vista - No. 5100511651  
18  (transfer of interest)
- 19  10. In Re: Cash Magic Thibodaux, LLC d/b/a Cash  
20  Magic Thibodaux - No. 5500511812  
21  (transfer of interest)
- 22  11. In Re: Cash Magic Lucky Magnolia, LLC, d/b/a  
23  Cash Magic Lucky Magnolia - No. 4600511567  
24  (transfer of interest)
- 25  12. In Re: Cash Magic Raceland, LLC, d/b/a Cash

- 1 Magic Raceland - No. 2900512137  
2 (transfer of interest)
- 3 13. In Re: Cash Magic Broussard South, LLC, d/b/a  
4 Cash Magic Broussard South - No. 5000513043  
5 (transfer of interest)
- 6 14. In Re: Cash Magic Broussard North, LLC, d/b/a  
7 Cash Magic Broussard North - No. 5000513263  
8 (transfer of interest)
- 9 15. In Re: Cash Magic Vinton, LLC, d/b/a Cash  
10 Magic Vinton - No. 1000513267  
11 (transfer of interest)
- 12 16. In Re: Cash Magic Breaux Bridge, LLC, d/b/a  
13 Cash Magic Breaux Bridge - No. 5000514139  
14 (transfer of interest)
- 15 17. In Re: Cash Magic Lake Charles, LLC, d/b/a  
16 Cash Magic Lake Charles - No. 1000501777  
17 (transfer of interest)
- 18 18. In Re: Cash Magic Amite, LLC, d/b/a Cash Magic  
19 Amite - No. 4600514957 (transfer of interest)
- 20 19. In Re: Cash Magic Forest Gold, LLC, d/b/a Cash  
21 Magic Forest Gold - No. 4600514933  
22 (transfer of interest)
- 23 20. In Re: Cash Magic St. Helena, LLC, d/b/a Cash  
24 Magic St. Helena - No. 4600514932  
25 (transfer of interest)

- 1 21. In Re: Cash Magic Shreveport, LLC, d/b/a Cash  
2 Magic Shreveport - No. 0904515201  
3 (transfer of interest)
- 4 22. In Re: Cash Magic Eunice, LLC, d/b/a Cash  
5 Magic Eunice - No. 4900514311  
6 (transfer of interest)
- 7 23. In Re: Cash Magic Westbank, LLC, d/b/a Cash  
8 Magic Westbank - No. 2600514473  
9 (transfer of interest)
- 10 24. In Re: Cash Magic Silver Fox, LLC, d/b/a Cash  
11 Magic Silver Fox - No. 4600514760  
12 (Transfer of interest)
- 13 25. In Re: Cash Magic Springhill, LLC, d/b/a Cash  
14 Magic Springhill - No. 6003515055  
15 (transfer of interest)
- 16 26. In Re: Cash Magic Vivian, LLC, d/b/a Cash  
17 Magic Vivian - No. 0900515050  
18 (transfer of interest)
- 19 27. In Re: Cash Magic Larose, LLC, d/b/a Cash  
20 Magic Larose - No. 2900514756  
21 (transfer of interest)
- 22 28. In Re: Cash Magic Texas Pelican, LLC, d/b/a  
23 Cash Magic Texas Pelican - No. 1000514911  
24 (transfer of interest)
- 25 29. In Re: Cash's Casino, Inc., d/b/a Cash's Truck

1 Plaza - No. 6100510648 (transfer of interest)

2 CHAIRMAN JONES: And the final video  
3 poker issue we'll consider: Approval of  
4 the transfer of interest -- excuse me,  
5 transfers of interest in the licensees  
6 listed on your official agenda, items  
7 Roman Numeral 6, Part A, Numbers 5  
8 through 29.

9 MS. HOOD: Good morning, Chairman  
10 Jones and Members of the Board. I'm  
11 Assistant Attorney General Heather Hood  
12 present before the Board in the approval  
13 of a transfer of ownership interest on  
14 the mentioned Type 5 licensees.

15 Jacobs Investment, Inc., holds a  
16 hundred percent interest in Gameco  
17 Holdings and Jacobs Entertainment.

18 On December 31st, 2014, Jacobs  
19 Investment, Inc., Jeffrey P. Jacobs and  
20 Stanley Groom, III, as trustee of the  
21 Jeffrey P. Jacobs Family 2012  
22 Irrevocable Trust, executed an agreement  
23 to convert certain debts into common  
24 share stocks of Jacobs Investment.

25 As a result of the conversion of

1           several promissory notes into Class A  
2           common share stocks in Jacobs  
3           Investments, Jeffrey P. Jacobs now holds  
4           37.21 percent, and the Jeffrey P. Jacobs  
5           2012 Family Irrevocable Trust holds  
6           13.91 percent of the equity in Jacobs  
7           Investments, Inc.

8           On June 15th, Emanuel Cotranakis  
9           resigned from his position of Secretary  
10          of Jacobs Investments, Inc., Gameco  
11          Holdings, and as Executive V.P., General  
12          Counsel and Assistant Secretary of  
13          Jacobs Entertainment. Thomas Hamilton  
14          is now the Secretary of Gameco Holdings,  
15          Inc., and Jacobs Entertainment, Inc.

16          Trooper Vincent Lenguyen conducted  
17          an investigation as to the transfers of  
18          ownership interest. He is present this  
19          morning to report his findings to the  
20          Board.

21          TROOPER LENGUYEN: Good morning,  
22          Chairman Jones and Board Members. My  
23          name is Trooper Vincent Lenguyen with  
24          the Louisiana State Police Gaming  
25          Enforcement Division.

1 I investigated the transfer of  
2 ownership interest and found no  
3 information that would preclude the  
4 continued licensing of the above  
5 referenced licenses.

6 All associated persons have  
7 previously submitted to suitability  
8 investigation under the existing  
9 licensing, and I found no information  
10 that would preclude them from continuing  
11 to participate in the gaming industry.

12 MS. HOOD: The Office of the  
13 Attorney General has reviewed the file  
14 and found no information that would  
15 preclude the transfers.

