

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

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2       LOUISIANA GAMING CONTROL BOARD

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5       BOARD OF DIRECTORS' MEETING

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10       Tuesday, November 17, 2009

11

12       Louisiana State Capitol

13       House Committee Room 5

14       Baton Rouge, Louisiana

15

16       TIME: 10:00 A.M.

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1 APPEARANCES:

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3 DANE K. MORGAN

4 Chairman

5

6 MAJOR CLAUDE MERCER

7 Vice-Chairman

8

9 VELMA ROGERS

10 Board Member

11

12 AYRES BRADFORD

13 Board Member

14

15 ROBERT G. JONES

16 Board Member

17

18 JERRY JUNEAU

19 Board Member

20

21 JAMES SINGLETON

22 Board Member

23

24 MAJOR MIKE NOEL

25 Ex-Officio Members

3

1 APPEARANCES CONTINUED:

2

3 LANA TRAMONTE

4 Executive Assistant to the Chairman

5

6 REPORTED BY:

7 SHELLEY G. PAROLA, CSR, RPR

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1 I. CALL TO ORDER

2 CHAIRMAN MORGAN: It's 10:01, we're  
3 running late. I don't like that. Call  
4 the roll, please.

5 THE CLERK: Chairman Morgan?

6 CHAIRMAN MORGAN: Here.

7 THE CLERK: Major Mercer?

8 MAJOR MERCER: Here.

9 THE CLERK: Miss Rogers?

10 MS. ROGERS: Here.

11 THE CLERK: Mr. Bradford?

12 MR. BRADFORD: Here.

13 THE CLERK: Mr. Jones?

14 MR. JONES: Here.

15 THE CLERK: Mr. Stipe?

16 MR. STIPE: (Not present.)

17 THE CLERK: Mr. Juneau?

18 MR. JUNEAU: Here.

19 THE CLERK: Mr. Singleton?

20 MR. SINGLETON: Here.

21 THE CLERK: Mr. Berthelot?  
22 MR. BERTHELOT: (Not present.)  
23 THE CLERK: Colonel Edmonson?  
24 MAJOR NOEL: Major Noel for Colonel  
25 Edmonson.

9

1 THE CLERK: Secretary Bridges?  
2 SECRETARY BRIDGES: (Not present.)

3 II. COMMENTS FROM THE CHAIR

4 CHAIRMAN MORGAN: We have a quorum.  
5 Good morning, I'd just briefly like to  
6 introduce a new employee we have at the  
7 Board; we only have four. But a good  
8 addition, and it's a new position called  
9 Executive Staff Officer, which will help  
10 us with the budget and other operational  
11 issues over the Board, and Natalie  
12 Thurman, if she looks familiar. We  
13 stole her from State Police, so glad to  
14 have her.

15 III. APPROVAL OF MINUTES

16 CHAIRMAN MORGAN: Item III, Approval  
17 of the Minutes. Have the board members  
18 had an opportunity to review the  
19 minutes?

20 MR. JONES: I'll move approval.

21 CHAIRMAN MORGAN: Moved by Mr. Jones  
22 formal waving of the minutes and  
23 approved. Do we have a second?



24 MS. ROGERS: Second.

25 CHAIRMAN MORGAN: Second by

10

1 Miss Rogers. Any objection? (No  
2 response.) Hearing none, Revenue  
3 Reports.

4 IV. REVENUE REPORTS

5 MS. JACKSON: Good morning, Mr.  
6 Chairman, Board Members. My name is  
7 Donna Jackson with the Louisiana State  
8 Police Gaming Audit Section. The  
9 riverboat revenue report for  
10 October 2009, is shown on page one of  
11 your handout.

12 During October, the 13 operating  
13 riverboats generated Adjusted Gross  
14 Receipts of \$132,125,837, virtually the  
15 same as last month, but down 8 percent  
16 or \$12 million from October 2008.

17 Adjusted Gross Receipts for fiscal year  
18 2009-2010 to date are \$558 million, a  
19 decrease of four percent or \$21 million  
20 from fiscal year 2008-2009.

21 During October, the State collected  
22 fees totaling \$28 million. As of  
23 October 31, 2009, the State has  
24 collected \$120 million in fees for  
25 fiscal year 2009-2010.

1 Next is a summary of the  
2 October 2009 gaming activity for  
3 Harrah's New Orleans found on page  
4 three. During October, Harrah's  
5 generated \$30,673,557 in gross gaming  
6 revenue, an increase from last month of  
7 21 percent or \$5 million, and a slight  
8 increase of one percent from last  
9 October. Fiscal year-to-date gaming  
10 revenues for 2009-2010 to date are  
11 almost \$114 million, a decrease of about  
12 \$3 million or two percent for fiscal  
13 year 2008-2009.

14 During October, the State received  
15 \$5,095,890 in minimum daily payments.  
16 As of October 31st, 2009, the State has  
17 collected over \$20 million in fees for  
18 fiscal year 2009-2010.

19 Slots at the Racetracks revenues are  
20 shown on page four. During October, the  
21 four racetrack facilities combined  
22 generated Adjusted Gross Receipts of  
23 \$30,457,276, a slight decrease from last  
24 month of 4 percent and a decrease of  
25 8 percent or \$2.8 million from

12

1 October 2008. Adjusted Gross Receipts  
2 for fiscal year 2009-2010 to date are  
3 almost \$130 million, an increase of

4 4 percent or \$5 million for fiscal year  
5 2008-2009.

6 During October, the State collected  
7 fees totaling \$4,620,369. As of  
8 October 31st, 2009, the State has  
9 collected almost \$20 million in fees for  
10 fiscal year 2009-2010.

11 Are there any questions?

12 CHAIRMAN MORGAN: Any questions?

13 [No response.] Thank you.

14 MS. ROGERS: Good thing that New  
15 Orleans Fairgrounds opened.

16 CHAIRMAN MORGAN: Video Gaming.

17 MR. BOSSIER: Good morning, Chairman  
18 Morgan and Board Members. My name is  
19 Jim Bossier with the Louisiana State  
20 Police State Police Gaming Audit  
21 Section. I'm reporting video gaming  
22 information for October 2009, as shown  
23 on page one of your handout.

24 Twenty-one new licenses were issued  
25 during October: Eleven bars, eight

13

1 restaurants and two device owners.  
2 Twenty-six applications are currently  
3 pending in the field: Twelve bars,  
4 thirteen restaurants and one truckstop.

5 During October 2009, the Gaming  
6 Enforcement Division assessed \$1,400 and

7 collected \$7,254 in penalties. There  
8 are currently \$900 in outstanding  
9 penalties. Please refer to page two of  
10 your handout.

11 There are presently 14,637 video  
12 gaming devices activated at 2,294  
13 locations. Net device revenue for  
14 October 2009, was \$50,175,254, a  
15 \$3 million increase, or 6.5 percent when  
16 compared to net device revenue for  
17 September 2009, and a \$10.3 million  
18 decrease, or 17.1 percent, when compared  
19 to October 2008.

20 Net device revenue for fiscal year  
21 2009-2010 to date is \$197,687,932 [sic]  
22 a \$20.4 million decrease or 9.4 percent  
23 when compared to net device revenue for  
24 fiscal year 2008-2009. Page three of  
25 your handout shows a comparison of net

14

1 device revenue.

