

LGCB - Board of Directors' Meeting 5-15-17, (Pages 1:1 to 44:24)

1:1 LOUISIANA GAMING LOUISIANA CONTROL BOARD

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4 BOARD OF DIRECTORS' MEETING

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9 MONDAY, MAY 15, 2017

10

11 LaSalle Building

12 LaBelle Hearing Room

13 617 North Third Street

14 Baton Rouge, Louisiana

15

16

17

18 TIME: 10:00 A.M.

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22

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2

1 APPEARANCES

2

RONNIE JONES

3 Chairman (At Large)

Third Congressional District

4 June 30, 2019

5 FRANKLIN AYRES BRADFORD

(Economic Planner)

6 Fifth Congressional District

June 30, 2019

7

8 MARK STIPE

(Attorney)

9 Seventh Congressional District

June 30, 2020

10

11 JAMES SINGLETON

(Public/Business Administration)

12 Second Congressional District

June 30, 2020

13

14 CLAUDE D. JACKSON

(At large)

15 Fourth Congressional District

June 30, 2018

16

17 ROBERT W. GASTON, III

(At Large)

18 Sixth Congressional District

June 30, 2021

19

20 JULIE BERRY

(CPA)

21 Third Congressional District

June 30, 2018

22

23 WANDA L. THERIOT

(At large)

24 First Congressional District

June 30, 2020

25

3

1 APPEARANCES CONTINUED

2

3 Lieutenant Colonel Mike Noel

Ex-Officio Board Member

4 Louisiana State Police

5

6 MICHAEL LEGENDRE

Office of Charitable Gaming

7 Director

8

9 LANA TRAMONTE

Executive Assistant

10

11 TRUDY SMITH

Confidential Assistant

12

13 REPORTED BY:

14 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 it's really loud. Even I can hear it.
4 Welcome to the May iteration of the
5 Louisiana Gaming Control Board.
6 Miss Tramonte, would you call the
7 roll.

8 THE CLERK: Chairman Jones?

9 CHAIRMAN JONES: Here.

10 THE CLERK: Mr. Bradford?

11 MR. BRADFORD: Here.

12 THE CLERK: Mr. Stipe?

13 MR. STIPE: Here.

14 THE CLERK: Mr. Singleton?

15 MR. SINGLETON: Here.

16 THE CLERK: Mr. Jackson?

17 MR. JACKSON: Here.

18 THE CLERK: Mr. Gaston?

19 MR. GASTON: Here.

20 THE CLERK: Miss Berry?

21 MS. BERRY: Here.

22 THE CLERK: Miss Theriot?

23 MS. THERIOT: Here.

24 THE CLERK: Mr. Patrick?

25 MR. PATRICK: Here.

7

1 THE CLERK: Colonel Reeves?

2 LIEUTENANT COLONEL NOEL: Lieutenant

3 Colonel Noel.

4 THE CLERK: Secretary Robinson?

5 MR. LEGENDRE: Michael Legendre here

6 for Secretary Robinson.

7 II. PUBLIC COMMENTS

8 CHAIRMAN JONES: We have a quorum.

9 We may conduct business. At this time,

10 I'd ask anyone who wants to make a

11 comment from the audience on any matter

12 on the agenda to come forward. It's

13 you're opportunity.

14 MR. GASTON: Mr. Chairman.

15 CHAIRMAN JONES: Yes, sir.

16 MR. GASTON: I wanted to say

17 congratulations.

18 CHAIRMAN JONES: We're proud of

19 former Major and now Lieutenant Colonel

20 Mike Noel. I'm glad he's with us.

21 There are no other public comments.

22 III. APPROVAL OF THE MINUTES

23 CHAIRMAN JONES: We move to the

24 approval of the minutes. Do I have a

25 motion to waive reading and approve the

1 minutes?

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

3 CHAIRMAN JONES: And a second?

4 MS. BERRY: Second.

5 CHAIRMAN JONES: We have a second.

6 Without objection, the motion

7 carries.

8 IV. REVENUE REPORTS

9 CHAIRMAN JONES: We will now call
10 revenue. Good morning.

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

15 The 15 operating riverboats
16 generated Adjusted Gross Receipts of
17 \$165,753,116 in April. This total
18 represents a decrease of \$14 million or
19 8 percent from last month, but an
20 increase of \$1.6 million or 1 percent
21 from last April.

22 Adjusted Gross Receipts for fiscal
23 year 2016-2017 to date are
24 \$1,612,000,000, a decrease of
25 \$5.3 million or .3 percent from fiscal

1 year 2015-2016.