16 CHAIRMAN JONES: Board, any  
17 questions? There are no questions.

18 Do I have a motion to approve the  
19 transfers of interest as enumerated in  
20 the agenda?

21 MAJOR MERCER: I move approval.

22 CHAIRMAN JONES: Major Mercer,  
23 second by Mr. Singleton. Any objection?  
24 No objections, the motion for the  
25 transfers carries. Thank you.



1 MS. HOOD: Thank you.

2 CHAIRMAN JONES: Before we move to  
3 the relicensing issue under Casino  
4 Gaming, I'd ask Major Noel, if you want  
5 to come to the table or have someone go  
6 to the table, and just sort of brief us  
7 on the little bit of the effect of the  
8 water last week from the -- good  
9 morning -- from the heavens that opened  
10 up.

11 CAPTAIN CHUSTZ: Good morning,  
12 Chairman Jones and Members of the Board.  
13 I'm Captain Terry Chustz. I'm in the  
14 north -- north and west region of the  
15 state for Casino Gaming.

16 One thing I've learned is whenever  
17 they tell you it's a historic flood,  
18 that means they don't have any historic  
19 data with which to predict the flood, so  
20 it's a progress in motion. We monitored  
21 the flood waters beginning earlier in  
22 the week Wednesday. By Friday, local  
23 flooding affected Louisiana Downs to the  
24 point that we had to recommend closure.  
25 Louisiana Downs was closed -- the last

1 patron, I think, left at noon, and we  
2 actually shut the doors on the property  
3 about 6:45 that evening.

4 The opening and shutdown process of  
5 the casino is rather time-consuming, so  
6 we were able to get that done. The  
7 casino has been approved to reopen today  
8 at 2:00. We've been there since about  
9 6:30 this morning starting the reopening  
10 process, so they should be good to go  
11 this afternoon.

12 Louisiana Downs, flooding was unique  
13 and different. You know, they had --  
14 they were lucky. When the Red River  
15 flooded earlier in the year, they didn't  
16 have that much to worry about because it  
17 was flooding caused by upstream. Well,  
18 this was localized flooding which put  
19 Louisiana Downs in a very dangerous  
20 spot, so to speak. And it was a  
21 historic flood in that region, and there  
22 was fear of water overtopping the Red  
23 Chute Bayou levee behind the property,  
24 it was expected to happen.

25 Fortunately, the sandbagging and all

1 the defense mechanisms worked, and they  
2 did not take in any water that caused  
3 any damage to the property, so they'll  
4 be -- they'll be okay after they reopen  
5 today.

6 We're continuing to monitor the Red  
7 River. The Red River is rising. It's  
8 not quite to the levels that it was at  
9 back in June of 2015. In June 2015, it  
10 rose to 37 feet. Its projected crest,  
11 is where it's at this morning, is 31.5.  
12 That would have been an alarming number  
13 a year ago, but they've actually seen --  
14 this is the third time they've seen that  
15 number in less than 12 months, so they  
16 pull out their high water plan, they put  
17 it into place, and all the casinos  
18 respond accordingly. They have to  
19 adjust ramps, adjust parking garages,  
20 move water pumps here and there, but  
21 they've been very diligent and out front  
22 with it; and our guys have been working  
23 with them to keep them abreast of the  
24 local predictions. And local EOCs have  
25 given us information on what's going on

1 upstream, and the casinos have been  
2 responding tremendously.

3 And the last thing we're starting to  
4 watch is the Atchafalaya River. It will  
5 have some impact in Morgan City where  
6 the water could possibly rise enough to  
7 affect Amelia Belle's parking and  
8 facilities. It rose to that level  
9 earlier this year. It was borderline,  
10 never had to close it; and right now  
11 looking at it I think they're going to  
12 be okay, but it's just something to  
13 monitor.

14 CHAIRMAN JONES: This is -- for the  
15 Red River, this is the third drill so  
16 far in about 13 months or so, right?

17 CAPTAIN CHUSTZ: Correct. Yes, sir.

18 CHAIRMAN JONES: That's tough on  
19 them. I got a text last evening from a  
20 Michael Rich, associated with the  
21 racetrack and with the Harrah's property  
22 there, commending State Police,  
23 Lieutenant Ingram and Sergeant Smith,  
24 for working so closely with them over  
25 the last few days. Very, very nice text

1 and very nice message, and he wanted me  
2 to convey his thanks to you-guys; and I  
3 appreciate you keeping the Board  
4 informed as to what was going on at  
5 every stage. It's important because  
6 that way we keep the Superintendent  
7 informed, and I know Governor Edwards  
8 asked some questions about the track  
9 over the weekend.

10 So getting that information to them  
11 and to us was very helpful, and I  
12 appreciate what you do up there, Terry.

13 CAPTAIN CHUSTZ: Thank you.

14 VII. CASINO GAMING ISSUES

15 A. Consideration of renewal application for  
16 riverboat gaming license of Golden Nugget  
17 Lake Charles, LLC - No. R016502995

18 CHAIRMAN JONES: Next up is:

19 Consideration of renewal application for  
20 riverboat gaming license of Golden  
21 Nugget Lake Charles, LLC. That's No.  
22 R016502995. We'll hear first from State  
23 Police and the Attorney General's  
24 Office.

25 Good morning.

1 MR. THOMPSON: Morning.

2 Mr. Chairman, Board Members, I'm  
3 Assistant Attorney General Buddy  
4 Thompson. With me is State Police  
5 Trooper Wendell Fontenot and Auditor  
6 Trnessia Ware. Also present are  
7 representatives of Golden Nugget Lake  
8 Charles.

9 We're here in the matter of the  
10 renewal of the riverboat license of  
11 Golden Nugget Lake Charles, LLC, located  
12 in Lake Charles, Louisiana.

13 Riverboat licenses are issued for  
14 five-year terms, and the license of  
15 Golden Nugget Lake Charles, LLC, is due  
16 to expire on May the 19th, 2016.

