

Board of Directors' Meeting - LGCB 8-20-15, (Pages 1:1 to 50:24)

1:1 LOUISIANA GAMING LOUISIANA CONTROL BOARD

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4 BOARD OF DIRECTORS' MEETING

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9 THURSDAY, AUGUST 20, 2015

10

11 Louisiana State Capitol

12 900 North Third Street

13 House Committee Room 1

14 Baton Rouge, Louisiana

15

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18 TIME: 10:00 A.M.

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1 APPEARANCES

2 RONNIE JONES

Chairman (At Large)

3 Third Congressional District

June 30, 2019

4

5 FRANKLIN AYRES BRADFORD

(Economic Planner)

6 Fifth Congressional District

June 30, 2019

7

8 JAMES SINGLETON

(Public/Business Administration)

9 Second Congressional District

June 30, 2014

10

11 MARK STIPE

(Attorney)

12 Seventh Congressional District

June 30, 2014

13

14 DENISE NOONAN

(At Large)

15 First Congressional District

June 30, 2015

16

17 MAJOR CLAUDE MERCER

(Law Enforcement)

18 Fifth Congressional District

June 30, 2018

19

20 CLAUDE D. JACKSON

(At Large)

21 Fourth Congressional District

June 30, 2018

22

23 ROBERT W. GASTON, III

(At Large)

24 Sixth Congressional District

June 30, 2015

25

3

1 APPEARANCES CONTINUED

2

3 JULIE BERRY

(CPA)

4 Third Congressional District

5

6 LANA L. TRAMONTE

Principal Assistant

7

8 TRUDY M. SMITH

Confidential Assistant

9

10 MAJOR MIKE NOEL

Ex-Officio Board Member

11 Louisiana State Police

12

13 JARROD CONIGLIO

Deputy Secretary

14 Department of Revenue

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18 REPORTED BY:

19 SHELLEY G. PAROLA, CSR, RPR

Baton Rouge Court Reporters

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1 I. CALL TO ORDER

2 CHAIRMAN JONES: Good morning.

3 We'll call the meeting to order.

4 Miss Tramonte, would you call the roll.

5 THE CLERK: Chairman Jones?

6 CHAIRMAN JONES: Here.

7 THE CLERK: Mr. Bradford?

8 MR. BRADFORD: Here.

9 THE CLERK: Mr. Stipe?

10 MR. STIPE: Here.

11 THE CLERK: Mr. Singleton?

12 MR. SINGLETON: Here.

13 THE CLERK: Miss Noonan?

14 MS. NOONAN: 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: Colonel Edmonson?

24 MAJOR NOEL: Major Noel for Colonel

25 Edmonson.

8

1 THE CLERK: Secretary Barfield?

2 MR. CONIGOLIO: Jarrod Coniglio for

3 Secretary Barfield.

4 II. PUBLIC COMMENTS

5 CHAIRMAN JONES: We have a quorum.

6 We may conduct business. Do we have

7 anyone before us today for public

8 comment, any matters on the Board's

9 agenda? No one.

10 III. APPROVAL OF MINUTES

11 CHAIRMAN JONES: Then we'll move for

12 the Approval of the Minutes. Do I have

13 a motion to waive reading and approve

14 the minutes. By Miss Noonan and Miss

15 Berry. All in favor? [Collective

16 "aye."] Motion carries.

17 IV. REVENUE REPORTS

18 CHAIRMAN JONES: At this time, I'll

19 call for Revenue Reports, State Police

20 to the table, please.

21 MS. JACKSON: Good morning.

22 CHAIRMAN JONES: Good morning.

23 MS JACKSON: Good morning, Chairman

24 Jones, Board Members. My name is Donna

25 Jackson with Louisiana State Police

9

1 Gaming Enforcement Division.



2           The riverboat revenue report for  
3           July 2015 is shown on page one of your  
4           handout. During July, the 15 operating  
5           riverboats generated Adjusted Gross  
6           Receipts of \$179,959,451, which is a new  
7           monthly high for riverboats. This total  
8           represents an increase of \$21 million or  
9           13.3 percent from last month, and an  
10          increase of \$28 million or 18.7 percent  
11          from July 2014, when there were only 14  
12          riverboats in operation. July revenues  
13          are historically higher than June, and  
14          this July had one additional Friday  
15          gaming day than last month and  
16          July 2014. During July, the first month  
17          of the fiscal year, the state collected  
18          fees totaling \$38,691,282.

19          Next is a summary of the July 2015  
20          gaming activity for Harrah's New Orleans  
21          found on page three. During July, the  
22          first month of fiscal year 2015-2016,  
23          Harrah's generated \$35,964,794 in gross  
24          gaming revenue, up \$15.2 million or 73.5  
25          percent from last month, and up

10

1          \$7.4 million or 26 percent from  
2          July 2014. We did want to note that  
3          there was a single day in July 2015 with  
4          an unusually high win total. Without

5 that day, revenues would still be up  
6 15.6 percent from June, but they would  
7 be down 16 percent from July 2014.  
8 We're providing this additional  
9 information just as we did last month to  
10 account for the unusually large win on a  
11 single day in June 2014. Regardless of  
12 the impact of the single day, the July  
13 revenue number is the largest revenue  
14 month for Harrah's since May 2008.  
15 During July, the state received  
16 \$5,081,967 in minimum daily payments.