2 Total franchise fees collected for  
3 October 2009, were \$14,935,458, a  
4 \$906,000 increase when compared to  
5 September 2009, and a \$3 million  
6 decrease when compared to October 2008.

7 Total franchise fees collected for  
8 fiscal year 2009-2010 to date are  
9 \$58,803,063, a \$5.9 million or 9.1

10 decrease when compared to last year's  
11 franchise fees. A comparison of  
12 franchise fees is shown on page four of  
13 your handout.

14 Does anybody have any questions?

15 CHAIRMAN MORGAN: Any questions?

16 [No response.] Unfortunately, we  
17 continue to see a downward trend.

18 MR. BOSSIER: That's correct.

19 CHAIRMAN MORGAN: Thank you.

20 MR. BOSSIER: You're welcome.

## 21 V. COMPLIANCE REPORTS

22 CHAIRMAN MORGAN: Item V, Compliance  
23 Reports, Miss Brown. Good morning.

24 MS. BROWN: Good morning. Chairman  
25 Morgan, Board Members, I'm Assistant

15

1 Attorney General, Mesa Brown, and today  
2 I'll present the staff report on the  
3 second quarter racetrack and third  
4 quarter riverboat casino reports. I'll  
5 begin with the second quarter of the  
6 racetrack reports.

7 In the second quarter of 2009,  
8 approximately 1,826 people were employed  
9 by the industry. Of that number, 1,585  
10 were Louisiana residents; 960 were  
11 minorities and 1,077 were women.

12 I'll begin with employment. All

13 licensees either met or exceeded their  
14 statutory condition of hiring 80 percent  
15 of Louisiana residents, with the  
16 exception of licensee, Delta Downs  
17 Racetrack & Casino. Delta Downs had  
18 71.2 percent of employees as Louisiana  
19 residents out of the required  
20 80 percent.

21 With regards to minority and female  
22 employment, all licensees either met or  
23 exceeded their voluntary condition goals  
24 with the exception of one licensee,  
25 which is Harrah's Louisiana Downs. They

16

1 fell short of their goal of 60 percent  
2 female employment by achieving  
3 52 percent.

4 With regard to minority and female  
5 procurement, Delta Downs had 3.8 out of  
6 a 5 percent minority procurement goal  
7 and 28.1 out of a ten percent female  
8 employment goal -- I'm sorry,  
9 procurement goal. Louisiana Downs had 6  
10 out of 6 percent minority procurement  
11 goal and 28 out of a 6 percent female  
12 procurement goal. Evangeline Downs had  
13 3.06 out of a 5 percent minority  
14 procurement goal, and 15.83 out of a  
15 5 percent female procurement goal. And

16 Fairgrounds Race Course had 2.5 percent  
17 out of a 5 percent minority goal and  
18 4.76 out of a 5 percent female  
19 procurement goal.

20 Any questions with regards to the  
21 racetrack reports?

22 CHAIRMAN MORGAN: I have one quick  
23 question or observation with regard to  
24 Delta Downs. Is the problem with them  
25 meeting the Louisiana requirement for

17

1 hiring because of their location?

2 MS. BROWN: Yes. That is one reason  
3 or one challenge that they've stated in  
4 their forms with regards to meeting  
5 their Louisiana employment goal, the  
6 location.

7 CHAIRMAN MORGAN: It's close to the  
8 state lines.

9 MS. BROWN: Exactly.

10 CHAIRMAN MORGAN: Any questions?

11 [No response.] Okay.

12 MS. BROWN: Okay. Moving on to  
13 riverboat, I'll now present the staff  
14 report on riverboat casino licensees'  
15 compliance with voluntary employment and  
16 procurement conditions for the third  
17 quarter of 2009. The third quarter  
18 reports are taken from figures reported

19 by 13 of the 15 operating riverboats to  
20 the Louisiana Gaming Control Board.

21 In the third quarter of 2009,  
22 approximately, 13,340 people were  
23 employed by the riverboat industry. Of  
24 that number, 13,130 were Louisiana  
25 residents; 8,110 were minorities and

18

1 7,506 were women. I'll begin by saying  
2 that one licensee, Sam's Town Hotel &  
3 Casino, achieved total compliance.

4 Next, I'll move on to total  
5 employment. All licensees either met or  
6 exceeded their voluntary conditions of  
7 total employment with the exception of  
8 two casinos: Grand Palais achieved 433  
9 out of a goal of 520; Eldorado Resort  
10 Casino achieved 1,402 out of a goal of  
11 1,500.

12 In the subcategories under the main  
13 category of employment, all licensees  
14 either met or exceeded their goal with  
15 the exception of two casinos. Hollywood  
16 Casino fell a little short of their  
17 female employment goal; they achieved  
18 49.59 out of a goal of 51.86 percent,  
19 and St. Charles Isle of Capri achieved  
20 51 out of 51.86 percent.

21 Next I'll address procurement. The



22 licensees are grouped according to three  
23 subcategories which appear in your  
24 report. They are Louisiana procurement,  
25 minority procurement and female

19

1 procurement.

2 With regards to Louisiana  
3 procurement, ten licensees did not  
4 achieve compliance with their voluntary  
5 conditions: They are DiamondJacks  
6 Casino & Resort; they achieved 66.89 out  
7 of 75 percent; Horseshoe Casino & Hotel  
8 achieved 50 out of 75 percent; Boomtown  
9 Casino West Bank achieved 71.04 out of  
10 80; Belle of Baton Rouge achieved 65.88  
11 out of 75; Hollywood Casino achieved  
12 69.93 out of 80; Amelia Belle achieved  
13 42.99 out of 80; Grand Palais, Isle of  
14 Capri, 44 and with construction  
15 64 percent out of 90; Boomtown Bossier  
16 City, 51 out of 80 percent; Eldorado  
17 Casino, 56 out of 60; and L'Auberge du  
18 Lac Hotel & Casino, 59.7 out of  
19 80 percent.

20 With regard to minority procurement,  
21 six licensees did not achieve compliance  
22 with their voluntary conditions: They  
23 are Horseshoe Casino & Hotel, they  
24 achieved 10 out of 35; Treasure Chest

25 Casino achieved 4.7 out of 15; Amelia  
20

1 Belle Casino achieved 4.87 out of 30;  
2 Isle of Capri Casino St. Charles  
3 achieved four -- achieved 4, and with  
4 construction, 4.6 percent out of 10;  
5 Eldorado Casino achieved 20 out of 15;  
6 and Diamond Jacks achieved 9.36 out of  
7 10 percent.

8 With regard to women or female  
9 procurement, two licensees did not  
10 achieve compliance with their voluntary  
11 conditions, and they are Horseshoe  
12 Casino & Hotel. They achieved 26 out of  
13 35 percent, and Grand Palais Isle of  
14 Capri Casino achieved 2 percent, and  
15 with construction, 3 percent out of an 8  
16 percent goal.

17 Are there any questions?

18 MR. SINGLETON: Yeah, one.

19 CHAIRMAN MORGAN: One second.

20 MR. SINGLETON: You do a good job of  
21 coming up with the analysis. I'm just  
22 curious -- and I don't want to put you  
23 on the spot, but I'm just a little  
24 curious in terms of your review. The  
25 good faith effort, do you feel that it's

21

1 there, or can you identify any of them

2 that you're not sure that they're making  
3 the effort to meet that goal?