2 During April, the State collected

3 fees totaling \$35,636,920. As of
4 April 30th, 2017, the State collected
5 over \$346 million in fees for fiscal
6 year 2016-2017, a decrease of \$1 million
7 from last fiscal year.

8 Next is a summary of the April 2017
9 gaming activity for Harrah's New Orleans
10 found on page three. During April,
11 Harrah's generated \$35,081,136 in gross
12 gaming revenue, an increase of
13 \$13 million or 61 percent from last
14 month, and an increase of \$10.5 million
15 or 43 percent from last April.

16 Fiscal year-to-date gaming revenues
17 for 2016-2017 are \$234 million, down
18 almost \$17 million or 7 percent from
19 fiscal year 2015-2016.

20 During April, the State received
21 \$4,931,507 in minimum daily payments.

22 As of April 30th, 2017, the State has
23 collected almost \$50 million in fees for
24 fiscal year 2016-2017.

25 Next I'll present the revenue for

10

1 Slots at the Racetracks found on page
2 four. During April, the four racetrack
3 facilities combined generated Adjusted
4 Gross Receipts of \$28,876,005, a
5 decrease of \$4 million or 12.7 percent

6 from last month, and a decrease from
7 April 2016 of \$1 million or 3.6 percent.

8 Adjusted Gross Receipts for fiscal
9 year 2016-2017 to date are almost
10 \$286 million, a decrease of \$10 million
11 or 3 percent from fiscal year 2015-2016.

12 During April, the State collected
13 4,380,490 in fees. As of April 30th,
14 2017, the State has collected
15 \$43 million in fees for fiscal year
16 2016-2017.

17 Overall in April, Riverboats
18 Landbased and Slots at the Racetracks
19 combined generated \$230 million in AGR
20 and \$45 million in state fees. These
21 revenues represent an increase from
22 April 2016 of 5 percent.

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

11

1 CHAIRMAN JONES: Board Members, any
2 questions on those numbers? There are
3 no questions.

4 MS. JACKSON: Harrah's New Orleans
5 is required to maintain at least 2,400
6 employees and a bi-weekly payroll of
7 \$1,750,835. This report covers pay
8 periods in April 2017.

9 For the first pay period, the
10 Division verified 2,595 employees with a
11 payroll of \$2,172,000. For the second
12 pay period, the Division verified 2,597
13 employees with a payroll of \$2,175,000.
14 Therefore, Harrah's met the employment
15 criteria during April.

16 CHAIRMAN JONES: Questions, Board
17 Members? There are no questions. Thank
18 you.

19 Jim.

20 MR. BOSSIER: Good morning, Chairman
21 Jones and Board Members. My name is Jim
22 Bossier with the Louisiana State Police
23 Gaming Enforcement Division here to
24 report video gaming statistics for
25 April 2017 as shown on page one of your

12

1 handout.

2 Fifteen new video gaming licenses
3 were issued during April: Eleven bars,
4 three restaurants and one truckstop.

5 Eight new applications were received
6 by the Gaming Enforcement Division
7 during April and are currently pending
8 in the field: Four bars and four
9 restaurants.

10 The Gaming Enforcement Division
11 assessed \$3,000 and collected \$13,900 in

12 fines during April, and there are
13 currently \$2,750 in outstanding fines.

14 Please refer to page two of your
15 handout.

16 There are presently 13,151 [sic]
17 video gaming devices activated at 1,783
18 locations. Net device revenue for
19 April 2017 was \$49.1 million, a
20 \$7.4 million decrease, or 13.1 percent,
21 when compared to March 2017, and a \$1.3
22 million decrease, or 2.5 percent, when
23 compared to April 2016.

24 Net device revenue so far for fiscal
25 year 2017 is \$480.8 million, a

13

1 \$6.3 million decrease, or 1.3 percent,
2 when compared to fiscal year 2016. Page
3 three of your handout shows a comparison
4 of net device revenue.

5 Total franchise fees collected
6 during April 2017 were \$14.7 million, a
7 \$2.3 million decrease when compared to
8 March 2017, and a \$400,000 decrease when
9 compared to April 2016.

10 Total franchise fees collected for
11 fiscal year 2017 are \$144.2 million, a
12 \$1.6 million decrease, or 1.1 percent,
13 when compared to fiscal year 2016. Page
14 four of your handout shows a comparison

15 of franchise fees.