17 Slots at the Racetracks revenues are  
18 shown on page four. During July, the  
19 four racetrack facilities combined  
20 generated Adjusted Gross Receipts of  
21 \$32,368,138, an increase of almost \$3.8  
22 million or 13 percent from last month,  
23 but a decrease of 1.7 percent from  
24 July 2014. During July, the state  
25 collected fees totaling \$4,910,247.

11

1 Overall, riverboats, land-based and  
2 Slots at the Racetracks combined  
3 generated \$248 million in AGR and \$48.7  
4 million in state fees.

5 Are there any questions before I  
6 present the Harrah's employee  
7 information?

8 CHAIRMAN JONES: Board Members, any  
9 questions? [No response.]

10 MS. JACKSON: Harrah's New Orleans  
11 is required to maintain at least 2,400  
12 employees and bi-weekly payroll of  
13 \$1,750,835. This report covers the  
14 three pay periods in July 2015. For the  
15 first pay period, the Division verified  
16 2,464 employees with a payroll of  
17 \$1,851,000. For the second pay period,  
18 the Division verified 2,451 employees  
19 with a payroll of \$1,881,000. For the  
20 third pay period, the Division verified  
21 2,475 employees with a payroll of  
22 \$1,860,000. Therefore, Harrah's met the  
23 employment criteria during July.

24 CHAIRMAN JONES: Questions, Board?  
25 There are none.

12

1 MS. JACKSON: Thank you.

2 CHAIRMAN JONES: Thank you. Video  
3 poker.

4 MR. BOSSIER: Good morning. Good  
5 morning, Chairman Jones and Board  
6 Members. My name is Jim Bossier with  
7 the Louisiana State Police Gaming Audit  
8 Section. I'm reporting video gaming  
9 statistics for July 2015 as shown on  
10 page one of your handout.

11 Twenty-one new video gaming licenses  
12 were issued during July: Nine bars,  
13 four restaurants, four truckstops and  
14 four device owners'. Eight new  
15 applications were received by the Gaming  
16 Enforcement Division during July and are  
17 currently pending the field: Six  
18 truckstops and two device owners'.

19 The Gaming Enforcement Division  
20 assessed and collected \$1,000 in  
21 penalties in July, and there are  
22 currently \$1,100 in outstanding fines.  
23 Please refer to page two of your  
24 handout.

25 There are presently 14,502 video

13

1 gaming devices activated at 1,885  
2 locations.

3 Net device revenue for July 2015 was  
4 \$48.6 million. This is a \$1.9 million  
5 or 4 percent increase when compared to  
6 June 2015, and a \$900,000 increase, or  
7 1.8 percent, when compared to July 2014.  
8 Net device revenue so far for fiscal  
9 year 2016 is \$48.6 million, a \$900,000  
10 increase, or 1.8 percent, when compared  
11 to fiscal year 2015. Page three of your  
12 handout shows a comparison of net device  
13 revenue.

14 Total franchise fees collected for  
15 June 2015 were \$14.5 million, a \$500,000  
16 increase when compared to June 2015, and  
17 a \$200,000 increase when compared to  
18 July 2014. Total franchise fees  
19 collected for fiscal year 2016 are \$14.5  
20 million, a \$200,000 increase or  
21 1.8 percent when compared to fiscal year  
22 2015. Page four of your handout shows a  
23 comparison of franchise fees.

24 Does anybody have any questions?

25 CHAIRMAN JONES: Any questions,

14

1 Board Members? There are no questions.

2 MR. BOSSIER: Thank you.

3 CHAIRMAN JONES: Thank you, Jim.

#### 4 V. COMPLIANCE REPORTS

5 CHAIRMAN JONES: We'll now ask Mesa  
6 Brown, Assistant Attorney General, to  
7 come talk us about the compliance  
8 reports. Good morning, Mesa.

9 MS. BROWN: Good morning. Good  
10 morning, Chairman Jones, Board Members.  
11 I'm Mesa Brown Assistant Attorney  
12 General. Today I'll present the staff  
13 reports on riverboat and racetrack  
14 casino licensees' compliance with  
15 employment and procurement conditions  
16 for the second quarter of 2015.

17 I'll begin with riverboats. The  
18 second quarter reports are taken from  
19 the figures reported by the 15 operating  
20 riverboats to the Louisiana Gaming  
21 Control Board. In the second quarter of  
22 2015, approximately 15,343 people were  
23 employed by the riverboat industry. Of  
24 that number, 14,963 were Louisiana  
25 residents, 9,579 were minorities, and

15

1 8,699 were women.

2 Five licensees achieved total  
3 compliance this quarter, and they are:  
4 Golden Nugget, L'Auberge Casino & Hotel  
5 Baton Rouge, Belle of Baton Rouge  
6 Casino, Isle of Capri Casino St.  
7 Charles, and L'Auberge Casino & Hotel  
8 Lake Charles.

9 Next I'll address employment. Four  
10 licensees did not meet their total  
11 employment goals. They are:  
12 DiamondJacks Casino & Resort, who  
13 achieved 532 out of a goal of 650;  
14 Hollywood achieved 440 out of 450;  
15 Boomtown Casino Bossier achieved 598 out  
16 of 650, and Eldorado Resort Shreveport  
17 achieved 1,170 out of 1,200.

18 All licensees with the exception of  
19 Treasure Chest Casino either met or

20 exceeded their goals in all of the  
21 subcategories under the main category of  
22 employment. Treasure Chest did not meet  
23 its female employment goal. It achieved  
24 49.6 out of a goal of 51.86.