4 MS. BROWN: Well, Mr. Singleton, as  
5 far as I see, I just gather the data and  
6 report it to you.

7 MR. SINGLETON: Okay.

8 MS. BROWN: But from what I see,  
9 everyone's making a good faith effort;  
10 however, if the Board ever has concerns  
11 with regard to a specific licensee, I'll  
12 be happy to meet with that licensee to  
13 confirm their efforts and report my  
14 findings back to the Board.

15 MR. SINGLETON: I don't know how,  
16 maybe if I get here early one day, I'd  
17 like to meet, just to sit down and talk  
18 with you, if we get an opportunity.  
19 Maybe I can come early one day before  
20 the meeting or something --

21 MS. BROWN: Okay.

22 MR. SINGLETON: -- and just to go  
23 over some of this. I just had a little  
24 curiosity, because I keep seeing the  
25 same thing, and it looks like the same

22

1 people are at the same level in terms of  
2 whether they meeting their goals; and  
3 maybe a little concern that they're not  
4 putting quite forth the effort.

5 MS. BROWN: Sure.

6 MR. SINGLETON: With most of them in  
7 the audience, I just want to say  
8 beforehand, because I'm going to start  
9 looking at it a little bit closer --

10 MS. BROWN: Sure.

11 MR. SINGLETON: -- in terms of  
12 dealing with those.

13 I know this, Mr. Chairman, from last  
14 week, people do pay attention when we at  
15 the Treasure Chest and Harrah's. People  
16 kind of pay attention to what's going on  
17 here, and I realize that from talking to  
18 the people. So maybe it's a warning to  
19 them: If you're not doing it, we're  
20 going to catch up with you eventually.

21 MS. BROWN: Okay. Well, I'll be  
22 happy to talk with you to discuss this  
23 and --

24 MR. SINGLETON: Okay. Maybe we can  
25 set that up next time. I'll come maybe

23

1 an hour early; and we can be wherever  
2 we're going to meet, we can get there  
3 just to sit down and go over some of it.  
4 I'd appreciate it.

5 MS. BROWN: Sure. Thank you.

6 MR. SINGLETON: Thank you.

7 CHAIRMAN MORGAN: I think in concert

8 with that, I notice -- I'll first  
9 compliment you on the report. It's well  
10 organized and easy to read.

11 MS. BROWN: Thank you.

12 CHAIRMAN MORGAN: So it makes it  
13 easy for us when we read the voluminous  
14 information we have. But these  
15 conditions were set at different times,  
16 and it was their -- the licensees at the  
17 time, who were the people applying for  
18 the license, set their own conditions.

19 But I notice there are -- they seem to  
20 be a wide range from 60 to 90 percent on  
21 Louisiana, and it follows the trend with  
22 minority and women on procurement. And  
23 it oftentimes, it's casinos right next  
24 to each other have different standards.

25 So in concert with that discussion,

24

1 I think it would be prudent for this  
2 Board to reevaluate these standards and  
3 geographically make them more  
4 consistent, because there is -- it's  
5 been very beneficial meeting with the  
6 properties to hear the problems they run  
7 into.

8 My gut feeling so far is that I've  
9 experienced that they are trying to do  
10 the best they can. I question that

11 maybe we should be more diligent in our  
12 auditing of this to ensure that the  
13 numbers are accurate; but in addition to  
14 that, things have changed with our  
15 state, and particularly in New Orleans  
16 area after the hurricanes, and they are  
17 having difficulty finding vendors,  
18 minority and women, to meet some of  
19 these goals that they have set.

20 So in concert, Mr. Singleton, I  
21 think it's a good point, and we'll have  
22 -- we'll certainly have them here. I  
23 think it would be beneficial to have the  
24 companies -- the parent companies come  
25 in who have multiple licenses in this

25

1 state and give us an idea of maybe what  
2 the numbers -- what they would like the  
3 numbers to be, and then how they're  
4 going to meet those objectives.

5 MS. BROWN: Okay. We can definitely  
6 do that.

7 CHAIRMAN MORGAN: Thank you. Anyone  
8 else? [No response.] Okay. I think  
9 the next report is on management.

10 MS. BROWN: Thank you. Oh, the  
11 management reports?

12 CHAIRMAN MORGAN: Do you want to  
13 cover that, or do you normally not do

14 that?

15 MS. BROWN: No, we normally do not  
16 do that.

17 VI. PRESENTATION ON INDIAN GAMING

18 CHAIRMAN MORGAN: Okay. We're on  
19 Item VI, which is the Presentation of  
20 Indian Gaming. One of the previous  
21 board meetings there was an interest in  
22 what our role is as a board with regard  
23 to Indian Gaming, and I've got the  
24 national expert, we happen to have, on  
25 staff.

26

1 So we're going to hear a  
2 presentation. I did ask him to keep it  
3 under an hour -- no, twenty minutes, but  
4 it probably would be more forreaching  
5 in just what the Board's role is. I  
6 think it would be of interest to  
7 everyone here to be educated on Indian  
8 Gaming in the State. So, James.

9 MR. SMITH: Thank you, Chairman  
10 Morgan. And I have never claimed the  
11 title of expert.

12 CHAIRMAN MORGAN: I just gave it to  
13 you.

14 MR. SMITH: I've had a few people  
15 throw it at me, but I've never claimed  
16 it.

17 My name is James Smith. I'm the of  
18 the Attorney General's Gaming Division.  
19 For almost the last 19 -- most of the  
20 last 19 years, I've handled most of the  
21 Indian law and Indian Gaming questions  
22 that have come to the office. I was  
23 also privileged to be a member of the  
24 Gaming Commission, which wrote the first  
25 -- negotiated the first Compacts, and

27

1 I've also served as legal counsel to the  
2 State Police Indian Gaming Unit, since  
3 its inception. And there's an awful lot  
4 of Indian Gaming I don't know, but I do  
5 think I know about as much as the  
6 average person, at least.

7 Today in the few minutes I have, I'd  
8 like to kind of look at about five  
9 aspects of Indian Gaming, and this is  
10 going to be a little broader than just  
11 the Board's role. I'd like to give you  
12 just -- touch the surface, scratch the  
13 surface a little bit on the history of  
14 Indian Gaming, and then I want to look  
15 briefly at the tribes and their  
16 compacts, at the role of the Board,  
17 State regulation pursuant to the  
18 Compacts and some of the travel -- the  
19 impacts of tribal gaming in the State.



20 First, briefly we'll look at the  
21 history. The beginning point of  
22 understanding Indian Gaming is to  
23 understand that tribes are governments.  
24 They're not social clubs; they're not  
25 groups of people that get together;

28

1 they're governments with the same  
2 responsibilities to their people and  
3 that all governments have, and they have  
4 the same need for revenues to fund their  
5 activities and their programs. But  
6 they're neither states, nor are they  
7 foreign governments.

8 In the early 1800s in the case of  
9 Cherokee Nation vs. Georgia, Justice  
10 Marshal concluded that Indian tribes may  
11 more correctly perhaps be denominated as  
12 domestic, dependent nations. Meanwhile,  
13 they're in a state of populous. Their  
14 relation to the United States resembles  
15 that of a ward to its guardian. The  
16 government to government relationship  
17 with Indian tribes has always been  
18 between the federal government and the  
19 tribes, not the states and the tribes.