17 At this time, Trnessia Ware will  
18 present her findings to the Board.

19 MS. WARE: Morning, Chairman Jones,  
20 Members of the Board. My name is  
21 Trnessia Ware with the Louisiana State  
22 Police Corporate Securities Audit.

23 Licensee, Golden Nugget Charles,  
24 LLC, doing business as Golden Nugget  
25 Lake Charles, seeks a five-year renewal

1 of its license. Golden Nugget is a  
2 wholly-owned subsidiary of Landry's  
3 Gaming, an/and indirect subsidiary of  
4 Fertitta Entertainment. Tilman Fertitta  
5 is the sole shareholder and one  
6 hundred percent direct owner of Fertitta  
7 Entertainment.

8 Golden Nugget Lake Charles is one of  
9 three riverboat casinos and one racino  
10 in the Lake Charles market. For fiscal  
11 year 2014-2015, Golden Nugget ranked  
12 second in the Lake Charles market with  
13 gross receipts of approximately  
14 \$249 million, or 9 percent of total  
15 revenues generated by a Louisiana  
16 Riverboat, Landbased and Slots at the  
17 Track casinos.

18 In 2015, Golden Nugget Lake Charles  
19 budgeted approximately \$3.6 million for  
20 capital expenditures. The licensee  
21 projects it will spend, approximately,  
22 \$92 million in 2016, in which  
23 approximately \$87 million of the  
24 \$92 million was allocated for a new  
25 hotel tower. For years 2017 through

1           2020, approximately \$5 million is  
2           projected for capital expenditures.

3           Golden Nugget participates with  
4           Fertitta Entertainment in a shared  
5           services agreement. The parties  
6           involved enter into this agreement to  
7           facilitate the day-to-day operations of  
8           the casino. Both Golden Nugget and  
9           Fertitta Entertainment are solely  
10          responsible for all expenses incurred by  
11          each party related to each party's  
12          performance of this agreement.

13          In conclusion, no financial issues  
14          came to our attention to preclude the  
15          Board for approving Golden Nugget Lake  
16          Charles' license for a period of five  
17          years effective May 19, 2016.

18          Wendell Fontenot will now present  
19          his findings.

20          TROOPER FONTENOT: Good morning,  
21          Mr. Chairman, Members of the Board. I'm  
22          Investigator Wendell Fontenot with the  
23          Louisiana State Police Gaming  
24          Enforcement Division, and I'm currently  
25          working in the riverboat licensing



1 section for the Division.

2 A renewal suitability investigation  
3 was conducted on Golden Nugget Lake  
4 Charles, LLC, doing business as Golden  
5 Nugget Lake Charles, and all the  
6 associated entities and key personnel.  
7 This investigation consisted of  
8 inquiries through federal, state and  
9 local law enforcement agencies,  
10 computerized criminal history databases,  
11 financial and civil institutions and  
12 gaming regulatory agencies.

13 Tax clearances request forms were  
14 forwarded to the Louisiana Department of  
15 Revenue in order to ensure the  
16 applicants are current in all their tax  
17 filings.

18 During this renewal suitability  
19 investigation, I discovered no  
20 information which would preclude the  
21 continuing license of Golden Nugget Lake  
22 Charles, LLC, doing business as Golden  
23 Nugget Lake Charles, and all associated  
24 entities and key personnel.

25 At this time, I'll take any

1 questions.

2 CHAIRMAN JONES: Board, do we have  
3 any questions of State Police and the  
4 Attorney General before we hear from the  
5 licensee? No questions at this time.  
6 We may opt to recall you later.

7 Do you want to close, Buddy, on your  
8 remarks?

9 MR. THOMPSON: Thank you, Chairman.  
10 A review of the file compiled as a  
11 result of the investigation conducted by  
12 State Police revealed no information  
13 that would preclude the renewal of the  
14 license of Golden Nugget Lake Charles,  
15 LLC, and a proposed resolution  
16 authorizing the renewal of the license  
17 until May 19th, 2021, has been prepared  
18 if the Board so approves the renewal.

19 And the representatives of Golden  
20 Nugget are here to answer any questions,  
21 as well.

22 CHAIRMAN JONES: We'd ask  
23 representatives of Golden Nugget to  
24 please come up. You can spread out over  
25 two tables, if you'd like. Good

1 morning.

2 MR. DEL PRETE: Good morning.

3 CHAIRMAN JONES: If you'd introduce  
4 yourselves to the Board.

5 MR. DEL PRETE: Good morning,  
6 Chairman Jones and Board Members. My  
7 name is Gerry Del Prete. I'm a Senior  
8 Vice-President and General Manager of  
9 the Golden Nugget Lake Charles.

10 MR. HOSKINS: And I'm Jim Hoskins,  
11 and I'm the Senior Vice-President in  
12 Gaming at the Golden Nuggets and  
13 Landry's.

14 MR. LIEM: Rick Liem, the Chief  
15 Financial Officer of Landry's and the  
16 Golden Nugget.

17 CHAIRMAN JONES: Thank you.

18 MR. HOSKINS: Good morning. Yeah, I  
19 think Gerry was going to give a brief  
20 update, and we'll be happy to answer any  
21 questions the Board or Chairman may  
22 have.

23 MR. DEL PRETE: So overall, I think  
24 we're very pleased with our results. As  
25 stated earlier, we're close to

1           \$249 million in gross gaming revenue,  
2           and if you compare 2013 to 2015, since  
3           we're in the market for that one month  
4           in '14, it looks like the market has  
5           grown about 33 percent. So we're  
6           certainly pleased with that, and we  
7           continue to work on improving those  
8           numbers.

9           Overall our visitors count for 2015  
10          was 4.7 million; overall taxes paid in  
11          total for 2015 was \$75 million, just  
12          actually it was \$75.8 million, and our  
13          current employee count is 2,045  
14          employees with annual salary and wages  
15          of \$49 million bucks.