25 Next I'll address procurement. The

16

1 licensees are grouped according to three  
2 subcategories which appear in your  
3 report. They are Louisiana, minority  
4 and female procurement. Under Louisiana  
5 procurement, one licensee did not  
6 achieve compliance with its voluntary  
7 conditions. It is Margaritaville Resort  
8 Casino, who achieved 81.5 out of 90  
9 percent.

10 Minority procurement, nine licensees  
11 did not achieve compliance with their  
12 voluntary conditions, and they are:  
13 DiamondJacks, who achieved 5.5 percent  
14 out of a goal of 10 percent; Sam's Town  
15 achieved 10.7 out of 25; Horseshoe  
16 Casino & Hotel achieved 5.4 out of 35;  
17 Boomtown New Orleans achieved 9.8 out of  
18 15; Treasure Chest Casino achieved 5.3  
19 out of 15; Amelia Belle Casino achieved  
20 11.3 out of 30; Margaritaville achieved  
21 4 out of 10 percent; Boomtown Casino  
22 Bossier achieved 8.9 out of 10 percent,

23 and Eldorado Resort Shreveport achieved  
24 22.3 out of 25 percent.

25 Female procurement, two licensees

17

1 did not achieve compliance with its  
2 voluntary condition, and those licensees  
3 are Horseshoe, who achieved 34.1 out of  
4 a goal of 35 percent, and Hollywood  
5 Casino, who achieved 8.1 out of a goal  
6 of 10 percent.

7 Are there any questions?

8 CHAIRMAN JONES: Board Members, any  
9 questions on procurement or employment?

10 [No response.]

11 MS. BROWN: Thanks. I'll begin with  
12 racetrack. In the second quarter of --  
13 I'm sorry. Was there a question? Okay.  
14 I'm sorry.

15 In the second quarter of 2015,  
16 approximately 1,869 people were employed  
17 by the racetrack casino industry. Of  
18 that number, 1,608 were Louisiana  
19 residents, 1,027 were minorities, and  
20 1,098 were women.

21 One racetrack casino achieved total  
22 compliance this quarter, and that is  
23 Fairgrounds. Delta Downs did not  
24 achieve its Louisiana employment  
25 condition. It achieved 64.5 out of the



1 80 percent condition. Louisiana Downs  
2 did not achieve its female employment or  
3 its minority procurement goal. It  
4 achieved 54 out of the 60 percent goal  
5 for female employment and 4.8 out of 6  
6 for minority procurement. Also, Old  
7 Evangeline Downs did not achieve its  
8 minority procurement goal. It achieved  
9 3.2 out of 5 percent.

10 Are there any questions regarding  
11 the racetrack casinos?

12 CHAIRMAN JONES: Any questions on  
13 racetracks, Board Members? No, ma'am.

14 MS. BROWN: Thank you.

15 CHAIRMAN JONES: Thank you very  
16 much. Mesa, thank you for the help that  
17 you provided the Board in preparation  
18 for our last month's meeting. As you  
19 know, we had a special item on the  
20 agenda to deal with the issue of  
21 procurement, and the data you provided  
22 for us was very helpful.

23 Any comments or questions on  
24 procurement data before we move on? I  
25 think the Board indicated its position

1 from a policy standpoint last month.  
2 We're going to continue to track this.

3 General managers may receive  
4 correspondence from me from time to time  
5 about what we see in deficiencies in the  
6 numbers that you post, so it's something  
7 that we're going to monitor moving  
8 forward, and we'll continue the process  
9 of inviting people to the Board to talk  
10 to us about what their plans are. Thank  
11 you.

12 MS. BROWN: Thank you.

### 13 VI. CASINO GAMING ISSUES

14 A. Consideration of application for Shelf  
15 Approval of Debt Transactions by Isle of  
16 Capri Casinos, Inc.

17 CHAIRMAN JONES: Now to Casino  
18 Gaming Issues. First up before the  
19 Board: Consideration of application for  
20 Shelf Approval of Debt Transactions by  
21 the Isle of Capri Casino, Inc.

22 Good morning.

23 MS. WARE: Good morning.

24 Good morning, Chairman Jones and  
25 Members of the Board. My name is

20

1 Trnessia Ware with Louisiana State  
2 Police Corporate Securities Audit.

3 Miss Janet Boles, local counsel for  
4 Isle of Capri Casino, notified the Board  
5 by letter that Isle of Capri seeks the

6 Board's approval for shelf transactions  
7 in an amount up to \$1.15 billion for a  
8 period of three years. Isle stated it  
9 anticipates that the potential use of  
10 such proceeds will be for capital  
11 expenditures, working capital,  
12 refinancing existing debt and repayment  
13 of amounts outstanding under Isle's  
14 revolving credit facility.

15 In Isle's renewal report in  
16 February 2015, Isle projected capital  
17 expenditures at St. Charles Gaming in  
18 excess of \$4 million for years 2015  
19 through 2019. Isle's longtime debt  
20 schedule is shown on page five. Isle's  
21 credit facility consists of a  
22 \$300 million revolving line of credit.  
23 Isle's availability under its credit  
24 facility at April 26th, 2015, was  
25 approximately \$218 million.

21

1 Isle projects sufficient cash flows  
2 from operation to maintain its debt.  
3 Based on Isle's historical financial  
4 data on these cash flows, Isle's  
5 projections appear reasonable.

6 In conclusion, no financial issues  
7 came to our attention to preclude the  
8 Board's approval of Isle of Capri

9 Casino's shelf application.

10 Are there any questions?

11 CHAIRMAN JONES: Any questions,  
12 Board Members? [No response.] No  
13 questions. Does Isle have anything to  
14 add, representatives of the Isle?