20 In order to legally conduct gaming,  
21 as well as reap most of the benefits, a  
22 tribe has to be federally recognized.

23 There are, approximately, 563 federally  
24 recognized tribes. There are four of  
25 these federally recognized tribes in

29

1 Louisiana. They're the Chitimacha, the  
2 Coushatta, the Tunica Biloxi and The  
3 Jena Band of Choctaw. Recognition  
4 occurs normally through a recognition  
5 process by which groups have to meet  
6 seven criteria. It also occasionally  
7 happens by Congressional direct action.

8 Indian Gaming really came to  
9 national awareness in 1987. Gaming or  
10 gambling in the form of bingo was being  
11 conducted on Indian reservations prior  
12 to 1987, and they were approved by the  
13 federal government as a means of funding  
14 tribal governmental operations.

15 However, the situation was brought --  
16 which brought Indian Gaming to national  
17 attention arose in the State of  
18 California, in a case argued before the  
19 U.S. Supreme Court in December of 1986  
20 with the decision that was rendered the  
21 following February. The case was  
22 California vs. Cabazon Band of Mission  
23 Indians. The Cabazon and Morongo Bands  
24 of Mission Indians occupy reservations  
25 in Riverside County, California.

1 On their reservations, each band,  
2 pursuant to a federally approved  
3 ordinance, conducted bingo games that  
4 were open to the public. The Cabazon  
5 also operated a card club for playing  
6 draw poker and other card games; and as  
7 I said, the games were open to the  
8 public, and most of the people that  
9 played them were not tribal members.  
10 They were non-Indians that came onto the  
11 reservations.

12 For its part, the State of  
13 California sought to apply its statute  
14 governing the operation of bingo games  
15 to the tribes. Additionally, Riverside  
16 County sought to apply its ordinance  
17 regulating bingo, as well as its  
18 ordinance prohibiting the playing of  
19 draw poker and other card games.

20 In response to this, the tribes  
21 filed an action, and they asked for  
22 declaratory relief in Federal District  
23 Court, which ended up in summary  
24 judgment in favor of the tribes holding  
25 that neither the State nor the county

1 had any authority to enforce its  
2 gambling laws within the reservations.

3 And the Court of Appeal approved.

4 The case was then appealed to U.S.  
5 Supreme Court, and the court found that  
6 since the State permitted bingo and just  
7 regulated it, as opposed to prohibiting  
8 it altogether, and since the tribes'  
9 bingo operations provided the sole  
10 source of revenues for the operation of  
11 tribal governments and were a major  
12 source of employment for tribal members,  
13 that it was okay. And the net result  
14 was the Supreme Court confirmed the  
15 decision of the lower court and remanded  
16 it.

17 Now, what this did was very  
18 important. It meant the tribes were  
19 pretty much able to do whatever they  
20 wanted to do in the way of gaming, as  
21 long as the State permitted that form of  
22 gaming; whether it was bingo or poker or  
23 whatever, then the tribes could  
24 certainly do it. And it didn't matter  
25 how tightly the State regulated that

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1 gaming or that form of gaming. If they  
2 offered it, then the tribes could also  
3 have it. Therefore, a tribe was free to  
4 offer any gaming allowed by the State  
5 and without any state regulation.

6 And just as an aside, I might  
7 mention that Louisiana had an Indian  
8 Gaming case in 1995, that was very  
9 similar to the Cabazon case. The facts  
10 weren't exactly the same and the law  
11 wasn't exactly the same either, but the  
12 result was very much the same. It  
13 involved a bingo operation that the  
14 Coshatta Tribe was operating.

15 Well, back to Cabazon. Cabazon  
16 caused great concerns to the State and  
17 to local governments, which then pushed  
18 Congress to do something to stop the  
19 supposed impending rush of unregulated  
20 gaming within their borders. The result  
21 of the State's pressure on Congress was  
22 the Indian Gaming Regulatory Act of  
23 1988, which we normally refer to as the  
24 IGRA. While I don't want to get into  
25 any kind of in-depth discussion of the

33

1 IGRA -- it would taken entirely too  
2 long -- I would like to make just a  
3 general comment or two about the Act.

4 The Act represented something of a  
5 compromise between the interests of the  
6 State and the interests of the tribes.  
7 Under the Act, the tribes were supposed  
8 to be assured of a tribal state gaming

9 compact that would allow them to conduct  
10 legal gaming activities. The states, on  
11 the other hand, were given an  
12 opportunity to negotiate with the tribes  
13 pursuant involvement in their gaming  
14 operations.

15 As with most compromises, apparently  
16 nobody was really particularly happy  
17 with it, but it seemed like the best  
18 that each side could get at the time.

19 The states didn't get the complete  
20 regulatory authority over Indian Gaming  
21 it wanted; on the other hand, the tribes  
22 had to accept a role by the State in  
23 their gaming operations which they  
24 didn't particularly want.

25 In the late 1980s, following the

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1 Cabazon decision, a Louisiana legislator  
2 which some of you may know -- he was a  
3 legislator and later fire marshal named  
4 V.J. Bella -- saw the handwriting on the  
5 wall, and he realized that with three  
6 federally recognized Indian tribes in  
7 the state, we were probably going to  
8 have a good deal of Indian Gaming.

9 In 1990, he authorized -- he  
10 authored legislation which was known and  
11 still is known as Act 888, to authorize

12 but not require the governor to appoint  
13 an Indian Gaming Commission to receive  
14 requests for gaming compacts, negotiate  
15 gaming compacts and recommend them to  
16 the governor. The governor was also  
17 authorized to setting gaming compacts  
18 with tribes. The Act also puts a  
19 seven-year limit on all such compacts.  
20 So none of our compacts can last longer  
21 than seven years. Now, they're subject  
22 to renewal, but each term is for seven  
23 years.

24 Louisiana began negotiating its  
25 three compacts near the end of the

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1 Roemer Administration; and it got caught  
2 up in election and turnaround, and they  
3 finally were concluded on the Edwards  
4 Administration. From the outset, a  
5 primary concern for the State was the  
6 protection of the gaming public,  
7 including Louisiana residents, visitors  
8 to the State and also tribal members who  
9 are also citizens of the state.

10 It was felt that one of the best  
11 ways to do this was to ensure a strong  
12 State Police presence on the gaming  
13 properties with as much authority as we  
14 could negotiate for. The State was

15 successful in that effort; and the State  
16 Police are there, and they fulfill an  
17 important public protection role.

18 The Louisiana compacts were some of  
19 the best ones of their day, and they're  
20 still good compacts. In 1995, the Jena  
21 Band of Choctaw became federally  
22 recognized, and that's the fourth tribe.  
23 And they requested a compact, and right  
24 before the State had to act on it, the  
25 Simoneaux case came down, which largely

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1 gutted the enforcement provisions of the  
2 IGRA. So, therefore, they had no way to  
3 force a compact. They still do not have  
4 a gaming compact.