16 Does anybody have any questions?

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

19 MR. BOSSIER: Thank you.

20 CHAIRMAN JONES: Thank you, Jim.

21 V. COMPLIANCE REPORTS

22 CHAIRMAN JONES: Miss Brown, would
23 you like to come up and talk to us about
24 compliance reports? Good morning.

25 MS. BROWN: Good morning, Chairman

14

1 Jones, Board Members. I'm Mesa Brown,
2 Assistant Attorney General. Today I'll
3 present the staff reports on riverboat
4 and racetrack casinos licensees'
5 compliance with employment and
6 procurement conditions for the first
7 quarter of 2017.

8 I'll begin with the riverboats. The
9 first quarter reports were taken from
10 figures reported by the 15 operating
11 riverboats to the Louisiana Gaming
12 Control Board. In the first quarter of
13 2017, approximately 13,630 people were
14 employed by the riverboat industry. Of
15 that number, 13,349 were Louisiana
16 residents; 8,479 were minorities, and
17 7,747 were women.

18 Six licensees achieved total
19 compliance this quarter, and they are:
20 Golden Nugget, L'Auberge Casino & Hotel
21 Baton Rouge, Boomtown New Orleans, Belle
22 of Baton Rouge Casino, Isle of Capri
23 Casino Lake Charles, and L'Auberge Lake
24 Charles.

25 Next I'll address employment. Five

15

1 licensees did not meet their total
2 employment goals. They are DiamondJacks
3 Casino and Resort who achieved 422 out
4 of a goal of 650; Hollywood achieved 406
5 out of a goal of 450; Amelia Belle
6 achieved 322 out of 325; Boomtown Casino
7 Bossier achieved 523 out of 650, and
8 Eldorado Resort Shreveport achieved
9 1,093 out of 1,200.

10 All licensees either met or exceeded
11 their goals in all of the subcategories
12 under the main category of employment
13 with the exception of Treasure Chest who
14 failed to meet its female employment
15 goal. It achieved 49.5 out of a goal of
16 an 51.86.

17 Next I'll address procurement. The
18 licensees are grouped according to three
19 subcategories which appear in your
20 report. They are Louisiana, minority

21 and female procurement. Under Louisiana
22 procurement, two licensees did not
23 achieve compliance with their voluntary
24 conditions. Those licensees are Amelia
25 Belle, who achieved 78.2 out of a goal

16

1 of 80 percent and Margaritaville Resort
2 Casino who achieved 79.4 out of a goal
3 of 90 percent.

4 With minority procurement, five
5 licensees did not achieve compliance
6 with their voluntary conditions, and
7 they are: DiamondJacks, who achieved
8 9.1 out of 10 percent; Sam's Town
9 achieved 11.3 out of 25; Horseshoe
10 achieved 24.3 out of 35; Treasure Chest
11 achieved 7.3 out of 15, and Eldorado
12 achieved 18.4 out of 25 percent.

13 With female procurement, all
14 licensees either met or exceeded their
15 female procurement goals this quarter.

16 Are there any questions regarding
17 the riverboats?

18 CHAIRMAN JONES: I would just point
19 out, Miss Brown, for the benefit of our
20 new Board Members, that of the -- with
21 respect to employment, there are four
22 properties that have four consecutive
23 quarters of noncompliance, and I just

24 want to let the rest of the Board know
25 that I've met with three of the four

17

1 general managers. I mean, this is
2 something that I pay attention to, and
3 they pay attention to it. We're always
4 going to pay attention to it. It's
5 about economic development.

6 There's one property I haven't met
7 with the GM on this particular problem,
8 and I want to let you know that we're
9 monitoring this.

10 Were there any questions on
11 riverboats from the Board? There are no
12 questions.

13 MS. BROWN: Okay. Thank you.

14 Now, I'll begin with racetrack. In
15 the first quarter of 2017, approximately
16 1,436 people were employed by the
17 racetrack casino industry. Of this
18 number, 1,186 were Louisiana residents,
19 742 were minorities and 829 were women.

20 Two racetrack casinos achieved total
21 compliance this quarter, and they are
22 Evangeline Downs & Fairgrounds. Delta
23 Downs did not achieve its Louisiana
24 employment condition. It achieved 61.9
25 out of the 80 percent condition, and

