

Control Board, Louisiana Gaming, (Pages 1:1 to 53:24)

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2 LOUISIANA GAMING CONTROL BOARD

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4 BOARD OF DIRECTORS' MEETING

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9 THURSDAY, MARCH 21, 2019

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11 House Committee Room 1

12 Louisiana State Capitol

13 900 North Third Street

14 Baton Rouge, Louisiana

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18 TIME: 10:00 A.M.

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2

1 APPEARANCES

2

3

4 RONNIE JONES

Chairman (At Large)

5 June 30, 2019

6

7

MARK STIPE

8 (Attorney)

Seventh Congressional District

9 June 30, 2020

10

11

JAMES SINGLETON

12 (Public/Business Administration)

Second Congressional District

13 June 30, 2020

14

15 JULIE BERRY

(CPA)

16 Third Congressional District

June 30, 2024

17

18

19 ELTON LAGASSE

(At Large)

20 First Congressional District

June 30, 2021

21

22

23 HARRY AVANT

(At Large)

24 Fourth Congressional District

June 30, 2024

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1 APPEARANCES CONTINUED

2

3 CLAUDE D. JACKSON

(At Large)

4 Fourth Congressional District

June 30, 2021

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6

7 MAJOR CHUCK MCNEIL

Louisiana State Police

8

9 MICHAEL LEGENDRE

Louisiana Department of Revenue

10

11 LANA TRAMONTE

Executive Assistant

12

13 TRUDY SMITH

Confidential Assistant

14

15 REPORTED BY:

16 SHELLEY G. PAROLA, CSR, RPR

Baton Rouge Court Reporters

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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 role.

7 MS. TRAMONTE: Chairman Jones?

8 CHAIRMAN JONES: Here.

9 MS. TRAMONTE: Mr. Stipe?

10 MR. STIPE: Here.

11 MS. TRAMONTE: Mr. Singleton?

12 MR. SINGLETON: Here.

13 MS. TRAMONTE: Miss Berry?

14 MS. BERRY: Here.

15 MS. TRAMONTE: Mr. Patrick? [No
16 response.]

17 Mr. Lagasse?

18 MR. LAGASSE: Yes, ma'am.

19 MS. TRAMONTE: Mr. Avant?

20 MR. AVANT: Here.

21 MS. TRAMONTE: Mr. Jackson?

22 MR. JACKSON: Here.

23 MS. TRAMONTE: Colonel Reeves?

24 MAJOR MCNEIL: Major McNeil for
25 Colonel Reeves.

1 MS. TRAMONTE: Secretary Robinson?

2 MR. LEGENDRE: Michael Legendre here

3 for Secretary Robinson.

4 CHAIRMAN JONES: Thank you. We have
5 a quorum. We may conduct business.

6 II. PUBLIC COMMENTS

7 CHAIRMAN JONES: Opportunity for
8 public comment for anything on the
9 agenda if anyone wants to make any
10 public comment? [No response.]

11 III. APPROVAL OF MINUTES

12 CHAIRMAN JONES: Okay, we'll move to
13 Approval of the Minutes. Do I have a
14 motion to waive reading and approve the
15 minutes? Miss Berry.

16 MR. AVANT: Second.

17 CHAIRMAN JONES: Mr. Avant.
18 Any objection? [No response.]

19 Without objection, the motion
20 carries.

21 IV. REVENUE REPORTS

22 CHAIRMAN JONES: We'll now call for
23 Revenue Reports.

24 MS. JACKSON: Good morning --

25 CHAIRMAN JONES: Good morning.

9

1 MS. JACKSON: -- Chairman Jones and
2 Board Members. My name is Donna Jackson
3 with Louisiana State Police Gaming
4 Enforcement Division.

5 The 15 operating riverboats

6 generated Adjusted Gross Receipts of
7 \$149,772,450 in February. This total
8 represents an increase of almost
9 \$13 million or 9 percent from last
10 month, but a decrease of \$7.6 million or
11 5 percent from last February.

12 Adjusted Gross Receipts for fiscal
13 year 2018-2019 to date are
14 \$1,224,000,000, a decrease of almost \$22
15 million or 2 percent from fiscal year
16 2017-2018.

17 During February, the State collected
18 fees totaling \$32,201,077. As of
19 February 28th, 2019, the State collected
20 \$263 million in fees for fiscal year
21 2018-2019.

22 Next is a summary of the February
23 2019 gaming activity for Harrah's New
24 Orleans found on page three. During
25 February, Harrah's generated \$22,445,368

10

1 in gross gaming revenue, a decrease of
2 1.5 percent from last month, and a
3 decrease of \$1.2 million or 5 percent
4 from last February. Revenues for fiscal
5 year 2018-2019 to date are \$190 million,
6 an increase of \$3.2 million or 2 percent
7 from fiscal year 2017-2018.

8 During February, the State received

9 \$4,602,740 in minimum daily payments.

10 As of February 28th, 2019, the State
11 collected \$40 million in fees for fiscal
12 year 2018-2019.

13 Next I will present the revenues for
14 Slots at the Racetracks. During
15 February, the four racetrack facilities
16 combined generated Adjusted Gross
17 Receipts of \$29,457,225, an increase of
18 \$1.6 million or 5.6 percent from last
19 month, and an increase from February
20 2018 of 2 percent.

21 Adjusted Gross Receipts for fiscal
22 2018-2019 to date \$229 million, an
23 increase of \$4.5 million or 2 percent
24 from fiscal year 2017-2018.