5 Under the 1991 compacts, originally  
6 the tribes were going to pay to the  
7 state nothing the first year, then  
8 2 percent the second year of their net  
9 revenues, 4 percent the next year and  
10 then 6 percent for all remaining years.  
11 But when this was sent to Washington,  
12 the feds turned it down.

13 There was some further negotiating,  
14 and finally a compromise was reached.  
15 And these percentages were permitted,  
16 but they were payable to local  
17 government for mitigation of costs and



18 expenses in the local governments.

19 Now I'd like to look very briefly at  
20 Louisiana tribes and the compacts. As  
21 I've said, we have four federally  
22 recognized tribes; three of which have  
23 large, successful, well-run casinos.  
24 They are the Chitimacha, the Coushatta  
25 and the Tunica-Biloxi. These compacts

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1 came up for their third renewal period  
2 shortly after Governor Jindal took over,  
3 and he elected to let the compacts renew  
4 automatically under the terms that are  
5 contained in the compact.

6 And that brings us briefly to the  
7 role of this board. The Board really  
8 does not have any direct authority to  
9 regulate Indian Gaming. Now, some of  
10 you may have read in Title 27 where it  
11 says, all regulatory authority contained  
12 in Acts 888, 817 are transferred to the  
13 Board. The only problem is that there's  
14 no regulatory authority contained in  
15 those acts. That simply allowed the  
16 governor to appoint a commission, if he  
17 chose to, and sign compacts.

18 Where the Board does play a very  
19 important role, is in reviewing denials,  
20 suspensions, revocations of state

21 certification, as I'll talk about a  
22 little more in a minute. Before anybody  
23 can be licensed to do business with or  
24 work in a gaming position for a tribe,  
25 the State has to find them suitable, and

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1 then we refer to that, for lack of a  
2 better term, as state certification.  
3 If, when someone applies for that, State  
4 Police finds a problem with them and  
5 they deny them or they get certified and  
6 later are suspended or revoked, they  
7 have a right to a review. That review  
8 is conducted by the Board's hearing  
9 officers, and this was to give  
10 uniformity to where we didn't have one  
11 part of gaming doing one thing and  
12 Indian Gaming doing something else,  
13 because most of these are going to be  
14 citizens of the state, non-tribal  
15 members that are going to be going  
16 through these hearings.

17 So the hearing officers hear these  
18 cases. There's a big difference,  
19 though, in that with most all of the  
20 other stuff we do here, we're dealing  
21 with recommendations of actions. In  
22 Indian Gaming, this is final action.  
23 Once the State Police acts, it's a final

24 action subject to review. Then after  
25 the hearing officer makes his decision,

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1 then the Board sits as an appellant, as  
2 an appeal body to the hearing officers  
3 much as you do in other forms of gaming.  
4 If somebody is not satisfied with what  
5 the Board finds, then certainly it can  
6 go on to the district courts.

7 So the role that this board fills in  
8 that responsibility is very important.  
9 We used to have a number of these. The  
10 last couple of years we haven't had very  
11 many appeals. This then brings us to  
12 regulation in the Compact. Now, there's  
13 a misconception that the State has no  
14 regulatory role with the tribal casinos,  
15 and this is incorrect. Now, we  
16 certainly do not have the authority that  
17 we have with riverboats or video poker  
18 or racetracks or whatever. We don't  
19 have anything like that authority, but  
20 we do have -- we did negotiate for and  
21 secure important regulatory actions that  
22 we can take.

23 It's true that the tribes under  
24 federal law are the primary regulators  
25 of their gaming operations; however, the

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1 State, by virtue of the Compact, through  
2 the State Police, have a very important  
3 role under these compacts. Some of the  
4 authority which the State has includes  
5 the following: The State has to do, as  
6 I mentioned a while ago, a background or  
7 a suitability check on all gaming  
8 employees, gaming manufacturers and  
9 suppliers, and non-gaming  
10 employer/employees who conduct -- or  
11 businesses that conduct in excess of  
12 \$50,000 business annually with tribal  
13 casino. These certifications of  
14 suitability are renewable every two  
15 years. No one or entity in these  
16 classifications may be licensed by the  
17 tribe until they're found suitable by  
18 the State. Being certified as suitable,  
19 there's no guarantee of getting hired by  
20 the tribe or being licensed by them or  
21 doing business, but it is a prerequisite  
22 under the Compact.

23 Two of the tribal casinos must  
24 submit their internal controls to the  
25 state for concurrency and approval,

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1 including any new games of chance. One  
2 tribe is only required to submit a copy  
3 of the internal controls to the State,

4 but the Compact does have wording that  
5 gives the State the opportunity to  
6 object to any internal control not in  
7 accordance with the National Indian  
8 Gaming Commission minimal internal  
9 control standards.

10 All three of the tribal casinos have  
11 in their internal controls the standard  
12 that all EPROM chips will be tested for  
13 approved -- tested for approved  
14 signatures by an approved gaming testing  
15 lab prior to being placed in any slot  
16 machine offered for play. State Police  
17 seal tape must be affixed to the chip  
18 after being placed in the EPROM board to  
19 prevent tampering, another important  
20 regulatory action. This includes all  
21 new machines, all upgrades and  
22 maintenance to current machines on the  
23 gaming floor.

24 Also, there's a requirement that  
25 State Police personnel be notified when

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1 gaming winnings exceed certain amounts,  
2 and the on-call State Police agent will  
3 then respond to the casino and conduct a  
4 verification process, along with a  
5 representative of the tribal gaming  
6 commission, prior to the patron being

7 awarded the winnings.  
8 Louisiana State Police personnel  
9 also conduct unannounced enforcement  
10 inspections regarding all Class III  
11 games to ensure that they're conducted  
12 in compliance with the standards of the  
13 Compact. Violations are noted and are  
14 referred to the Tribal Gaming Commission  
15 for corrective action. Nothing,  
16 however, prevents the State Police from  
17 taking their own action against anyone  
18 holding state certification if their  
19 actions violate the Compact or law.

20 Any permanent structural change on  
21 the gaming floor of the casinos must  
22 have State Police concurrence and  
23 approval prior to construction or  
24 demolition. All new gaming equipment or  
25 supplies shipped to the casinos must be

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1 checked in and verified by State Police  
2 and a representative of the Tribal  
3 Gaming Commission, as well. The State  
4 has the authority to review all records  
5 of the tribal gaming facilities and  
6 operation, management company,  
7 financiers, as well as manufacturers and  
8 suppliers of gaming services and  
9 supplies and equipment to ensure

10 compliance with any and all provisions  
11 of the Tribal State Compact.

12 The State may also investigate any  
13 reported or suspected violation of any  
14 criminal law or tribal -- or of the  
15 Tribal State Compact. All facilities  
16 that are used in the operation of Class  
17 III gaming shall be designed and  
18 constructed in such a manner as to  
19 preserve and protect the health and  
20 safety of the public and the  
21 environment. All shall comply with the  
22 standards and procedures established by  
23 the State of Louisiana in its building  
24 and fire codes, even though those  
25 standards do not apply to facilities

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1 built and owned by the tribe on their  
2 reservation or other trust lands. State  
3 Police and fire marshals do conduct  
4 periodic inspections to ensure  
5 compliance of these standards.