18

1 Louisiana Downs did not achieve its
2 female employment condition. It
3 achieved 50.5 out of 60 percent.

4 Are there any questions regarding
5 the racetracks?

6 CHAIRMAN JONES: Any questions on
7 the track? There are no questions.

8 MR. GASTON: Miss Brown?

9 MS. BROWN: Yes.

10 MR. GASTON: It appears some of
11 those who didn't make the goal were very
12 close; would that be correct?

13 MS. BROWN: That's correct. That is
14 correct.

15 CHAIRMAN JONES: Any other
16 questions? There are no other
17 questions. Thank you, Mesa.

18 MS. BROWN: Thank you.

19 VI. VIDEO POKER ISSUES

20 A. Consideration of the following new
21 truckstop application:

22 1. S & I Investment, LLC, d/b/a Diamond
23 Jubilee - No. 3601517512

24 CHAIRMAN JONES: We'll now move to
25 Video Poker Issues. First up we have

19

1 Consideration of the application of the
2 following new truckstop, and that's
3 S & I Investment, LLC, doing business as

4 Diamond Jubilee, No. 3601517512.

5 Good morning.

6 MR. PICOU: Morning, Chairman Jones,
7 Board Members. I'm Assistant Attorney
8 General Charlie Picou. Here with me is
9 Master Trooper James Cannon of Louisiana
10 State Police. We are present before the
11 Board today in the matter of the
12 original application of S & I
13 Investment, LLC, doing business as
14 Diamond Jubilee, applying for approval
15 of a Type 5 video draw poker gaming
16 license.

17 The truckstop facility is located at
18 15202 Chef Menteur Highway, New Orleans,
19 in Orleans Parish.

20 On December 28th, 2016, S & I
21 Investment, LLC, purchased the business
22 known and operated as Diamond Jubilee,
23 the goodwill, all of the inventory of
24 the convenience store and service
25 station, and all the assets from Madiha

20

1 Investment who previously held a gaming
2 license for the truckstop.

3 S & I Investment, LLC, leases the
4 parcels that comprises the immovable
5 property of the truckstop location from
6 Madiha Investment.

7 S & I Investment, LLC, also holds a
8 Type VI video draw poker gaming license
9 and is the device owner.

10 Currently, Shakeel Shamsuddin has a
11 51 percent membership interest in S & I
12 Investment, LLC, and Imran Hamani has
13 the remaining 49 percent.

14 Master Trooper James Cannon will now
15 present his findings to the Board.

16 MASTER TROOPER CANNON: Good
17 morning, Chairman, Members of the Board.
18 I conducted suitability investigations
19 and updated background checks on all
20 relevant persons associated with the
21 application. Shakeel Shamsuddin, Imran
22 Hamani and their respective spouses
23 previously submitted to suitability
24 investigations in connection with other
25 video poker licenses.

21

1 An on-site inspection was conducted,
2 and it was determined that the
3 establishment meets all criteria set
4 forth in video gaming law as a qualified
5 truckstop facility. All required
6 licenses and permits were posted and
7 valid at the time of the inspection.

8 The establishment consists of at
9 least five contiguous acres; that is,

10 approximately, 5.04 acres.

11 As the facility was licensed within
12 the past three years, it is not subject
13 to the rule that it must be one mile
14 from a school, church, playground
15 synagog, public library, residences and
16 buildings on the National Historic
17 Registry.

18 I found no information to preclude
19 the issuance of a Type 5 video draw
20 poker gaming license to S & I
21 Investment, LLC, doing business as
22 Diamond Jubilee, or to preclude Shakeel
23 Shamsuddin, Imran Hamani or their
24 spouses from continuing to participate
25 in the gaming industry.

22

1 MR. PICOU: The Office of the
2 Attorney General has reviewed the file
3 prepared by the Office of State Police,
4 and the information contained therein
5 does not preclude issuance of the Type 5
6 license.

7 CHAIRMAN JONES: Board, any
8 questions with respect to Diamond
9 Jubilee? Questions? Questions? [No
10 response.]

11 Do I have a motion to approve the
12 application and issue the license.

13 MR. SINGLETON: Move approval.

14 CHAIRMAN JONES: Mr. Singleton.

15 MR. JACKSON: Second.

16 CHAIRMAN JONES: And Mr. Jackson.

17 Any objection? [No response.]

18 Without objection, the motion

19 carries. The license is issued. Thank

20 you.

21 MR. PICOU: Thank you.

22 VII. CASINO GAMING ISSUES

23 A. Consideration of Certificate of Compliance

24 of the Alternate Riverboat Inspection of

25 the gaming vessel of Catfish Queen

23

1 Partnership in Commendam d/b/a Belle of

2 Baton Rouge - No. R011700009

3 CHAIRMAN JONES: Next up is Casino

4 Gaming Issues: Consideration of

5 Certificate of Compliance for the

6 Alternate Riverboat Inspection of the

7 gaming vessel Catfish Queen Partnership

8 in Commendam doing business as the Belle

9 of Baton Rouge, No. R011700009.