25 During February, the State collected

11

1 \$4.5 million in fees. As of
2 February 28th, 2019, the State has
3 collected \$34.8 million in fees for
4 fiscal year 2018-2019.

5 Overall in February, Riverboats,
6 Landbased and Slots at the Racetracks
7 combined generated \$201.7 million in AGR
8 and \$41 million in state fees. These
9 revenues represent a decrease from
10 February 2018 of \$8.3 million or 4
11 percent.

12 Are there any questions before I
13 present the Harrah's employee
14 information?

15 CHAIRMAN JONES: Board Members, any
16 questions on those figures? [No
17 response.]

18 There are no questions.

19 MS. JACKSON: Harrah's New Orleans
20 is required to maintain at least 2,400
21 employees and a bi-weekly payroll of
22 \$1,750,835. This report covers pay
23 periods in February 2019.

24 For the first pay period, the
25 Division verified 2,566 employees with a

12

1 payroll of \$2,218,000. For the second
2 pay period, the Division verified 2,553
3 employees with a payroll of \$2,224,000.
4 Therefore, Harrah's met the employment
5 criteria during February.

6 CHAIRMAN JONES: Questions, Board
7 Members? [No response.]

8 There are no questions.

9 MS. JACKSON: Thank you.

10 CHAIRMAN JONES: We'll now hear
11 video poker. Good morning.

12 MR. BOSSIER: Good morning, Chairman
13 Jones and Board Members. My name is Jim
14 Bossier with the Louisiana State Police

15 Gaming Enforcement Division here to
16 report video gaming statistics for
17 February 2019 as shown on page one of
18 your handout.

19 Nineteen new video gaming licenses
20 were issued during February: Twelve
21 bars, five restaurants, one truckstop
22 and one device owner's. Nine new
23 applications were received by the Gaming
24 Enforcement Division during February and
25 are currently pending in the field:

13

1 Four bars, one restaurant and four
2 truckstops.

3 The Gaming Enforcement Division
4 assessed \$2,000 and collected \$5,972 in
5 fines during February, and there are
6 currently \$2,000 in outstanding fines.

7 Please refer to page two of your
8 handout.

9 There are presently 13,109 video
10 gaming devices activated at 1,677
11 locations.

12 Net device revenue for February 2019
13 was \$51.7 million, a \$2.5 million, or
14 5.1 percent, increase when compared to
15 January 2019 and a \$1.6 million
16 increase, or 3.2 percent when compared
17 to February 2018.

18 Net device revenue so far for fiscal
19 year 2019 is \$392.6 million, an
20 \$18.5 million, or 5 percent, increase
21 when compared to fiscal year 2018. Page
22 three of your handout shows a comparison
23 of net device revenue.

24 Total franchise fees collected for
25 February 2019, were \$15.5 million, a

14

1 \$800,000 increase when compared to
2 January 2019 and a \$500,000 increase
3 when compared to February 2018. Total
4 franchise fees collected for fiscal year
5 2019 are \$117.6 million, a \$5.5 million
6 increase, or 4.9 percent, when compared
7 to fiscal year 2018. Page four of your
8 handout shows a comparison of franchise
9 fees.

10 Does anybody have any questions?

11 CHAIRMAN JONES: Any questions,
12 Board Members? [No response.]

13 There are no questions. Thank you,

14 Jim.

15 MR. BOSSIER: Thank you.

16 V. PRESENTATION BY JANET MILLER, EXECUTIVE
17 DIRECTOR OF THE LOUISIANA ASSOCIATION ON
18 COMPULSIVE GAMBLING

19 CHAIRMAN JONES: Those of you who
20 follow our business regularly know that

21 every March is declared Problem Gambling
22 Awareness Month, and as we always
23 welcome Janet Miller, we welcome her
24 back this morning to talk a little bit
25 about -- about what she and her

15

1 colleagues do, what is a very important
2 issue in this state. It's important to
3 us. Louisiana was a leader when it
4 began and continues to lead the way.
5 There are things we can continue to
6 learn, what other states are doing, but
7 Janet and I have, I think, a very good
8 relationship. She knows that the Board
9 and I are supportive of what she does,
10 and we welcome her back today.

11 Good morning.

12 MS. MILLER: Thank you. Good
13 morning, Chairman, and good morning,
14 Board Members.

15 I appreciate you giving me a few
16 minutes of your time during this board
17 meeting to present on Problem Gambling
18 Awareness Month which is this year a new
19 slogan that the National Council on
20 Problem Gambling came up with, which was
21 awareness plus action this year. It has
22 been -- had the conversation in the last
23 seven years. It's been a grass roots

24 movement for the last 15 years, and
25 Louisiana is one in the forefront of

16

1 many things that we do. In fact, we
2 have the only state that has as many
3 mayors that are onboard doing
4 proclamations in your packet. We have
5 other mayors' proclamations for Problem
6 Gambling Awareness Month that are not in
7 your packet. They just weren't sent to
8 me before I traveled down here.

9 And so I just want you to know that
10 we are, again, leading the nation in
11 different things, and one of the things
12 that we recently did last week was we
13 moved our problem gambler helpline
14 location and our outpatient services to
15 be more able to access for parking and
16 security and different measures. And so
17 we've been at the location the last 20
18 years, so it's a huge move.