15 MS. BOLES: No, sir.

16 CHAIRMAN JONES: Any questions for  
17 the representatives of the property from  
18 the Board? There are none. It's clear.

19 Do I have a motion to adopt the  
20 resolution?

21 MR. GASTON: I'll move.

22 CHAIRMAN JONES: By Dr. Gaston and  
23 someone on this side, by Major Mercer.

24 Please read the resolution into the  
25 record, Miss Tramonte.

22

1 THE CLERK: On the 20th day of  
2 August 2015, the Louisiana Gaming  
3 Control Board, in a duly-noticed public  
4 meeting, did consider the issue of the  
5 Application for Shelf Approval of Debt  
6 Transactions filed by Isle of Capri  
7 Casinos, Incorporated, and upon motion  
8 duly made and second, the Board adopted  
9 the following resolution.

10 Be it resolved that Isle of Capri  
11 Casino, Incorporated's, Application for

12 Shelf Approval of Debt Transaction be  
13 and is hereby approved, subject to the  
14 following terms and conditions.

15 For a period of three years  
16 beginning August 20th, 2015, Isle of  
17 Capri Casinos, Incorporated, is granted  
18 approval pursuant to LAC 42.III.2525 to  
19 enter into Debt Transactions as defined  
20 in LAC 42.III.2522, not to exceed a  
21 cumulative total of \$1.15 billion. For  
22 purpose of this Shelf Approval, the  
23 cumulative total of \$1.5 billion shall  
24 include debt transactions, debt  
25 currently existing or approved in

23

1 earlier debt transactions.

2 Within ten days of consummation of  
3 the debt transaction, including  
4 amendment and modification of existing  
5 debt transactions, Isle of Capri  
6 Casinos, Incorporated, shall provide a  
7 term sheet or executive summary of the  
8 debt transaction and an executed copy of  
9 the documents evidencing the debt  
10 transaction to the Louisiana State  
11 Police, Gaming Enforcement Division,  
12 Audit Section, Corporate Securities  
13 Unit.

14 The shelf approval may be rescinded

15 by the Chairman upon issuance of written  
16 notice of recession setting forth the  
17 reasons therefore. The rescission shall  
18 remain in effect until lifted by the  
19 Board upon such terms as are  
20 satisfactory to the Board.

21 The shelf approval shall expire on  
22 August 20th, 2018.

23 It is hereby further resolved that  
24 the Chairman of the Louisiana Gaming  
25 Control Board be delegated the authority

24

1 to issue a written rescission of the  
2 shelf approval in accordance with LAC  
3 42:III.2525(E) and as provided  
4 hereinabove.

5 Thus and signed in Baton Rouge,  
6 Louisiana, this 20th day of August 2015.

7 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: Major Mercer?

16 MAJOR MERCER: Yes.

17 THE CLERK: Mr. Jackson?

18 MR. JACKSON: Yes.  
19 THE CLERK: Mr. Gaston?  
20 MR. GASTON: Yes.  
21 THE CLERK: Miss Berry?  
22 MS. BERRY: Yes.  
23 THE CLERK: Chairman Jones?  
24 CHAIRMAN JONES: Yes, and the  
25 resolution has been adopted.

25

1 B. Consideration of Petition for Relief from  
2 Requirements of Certain License Conditions by  
3 Golden Nugget Lake Charles, LLC - No.  
4 R016502995

5 CHAIRMAN JONES: Next on the agenda  
6 is Consideration of Petition for Relief  
7 of Requirements of Certain License  
8 Conditions by Golden Nugget Lake  
9 Charles, LLC, No. RO16502995.

10 Good morning, ladies and gentlemen.

11 MS. MOORE: Good morning, Chairman  
12 Jones, Board Members. I'm Assistant  
13 Attorney General Charmaine Moore, and  
14 we're here in the matter of Golden  
15 Nugget Lake Charles, LLC's, petition for  
16 relief from the requirement of certain  
17 license conditions. With me this  
18 morning is Mr. Paul West, attorney for  
19 the licensee.

20 Conditions were originally placed on

21 the license of Golden Nugget on  
22 February 17th, 2011, when the Board  
23 issued the license. At that time, the  
24 licensee was owned by Creative Casinos.  
25 Thereafter it was -- the licensee was

26

1 transferred three times, first to  
2 Ameristar Casinos, then to Pinnacle  
3 Entertainment and then to Golden Nugget.  
4 No new conditions have been added;  
5 however, the original conditions have  
6 been amended several times since 2011.  
7 Those amendments primarily concern the  
8 construction and financing of the  
9 approved project and the expected dates  
10 of completion.

11 Beginning in 2012 with the renewal  
12 of the license of L'Auberge Lake  
13 Charles, the Board has been  
14 consolidating and updated the conditions  
15 of each riverboat licensee as its  
16 license came up for renewal. Golden  
17 Nugget is the only riverboat licensee  
18 whose conditions have not been  
19 consolidated and updated. Its license  
20 expires on April 19th, 2016. It was  
21 intended that their conditions would be  
22 consolidated and updated when its  
23 license was renewed in 2016; however,



24 since Golden Nugget has asked that it be  
25 relieved of certain of its current

27

1 conditions, the majority of which  
2 concern the construction, preopening  
3 procedure, preopening financing and  
4 work-in-progress reporting relative to  
5 the approved project, it was decided to  
6 go ahead and consolidate and update the  
7 conditions at this time.