10 Good morning.

11 MR. LEWIS: Good morning.

12 MR. FRANCIC: Good morning.

13 MR. LEWIS: Chairman Jones, Board

14 Members, I'm Assistant Attorney General

15 Kanick Lewis, Jr., and with me is

16 Mr. John Francic of ABSC. We're here in
17 the matter of the issuance of the
18 renewal of the Certificate of Compliance
19 for Catfish Queen Partnership in
20 Commendam, Belle of Baton Rouge Casino,
21 and on March 7th, 2017, ABSC began the
22 inspection process for the renewal of
23 Belle of Baton Rouge Casino's
24 Certificate of Compliance.

25 Now, for more on this, I turn it

24

1 over to Mr. Francic.

2 MR. FRANCIC: Morning, Chairman,
3 Board Members, John Francic with ABS
4 Consulting here to report the annual
5 certification for the Belle of Baton
6 Rouge Casino.

7 The inspectors, Doug Chapman and
8 Pete Bullard, did, on March 7th, attend
9 the riverboat Argosy III to conduct the
10 annual inspection in accordance with the
11 alternate inspection program in the
12 State of Louisiana.

13 The inspectors reviewed fire
14 protection equipment, life-saving
15 equipment, egress routes, mooring system
16 and conducted a fire drill. The
17 deficiencies issued are noted on page
18 eight of your report.

19 A follow-up inspection was done on
20 April 13th, and two items remain
21 outstanding, the repairs to the fire
22 dampers and the fire rated interior
23 doors leading to the property latch.
24 After a report was issued, I believe the
25 fire dampers have been repaired, but we

25

1 haven't verified that they are repaired
2 as such, and the parts are still on
3 order for the doors.

4 So the 2017th annual inspection
5 required by the Louisiana Gaming Control
6 Board is not complete, and it is
7 recommended that the Belle be issued a
8 Certificate of Compliance until the next
9 Board meeting.

10 In addition to the certificate, the
11 gaming vessel requests from the Belle,
12 in a letter dated January 9th, 2017, to
13 ABS Consulting, asked to remove certain
14 equipment from inspection. A review of
15 that equipment was done during the
16 annual survey by the inspectors. In its
17 request it asked to remove the Stokes
18 basket, the rescue boat, navigation
19 equipment, steering routers, bow
20 thrusters, Z drives, fire hose
21 applicators, fire axes and life jackets.

22 We recommend approval to remove all
23 the -- from inspection all of the above
24 with the exception of the Stokes basket
25 which still can be useful to remove

26

1 patrons or crew members that have been
2 injured.

3 The propulsion and steering system,
4 with the exception of the bow thruster,
5 even though the vessel is permanently
6 moored, the vessel is moored outside a
7 barge in the river, and they currently
8 do not have an agreement with a tug
9 company to provide assistance during an
10 emergency. And finally, the life
11 jackets may become useful for passengers
12 and crew to evacuate safely if the
13 gateway (phonetic) should become
14 damaged.

15 With the manning variance in place,
16 the fire and rescue efforts will be
17 conducted by the Baton Rouge Fire
18 Department. Removal of the fire hoses,
19 fire axes and applicators and rescue
20 boat are not really needed as the fire
21 department would bring their own
22 equipment to the scene -- immediate
23 response to fires onboard with the use
24 of fire extinguishers and offense

25 systems onboard such as the sprinkler

27

1 system.

2 It is recommended by ABS Consulting
3 to approve the removal from inspection
4 of the above-mentioned equipment.

5 MR. LEWIS: We now present these
6 findings to the Board and request that
7 upon your accepting the report submitted
8 by ABSC, you will move for the renewal
9 of Belle of Baton Rouge Casino's
10 Certificate of Compliance until the next
11 Board meeting.

12 CHAIRMAN JONES: Mr. Francic, items
13 four and eight, I want to make sure
14 they're not life safety issues, correct?

15 MR. FRANCIC: Yes. The fire
16 dampers, because they're automatic, when
17 the actuator actually fails, that all
18 automatically closes so there's no way
19 of spreading fires so that becomes --
20 you know, it's not -- even though it's
21 not working, it's doing it's purpose so,
22 yes.

23 CHAIRMAN JONES: Okay. Board
24 Members, any questions?

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

28

1 CHAIRMAN JONES: There appear to be

2 no questions.

3 We have a motion to approve,

4 Mr. Patrick second.

5 Any objection? [No response.]

6 Without objection -- this is to issue a

7 temporary Certificate of Compliance

8 which will expire June 30th, 30 days

9 from now -- essentially 35. Without

10 objection the motion carries. Thank

11 you.