19 In fact, if you remember Reese
20 Middleton, my predecessor -- I had a
21 conversation with him a couple days ago,
22 and I said, you didn't want to do this
23 ten years ago. And he goes, they were
24 right. I hate change; I hate moving.
25 But he wanted me to tell all of you

17

1 hello and many of the people behind me
2 as well.

3 And so you in this past fiscal
4 year -- and what I look at each time I
5 present at this time is how many phone
6 calls have come in and what's going on
7 and the flavor of the state with
8 gambling and the nation and try to bring
9 you the most up-to-date information from
10 our area of expertise. And certainly in
11 the last year, we've treated over 200
12 residents of Louisiana for problem
13 gambling. It may not seem like a lot.
14 Except if it's one of your family
15 members or friends, it's huge. And so
16 we continue to provide residential
17 services in Shreveport, Louisiana, for
18 anyone in Louisiana at no cost. That is
19 beside the thousand or so people that
20 we're treating around the state at
21 different offices for problem gambling.

22 The other thing that I wanted to
23 point out, in the last year, we've had
24 an increase of problem gambling calls in
25 the sense of suicide calls on that line,

18

1 and so we've actively addressed over 600
2 suicide callers. We also answer a
3 suicide prevention line, but on the

4 specific Louisiana Problem Gamblers'
5 helpline, we're having more suicide
6 callers who are actively in the process
7 of a completion of that or in the
8 seriousness of having to call 911 and
9 have the authorities involved.

10 And so along with that, it's
11 apparent to me that as we continue to
12 progress in our state to bring
13 responsible gaming and having
14 entertainment and fun, there are a
15 percentage of our people that are not,
16 but struggling, and having problems.
17 And so my goal is not to present, as we
18 aren't, as an organization that we are
19 against gambling because we're not. My
20 goal is to bring help and hope to people
21 who have a problem or are addicted to
22 gambling to provide that services [sic]
23 for them, because I believe in Louisiana
24 we're going to take care of our own and
25 as we should.

19

1 And so in the past year, as many of
2 you know, we have been looking at the
3 flavor of sports betting coming into
4 Louisiana and what that might provide to
5 different people.

6 In fact, when I was checking into my

7 hotel, a young man was talking to me
8 about a problem that he had with sports
9 betting, and that he was concerned about
10 it becoming legal. And I talked to him
11 about what he can do and the services he
12 has actually right here in Baton Rouge
13 and different things, and he didn't even
14 know about that. And I said, and that's
15 why we're here, and we're going to get
16 that out to you.

17 But it's sometimes lost in the
18 weeds, I think, that people don't know
19 that people do become addicted to sports
20 betting and sports wagering, and also it
21 may be a part of their whole package of
22 what they play and what they become
23 addicted to, as well as video poker.

24 Sometimes we forget that video poker and
25 slots and blackjack are kind of the game

20

1 of choice in Louisiana, actually,
2 because we've run the numbers and the
3 demographics from our helpline and from
4 treatment resources.

5 And so I trust as we go forward --
6 because we're also working with the
7 Attorney General's Office. Mr. Landry
8 and his staff are excellent in doing
9 this through the Gaming Division under

10 the leadership of Mr. Hebert and Ms.
11 Bourgeois, is that we are looking at
12 bringing a problem gambling court to
13 Louisiana. We recently went out to Las
14 Vegas who launched one in November. And
15 they have just two people in that
16 program, but we know that through the
17 drug court systems that we could do a
18 specialty court for this in Louisiana.

19 What I'd love to do is be the one right
20 behind Nevada who's doing that.

21 But I want to be clear that also I
22 do trust -- as I present to you about
23 different things that are going on, that
24 I trust that all the board members have
25 a clear understanding of how the

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1 problem, in compulsive gambling fund, is
2 having money into it. And then I
3 believe from everything that I
4 researched -- and I've met with people
5 and talked to the nation -- national
6 different problem gambling
7 associations -- is that sports betting
8 and video poker need to provide
9 financial support going forward to our
10 help services, to the problem and
11 compulsive gambling fund. And so I just
12 trust that the board members know how

13 that whole fund is taken care of. Going
14 forward, we would take responsibility by
15 those two means of gambling.

16 Thank you, sir, and thank you for
17 your time. And I gave you a packet of
18 some information. And I am available by
19 way of my email to you which is the
20 easiest way to contact me, and certainly
21 obviously if you call the 1-877 number,
22 I'll answer, and they will get ahold of
23 me as well.

24 So thank you for all that you do for
25 Louisiana in allowing us to do what we

22

1 need to do on this side of it for our
2 residents. Thank you.

3 CHAIRMAN JONES: We thank you for
4 coming Janet, and I think you know where
5 I stand on the issue. I mean, we
6 recently had a property that came before
7 the Board. There was an administrative
8 fine associated with their failure to
9 properly engage someone who was on the
10 self-exclusion list, and it was a fairly
11 substantial fine. And my comments that
12 morning were very direct to the point,
13 that, you know, the State has a
14 responsibility.

15 You know, we derive, you know,

16 tremendous entertainment options for the
17 gaming industry in this state and derive
18 an awful lot of revenue for the State,
19 but with that comes a responsibility.
20 And I thank -- and I credit the
21 legislature, because at the very outset,
22 they saw that, you know, if we legalize
23 these forms of gambling in the state,
24 the State has a responsibility to look
25 after those people who are vulnerable to

23

1 addictive behaviors.