8 The A.G.'s Office worked with  
9 counsel for the licensee to consolidate  
10 and update the conditions. All  
11 conditions that were completed,  
12 satisfied or are no longer applicable  
13 were removed. Some substantive changes  
14 were made, and some editing was done.

15 The licensee has accepted and agreed to  
16 be bound by the conditions, and a  
17 proposed resolution has been prepared if  
18 the Board approves the proposed  
19 statement of conditions.

20 CHAIRMAN JONES: Any questions for  
21 Miss Moore? [No response.]

22 Mr. West, do you have anything?

23 MR. WEST: I want to thank Miss  
24 Moore for her help and your staff. In  
25 trying to get some of these conditions

28

1 out, we were actually making  
2 construction reports that didn't say  
3 anything, but they wanted to continue to  
4 do them as long as it was a condition to  
5 their license. So I think it's a lot  
6 cleaner, and it does line up with the  
7 other riverboats. Thank you.

8 CHAIRMAN JONES: Any questions of  
9 Mr. West?

10 MR. GASTON: A minor question for  
11 Mr. West. The golf course, did it sink  
12 or something like that?

13 MR. WEST: I hope not.

14 MR. GASTON: Somebody was talking  
15 about the golf course had sunk.

16 CHAIRMAN JONES: I've nod heard  
17 that.

18 MR. GASTON: Sorry, Paul.

19 MR. STIPE: I think they're called  
20 sand traps.

21 SPEAKER: It didn't sink. It rained  
22 a lot this morning, but it did not sink.

23 CHAIRMAN JONES: Thank you. Miss  
24 Moore, just for the benefit of the Board  
25 again, this is part of the ongoing

29

1 consolidation to make the standards  
2 uniform across all licenses and  
3 conditions, correct?

4 MS. MOORE: Correct.

5 CHAIRMAN JONES: And the changes  
6 you -- recommended changes are in the  
7 best interest of the State, correct?

8 MS. MOORE: They are.

9 CHAIRMAN JONES: All right. If  
10 there are no questions, I'll entertain a  
11 motion. Is that a motion, Miss Berry --

12 MS. BERRY: Yes, sir.

13 CHAIRMAN JONES: -- to adopt the  
14 resolution, a second by Dr. Gaston.  
15 Miss Tramonte.

16 THE CLERK: On the 20th day of  
17 August 2015, the Louisiana Gaming  
18 Control Board, in a duly-noticed public  
19 meeting, did consider the issue of the  
20 Petition for Relief of Requirements of  
21 Certain License Conditions filed by  
22 Golden Nugget Lake Charles, LLC,  
23 licensee, and upon motion duly made and  
24 second, the Board adopted this  
25 resolution.

30

1 Be it resolved that Conditions 1, 8,  
2 12, 13, 14, 15, 16, 17, 18, 19, 20, 22,  
3 30, 32 and 33, as set forth in the  
4 original conditions imposed upon the  
5 license of Golden Nugget Lake Charles,  
6 LLC, formerly known as Ameristar Casino

7 Lake Charles, LLC, formerly known as  
8 Creative Casinos of Louisiana, LLC, on  
9 February 17th, 2011, as amended from  
10 time to time thereafter, are hereby  
11 removed subject to the licensee's and  
12 Golden Nugget, Incorporated's,  
13 acknowledgement and agreement to the  
14 proposed Statement of Conditions.

15 Be it resolved that Conditions 7 and  
16 23, as set forth in their original  
17 conditions imposed upon the license of  
18 Golden Nugget, LLC, formerly known as  
19 Ameristar Lake Charles, LLC, formerly  
20 known at Creative Casinos of Louisiana,  
21 LLC, on February 17th, 2011, and as  
22 amended from time to time thereafter,  
23 are hereby amended to read in their  
24 entirety as set forth in the proposed  
25 Statement of Conditions acknowledged and

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1 agreed to by the licensee and its parent  
2 company, Golden Nugget, Incorporated.

3 Be it resolved that all remaining  
4 conditions set forth in the original  
5 conditions imposed upon the license of  
6 Golden Nugget Lake Charles, LLC,  
7 formerly known as Ameristar Casino Lake  
8 Charles, formerly known as Creative  
9 Casinos of Lake Charles, LLC, on

10 February 17th, 2011, as amended from  
11 time to time thereafter, are hereby  
12 consolidated, modified and updated into  
13 the proposed Statement of Conditions  
14 acknowledged and agreed to by the  
15 licensee and its parent company, Golden  
16 Nugget, Incorporated.

17 Be it resolved that the proposed  
18 Statement of Conditions as acknowledged  
19 and agreed to by the licensee and its  
20 parent company, Golden Nugget,  
21 Incorporated, a copy of which is  
22 attached hereto and made a part hereof,  
23 be and is hereby approved and imposed on  
24 the riverboat gaming license of Golden  
25 Nugget Lake Charles, LLC, as a condition

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1 of licensing.

2 Thus done in Baton Rouge, Louisiana,  
3 this 20th day of August 2015.

4 THE CLERK: Mr. Bradford?

5 MR. BRADFORD: Yes.

6 THE CLERK: Mr. Stipe?

7 MR. STIPE: Yes.

8 THE CLERK: Mr. Singleton?

9 MR. SINGLETON: Yes.

10 THE CLERK: Miss Noonan?

11 MS. NOONAN: Yes.

12 THE CLERK: Major Mercer?

13 MAJOR MERCER: Yes.  
14 THE CLERK: Mr. Jackson?  
15 MR. JACKSON: Yes.  
16 THE CLERK: Mr. Gaston?  
17 MR. GASTON: Yes.  
18 THE CLERK: Miss Berry?  
19 MS. BERRY: Yes.  
20 THE CLERK: Chairman Jones?  
21 CHAIRMAN JONES: Yes, and the  
22 resolution is adopted.