12 B. Consideration of Certificate of Compliance for

13 the Alternate Riverboat Inspection of the

14 gaming vessel of Bossier Casino Venture, Inc.,

15 d/b/a Margaritaville Resort Casino -

16 No. R011000841

17 CHAIRMAN JONES: Next up is:

18 Consideration of Certificate of

19 Compliance for the Alternate Riverboat

20 Inspection of the gaming vessel of

21 Bossier Casino Venture, Inc., doing

22 business as Margaritaville Resort

23 Casino, No. R011000841.

24 Gentlemen.

25 MR. LEWIS: Mr. Chairman, Board

29

1 Members, I'm Assistant Attorney General

2 Kanick Lewis, Jr., and with me is

3 Mr. John Francic of ABSC. We're here

4 today in the matter of the issuance of

5 the renewal of the Certificate of
6 Compliance to Bossier Casino Venture,
7 Inc., doing business as Margaritaville
8 Resort Casino.

9 On April 4th, 2017, ABSC began the
10 inspection process for the renewal of
11 Margaritaville's Certificate of
12 Compliance. For more on this, I now
13 turn the presentation over to
14 Mr. Francic.

15 MR. FRANCIC: Chairman and Board
16 Members, John Francic of ABS Consulting
17 here to report the annual certification
18 for Margaritaville Casino.

19 The inspectors, Pete Bullard and
20 Jeff Broyle, did, on April 4th, attend
21 the riverboat Margaritaville to conduct
22 the annual inspection in accordance with
23 the Alternate Inspection Program in the
24 State of Louisiana.

25 The inspectors reviewed fire

30

1 protection equipment, life-saving
2 equipment, egress routes and conducted a
3 fire drill, and there were no
4 deficiencies issued.

5 The 2017 annual survey as required
6 by the Louisiana Gaming Control Board is
7 complete and presents no safety concerns

8 to its patrons or employees onboard the
9 riverboat. It is the recommendation of
10 ABS Consulting that Margaritaville
11 Casino be issued a Certificate of
12 Compliance.

13 MR. LEWIS: We now present these
14 findings to the Board and request that
15 upon your accepting the report submitted
16 by ABSC, you will move for the renewal
17 of Margaritaville's Certificate of
18 Compliance.

19 CHAIRMAN JONES: Miss Berry.

20 MS. BERRY: I'd just like to commend
21 Margaritaville for not having any
22 deficiencies and maintaining their boat
23 in good shape. I think that's amazing.

24 CHAIRMAN JONES: Thank you.

25 Any questions? Mr. Jackson.

31

1 MR. JACKSON: I move to approve.

2 CHAIRMAN JONES: A motion and a
3 second by Mr. Bradford.

4 Any objection? [No response.]

5 Without objection, the motion
6 carries -- by Mr. Jackson and
7 Mr. Bradford.

8 C. Consideration of Amended Application for Shelf
9 Approval of Debt Transactions by Boyd Gaming
10 Corporation

11 CHAIRMAN JONES: Next up is:
12 Consideration of the Amended Application
13 for Shelf approval of Debt Transactions
14 by Boyd Gaming Corporation.

15 Good morning.

16 MS. WARE: Good morning, Chairman
17 Jones and Members of the Board. My name
18 is Trnessia Ware with Louisiana State
19 Police Corporate Securities Audit.

20 Mr. Michael F. West, local counsel
21 for Boyd, notified the Board by letter
22 dated January 10th, 2017, that Boyd
23 seeks to amend and renew its shelf
24 approval of debt transactions in the
25 amount up to \$7.5 billion for a period

32

1 of three years. This amount represents
2 an increase of \$1.5 billion from the
3 current \$6 billion shelf approved by the
4 Board on May 19th, 2014, and expiring
5 May 19th, 2017.

6 Boyd's stated the potential use of
7 such proceeds will be for general
8 corporate purposes, including capital
9 expenditures, working capital, repayment
10 of existing outstanding debt and the
11 flexibility to valuate any potential
12 opportunities. Boyd's long-term debt
13 schedule is shown on page four of your

14 report.

15 At March 31st, 2017, Boyd's
16 long-term debt approximated
17 \$3.3 billion, including \$1.8 billion
18 outstanding under its credit facility.
19 Boyd had a remaining availability of,
20 approximately, \$482.2 million after
21 allocating \$12.5 million to support
22 various letters of credit. Boyd
23 projects sufficient cash flows from
24 operations to maintain its debt. Based
25 on Boyd's historical financial data on

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1 these cash flows, Boyd's projections
2 appear reasonable.