2 I don't think the State can ever do
3 too much in this area. I've said
4 publicly and I'll say it again that if,
5 in fact, sports betting is introduced in
6 this session -- and I think it will
7 be -- that I've expressed a desire that
8 some of that revenue be earmarked for
9 compulsive gambling treatment, and I
10 think that's important. I've made that
11 known to Senator Martiny who is likely
12 going to introduce the bill. And I hope
13 that finds support in the legislature.
14 I think it's important. I think it's
15 our responsibility. We should not be
16 reaping the revenues without putting
17 aside money to treat people who have a
18 problem in this area.

19 So we thank you for what you do.
20 It's very important to the citizens.
21 It's great work, many times thankless;
22 but I know people who have the problem,
23 and they've told me how special the
24 treatment they've gotten has been in
25 improving their lives. And that makes

24

1 it every day worthwhile.

2 MS. MILLER: Right. And, again, as
3 many of you know -- and if you don't --
4 is that I think it's that working
5 together of all of us, from the
6 industry, to us, to the State Police, to
7 the Attorney General's Office, to the
8 Gaming Control Board, to all the
9 entities, that's unlike most states that
10 I speak to. And there are 36 other
11 states with councils like the Louisiana
12 Association on Compulsive Gambling, and
13 they do not work together that well.
14 And so as the Lottery has participated
15 in more events this past year, as well
16 problem gambling awareness initiatives
17 the last some years, that we just want
18 to make sure that everybody who's kind
19 of in the game is a part of being
20 responsible, while they're in the game,
21 with the residents here.

22 So thank you again for everything
23 that you do because I know that's a
24 thankless job, too, probably.

25 CHAIRMAN JONES: Board Members, did

25

1 you have any questions, comments before
2 we move on? [No response.]

3 Thank you, Janet. We appreciate you
4 being here.

5 VI. CONSIDERATION OF CONTRACT WITH COURT REPORTER

6 CHAIRMAN JONES: We will now move to
7 our annual consideration of the contract
8 with the court reporter. This is our
9 annual task of authorizing the
10 engagement of a contract. We're
11 required by law to provide a record of
12 our proceedings, and video's not always
13 available because we're not always at
14 the capitol, so the official record of
15 the Board is through a transcript. And
16 we have done it every year, and we would
17 ask for a motion to approve the contract
18 for this year.

19 MR. LAGASSE: I move.

20 MR. JACKSON: Second.

21 CHAIRMAN JONES: Any objection? [No
22 response.]

23 Without objection, the motion
24 carries.

25 VII. CASINO GAMING ISSUES

26

1 A. Consideration of Application for Shelf
2 Approval of Debt Transactions by Gaming
3 and Leisure Properties, Inc.

4 CHAIRMAN JONES: We now move to
5 Casino Gaming Issues, Consideration of
6 Application for Shelf Approval of Debt
7 Transactions by Gaming and Leisure
8 Properties, Inc.

9 Good morning.

10 MS. MOORE: Chairman Jones, Members
11 of the Board, I'm Assistant Attorney
12 General Charmaine Moore, and with me
13 here today is Trnessia Ware, our auditor
14 for the Corporate Securities Section of
15 State Police. Also here today is Mr.
16 Steve Snyder, the CFO of the GLPI, to
17 answer any questions you may have of the
18 company.

19 Section 2525 of Title 42 allows
20 publicly traded companies to file for
21 shelf approval which relieves them of
22 the requirement of having all debt
23 transactions preapproved by the Board.
24 Notification and submission of loan
25 documents, however, is still required.

27

1 The approved time period cannot exceed

2 three years.

3 GLPI is a publicly traded company
4 and is the parent company of one
5 Louisiana licensee, Louisiana Casino
6 Cruises, Inc., doing business as
7 Hollywood Casino Baton Rouge. It is
8 also the owner and lessor of real
9 property utilized by five other
10 Louisiana riverboat licensees, those
11 being the four Pinnacle/Penn boats and
12 the Belle of Baton Rouge which is owned
13 by Eldorado.

14 GLPI is seeking approval of a
15 \$7 billion shelf over three years.

16 Audit has reviewed the petitioner's
17 financial status to determine whether
18 shelf approval is appropriate.

19 MS. WARE: Good morning, Chairman
20 Jones and Members of the Board.

21 CHAIRMAN JONES: Morning.

22 MS. WARE: My name is Trnessia Ware
23 with Louisiana State Police Corporate
24 Securities Audit.

25 Paul West, local counsel for Gaming

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1 and Leisure Properties, Inc., submitted
2 an application for shelf approval to the
3 Board on October 29th, 2018, seeking
4 shelf approval of debt transactions up

5 to \$7 billion for a period of three
6 years. GLPI anticipates using proceeds
7 for any indebtedness for repayment or
8 refinancing of outstanding debt,
9 acquisition of income producing real
10 estate and general corporate purposes
11 including working capital.

12 According to GLPI's December 31st,
13 2018, Form 10-K, GLPI's business
14 consists primarily of acquiring,
15 financing and owning real estate
16 property that it leases to gaming
17 operation [sic] under triple net leases.

18 The majority of GLPI's earnings are the
19 result of the rental revenues GLPI
20 receives from the triple net master
21 lease with Penn, Boyd and Eldorado.