16          CHAIRMAN JONES: Want to add  
17          anything, Jim?

18          MR. HOSKINS: No. I think we're  
19          good. I mean, it's been a great year,  
20          and we've enjoyed a great relationship  
21          with the Board, as well as the State  
22          Police. Look forward to another good  
23          year this year.

24          CHAIRMAN JONES: You-guys have been  
25          great corporate partners for our gaming

1 industry in the State, and I  
2 particularly appreciate the work that  
3 Gerry has brought to the property; and I  
4 visit over that part of the state as  
5 frequently as I can. I have to make my  
6 way around; but I'm excited about what's  
7 happening in Lake Charles, and I think  
8 you-guys do a great job there.

9 I realize we can't get into the  
10 weeds, but I think the Board wants to  
11 hear sort of a chronology and just a  
12 summary of what's happened with the data  
13 breach to Landry's.

14 MR. LIEM: On December 3rd, we were  
15 advised by our credit card processor  
16 that they'd seen indications that some  
17 cards used at one of our restaurant  
18 properties were associated with fraud in  
19 other locations, and so we immediately  
20 instituted an investigation. We hired a  
21 leading cyber security firm. They went  
22 through the process of putting their  
23 agents out through our 5,000 devices  
24 and, in fact, discovered that there was  
25 a breach. Our credit cards, some of

1           them had been compromised for some  
2           period of time.

3           We have implemented since then  
4           additional encryption devices such that  
5           they can't get at credit card data any  
6           longer. In fact, we were in the process  
7           of putting those in place prior to  
8           notification that the breach had  
9           existed. We had some technical issues  
10          with some our vendors that caused us not  
11          to be able to operate, so in September  
12          we were putting it in place, and we've  
13          implemented, you know, additional  
14          security protocols to enhance the  
15          security. We hired a Chief Information  
16          Security Officer in November of '15,  
17          before -- again, before we were  
18          notified.

19          And if you read the news, you'll see  
20          the constant attack that these criminals  
21          are placing on all types of  
22          institutions. I mean, Cal Berkeley just  
23          lost 85,000 names of their donors and  
24          the people that had taken loans out,  
25          and, you know, Target clearly was a big

1           number; Home Depot was a big institution  
2           Hyatt, Hilton, Starwood, Wyndham. These  
3           people are -- that's just what they do  
4           for a living is come after and attack  
5           companies. So our costs for security  
6           have risen significantly. I'm very  
7           comfortable that we have improved our  
8           security significantly, and we'll  
9           continue to do that with this person  
10          that, that's what they do for a living,  
11          is they just look at how you protect  
12          your data. It's unfortunate.

13                 I guess the positive side from the  
14                 consumer's perspective is there's really  
15                 no cost to the consumer because the  
16                 card -- if the consumer advises their  
17                 card company that they've seen a  
18                 transaction that's fraudulent, they  
19                 don't pay for it. Ultimately, I end up  
20                 paying for it.

21                 So we had less than 200 phone calls  
22                 in our call center when we first  
23                 announced this. We've now sent out  
24                 letters. We identified anybody that we  
25                 could, that we had a name associated

1 with the credit card during the process,  
2 that the area was compromised, and we've  
3 had less than 200 calls from those  
4 people. So I think the consumer  
5 generally understands that it's  
6 happened. They're not really at risk.  
7 It's annoying. It's frustrating,  
8 because you have to change your cards.

9 We're doing whatever we can to  
10 minimize that frustration, and it has  
11 not seemed to impact our business  
12 whatsoever.

13 CHAIRMAN JONES: Did I understand  
14 you that you've attempted, to the extent  
15 that you can, to notify those customers  
16 who had their card numbers compromised,  
17 made an affirmative attempt to notify  
18 those people?

19 MR. LIEM: That's correct.

20 CHAIRMAN JONES: Do you know how  
21 many letters went out or e-mails; do you  
22 have any idea?

23 MR. LIEM: About 90,000 letters went  
24 out.

25 CHAIRMAN JONES: You missed one, me.



1 THE CLERK: Me, too.

2 CHAIRMAN JONES: Two, both of us.  
3 They got my personal credit card at the  
4 Grotto, and American Express did notify  
5 me; but, you know, that happened,  
6 perhaps, two months after my first  
7 conversation with your counsel, and I  
8 did not know. I didn't completely  
9 understand whether or not you-guys were  
10 going to be trying to notify customers  
11 or not, and it is my understanding that  
12 no gaming activities were associated  
13 with any of these cards. In other  
14 words, it was food and beverage.

15 MR. LIEM: One hundred percent food  
16 and beverage.

17 CHAIRMAN JONES: Do you know the  
18 extent -- you may not have isolated this  
19 yet, but do we know the extent for the  
20 Lake Charles property?

21 MR. LIEM: From a time period?

22 CHAIRMAN JONES: No, sir, the number  
23 of cards that may have been compromised  
24 there. I don't know if you've  
25 segregated that out.

1 MR. LIEM: No. In fact, we don't  
2 know. It's the processor that is going  
3 to go through this, in conjunction with  
4 the issuing banks, to identify if  
5 fraudulent activities are reported on  
6 their particular card. And I apologize,  
7 but we don't really know individuals  
8 associated with the cards unless we have  
9 other information on them. So the ones  
10 we knew about were our loyalty members.

11 CHAIRMAN JONES: Okay.

12 MR. LIEM: That's -- we sort of  
13 matched those up to card numbers, and  
14 it's -- and did the best we could to try  
15 to tell them.

16 CHAIRMAN JONES: I'm a loyal member.  
17 I just can't join.

18 Board, do you have any questions?

19 MR. STIPE: And as to the other  
20 issues that we'll talk about later, we  
21 worked through the startup and kind of  
22 sanded off the edges and have the  
23 operation up to speed so that these  
24 other issues that we'll talk about later  
25 are addressed and not a problem?