3 In conclusion, no financial issues
4 came to our attention to preclude the
5 Board's approval of Boyd's shelf
6 application.

7 Are there any questions?

8 CHAIRMAN JONES: Any questions of
9 State Police, or do you have any
10 questions for the licensee? Any
11 questions at all? There are no
12 questions.

13 Do I have a motion to adopt the
14 Resolution?

15 MR. BRADFORD: Move approval.

16 CHAIRMAN JONES: By Mr. Bradford,

17 second --

18 MS. JACKSON: Second.

19 CHAIRMAN JONES: -- by Mr. Jackson.

20 Miss Tramonte, would you read the

21 Resolution into the record.

22 THE CLERK: On the 15th day of May

23 2017, the Louisiana Gaming Control Board

24 did, in a duly noticed public meeting,

25 consider the application of amended --

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1 the amended application for shelf

2 approval of debt transactions filed by

3 Boyd Gaming Corporation, and upon motion

4 duly made and second, the Board adopted

5 the following Resolution:

6 Be it resolved that Boyd Gaming

7 Corporation's application for shelf

8 approval of debt transactions be and is

9 hereby approved subject to the following

10 terms and conditions:

11 One, for a period of three years

12 beginning May 15th, 2017, Boyd Gaming

13 Corporation is granted approval pursuant

14 to LAC 42:III.2525 to enter into debt

15 transactions as defined in LAC

16 42:III.2522 not to exceed a cumulative

17 total of \$7.5 billion. For purposes of

18 this shelf approval, the cumulative

19 total of \$7.5 billion shall include debt

20 currently existing or approved in
21 earlier debt transactions.

22 Two, within ten days of consummation
23 of the debt transaction, including
24 amendments and modifications of existing
25 debt transactions, Boyd Gaming

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1 Corporation shall provide a term sheet
2 or executive summary of the debt
3 transaction, an executed copy of the
4 documents evidencing the debt
5 transactions, to the Louisiana State
6 Police Gaming Enforcement Division Audit
7 Section, Corporate Security Unit.

8 Three, the shelf approval may be
9 rescinded by the Chairman of the Board
10 upon issuance of a written notice of
11 rescission setting forth the reasons
12 therefore. The rescissions shall remain
13 in effect until lifted by the Board upon
14 such terms as are satisfaction to the
15 Board.

16 Four, the shelf approval shall
17 expire on May 15th, 2020. It is hereby
18 further resolved that the Chairman of
19 the Louisiana Gaming Control Board be
20 delegated the authority to issue a
21 written rescission of the shelf approval
22 in accordance with LAC 42:III.2525.E and

23 as provided herein above.

24 Thus done and signed in Baton Rouge,

25 Louisiana, this 15th day of May 2017.

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1 Mr. Bradford?

2 MR. BRADFORD: Yes.

3 THE CLERK: Mr. Stipe?

4 MR. STIPE: Yes.

5 THE CLERK: Mr. Singleton?

6 MR. SINGLETON: Yes.

7 THE CLERK: Mr. Jackson?

8 MR. JACKSON: Yes.

9 THE CLERK: Mr. Gaston?

10 MR. GASTON: Yes.

11 THE CLERK: Miss Berry?

12 MS. BERRY: Yes.

13 THE CLERK: Miss Theriot?

14 MS. THERIOT: Yes.

15 THE CLERK: Mr. Patrick?

16 MR. PATRICK: Yes.

17 THE CLERK: Chairman Jones?

18 CHAIRMAN JONES: Yes.

19 The motion carries, and the

20 Resolution is adopted by the Board.

21 D. Consideration of petition for Approval of

22 Transfer of Interest by Grand Vision Gaming,

23 LLC - No. PO56503115

24 CHAIRMAN JONES: All right. Next up

25 is: Consideration of petition for

1 Approval of Transfer of Interest by
2 Grand Gaming, LLC, PO56503115. Good
3 morning.

4 MR. GATHE: Good morning, Chairman
5 Jones, Board Members. I'm Assistant
6 Attorney General Jeremy Gathe, and here
7 with me today is Criminal Investigator
8 Glenn Verrett. We're here in the matter
9 of the proposed transfer of ownership
10 interest in permittee, Grand Vision
11 Gaming, LLC, to Century Gaming, Inc.