23 Mr. West, would you convey to  
24 associate counsel our thanks. I know  
25 that there was some back and forth on

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1 this in working with Miss Moore and our  
2 staff and some differences of opinion  
3 that got worked out, so we appreciate  
4 you meeting us half way.

5 MR. WEST: He sends his thanks, as  
6 well.

7 CHAIRMAN JONES: Very good. Thank  
8 you. Thank you, Miss Moore.

9 MS. MOORE: Thank you.

## 10 VII. VIDEO GAMING ISSUES

11 A. Consideration of the following truckstop  
12 applications:

13 1. Longwood Holdings, LLC, d/b/a Longwood  
14 General Store & Truckstop - No. 0900516375  
15 (transfer of interest)

16 CHAIRMAN JONES: We move to Video  
17 Gaming Issues: Consideration of the  
18 following truckstop applications. The  
19 first is a transfer of interest on your  
20 agenda: Longwood Holdings, LLC, doing  
21 business as Longwood General Store &  
22 Truckstop, No. 0900516375.

23 Good morning, gentlemen.

24 MR. PITRE: Good morning, Chairman,  
25 Board Members. I'm Assistant Attorney

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1 General Earl Pitre, Jr., here in the  
2 matter of the transfer of 10 percent  
3 membership interest in the licensee,  
4 Longwood Holdings, LLC, doing business  
5 as Longwood General Store and Truckstop.

6 Longwood Holdings, LLC, doing  
7 business as Longwood General Store and  
8 Truckstop, holds a Type 5 video gaming  
9 license and operates a truckstop  
10 facility at 3504 North Highway 169 in  
11 Mooringsport, Louisiana, in Caddo  
12 Parish.

13 On May 1st, 2015, John Jurewicz  
14 transferred all of his ten percent  
15 membership interest in the licensee to  
16 John Turner and William Windham, each  
17 receiving 5 percent. Due to this  
18 transfer, the membership interest in the

19 licensee will be as follows: John  
20 Turner with 50 percent, William Windham  
21 50 percent.

22 Criminal Investigator Glenn Verrett  
23 conducted an investigation of the  
24 transfer of membership interest. He is  
25 present to present his findings to the

35

1 Board.

2 INVESTIGATOR VERRETT: Good morning,  
3 Mr. Chairman, Board Members.

4 CHAIRMAN JONES: Morning.

5 INVESTIGATOR VERRETT: I'm  
6 Investigator Glenn Verrett, State Police  
7 Gaming. I investigated the transfer of  
8 the 10 percent of the membership  
9 interest in the licensee and found no  
10 information that would preclude the  
11 continuing license of Longwood Holdings  
12 doing business as Longwood General Store  
13 and Truckstop.

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

18 CHAIRMAN JONES: Any questions for  
19 the Attorney General or State Police?

20 There are no questions. Do I have a  
21 motion to approve the transfer of



22 interest by Mr. Bradford, a second by  
23 Mr. Singleton. All in favor?  
24 [Collective "aye."] The transfer is  
25 approved.

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1 2. Wormile2, LLC, D/B/A Pot O'Gold - No.  
2 6000517262 (new application)

3 CHAIRMAN JONES: We now move to the  
4 second video poker issue. It's  
5 Wormile2, LLC, doing business at Pot  
6 O'Gold, No. 6000517262. This is a new  
7 application.

8 Good morning.

9 MS. HOOD: Good morning. Chairman  
10 Jones, Members of the Board, I'm  
11 Assistant Attorney General Heather Hood  
12 present this morning in the matter of  
13 the original application of Wormile2  
14 doing business as Pot O' Gold. They're  
15 applying for approval of a Type 5 video  
16 draw poker gaming license.

17 The truckstop facility is located in  
18 Webster Parish. Wormile2 leases the  
19 property that makes up the truckstop  
20 facility from Wally's Truck Stop, Inc.

21 James E. Worthey, Jr., is the sole  
22 member. Wally's Truck Stop operates the  
23 convenience store and fuel facility  
24 business. Kenneth Wayne Avery doing

25 business as Avery's Catering-Cajun Bees

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1 operates the restaurant business.

2 Criminal investigator Glenn Verrett  
3 and Trooper James Cannon inspected the  
4 truckstop facility and conducted  
5 suitability investigations of the  
6 associated persons. Criminal  
7 Investigator Glenn Verrett is present  
8 this morning to report his findings to  
9 the Board.

10 INVESTIGATOR VERRETT: Good morning  
11 again, sir. James Worthey, Jr., and  
12 wife, Kelli Worthey, submitted to  
13 suitability investigations in connection  
14 with other video poker licenses. We  
15 conducted an on-site inspection and  
16 determined the establishment meets all  
17 criteria set forth in video gaming law  
18 as a qualified truckstop. They had all  
19 the required license and permits. They  
20 were all posted and valid at the time of  
21 the inspection.

22 The establishment consists of at  
23 least five continuous acres,  
24 specifically 5.35 acres.

25 I found no information to preclude

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1 the issuance of a Type 5 video draw

2 poker gaming license for Wormile2, LLC,  
3 or to preclude James E. Worthey, Jr.,  
4 his wife, Kelli, from continuing to  
5 participate in the gaming industry.