1           MR. HOSKINS: Oh, I believe so. I  
2           mean, we've worked real close with State  
3           Police, and Gerry is really responsible  
4           day to day with that and went through  
5           the nuts and bolts; and we met with the  
6           State Police, and things have seemed to  
7           settle out personnel wise. And opening  
8           is always hard. There's no doubt about  
9           it. It's difficult when you have an  
10          onslaught of people like that and you're  
11          kicking off the dust, as you called it,  
12          but I think we're in good shape, really  
13          good shape.

14          CHAIRMAN JONES: Any other  
15          questions?

16          I know Major Noel, you've had  
17          someone review the security report on  
18          this. Did you have anything to add from  
19          the State Police side?

20          MAJOR NOEL: Yes, sir. Jeff  
21          Traylor, our Audit Director, looked at  
22          the data card breach, and, you know,  
23          we -- I think we are going to talk with  
24          the A.G.'s Office and look at maybe some  
25          rule changes or some clarifications that

1           may help us in the future -- may help  
2           the industry in the future, but correct  
3           that none of the gaming systems were  
4           part of this breach.

5           CHAIRMAN JONES: You know, we  
6           acknowledge there's a learning curve  
7           here, and so many -- you know, it's like  
8           the old days with when the State Police  
9           got radar. As soon as they get radar,  
10          they get a radar detector that detected  
11          it. You know, so it's a cat and mouse  
12          thing that goes on continuously, and as  
13          long as there are creative technology  
14          people out there, you know, data, I  
15          think, will always be susceptible at  
16          some point, you know, even though I have  
17          got a chip in my card now so I feel real  
18          comfortable with it.

19          So we acknowledge that, and we  
20          appreciate the work that Landry's has  
21          done to try and resolve the problem as  
22          quickly as they have; and based on the  
23          security report, you have or are in the  
24          process of putting those protections in  
25          place, and so thank Mr. Fertitta for his

1 work in that area and his senior staff.

2 Any other questions? Yes, ma'am.

3 MS. BERRY: I have a question. That  
4 seems to be in my area. I'm from the  
5 Lake Charles area, and I've been aware  
6 through the news and some media about  
7 some personnel problems y'all had at the  
8 casino. Is that what you were talking  
9 about we're going to discuss later?

10 CHAIRMAN JONES: There's some  
11 settlements that are coming up. I don't  
12 think it has to do with personnel  
13 problems. Do you have any specific  
14 questions about personnel issue?

15 MS. BERRY: Well, wasn't there some  
16 issues with some of the dealers?

17 MR. HOSKINS: We had an issue where  
18 a dealer was -- had been stealing from  
19 us, and it did make APLC, if that's what  
20 you're talking about; and they got  
21 arrested for -- they were pocketing  
22 chips off the table, and we worked  
23 with --

24 MS. BERRY: It just so happened we  
25 were there the day before for the

1 opening of the golf course, I think, and  
2 it just happened the next day.

3 MR. HOSKINS: It's unfortunate the  
4 press picks it up, and it's unfortunate  
5 we deal with that. What we do as an  
6 industry, it was tracked in our internal  
7 controls and our surveillance systems  
8 and things caught that, and we worked  
9 with State Police and identified it.

10 MS. BERRY: It wasn't somebody that  
11 had previously done it somewhere else,  
12 the employee?

13 MR. HOSKINS: I don't know that for  
14 a fact, but I doubt it because they  
15 wouldn't have been able to go through  
16 the state licensing process to get  
17 licensed. I would assume if this person  
18 is convicted and goes through it -- I  
19 don't know the exact rules -- I would  
20 assume that the person you're talking  
21 about would be unable to work in the  
22 industry in that capacity -- in a gaming  
23 capacity.

24 MS. BERRY: Thank you.

25 CHAIRMAN JONES: And that's not an

1 isolated problem. I mean --

2 MS. BERRY: Oh, I understand.

3 CHAIRMAN JONES: -- we've had  
4 several high profile arrests in the  
5 industry here in the last few months.  
6 State Police does a real good job there.  
7 I don't worry about the ones we catch.  
8 I worry about the ones we haven't  
9 caught.

10 MS. BERRY: Absolutely.

11 CHAIRMAN JONES: Dr. Gaston.

12 MR. GASTON: Mr. Chairman, in light  
13 of the fact that we had a meeting that  
14 you convened over at -- with  
15 Mr. Fertitta and the Colonel was there  
16 and Members of the Board, Mr. Fertitta  
17 said, we're going to do thus and so. I  
18 think they have done thus and so and  
19 maybe exceeded it, and the relationship  
20 between the Golden Nugget and L'Auberge  
21 is just wonderful to Lake Charles; and  
22 it's created an atmosphere that we're  
23 drawing people into the state.

24 So with that in mind, I'd like to  
25 move an additional extension of this

1 license.

2 CHAIRMAN JONES: I would simply add:  
3 I agree. Mr. Fertitta's been very  
4 receptive to taking my calls, speaking  
5 to me when I need to. You know, he came  
6 and visited with me in Lake Charles  
7 recently personally. Just anecdotally,  
8 he said, you know, we operate in a lot  
9 of states; you're the only regulator who  
10 really gets involved. And I took it as  
11 a compliment.

12 But that's what we're supposed to  
13 do. We're supposed to be involved.  
14 We're supposed to ask questions, and I'm  
15 just glad that he and I have that kind  
16 of relationship, as I do with, you know,  
17 Mr. Sanfilippo and virtually every other  
18 president or CEO doing business in  
19 Louisiana in the gaming arena. And I  
20 think it's important, and I  
21 appreciate -- I appreciate him doing  
22 that.

23 So we have a motion to adopt the  
24 resolution.

25 MS. BERRY: I'll go ahead and second



1           it, too.

2           CHAIRMAN JONES:   And a second.

3           Miss Tramonte.

4           THE CLERK:   On the 14th day of March  
5           2016, the Louisiana Gaming Control Board  
6           did, in a duly noticed public meeting,  
7           consider the license renewal application  
8           of Golden Nugget Lake Charles, LLC, and  
9           upon a motion duly made and second, the  
10          Board adopted the following resolution.