22 GLPI's long-term debt schedule is
23 shown on page 12 of your report. At
24 December 31st, 2018, GLPI's aggregated
25 long-term debt approximated \$5.9

29

1 billion. At December 31st, 2018, GLPI's
2 credit facility had an outstanding
3 balance of \$927 million consisting of a
4 \$525 million Term Loan A1 Facility.
5 Additionally, GLPI was contingently
6 obligated for .4 million under two
7 letters of credit resulting in \$772.6

8 million borrowing capacity as of
9 December 31st, 2018. As stated on page
10 16 of your report, GLPI recorded a
11 goodwill impairment charge of
12 \$59.5 million in connection with its
13 operations at Hollywood Casino Baton
14 Rouge. This impairment was driven by a
15 decline in the Baton Rouge general
16 market and the smoking ban. GLPI
17 projects sufficient cash flows from
18 operations to maintain its debt.

19 In conclusion, no financial issues
20 came to our attention to preclude the
21 Board's approval of GLPI's shelf
22 application.

23 Are there any questions?

24 CHAIRMAN JONES: Board Members, any
25 questions for the Attorney General's

30

1 Office or State Police this morning?

2 [No response.]

3 I think we'll hear from GLPI. There
4 are no questions. Thank you.

5 Morning, have a seat and introduce
6 yourselves.

7 MR. WEST: Good morning, Mr.
8 Chairman and Board Members. My name is
9 Paul West. I'm local counsel for GLPI,
10 and with me is Steve Snyder, who is the

11 Chief Financial Officer for GLPI.

12 MR. SNYDER: Mr. Chairman, Members
13 of the Board, thank you for giving us
14 the opportunity to be heard this
15 morning. I just want to highlight a few
16 things. With me today, we also have our
17 operations team representing Hollywood
18 Casino here in Baton Rouge, our
19 Vice-President of Regional Operations,
20 Matt Heiskell, and our Vice-President
21 and General Manager of the Hollywood
22 Casino Baton Rouge, Jeannie Magdefrau.

23 We are here this morning seeking the
24 approval of the Board for the shelf
25 registration for additional indebtedness

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1 of the company. Right now as we speak
2 today there are no immediate needs of
3 the company for this indebtedness. Our
4 next cash flow requirement is a note
5 that matures in November of 2020, so
6 this is clearly preemptive and making
7 sure that we as a company have the
8 liquidity necessary for us to continue
9 to grow our business as a landlord of
10 casino facilities around the United
11 States.

12 So with that as an overview, to the
13 degree there are any questions of the

14 members of the board with respect to the
15 application or with respect to Gaming
16 and Leisure Properties, I'd be glad to
17 be a resource to answer those questions
18 this morning.

19 CHAIRMAN JONES: Board Members, any
20 questions either with respect to the
21 shelf request or with respect to the
22 property -- the casino? [No response.]

23 The board is clear, gentlemen.

24 MR. WEST: Thank you very much.

25 CHAIRMAN JONES: Do I have a motion

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1 to adopt the Resolution?

2 Miss Berry and second by Mr. Stipe.

3 Miss Tramonte, would you read the
4 Resolution into the record, please.

5 MS. TRAMONTE: On the 21st day of
6 March 2019, the Louisiana Gaming Control
7 Board did, in a duly noticed public
8 meeting, consider the Application for
9 Shelf Approval filed by Gaming and
10 Leisure Properties, Incorporated, and
11 upon motion duly made and second, the
12 Board adopted the following Resolution:

13 Be it resolved that Gaming and
14 Leisure Properties, Incorporated's,
15 Application for Shelf Approval be and is
16 hereby approved subject to the following

17 conditions -- terms and conditions:
18 Number one, for a period of three
19 years beginning March 21st, 2019, Gaming
20 and Leisure Properties, Incorporated, is
21 granted approval pursuant to LAC
22 42:III.2525 to enter into debt
23 transactions not to exceed -- as defined
24 in LAC 42:III.2522 not to exceed a
25 cumulative total of \$7 billion. For

33

1 purposes of this shelf approval, the
2 cumulative total of \$7 billion shall
3 include debt currently existing or
4 approved in earlier debt transactions.

5 Two, within ten days of consummation
6 of a debt transaction, including
7 amendments and modification of existing
8 debt transactions, Gaming and Leisure
9 Properties, Incorporated, shall provide
10 a term sheet or executive summary of the
11 debt transaction and an executed copy of
12 the documents evidencing the debt
13 transaction to the Louisiana State
14 Police Gaming Enforcement Division Audit
15 Section Corporate Securities Unit.

16 Three, this shelf approval may be
17 rescinded by the Chairman of the Board
18 upon issuance of a written notice of
19 rescission setting forth the reasons

20 therefore. The rescissions shall remain
21 in effect until lifted by the Board upon
22 such terms as is satisfactory to the
23 Board.

24 Four, this shelf approval shall
25 expire on March 21st, 2022.

34

1 It is hereby further resolved that
2 the Chairman of the Louisiana Gaming
3 Control Board be delegated the authority
4 to issue a written rescission of the
5 shelf approval in accordance with LAC
6 42:III.2525.E and as provided
7 hereinabove.