6 MS. HOOD: Our review of the  
7 Division's file indicates that no  
8 information has been found to preclude  
9 the issuance of a Type 5 license to  
10 Wormile2, LLC, doing business as Pot  
11 O'Gold.

12 CHAIRMAN JONES: Board, do we have  
13 any questions for the Attorney General's  
14 Office or State Police?

15 MR. STIPE: I do have one.

16 CHAIRMAN JONES: Yes, sir.

17 MR. STIPE: Are there actually any  
18 playgrounds, residential properties,  
19 churches within a mile.

20 MS. HOOD: There are; but Cajun  
21 surrendered their license, and they are  
22 applying within 36 months so they are  
23 within --

24 MR. STIPE: And part of the process  
25 is local notice?

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1 MS. HOOD: Yes, sir. That's been  
2 done.

3 MR. STIPE: And no opposition to it,  
4 I suppose?

5 MS. HOOD: No, sir.

6 CHAIRMAN JONES: All right. Any  
7 other questions? There are no  
8 questions. Do I have a motion to  
9 approve the application and issue the  
10 license?

11 MS. NOONAN: I'll move.

12 CHAIRMAN JONES: Miss Noonan, and  
13 Mr. Bradford. All in favor?  
14 [Collective "aye."] The motion carries.  
15 We'll approve the application and issue  
16 the license. Thank you.

17 MS. HOOD: Thank you.

18 VIII. RULEMAKING

19 CHAIRMAN JONES: Next item on your  
20 agenda is Rulemaking, which we are going  
21 to postpone until next month's meeting.

22 IX. CONSIDERATION OF PROPOSED SETTLEMENTS

23 1. In Re: BBS Concepts, LLC, d/b/a Stir  
24 Lounge - No. 2600117144 (proposed  
25 settlement)

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1 CHAIRMAN JONES: So we'll advance to  
2 Consideration of Proposed Settlements.  
3 First up is in regard to BBS Concepts,  
4 LLC, doing business as Stir Lounge.  
5 That's No. 2600117144. It's a proposed  
6 settlement.

7 Good morning.

8 MR. LEWIS: Good morning. Good  
9 morning, Chairman Jones, Members of the  
10 Board. I'm Assistant Attorney General  
11 Kanick Lewis, Jr., here representing the  
12 Office of State Police in the matter of  
13 BBS Concepts.

14 BBS Concepts doing business as Stir  
15 Lounge is a Type 1 licensed  
16 establishment located at 4450 Wabash  
17 Street in Metairie, Louisiana. The  
18 Division, in conjunction with the  
19 Department of Health and Hospitals, has  
20 developed an online training video  
21 training program to assist licensees in  
22 identifying and providing information to  
23 patrons that may be suffering from a  
24 gambling addiction.

25 On February 9th, 2015, the licensee

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1 received the advisory notice informing  
2 them of the requirement to view the  
3 training video within ten days of  
4 receiving the notice. The licensee did  
5 not view the training video until  
6 July 17th, 2015, which is beyond the  
7 required deadline.

8 The licensee failed to timely review  
9 the required training video which is a  
10 violation of gaming law, and in lieu of

11 administrative action of its gaming  
12 license, BBS Concepts will pay a civil  
13 penalty of \$500 for violating gaming  
14 law. Hearing Officer Reynolds has  
15 signed the joint compromise and  
16 settlement agreement, and we're here  
17 today seeking the Board's approval.

18 And I'd be happy to answer any  
19 questions you may have at this time.

20 CHAIRMAN JONES: Any questions for  
21 the Attorney General, Board?

22 MR. SINGLETON: Move approval.

23 CHAIRMAN JONES: We have a motion by  
24 Mr. Singleton --

25 MR. JACKSON: Second.

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1 CHAIRMAN JONES: -- second by  
2 Mr. Jackson. All in favor? [Collective  
3 "aye."] The motion carries. The  
4 settlement is approved.

5 2. In Re: Meme's Hideaway, LLC, d/b/a Meme's  
6 Hideaway - No. 5501117073 (proposed settlement)

7 CHAIRMAN JONES: Next up in regard  
8 to Meme's Hideaway, LLC, doing business  
9 as Meme's Hideaway, No. 5501117073.  
10 It's is proposed settlement.

11 MR. LEWIS: Good morning again,  
12 Assistant Attorney General Kanick Lewis,  
13 Jr., representing the Office of State

14 Police.  
15 Meme's Hideaway, LLC, doing business  
16 as Meme's Hideaway, is a Type 1 licensed  
17 establishment located at 124 North  
18 Hollywood Road in Houma, Louisiana.  
19 The Division, in conjunction with  
20 the Department of Health and Hospitals,  
21 has developed an online training video  
22 program to assist licensees in  
23 identifying and providing information  
24 from patrons that may be suffering from  
25 a gambling addiction.

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1 On August 12th, 2014, the licensee  
2 received the advisory notice informing  
3 them of the requirement to view the  
4 training video within ten days of  
5 receiving the notice. The licensee did  
6 not view the training video until  
7 June 29th, 2015, which is beyond the  
8 required deadline.

9 The licensee failed to timely view  
10 the training video which is a violation  
11 of gaming law. In lieu of  
12 administrative action on its gaming  
13 license, Meme's will pay a civil penalty  
14 of \$500 for violating gaming law.  
15 Hearing Officer Reynolds has signed the  
16 joint compromise and settlement

17 agreement, and we're here today seeking  
18 the Board's approval.