11          Be it resolved that the riverboat  
12          casino license of Golden Nugget Lake  
13          Charles, LLC, R016502995, be renewed for  
14          a term of five years commencing  
15          May 19th, 2016, subject to all  
16          conditions previously placed upon this  
17          license.

18          Thus done and signed in Baton Rouge,  
19          Louisiana, this 14th day of March 2016.

20          THE CLERK:   Mr. Bradford?

21          MR. BRADFORD:   Yes.

22          THE CLERK:   Mr. Stipe?

23          MR. STIPE:     Yes.

24          THE CLERK:   Mr. Singleton?

25          MR. SINGLETON:  Yes.

1 THE CLERK: Major Mercer?

2 MAJOR MERCER: Yes.

3 THE CLERK: Mr. Jackson?

4 MR. JACKSON: Yes.

5 THE CLERK: Mr. Gaston?

6 MR. GASTON: Yes.

7 THE CLERK: Miss Berry?

8 MS. BERRY: Yes.

9 THE CLERK: Miss Theriot?

10 MS. THERIOT: Yes.

11 THE CLERK: Chairman Jones?

12 CHAIRMAN JONES: Yes.

13 The motion carries, and the license  
14 renewal is approved. Congratulations.

15 MR. DEL PRETE: Thank you.

16 CHAIRMAN JONES: Thank you for  
17 coming this morning. We appreciate it.

18 VIII. RULEMAKING

19 A. Consideration of adoption of amendments  
20 to LAC 42:III.120 (Application and  
21 Reporting Forms) Multiple Use Reporting  
22 Form, DPSSP 6600; Application  
23 Withdrawal/License Surrender Form, LGCBVP  
24 0100; Surrender Waiver Request Form,  
25 LGCBVP 0101; Labor Organization

1 Registration Statement, LGCBGEN 0100

2 B. Consideration of adoption of amendments  
3 to LAC 42:XI.2405 (Application and  
4 License)

5 CHAIRMAN JONES: Up next is  
6 Rulemaking, and we're going to consider  
7 the two items, Roman Numeral Eight,  
8 that's A and B. I'll permit Mr. Pitre  
9 to brief the Board.

10 MR. PITRE: Chairman Jones, Board  
11 Members, Assistant Attorney General Earl  
12 Pitre, Jr., here in the matter of Rule  
13 Adoption for Items A and B, which are  
14 the amendments to LAC 42, Part 3,  
15 Section 120 and LAC 42, Part 11, Section  
16 2405.

17 The Board initiated rulemaking  
18 procedures during its November 19th,  
19 2015, meeting. Following these votes,  
20 the Notice of Intents were sent to the  
21 Louisiana Register and were published  
22 directing the public, also, to provide  
23 any comments or questions they may have  
24 had. No comments were received during  
25 this time.

1           Following that, the first and second  
2           reports were submitted to the Board's  
3           oversight committees with the  
4           legislature, and 30 days have passed  
5           since the second report has been  
6           submitted to the oversight committees  
7           with no action before the legislature,  
8           so the next step is for the Board to  
9           make a motion to adopt the amendments.

10           CHAIRMAN JONES: Are there any  
11           questions for the Attorney General's  
12           Office and the two rules? There are no  
13           questions.

14           Do I have a motion for final  
15           adoption of the amendments to the rules?  
16           Miss Theriot and a second by Mr. Stipe.

17           Any objections? No objection to the  
18           motion. Final adoption of amendments to  
19           the rules carries. Thank you.

20   IX. CONSIDERATION OF PROPOSED SETTLEMENTS IN THE  
21       FOLLOWING:

- 22   1. In Re: Lee Clark, Inc., d/b/a Weegee's Tavern  
23       - No. 2600107824 (proposed settlement)

24           CHAIRMAN JONES: Which brings us to  
25           settlements. There are no appeals.

1 First up in regard to Lee Clark, Inc.,  
2 doing business as Weegee's Tavern, No.  
3 2600107824.

4 Good morning.

5 MR. LEWIS: Good morning, Chairman  
6 Jones, Members of the Board. I'm  
7 Assistant Attorney General Kanick Lewis,  
8 Jr., representing the Office of State  
9 Police in the matter of Lee Clark, Inc.,  
10 doing business as Weegee's Tavern.

11 The licensee is a Type 1 licensed  
12 establishment located in Jefferson,  
13 Louisiana. On or about February 2nd,  
14 2015, the Division mailed a video gaming  
15 advisory notice to the licensee  
16 informing them of the requirement and  
17 deadline date to submit the annual fee  
18 and supporting documents. On  
19 January 12th, 2016, the licensee  
20 submitted the required documents and  
21 annual fee to the Division.

22 The licensee failed to timely submit  
23 the required annual fee and supporting  
24 documents, which is a violation of  
25 gaming law, and in lieu of

1 administrative action of its gaming  
2 license, Lee Clark, Inc., doing business  
3 as Weegee's Tavern, will pay a civil  
4 penalty of \$750 for violating gaming  
5 law.

6 Hearing Officer Reynolds has  
7 approved the Joint Compromise and  
8 Settlement Agreement, and we're here  
9 today seeking the Board's approval. And  
10 at this time, I'll be happy to answer  
11 any questions you may have.

12 CHAIRMAN JONES: Board, any  
13 questions? [No response.] We have a  
14 motion to approve by Mr. Bradford,  
15 second by Mr. Singleton.

16 Any objections? Without objection  
17 the motion carries, settlement is  
18 approved.

19 2. In Re: Golden Nugget Lake Charles, LLC - No.  
20 R016502995 (proposed settlement -  
21 SAR# 15-2-43-091-2811)

22 CHAIRMAN JONES: Next up is in  
23 regard to Golden Nugget Lake Charles,  
24 LLC, No. R016502995.

25 MS. BOGRAN: Good morning. Good

1 morning, Chairman Jones, Board Members.  
2 I'm Olga Bogan Assistant Attorney  
3 General in the Gaming Division. I'll be  
4 presenting the next four settlements  
5 involving Golden Nugget Lake Charles.  
6 The first settlement is related to SAR#  
7 15-2-43-091-2811.