8 Thus done and signed in Baton Rouge,
9 Louisiana, this 21st day of March 2019.

10 Mr. Stipe?

11 MR. STIPE: Yes.

12 MS. TRAMONTE: Mr. Singleton?

13 MR. SINGLETON: Yes.

14 MS. TRAMONTE: Miss Berry?

15 MS. BERRY: Yes.

16 MS. TRAMONTE: Mr. Lagasse.

17 MR. LAGASSE: Yes.

18 MS. TRAMONTE: Mr. Avant?

19 MR. AVANT: Yes.

20 MS. TRAMONTE: Mr. Jackson?

21 MR. JACKSON: Yes.

22 MS. TRAMONTE: Chairman Jones?

23 CHAIRMAN JONES: Yes.
24 And the Resolution is adopted. The
25 motion carries. Thank you.

35

1 VIII. VIDEO GAMING ISSUE

2 A. Consideration of the following new
3 truckstop application:

4 1. Port Allen Ventures, LLC, d/b/a Cajun
5 Circus Travel Plaza & Casino - No.
6 6100517807

7 CHAIRMAN JONES: We now move to
8 Video Gaming Issues. First up is,
9 Consideration of the following new
10 truckstop application for Port Allen
11 Ventures, LLC, doing business as Cajun
12 Circus Travel Plaza & Casino, No.
13 6100517807.

14 Morning, Matthew.

15 MR. MEEK: Good morning, Chairman
16 Jones, Members of the Board. I'm
17 appearing in front of the Board in the
18 matter of the original application of
19 the Port Allen Ventures, LLC, doing
20 business as Cajun Circus Travel Plaza &
21 Casino, applying for approval of a Type
22 5 video draw poker gaming license.

23 The establishment is located in West
24 Baton Rouge Parish.

25 On December 19th, 2018, the

1 following transactions occurred.
2 Harlan's, LLC, who previously held a
3 video gaming license for the truckstop,
4 sold the business and the business
5 assets to the applicant and sold all of
6 the rights, title and interest in the
7 immovable property and improvements of
8 the truckstop facility to the applicant.
9 The members of the applicant are
10 follows: Gregory J. Barro has a 50
11 membership interest, and Karen A. Barro
12 has a 50 percent membership interest.

13 Investigator William Landry
14 conducted suitability investigations of
15 the relevant persons associated with the
16 application and conducted an on-site
17 inspection of the truckstop facility.
18 He is here this morning to report the
19 Office of State Police's findings to the
20 Board.

21 TROOPER LANDRY: Good morning,
22 Chairman Jones, good morning, Board
23 Members, Investigator William Landry
24 with Louisiana State Police Gaming
25 Enforcement Division. I conducted the

1 updated suitability check on Gregory and
2 Karen Barro who had previously met

3 suitability under various video gaming
4 license licenses. I found no
5 information that would preclude them
6 from participating in the video -- in
7 the gaming industry.

8 I also conducted a suitability
9 investigation on Deven B. Carriere,
10 regional manager for the applicant. I
11 found no information that would preclude
12 him from participating in the gaming
13 industry.

14 An on-site inspection was conducted,
15 and it was determined that the
16 establishment has met all the
17 requirements and criteria set forth in
18 the video gaming laws as a qualified
19 truckstop facility.

20 All required licenses and permits
21 were posted and valid at the time of
22 inspection.

23 The establishment does consist of
24 5.66 acres.

25 Port Allen Ventures purchased the

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1 facility that was originally licensed
2 August 15th of 2002; therefore, they are
3 not subject to the rule that they must
4 be one mile from a school, church,
5 playground, synagogue, public library,

6 resident and building on the National
7 Historic Registry.

8 I found no information that would
9 preclude the issuance of a Type 5
10 license to Port Allen Ventures, LLC,
11 doing business as Cajun Circus Travel
12 Plaza & Casino.

13 MR. MEEK: The Office of the
14 Attorney General has reviewed the file
15 compiled as a result of the
16 investigation conducted by the Office of
17 State Police. Our review indicates that
18 no information has been found which
19 would preclude approval.

20 CHAIRMAN JONES: Board Members, do
21 we have any questions for the Attorney
22 General or State Police? [No response.]
23 The board is clear.

24 Do I have a motion to approve the
25 application, issue the license?

39

1 Mr. Avant and Mr. Singleton.

2 Any objection? [No response.]

3 Without objection, the license shall
4 be issued. Thank you.

5 MR. MEEK: Thank you.

6 IX. RULEMAKING

7 A. Consideration of final adoption for the
8 following:

- 9 1. Amendments to LAC 42:III.2115.B (Tax Clearances
10 Required of an Applicant for a Gaming Employee
11 Permit)
12 2. Amendments to LAC 42:III.2325.H (Compliance,
13 Inspections, and Investigations)
14 3. Amendments to LAC 42:III.3305.G (Surveillance
15 and Division Room Requirements)

16 CHAIRMAN JONES: We'll now move to
17 Rulemaking. We're going to take three
18 items in globo. They are as enumerated
19 on the official agenda, one being with
20 tax clearances required for gaming
21 employee permit, second dealing with
22 compliance, inspections, investigations,
23 and the third dealing with surveillance
24 and division room requirements.

25 Good morning.

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1 MS. HIMEL: Good morning, Chairman
2 Jones, Members of the Board. I'm
3 Assistant General Dawn Himel to present
4 these matters.

5 At its November 15th, 2018 meeting,
6 the Board voted to institute
7 promulgation procedures for these rules.
8 Following that, our office caused
9 Notices of Intent to be published in the
10 Louisiana Register directing all
11 individuals with questions or comments

12 to contact Assistant Attorney General
13 Earl Pitre at our office. He reported
14 that no comments were received during
15 the public comment period.