12 Through a Membership Purchase
13 Agreement dated March 7th, 2017, Century
14 Gaming desires to purchase 100 percent
15 of the membership interest in Grand
16 Vision Gaming. After the transfer of
17 ownership, the permittee, Grand Vision
18 Gaming, will continue to hold its permit
19 but will have a new owner, Century
20 Gaming. Additionally, Century Gaming
21 will serve as a managing member of the
22 permittee.

23 Criminal Investigator Glenn Verrett
24 conducted an investigation of the
25 proposed transfer, a suitability

1 investigation of Century Gaming, an
2 updated suitability investigation of all

3 relevant persons and will now present
4 his findings to the Board.

5 TROOPER VERRETT: Good morning,
6 Chairman Jones, Members of the Board,
7 I'm Criminal Investigator Glenn Verrett
8 with the State Police Gaming Enforcement
9 Division.

10 On March 31st, 2017, the Division
11 received the petition from Grand Vision
12 Gaming, LLC, seeking approval of the
13 sale of 100 percent of the membership
14 interests of Grand Vision Gaming to
15 Century Gaming, Inc. The Division
16 conducted updated suitability
17 investigations on the officers and
18 directors of Grand Vision Gaming and on
19 the officers and directors of Century
20 Gaming, Inc., and persons with a
21 5 percent or more ownership interest in
22 the companies.

23 All of the individuals in this
24 investigation had previously met
25 suitability through Grand Vision Gaming,

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1 LLC's, initial application which was
2 approved by the Louisiana Gaming Control
3 Board on January 16th, 2013.

4 Criminal inquiries were made with
5 the State of Louisiana's criminal

6 history database. Tax clearance request
7 forms were forwarded to the Louisiana
8 Department of Revenue in order to ensure
9 the applicants are current in their tax
10 filings, which they are.

11 During this suitability
12 investigation, no information was
13 discovered which would preclude the
14 Board from granting and finding the
15 suitability of Grand Vision Gaming,
16 LLC., Central Gaming, Inc., or any of
17 Century's owners.

18 At this time, I'll gladly answer any
19 questions you may have.

20 MR. GATHE: A review of the file
21 revealed no information to preclude the
22 approval of transfer of ownership
23 interest of the permittee to Century
24 Gaming, Inc.

25 CHAIRMAN JONES: Board, do we have

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1 any questions of the Attorney General or
2 State Police? There are no questions.

3 Do I have a motion to adopt the
4 Resolution? By Miss Berry, second by
5 Mr. Patrick.

6 Miss Tramonte.

7 THE CLERK: On the 15th day of May
8 2017, the Louisiana Gaming Control Board

9 did, in a duly noticed public meeting,
10 consider the issue of Grand Vision
11 Gaming, LLC's, request for approval of
12 the transfer of 100 percent of the
13 membership interest in Grand Vision
14 Gaming, LLC, to Century Gaming,
15 Incorporated, and upon motion duly made
16 and second, the Board adopted this
17 resolution:

18 Be it resolved that Grand Vision
19 Gaming, LLC's, request for approval of
20 the transfer of 100 percent of the
21 ownership interest in Grand Vision
22 Gaming, LLC, to Century Gaming,
23 Incorporated, is hereby approved.

24 Thus done and signed in Baton Rouge,
25 Louisiana, this 15th day of May 2017.

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1 Mr. Bradford?

2 MR. BRADFORD: Yes.

3 THE CLERK: Mr. Stipe?

4 MR. STIPE: Yes.

5 THE CLERK: Mr. Singleton?

6 MR. SINGLETON: Yes.

7 THE CLERK: Mr. Jackson?

8 MR. JACKSON: Yes.

9 THE CLERK: Mr. Gaston?

10 MR. GASTON: Yes.

11 THE CLERK: Miss Berry?

12 MS. BERRY: Yes.
13 THE CLERK: Miss Theriot?
14 MS. THERIOT: Yes.
15 THE CLERK: Mr. Patrick?
16 MR. PATRICK: Yes.
17 THE CLERK: Chairman Jones?
18 CHAIRMAN JONES: Yes. The motion
19 carries. The Resolution is adopted.

20 VIII. ADJOURNMENT

21 CHAIRMAN JONES: I know everyone
22 would rather spend the next couple of
23 hours in here, but we're out of
24 business. I apologize for that. We're
25 being efficient. That's what we're

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1 doing.

2 Do I have a motion to adjourn?

3 MR. BRADFORD: I move.

4 CHAIRMAN JONES: By Mr. Bradford,
5 second by Miss Berry.

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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

 44

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 May 15,

7 2017, 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 6th day of

19 July, 2017.

20

21

SHELLEY G. PAROLA, CCR, RPR

22

CERTIFICATE NO. 96001

23

24