8 This settlement concerned the usage  
9 of an incorrect procedure for reporting  
10 and resolving variances. The reporting  
11 process has been corrected, and the  
12 variances have been resolved. The  
13 penalty for this settlement is \$14,000.

14 The hearing officer has signed the  
15 settlement agreement, and it's before  
16 you for final approval.

17 CHAIRMAN JONES: And has that matter  
18 since been resolved?

19 MS. BOGRAN: Yes.

20 CHAIRMAN JONES: Are there any  
21 questions? There are no questions.

22 Do I have a motion to approve the  
23 settlement? By Mr. Bradford, second by  
24 Mr. Stipe.

25 Any objections? Without objection,

1           the motion carries. The settlement's  
2           approved.

3   3. In Re: Golden Nugget Lake Charles, LLC - No.  
4       R016502995 (proposed settlement -  
5       SAR# 15-2-43-092-2812)

6           CHAIRMAN JONES: Next up, Golden  
7       Nugget Lake Charles, LLC, No.  
8       R016502995, also a proposed settlement.  
9       Was that consolidated with your prior  
10      one?

11          MS. BOGRAN: That the SAR 2811.  
12      Okay. So that was the -- that's the one  
13      that we just did.

14          CHAIRMAN JONES: It's the same one  
15      on here, but I have two different  
16      numbers for the SARs.

17          MS. BOGRAN: This is the license  
18      number.

19          CHAIRMAN JONES: Yeah.

20          MS. BOGRAN: So I'm reading out to  
21      you the SAR numbers that are related to  
22      the settlement agreements.

23          CHAIRMAN JONES: Okay.

24          MS. BOGRAN: So the second one is  
25      the settlement related to SAR



1 15-2-43-092-2812.

2 CHAIRMAN JONES: That's it.

3 MS. BOGRAN: This settlement  
4 concerns audit irregularities in the  
5 cash reserve calculations. The issues  
6 have been addressed, and the audit  
7 practices are back on target. The  
8 penalty in this settlement is \$25,000,  
9 and it has been signed by the hearing  
10 officer and is before you for final  
11 approval.

12 CHAIRMAN JONES: And that has also  
13 been resolved, that process.

14 MS. BOGRAN: Yes.

15 CHAIRMAN JONES: Any questions?

16 Do I have a motion? By Miss Berry,  
17 second by Mr. Bradford.

18 Any objections? Without objection,  
19 the motion carries.

20 4. In Re: Golden Nugget Lake Charles, LLC - No.  
21 R016502995 (proposed settlement) -  
22 SAR# 15-4-43-009-0234

23 CHAIRMAN JONES: Golden Nugget, LLC,  
24 the same R number. This is for proposed  
25 settlement, and we'll cite it this way:

1 SAR# 15-4-43-009-0234.

2 MS. BOGRAN: This settlement  
3 involves a failure of 79 surveillance  
4 cameras which were not reporting to the  
5 Division until five hours and twelve  
6 minutes after the problem became  
7 apparent. The problem arose from an  
8 interface between the software and the  
9 hardware. The problem has been  
10 corrected. Those cameras are back  
11 online.

12 The penalty in this settlement is  
13 \$30,000. The settlement has been signed  
14 by the hearing officer and is before you  
15 for final approval.

16 CHAIRMAN JONES: Major, what was the  
17 reason for the lack of response on that  
18 timely response?

19 MAJOR NOEL: They had no excuse  
20 other than busy trying to resolve the  
21 camera issue, and that was the reason  
22 for that -- primary reason for the  
23 penalty.

24 CHAIRMAN JONES: And y'all have met  
25 with them and discussed it?

1 MAJOR NOEL: Absolutely.

2 CHAIRMAN JONES: Everybody  
3 understands the obligations?

4 MAJOR NOEL: And, again, there was  
5 software issues that were the root of  
6 the problem, but that didn't excuse the  
7 notification delay. And, yes, that has  
8 been resolved, and I'm very comfortable  
9 with them going forward on any related  
10 issues like that.

11 MS. BERRY: Excuse me, Major. It  
12 would be immediate notification? Is  
13 that what y'all --

14 MAJOR NOEL: Yes, ma'am.

15 CHAIRMAN JONES: Any other  
16 questions? [No response.]

17 Do I have a motion to approve the  
18 settlement? By Mr. Jackson and Major  
19 Mercer.

20 Any objection to the settlement?  
21 Without objection, the motion carries.  
22 The settlement is approved.

23 5. In Re: Golden Nugget Lake Charles, LLC - No.  
24 R016502995 (proposed settlement  
25 SAR# 15-4-43-010-0238, SAR# 15-4-43-130-3724 &

1 SAR# 15-4-43-103-3126)

2 CHAIRMAN JONES: Finally, Golden  
3 Nugget, same R number. This is a  
4 proposed settlement SAR#  
5 15-4-43-010-0238 and SAR#  
6 15-4-43-130-3724, and SAR#  
7 15-4-43-103-3126.

8 MS. BOGRAN: As you've indicated,  
9 this one settlement is related to these  
10 three SARs, and they are all underaged  
11 patron violations that occurred between  
12 January 15th and July 5th of 2015.

13 There were several violations which  
14 include -- one of which included two  
15 underaged patrons, so for a total of  
16 eight underaged patrons.

17 Of the seven violations, three were  
18 treated from the outset as written  
19 warnings, and one violation was  
20 originally treated as a Category II  
21 third offense but upon further  
22 investigation and documentation was  
23 changed to a Category I.

24 The property has installed  
25 additional barriers where somebody

1           jumped over a railing. They utilized  
2           the Veridocs system. They've committed  
3           to continuing the enhanced training  
4           program that they developed related to  
5           the detection of underaged patrons.

6           In the end, there are three Category  
7           II underaged minor violations involving  
8           this one settlement. The penalties are  
9           the standard \$10,000 penalties,  
10          specified in the penalty schedule, with  
11          the multiple offense multiplier applied.  
12          So the first offense is \$10,000; the  
13          second offense is \$20,000, and third  
14          offense is \$30,000, making a total of a  
15          \$60,000 penalty for this settlement.