16 As part of the promulgation process,
17 reports were submitted to the oversight
18 committees. The first reports detailed
19 the substance of the proposed rules, and
20 the second reports inform the committees
21 that no comments were made by the
22 public.

23 The oversight committees were given
24 30 days in which to call hearings to
25 satisfy any concerns they might have had

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1 with regards to the rules. As no
2 hearings were called, the default action
3 of the committees is to approve the
4 proposed rules.

5 If the Board has no questions, a
6 motion to adopt the rules is needed.

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

9 There are no questions. We'll take
10 -- entertain a motion.

11 Miss Berry and Mr. Stipe.

12 Any objection? [No response.]

13 Without objection, the motion
14 carries.

15 MS. HIMEL: Thank you.

16 CHAIRMAN JONES: Thank you very
17 much.

18 X. CONSIDERATION OF PROPOSED SETTLEMENTS AND

19 APPEAL:

20 1. In Re: McKinley's Pub, LLC, d/b/a
21 McKinley's - No. 2600117016 proposed
22 settlement)

23 CHAIRMAN JONES: We now move to
24 consideration of proposed settlements
25 and an appeal. We'll deal first --

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1 dispatch the settlements with regard to
2 McKinley's Pub, LLC, doing business as
3 McKinley's, No. 2600117016.

4 Good morning.

5 MR. GATHE: Good morning, Chairman
6 Jones, Board Members, I'm Assistant
7 Attorney General Jeremy Gathe here in
8 the matter of the settlement of
9 McKinley's Pub, LLC, doing business as
10 McKinley's, which holds a Type 1 video
11 draw poker gaming license.

12 This settlement addresses the late
13 submission of annual forms and fees that
14 are required to be submitted to the
15 Division no later than July 1st of each
16 year. The licensee did not submit the
17 annual forms and fees until

18 January 25th, 2019, which gave rise to a
19 violation of gaming law. The civil
20 penalty contained in this settlement is
21 \$750 which is an amount well established
22 for violations of this type.

23 The settlement has been signed by
24 the hearing officer and is now before
25 the Board for final approval.

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1 At this time, I'll be happy to
2 answer any questions that you may have.

3 CHAIRMAN JONES: Board Members, any
4 questions with respect to McKinley's?

5 [No response.]

6 There are no questions. Do I have a
7 motion? Mr. Jackson. Second?
8 Mr. Avant.

9 Any objection? [No response.]

10 Without objection, the settlement is
11 approved.

12 MR. GATHE: Thank you.

13 2. In Re: A & D Gaming, LLC, d/b/a A & D Gaming,
14 LLC - No. 5000614006 (proposed settlement)

15 CHAIRMAN JONES: Next up is in
16 regard to A & D Gaming, LLC, doing
17 business as A & D Gaming, LLC, No.
18 5000614006.

19 Good morning.

20 MR. PICOU: Good morning, Chairman

21 Jones, Board Members. Assistant
22 Attorney General Charlie Picou here in
23 the matter of the settlement of A & D
24 Gaming, LLC, doing business as A & D
25 Gaming, LLC, which holds a Type 6 video

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1 draw poker gaming license.

2 This settlement addresses the
3 licensee's failure to timely notify the
4 Division of a change in membership
5 interest which is required to be made
6 ten days after the transfer occurred.
7 The licensee also failed to timely
8 submit suitability documents and the
9 annual forms and fees.

10 Part of the transfer, Chet Angelle
11 and Terry Dauphine each held 50 percent
12 the membership interest in the licensee.
13 And on or about July 10th, 2017,
14 Mr. Angelle and Dauphine sold their
15 membership interest to Danny Gerard
16 Green who now own -- holds 100 percent
17 of the membership interest in the
18 licensee.

19 Prior to -- or upon acquiring that
20 membership interest, Dan Gerard Green
21 and his wife, Tammy Green, were required
22 to submit to suitability; however, the
23 licensee did not notify the Division of

24 the change in membership until January
25 25th, 2019, which gave rise to

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1 violations of gaming law.

2 The suitability documents for Danny
3 Gerard Green and his wife, Tammy Green,
4 were submitted with notification on
5 January 25th, 2019, and no information
6 was found that would preclude them from
7 participating in the gaming industry.

8 This settlement also addresses the
9 licensee's late submission of annual
10 forms and fees, which were required to
11 be made no later than July 1st of each
12 year. The licensee submitted the annual
13 forms and fees on January 25th, 2019.
14 The civil penalty contained in the
15 settlement was \$2,250 which is an amount
16 consistent with the penalty schedule and
17 with other violations of this type.

18 The settlement has been approved by
19 the hearing officer and is now before
20 the Board for final approval.

21 CHAIRMAN JONES: Very good.

22 Board Members, any questions? [No
23 response.]

24 There are no questions. Do I have a
25 motion? Mr. Singleton and Mr. Avant.

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1 Any objection? [No response.]

2 Without objection, the settlement is
3 approved.

4 3. In Re: Porks Up Marrero, LLC, d/b/a Shane's
5 Rib Shack - No. 2600216496 (proposed
6 settlement)

7 CHAIRMAN JONES: We now move to
8 Porks Up Marrero, LLC, doing business as
9 Shane's Rib Shack, No. 2600216469.

10 MR. PICOU: Morning again, Chairman
11 Jones, Board Members, still Assistant
12 Attorney General Charlie Picou here in
13 the matter of Porks Up Marrero, LLC,
14 doing business as Shane's Rib Shack
15 which holds a Type 2 video draw poker
16 gaming license. This settlement
17 addresses the late submission of annual
18 forms and fees which were required to be
19 submitted no later than July 1st of each
20 year; however, the licensee did not
21 submit their annual forms and fees until
22 about February 7th, 2019, which gave
23 rise to a violation of gaming law.