19 At this time, I'd be happy to answer  
20 any questions you may have.

21 CHAIRMAN JONES: Board Members, any  
22 questions? There are no question.

23 MR. JACKSON: Motion to approve.

24 CHAIRMAN JONES: By Mr. Jackson,  
25 second by Miss Berry. All in favor?

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1 [Collective "aye."] Motion carries.

2 The settlement is approved.

3 3. In Re: Cindy & Joseph, LLC, d/b/a August Moon  
4 Restaurant - No. 3601217107 (proposed  
5 settlement)

6 CHAIRMAN JONES: Next up in regard  
7 to Cindy & Joseph, LLC, doing business  
8 as August Moon Restaurant. That's No.  
9 3601217107.

10 Good morning.

11 MR. HEBERT: Good morning, Chairman,  
12 Members of the Board, Christopher  
13 Hebert, Assistant Attorney General,  
14 representing the Louisiana Office of  
15 State Police.

16 Cindy & Joseph, LLC, doing business  
17 as August Moon Restaurant, is a Type 2  
18 licensed establishment located at 3635  
19 Prytania Street in New Orleans,



20 Louisiana.

21 The Division, in conjunction with  
22 the Department of Health and Hospitals,  
23 has developed an online video training  
24 program to assist licensees in  
25 identifying and providing information to

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1 patrons that may be suffering from a  
2 gambling addiction. On December 22nd,  
3 2014, the licensee received the advisory  
4 notice informing them of the requirement  
5 to review the training video within ten  
6 days of receiving the notice. The  
7 licensee did not view the training video  
8 until July 16th, 2015, which is beyond  
9 the required deadline.

10 The licensee failed to timely view  
11 the required training video which is a  
12 violation of gaming law. In lieu of  
13 administrative action against its gaming  
14 license, the licensee will pay a civil  
15 penalty of \$500. Hearing Officer  
16 Reynolds has signed the joint compromise  
17 and settlement agreement, and we're here  
18 today seeking the Board's approval.

19 And I'd be happy to answer any  
20 questions that you might have.

21 CHAIRMAN JONES: Board Members, are  
22 there any questions? There are no

23 questions. Do I have a motion?

24 MS. NOONAN: I'll motion.

25 CHAIRMAN JONES: By Miss Noonan --

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1 MR. JACKSON: Second.

2 CHAIRMAN JONES: -- second by

3 Mr. Gaston. All in favor? [Collective

4 "aye."] Opposed? [No response.] The

5 motion carries. The settlement has been

6 approved.

7 4. In Re: Badon Enterprises, Inc., d/b/a Cankton

8 Country Bar - No. 4900117099 (proposed

9 settlement)

10 CHAIRMAN JONES: Finally up in

11 regard to Badon Enterprises, Inc., doing

12 business as Cankton Country Bar, No.

13 4900117099, a proposed settlement.

14 MR. HEBERT: Chairman, Members of

15 the Board, Christopher Hebert Assistant

16 Attorney General representing the

17 Louisiana Office of State Police.

18 Badon Enterprises doing business as

19 Cankton Country Bar is a Type 1 licensed

20 establishment located at 126 Billeaux

21 Road in Carencro, Louisiana.

22 The Division, in conjunction with

23 Department of Health and Hospitals, has

24 developed an online video training

25 program to assist the licensees in

1 identifying and providing information to  
2 patrons that may be suffering from a  
3 gambling addiction.

4 On October 6th, 2014, the licensee  
5 received the advisory notice informing  
6 them of the requirement to view the  
7 training video within ten days of  
8 receiving the notice. The licensee did  
9 not view the training video until  
10 July 1st, 2015, which is beyond the  
11 required deadline.

12 The licensee failed to timely view  
13 the required training video, which is a  
14 violation of gaming law. In lieu of  
15 administrative action, the licensee will  
16 pay a civil penalty of \$500 for its  
17 violation of gaming law. Hearing  
18 Officer Reynolds has signed this joint  
19 compromise and settlement agreement, and  
20 we're here today seeking the Board's  
21 approval.

22 CHAIRMAN JONES: Board, any  
23 questions for the Attorney General's  
24 Office? The board appears to be clear.  
25 Do I have a motion? By Mr. Bradford,

1 second by Major Mercer. All in favor?  
2 [Collective "aye."] Opposed? [No

3 response.] The motion carries. The  
4 settlement has been approved.

5 MR. HEBERT: Thank you.

6 CHAIRMAN JONES: Thank you very  
7 much.

8 X. ADJOURNMENT

9 CHAIRMAN JONES: I know everyone is  
10 greatly disappointed, but there is no  
11 further business before the Board this  
12 morning. I'll entertain a motion to  
13 adjourn by Mr. Singleton and  
14 Mr. Jackson. All in favor? [Collective  
15 "aye."] Opposed? [No response.] We'll  
16 stand adjourned. .

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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

20

21

22

23

24 SHELLEY PAROLA

Certified Court Reporter #96001

25 Registered Professional Reporter

50

1 STATE OF LOUISIANA

2 PARISH OF EAST BATON ROUGE

3 I, Shelley G. Parola, Certified Court

4 Reporter and Registered Professional Reporter, do

5 hereby certify that the foregoing is a true and

6 correct transcript of the proceedings given under

7 oath in the preceding matter on August 20, 2015,

8 as taken by me in Stenographic machine shorthand,  
9 complemented with magnetic tape recording, and  
10 thereafter reduced to transcript, to the best of  
11 my ability 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 11th day of  
20 September, 2015.

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23

\_\_\_\_\_

SHELLEY G. PAROLA, CCR, RPR

CERTIFICATE NO. 96001

24