6 The Louisiana State Police has  
7 concurrent criminal jurisdiction and  
8 authority with each tribe regarding all  
9 criminal matters occurring on the land  
10 designated for gaming at each casino,  
11 including -- and this was a difficult  
12 one to get -- but including jurisdiction

13 over enrolled tribal members.

14 So the State does have a fair amount  
15 of regulatory authority at the tribal  
16 casinos, and I would add that in areas  
17 where the State Police don't have direct  
18 authority, the tribes are usually very  
19 cooperative. If they want -- they want  
20 their facilities well run, and while we  
21 can't tell them what to do, if we make  
22 reasonable suggestions to them, they  
23 usually respond positively.

24 And finally, I'd like to look very  
25 briefly at the impact of the tribal

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1 gaming in Louisiana. Now, the first  
2 impact is one which we're all familiar  
3 and one we often hear about, and that  
4 is, that they're taking money from state  
5 licensed facilities by the very nature  
6 of their being there; that they're  
7 reducing the amount that the state  
8 facilities would take, and this is true.  
9 It's understandable that public  
10 officials that are concerned, including  
11 yourselves, with maximizing income to  
12 the State, would focus on that aspect of  
13 Indian Gaming; but like it or not, we  
14 have to accept the fact that under  
15 federal law and federal jurisprudence,



16 the tribes are sovereign nations, and  
17 they can't be taxed by the State any  
18 more than we can tax neighboring states  
19 that take our gaming revenue that we'd  
20 like to have, as well.

21 Because they're often overlooked, I  
22 would like to mention just a few impacts  
23 that we don't usually hear much about.

24 First of all, between the three tribes,  
25 they have created over 5,100 jobs, the

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1 vast majority of which are pretty good  
2 jobs -- are good jobs, and they're held  
3 by non-tribal members. The tribal  
4 membership and deployment is very small.  
5 At one casino, I'm informed it was  
6 1.22 percent and another is 2.4 percent,  
7 and the highest one is 4.69 percent. So  
8 you can see that most of these 5,100  
9 jobs that the tribes have created go to  
10 state residents that are non-tribal.

11 Under the mitigation provision and  
12 agreements, the tribes have contributed  
13 several million dollars a year to local  
14 governments. Also, the tribes do  
15 millions of dollars of business with  
16 in-state vendors each year. It's my  
17 understanding that one tribe even  
18 voluntarily remits some sales taxes to

19 the state, which we can't force them to  
20 do.

21 Each tribe pays a percentage of  
22 their gaming profits to tribal members  
23 in per capita payments. The majority of  
24 this money has not only raised the  
25 standard of living of many Louisiana

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1 citizens who have to be tribal members,  
2 but much of that money is spent with  
3 local merchants. I thought it was real  
4 interesting after the casinos got up and  
5 running, you could ride through the  
6 reservation and look at the number of  
7 new vehicles and boats and things that  
8 you saw outside the homes. This is all  
9 money that's spent in the local area  
10 with local merchants.

11 The tribes have used some of their  
12 gaming revenue to improve educational  
13 opportunities and health facilities for  
14 their members, and it's my understanding  
15 that at least one tribe will pay for any  
16 child's education for as much education  
17 as they want. The tribes have also  
18 contributed to many charitable groups,  
19 and they've helped with local projects.

20 So while the tribes don't pay taxes  
21 and fees, and to an extent that puts the

22 people that we regulate -- that you  
23 regulate here at a disadvantage, they  
24 do -- and they do, undoubtedly, attract  
25 business away from them that would

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1 probably otherwise go to state licensed  
2 facilities. In all fairness, I think  
3 they should be given credit for the  
4 contributions, particularly economic,  
5 that their gaming operations have made.  
6 Any gaming, in my opinion, is an  
7 interesting phenomenon which has done  
8 much more for the members of the -- have  
9 much for the members of the tribes which  
10 have casinos and which have made  
11 significant contributions to the areas  
12 surrounding their casinos. While at the  
13 same time, this often prevents a lot of  
14 challenges and even problems for state  
15 and local officials, and no doubt about  
16 that.

17 There's much more I'd like to tell  
18 you about about Indian Gaming. I  
19 haven't even begun to scratch the  
20 surface on this. I would leave you with  
21 one little thing that I saw that I  
22 thought was kind of funny a few years  
23 ago. When Indian Gaming first started,  
24 one of the casinos had, on its bulletin

25 board, a cartoon; and there were two

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1 white guys standing over on one side,  
2 and one of them was holding a bottle of  
3 whiskey and one of them was holding a  
4 handful of beads. And one says to the  
5 other, give them whiskey and beads and  
6 we'll get their land for nothing; and  
7 then just within earshot, there's two  
8 Indian guys standing over there, and one  
9 says to the other, yeah, give us  
10 gambling, and we'll buy it all back.

11 And in many areas of the country, tribes  
12 have bought back a lot of the lands that  
13 they have.

14 This, I'm sorry, just barely  
15 scratches the surface, but if you -- I  
16 hope it will help you a little bit to  
17 have a better understanding of Indian  
18 Gaming and how it got to be here. If  
19 you have any questions, I'd be glad to  
20 at least try to answer them.

21 CHAIRMAN MORGAN: Before I forget,  
22 let me ask: Do the casinos, the Indian  
23 casinos, have to -- do they have any  
24 marketing restrictions, such as the  
25 others where have to post the 1-800

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1 number?

2 MR. SMITH: Most of them, I think,  
3 voluntarily post it. We've worked with  
4 them on that, and I think -- I'm not  
5 positive of this, but I know some of  
6 them do post it. But they're not  
7 required to. That's strictly voluntary  
8 on their part.

9 MS. ROGERS: Do the employees pay  
10 state taxes?

11 MR. SMITH: Yes, ma'am. Well, it  
12 depends. Most of them would. If a  
13 tribal member lives on the reservation,  
14 and any income that is made on the  
15 reservation is not taxable by the State.  
16 But the vast majority of these people  
17 are residents that are non-tribal  
18 members, and certainly they do pay state  
19 income tax, yes, ma'am.

20 MR. JONES: Question: The fourth  
21 tribe you mentioned, the Choctaws?

22 MR. SMITH: Jena Band of Choctaw.

23 MR. JONES: That's where they are,  
24 in Jena.

25 MR. SMITH: That's where they

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1 originally were, their service area.  
2 They have a three parish service area,  
3 Grant, LaSalle and Rapides. They are --  
4 it's my understanding that they have

5       been trying to establish a Class II  
6       operation just north of Pineville on 167  
7       at Creola, Louisiana; they have some  
8       land there. And their -- that land has  
9       been taken as part of their initial  
10      reservation, which makes it eligible for  
11      gaming.

12       MR. JONES: What's a Class II  
13      operation?

14       MR. SMITH: A Class II is,  
15      basically, bingo, pull tabs and some  
16      nonbank card games. Everything else is  
17      Class -- well, there's Class I, which is  
18      traditional forms of Indian Gaming,  
19      things that they do among themselves,  
20      and it's not regularly, whatever the  
21      tribal members do. Then there's Class  
22      II, which I just described. Class III  
23      is everything else, which is basically  
24      your casino type games, everything from  
25      roulette to blackjack to you name it.