24 The civil penalty contained in the
25 settlement is \$750, an amount well

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1 established for violations of this type.

2 The settlement has been approved by the
3 hearing officer and is now before the

4 Board for final approval.

5 CHAIRMAN JONES: Board Members, any
6 questions with regards to Shane's Rib
7 Shack? [No response.]

8 There are no questions. Do I have a
9 motion? Miss Berry, Mr. Lagasse.

10 Any objection? [No response.]

11 Without objection, the settlement is
12 approved.

13 4. In Re: TK's Sports Bar, LLC, d/b/a TK's Sports
14 Bar - No. 2903116000 (appeal)

15 CHAIRMAN JONES: We now move to an
16 appeal on our docket. It's in regard to
17 TK's Sports Bar, LLC, doing business as
18 TK's Sports Bar, No. 2903116000.

19 Do we have a representative here
20 from the Sport's Bar? Good morning.

21 MR. JAMES: Good morning, Chairman
22 Jones and Board Members, I'm Assistant
23 Attorney General Elroy James present
24 before the Board in the matter of TK's
25 Sports Bar -- TK's Sports Bar, LLC,

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1 doing business as TK's Sports Bar.

2 This matter comes before you as a
3 result of an appeal by the licensee from
4 a decision of the hearing officer for
5 the late submission of annual forms and
6 fees. The licensee failed to submit its

7 annual licensee forms and fees by the
8 required due date of July 1. This Type
9 1 licensee did submit their completed
10 annual form and fees packet -- did not
11 complete the annual form and fees packet
12 until September 25th, 2018. Under
13 gaming law a licensee is required to
14 submit their completed annual form and
15 fees by July 1 of each year.

16 If their annual form and fees are
17 filed late, gaming law provides that
18 administrative action in the form of a
19 civil penalty or revocation may be
20 taken. In lieu of revocation, Hearing
21 Officer Reynolds ordered the licensee to
22 pay a civil penalty in an amount of
23 \$750, which is well established for
24 violations of this type.

25 During the hearing dated

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1 December 18th, 2018, the licensee
2 presented as evidence a money order
3 dated May 17th, 2018. This evidence did
4 not show that the completed annual form
5 and fees were filed by the July 1
6 required due date. At best, the
7 evidence showed that the money order was
8 purchased by the licensee on or about
9 May 17th, 2018. During the hearing, the

10 licensee did not present any evidence to
11 show that their completed annual form
12 and fees was filed by the required due
13 date of July 1.

14 During the hearing, the Division
15 presented evidence to show that the
16 licensee submitted an incomplete packet
17 of annual form and fees on September 14,
18 2018. It was rejected and returned to
19 the licensee by the Division. The
20 completed packet was not filed by the
21 licensee until September 25th, 2018.
22 Both the September 14th, 2018, and
23 September 25th, 2018, submissions were
24 submitted well beyond the July 1
25 required due date.

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1 For these reasons, the Division
2 respectfully requests that this
3 Honorable Board affirm Hearing Officer
4 Reynolds' decision and his finding that
5 TK's Sports, LLC, doing business as TK's
6 Sports Bar, failed to timely submit its
7 annual required forms and fees and also
8 affirm the decision and order to pay a
9 civil penalty in the amount of \$750.

10 At this time, I'm happy to answer
11 any questions that you may have.

12 CHAIRMAN JONES: Any questions for

13 the Attorney General's Office? [No
14 response.]

15 And once again, no representative
16 from the appellant here? [No response.]
17 None at all.

18 Do I have a motion?

19 MR. JACKSON: Motion to affirm the
20 hearing officer.

21 CHAIRMAN JONES: I have a motion to
22 affirm. Do I have a second?

23 Miss Berry.

24 Any objection? [No response.]

25 Without objection, the motion

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1 carries, so ordered. Thank you.

2 MR. JAMES: Thank you.

3 CHAIRMAN JONES: Just as a reminder,
4 the legislature will soon come into
5 session, and we will be displaced
6 temporarily to the LaSalle Building
7 which means that we will transition from
8 Thursday meetings to Monday meetings.
9 Our next meeting will be on Monday,
10 April the 15th, at the LaSalle Building.

11 XI. ADJOURNMENT

12 CHAIRMAN JONES: Do I have a motion
13 to adjourn?

14 MR. LAGASSE: So moved.

15 CHAIRMAN JONES: So moved.

16 MR. JACKSON: Second.

17 CHAIRMAN JONES: Without objection,
18 we will stand adjourned. Watch out for
19 the traffic, folks.

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1 REPORTER'S PAGE

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

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

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22

23

24 SHELLEY PAROLA

 Certified Court Reporter #96001

25 Registered Professional Reporter

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1 STATE OF LOUISIANA

2 PARISH OF EAST BATON ROUGE

3 I, Shelley G. Parola, Certified Court

4 Reporter and Registered Professional Reporter, do

5 hereby certify that the foregoing is a true and

6 correct transcript of the proceedings on March

7 21st, 2019, 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 16th day of

19 April, 2019.

20

21

22

SHELLEY G. PAROLA, CCR, RPR

CERTIFICATE NO. 96001

23

24