16          It has been signed by the hearing  
17          officer and is here for you for final  
18          approval.

19          CHAIRMAN JONES: Mr. Del Prete,  
20          could you come up, please. Have a seat.

21          You and I have talked about the  
22          challenges you had, and I think a lot of  
23          this happened in the first -- you know,  
24          in that first year when you and your  
25          staff and everybody was trying to -- can

1           you just kind of give us a sense of what  
2           happened here.

3           MR. DEL PRETE:   Sure, Chairman  
4           Jones.   Several different instances, as  
5           stated.   I think one particular  
6           gentleman jumped the barrier twice.  
7           We've installed a -- it's actually a  
8           marble step probably about a foot, and  
9           on top of that there's a 3-foot  
10          stainless steel railing; but it seemed  
11          not high enough to deter them.   So we've  
12          since then gone back and installed  
13          another 24 inches of glass to prevent  
14          that.

15          We did self-report this.   We  
16          discovered him actually scaling the  
17          structure the second time and went back  
18          and reviewed the footage to realize that  
19          he had done it previously and wasn't  
20          detected.

21          There are certainly some of these  
22          others that are mentioned, just some  
23          failures on the security officers  
24          manning the posts, not following  
25          instructions, not doing their job.   I

1           can't make excuses for that. We  
2           continue to enhance the training  
3           program. That is a position at the  
4           casino that's -- immediately demands  
5           termination of the employee, so that's a  
6           zero tolerance when they don't follow  
7           the procedure, and we continue to do  
8           that.

9           We've enhanced that program. We're  
10          looking at steps to improve  
11          questioning -- line of questioning when  
12          there's an occurrence where there's a  
13          doubt about the ID, whether it's the  
14          person in front of them or not. We  
15          actually now have a protocol to call a  
16          supervisor in, and they do additional  
17          questioning: Zodiac sign, have them  
18          sign their signature, the normal  
19          questioning. Most of them are pretty  
20          skilled and know the address and the  
21          information that's on the ID.

22          These are, by the way, real IDs.  
23          These aren't -- we tend to use the term  
24          "fake ID." These are actually someone's  
25          real ID who they resemble. If we ask

1           for it, we scan it in Veridocs, so  
2           that's helped us. That's improving, and  
3           I think since -- I think it's been  
4           July 5th, I believe, was the last  
5           occurrence.

6           So a lot of these issues that were  
7           mentioned today, Chairman Jones,  
8           really -- unfortunately, no excuse  
9           again, but growing pains of opening a  
10          new casino, and I feel like we've got a  
11          good team in place and a great  
12          relationship with State Police and  
13          yourself and continue to work and take  
14          it very seriously and address each and  
15          every one of those.

16          CHAIRMAN JONES: Having been an  
17          18-year-old at one point in my life, I  
18          know how creative I tried to be in  
19          getting into places where I wasn't  
20          supposed to.

21          MR. DEL PRETE: Yes, sir.

22          CHAIRMAN JONES: And sometimes it  
23          worked, and sometimes it didn't, so just  
24          -- you know, the 18-year-olds are like  
25          prisoners locked up, and they spend



1           their whole day trying to figure out how  
2           to get out; and in this case,  
3           18-years-olds spend all their time  
4           trying to figure out how to get in.

5           The Board does take this very  
6           seriously. This is one of those things  
7           that the legislature made clear, and we  
8           never want to show anything but an  
9           absolute commitment to vigilance in  
10          trying to make sure that minors, or  
11          young people not yet 21, aren't on the  
12          gaming floor.

13          So we appreciate what you've done,  
14          and it's been nearly a year since you've  
15          had any issues, so we thank you for your  
16          work there.

17          MR. DEL PRETE: Thank you, Chairman.

18          CHAIRMAN JONES: Board, any  
19          questions? There are no questions.

20          Do I have a motion to approve that  
21          final settlement?

22          MR. JACKSON: Motion approval.

23          CHAIRMAN JONES: By Mr. Jackson and  
24          by Mr. Stipe. Any objections? Without  
25          objection, the motion carries. The

1 settlement's approved. Thank you.

2 MS. BOGRAN: Thank you.

3 CHAIRMAN JONES: The next meeting,  
4 Miss Tramonte, is?

5 THE CLERK: It's still here.

6 CHAIRMAN JONES: It's in this place.  
7 One second and I'll give you the date  
8 just to make sure.

9 THE CLERK: April 18th.

10 CHAIRMAN MORGAN: April 18th, same  
11 place. We have a number of important  
12 things coming up on the next agenda.

13 X. ADJOURNMENT

14 CHAIRMAN JONES: And at this point,  
15 I'd ask for a motion to adjourn by  
16 Mr. Bradford, seconded by Major Mercer.  
17 Any objections? Without objection, the  
18 motion carries.

19 I'll see you next month. Thank you.

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## REPORTER'S PAGE

1  
2  
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  
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14 transcript;

15 That any words and/or names which could not  
16 be verified through reference materials have been  
17 denoted with the word "(phonetic)."  
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25 Certified Court Reporter #96001  
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1 STATE OF LOUISIANA

2 PARISH OF EAST BATON ROUGE

3 I, Shelley G. Parola, Certified Court  
4 Reporter and Registered Professional Reporter, do  
5 hereby certify that the foregoing is a true and  
6 correct transcript of the proceedings on March 14,  
7 2016, as taken by me in Stenographic machine  
8 shorthand, complemented with magnetic tape  
9 recording, and thereafter reduced to transcript,  
10 to the best of my ability and understanding, using  
11 Computer-Aided Transcription.

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

18 Baton Rouge, Louisiana, this 11th day of  
19 April, 2016.

20  
21  
22 \_\_\_\_\_  
SHELLEY G. PAROLA, CCR, RPR  
23 CERTIFICATE NO. 96001  
24  
25