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1       And Class III, you know, they -- we  
2       have -- we have had efforts here to try  
3       to get percentages, but in order to get  
4       a percentage from the tribes for a  
5       state, there has to be a quid pro quo.  
6       Connecticut, for instance, gets -- I  
7       don't know what the number is up to now,

8 4 or \$500 million a year, I think, from  
9 the Manshantucket Pequot and the Mohegan  
10 Tribes simply for the right of  
11 exclusivity to operate slot machines at  
12 their casino, and so they have a deal  
13 with Connecticut that they pay  
14 25 percent of their slot revenue to the  
15 state for the exclusivity of being able  
16 to operate slot machines.

17 Louisiana really never had much  
18 opportunity in that way because we  
19 permit almost every form of gaming that  
20 you can think of, so we couldn't offer  
21 exclusivity.

22 Anything else?

23 CHAIRMAN MORGAN: Any more  
24 questions? Thank you very much, very  
25 informative.

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1 MR. SMITH: Thank you, Mr. Chairman.

## 2 VII. VIDEO GAMING ISSUES

3 A. Consideration of the following truckstop  
4 applications:

5 1. In Re: Tall Timbers Truckstop &  
6 Casino, LLC d/b/a Eunice Truckstop  
7 & Casino - No. 4900515948

8 CHAIRMAN MORGAN: Item VII, Video  
9 Gaming Issues, Consideration of the  
10 Truckstops: Tall Timbers Truckstop &

11 Casino LLC.

12 MR. PITRE: Chairman Morgan, Board  
13 Members, I am Assistant Attorney  
14 General, Earl Pitre, Jr., here in the  
15 matter of Tall Timbers Truckstop &  
16 Casino, LLC, doing business as Eunice  
17 Truckstop & Casino.

18 The applicant is a Louisiana limited  
19 liability company organized on  
20 February 22nd of 2007. The membership  
21 interest of the company is as follows:  
22 Frank Relan with 33.3 percent, Bennie  
23 Relan with 33.3 percent, and Nicky  
24 Nichols with 33.4 percent.

25 The revenue recipients are as

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1 follows: Damon Baldone with  
2 2.5 percent, Michael Wahlder with 10  
3 percent, Matthew Wellman with 5 percent,  
4 Roy C. Saia with 1.5 percent, Roy K.  
5 Saia with 2 percent, and Eric Saia with  
6 1.5 percent.

7 The revenue interest held by CWC  
8 Gaming, LLC, was terminated yesterday;  
9 therefore, its members, Timothy Whitmer  
10 and Timothy Coulon, are no longer  
11 required to be found suitable.

12 The establishment is located at 1673  
13 Highway 190 West in Eunice, Louisiana,



14 in St. Landry Parish. Senior Trooper  
15 Kevin Smith conducted the suitability  
16 investigations of the relevant persons  
17 associated with the applicant and also  
18 conducted an on-site inspection of the  
19 facilities. He will present the Office  
20 of State Police's findings to the Board.

21 SR. TROOPER SMITH: Good morning,  
22 Chairman Morgan, Members of the Board, I  
23 am Senior Trooper Kevin Smith  
24 representing the Louisiana State Police  
25 Gaming Enforcement Section.

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1 I conducted a suitability  
2 investigation on relevant persons  
3 associated with the applicant. I found  
4 no information that would preclude the  
5 following persons from participating in  
6 the video gaming industry: Frank Relan,  
7 Bennie Relan, Nicky Nichols, Margaret  
8 Relan, Julie Relan, Michelle Nichols,  
9 Matthew Wellman, Roy C. Saia, Daisy  
10 Saia, Roy K. Saia, Damon Baldone,  
11 Michael Wahlder, Eric Saia and Janet  
12 Saia.

13 An on-site inspection was conducted,  
14 and it was determined that the  
15 establishment meets all criteria set  
16 forth in video gaming law as a qualified

17 truckstop facility. Tax clearance  
18 certificates and inquires reveal that  
19 the applicant and its owners are current  
20 in filing and payment of all required  
21 taxes and returns. All applicable state  
22 and local permits were posted.

23 The establishment consists of 5.977  
24 contiguous acres; 3.182 acres owned by  
25 the applicant. The remaining acreage,

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1 2.795 acres, is held by the applicant  
2 through lease or servitude. No fuel  
3 sales reports were submitted; therefore,  
4 the applicant will be operating with 25  
5 devices until fuel sales data supports  
6 qualification for additional machines.  
7 The truckstop also has a separate gaming  
8 area that is restricted for adult  
9 patronage.

10 MR. PITRE: The Office of the  
11 Attorney General has reviewed the file  
12 compiled as a result of the  
13 investigation conducted by the Office of  
14 State Police. Our review indicates that  
15 no information has been found which  
16 would preclude the issuance of the Type  
17 5 license to Tall Timbers Truckstop &  
18 Casino, LLC, doing business as Eunice  
19 Truckstop & Casino.

20 CHAIRMAN MORGAN: Okay, thank you.

21 I had a question on the revenue  
22 recipients. I didn't find this in what  
23 was submitted to the Board, but how do  
24 these folks become a revenue recipient?

25 MR. PITRE: They would contract with  
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1 the applicant; and sometimes it would be  
2 a landlord might receive additional  
3 revenue besides just the regular rent or  
4 someone may contribute some other  
5 service for them, and they'll get a  
6 percentage of the revenue.

7 CHAIRMAN MORGAN: And y'all were  
8 satisfied all these folks actually  
9 either put up money or contributed to  
10 this?

11 MR. PITRE: Yes, sir.

12 CHAIRMAN MORGAN: Any questions, any  
13 members? Do you have any questions?  
14 [No response.] Do we have a motion?

15 MAJOR MERCER: I move.

16 CHAIRMAN MORGAN: A motion by Major  
17 Mercer to approve. Is there a second?

18 MR. SINGLETON: Second.

19 CHAIRMAN MORGAN: Seconded by Mr.  
20 Singleton. Can we have a roll call  
21 vote.

22 THE CLERK: Chairman Morgan?

23 CHAIRMAN MORGAN: Yes.

24 THE CLERK: Major Mercer?

25 MAJOR MERCER: Yes.

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1 THE CLERK: Miss Rogers?

2 MS. ROGERS: Yes.

3 THE CLERK: Mr. Bradford?

4 MR. BRADFORD: Yes.

5 THE CLERK: Mr. Jones?

6 MR. JONES: Yes.

7 THE CLERK: Mr. Juneau?

8 MR. JUNEAU: Yes.

9 THE CLERK: Mr. Singleton?

10 MR. SINGLETON: Yes.

11 CHAIRMAN MORGAN: Okay, thank you.

12 VIII. CASINO GAMING ISSUES

13 A. Consideration of petition by PNK (Bossier  
14 City) for approval of reconfiguration of  
15 gaming space

16 CHAIRMAN MORGAN: Item VII -- excuse  
17 me VIII, Casino Gaming Issues. A is,  
18 Consideration of the Petition of PNK  
19 (Bossier City) for approval of  
20 reconfiguration of gaming space.

21 TROOPER SINANAN: Good morning,  
22 Chairman Morgan, Members of the Board.  
23 My name is Trooper Matthew Sinanan with  
24 State Police.

25 Boomtown Bossier's requesting a

1 change in their designated gaming area.

2 The request reconfiguration is a  
3 reorganization of the floor layout  
4 that's going to result if a net loss of  
5 ten slot machines and one table game.

6 The overall changes in the designated  
7 gaming area will increase from 29,453  
8 square feet to 29,544 square feet, an  
9 increase of 91 square feet in the  
10 designated gaming area.

11 The floor plan was prepared by  
12 Gerald McCann with Arthur Dardenne. The  
13 United States Coast Guard has approved  
14 the changes, and the Division reviewed  
15 the proposed floor plans and concur with  
16 Mr. McCann and the Coast Guard. The  
17 Boomtown Casino is still in the --  
18 within law and Board rules, and we see  
19 no problem with the changes.

20 CHAIRMAN MORGAN: Okay.

21 MS. KNIGHT: Mr. Chairman, good  
22 morning, I'm Katherine Knight. Members  
23 of the Board, good morning, as well.

24 I represent Boomtown Bossier here  
25 today to present the petition and ask

1 your approval. If you have no  
2 questions, I would simply ask that you

3 approve the petition as submitted.

4 CHAIRMAN MORGAN: Thank you. Any  
5 questions by board members?

6 MR. JUNEAU: None.

7 CHAIRMAN MORGAN: Do we have a  
8 motion to approve?

9 MR. BRADFORD: So moved.

10 CHAIRMAN MORGAN: Motion by  
11 Mr. Bradford, second by Mr. Juneau. Is  
12 there any objection? [No response.]  
13 Hearing none, it's approved.

14 You drove all that way for that  
15 short matter.

16 MS. KNIGHT: I did, indeed. Thank  
17 you.

18 B. Consideration of petition by Amelia Belle  
19 for approval of reconfiguration of  
20 gaming space

21 CHAIRMAN MORGAN: Item B is,  
22 Consideration of petition by Amelia  
23 Belle for approval of reconfiguration of  
24 gaming space.

25 TROOPER SINANAN: Amelia Belle has

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1 requested a change in their designated  
2 gaming area. They're adding a  
3 promotional booth to the main deck and  
4 deleting that promotional booth from the  
5 second deck adding a high limit and

6 table pit on the second deck, a  
7 reconfiguration of slot machines  
8 resulting in an increase in slot  
9 machines and a slight decrease in table  
10 games; relocation of two existing kiosks  
11 and addition of two existing kiosks.

12 The overall changes in the  
13 designated gaming area will decrease  
14 from 29,478 square feet to 27,928 square  
15 feet, a decrease of 1,550 square feet  
16 total. They're still within the  
17 mandated square footage and will be in  
18 compliance with law and board rule. The  
19 floor plans were prepared by Jim  
20 Weisblog (phonetic) with Lay, Pitman &  
21 Associates. ABSC has approved the  
22 changes, and the Division has reviewed  
23 the proposed floor plans and concur with  
24 Mr. Weisblog and ABSC.

25 MR. WOODS: Yes, Mr. Chairman, good

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1 morning, Board Members, good morning.  
2 My name is Bruce Woods. I'm here to  
3 represent the Amelia Belle. I'm the  
4 general manager there. I'm just here to  
5 answer any questions if you had any  
6 concerning our petition for  
7 reconfiguration.

8 CHAIRMAN MORGAN: Okay, thank you.

9 MR. WOODS: You're welcome, sir.

10 CHAIRMAN MORGAN: Is there any  
11 questions? Do we have a motion?

12 MR. JUNEAU: I'll make a motion.

13 CHAIRMAN MORGAN: Motion by Mr.  
14 Juneau to approve.

15 MR. SINGLETON: Second.

16 CHAIRMAN MORGAN: Seconded by Mr.  
17 Singleton. Is there any objection?

18 Hearing none, it's approved.

19 C. Consideration of petition by Harrah's  
20 Louisiana Downs for approval of  
21 reconfiguration of gaming space

22 CHAIRMAN MORGAN: Item C is,  
23 Consideration of petition by Harrah's  
24 Louisiana Downs for approval of  
25 reconfiguration of gaming space.

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1 TROOPER SINANAN: Good morning  
2 again. This one is Louisiana --  
3 Harrah's Louisiana Downs is requesting a  
4 change in their designated gaming area.  
5 The requested reconfiguration is for a  
6 net removal of 95 electronic gaming  
7 devices. The overall changes will  
8 decrease the gaming -- the designated  
9 gaming area from 14,110 square feet to  
10 12,854 square feet, a decrease of 1,255  
11 square feet.



12 Louisiana Downs will still be within  
13 the mandated square footage  
14 requirements. The floor plan was  
15 prepared by Manning Architect. Charles  
16 Churchill, the architect with the fire  
17 marshal's office has approved the  
18 changes, and the Division has reviewed  
19 the proposed floor changes and concur  
20 with the Manning architect and fire  
21 marshal and have no problem with the  
22 changes.

23 MR. COLOMB: Good morning, Chairman  
24 Morgan, Board Members, Kevin Colomb on  
25 behalf of Harrah's Bossier City

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1 Investment Company doing business as  
2 Harrah's Louisiana Downs. We have  
3 nothing to add. We respectfully request  
4 that you grant the approval request.

5 CHAIRMAN MORGAN: Any questions?

6 MR. BRADFORD: You mentioned a  
7 reduction in devices of 95. My notes  
8 show a reduction of 180 machines.

9 TROOPER SINANAN: Yes, sir. There  
10 is a reduction. It was -- it is a  
11 misprint on my part on the notes, but it  
12 is in the reduction of 95, net reduction  
13 of 95.

14 MR. COLOMB: They removed some and

15 added others. The net is --  
16 TROOPER SINANAN: Is 95.  
17 CHAIRMAN MORGAN: Do we have any  
18 other questions? Do we have a motion --  
19 by Mr. Juneau to approve, seconded by  
20 Mr. Bradford. Is there any opposition?  
21 [No response.] Hearing none, it's  
22 approved.  
23 Are you wearing Saints colors?  
24 SPEAKER: It's as close as it gets.  
25 These are LSU colors. We're on our way

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1 to Ole Miss.

## 2 IX. RULEMAKING

3 A. Adoption of amendments to LAC 42:VII.2723  
4 & 2730; Internal Controls and Exchange  
5 of Tokens

6 B. Adoption of amendments to  
7 LAC 42:IX.1907, 2707, 2715, 2723,  
8 2730, 2735, 2901, 3302 & 4315;  
9 Non-Gaming Supplier Permits;  
10 Record Retention; Internal Controls;  
11 Exchange of Tokens and Chips; Gross  
12 Gaming Revenue Computations; Code  
13 of Conduct; Digital Video  
14 Recording Standards; and Redemption  
15 and Disposal of Discontinued Chips  
16 and Tokens

17 C. Adoption of amendments to LAC

18 42:XIII.2715, 2723, 2730, 4204 &  
19 4209

20 MR. WAGNER: Morning, Mr. Chairman,  
21 Members of the Board, I am Jonathan  
22 Wagner, Assistant Attorney General.  
23 Before you today is final approval of  
24 the rules on the agenda. These rules  
25 were promulgated in accordance with the

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1 Administrative Procedures Act. They  
2 were reviewed by the Louisiana -- the  
3 legislative physical office and  
4 submitted to both House and Senate  
5 oversight committees.

6 A notice of intent informing the  
7 public of these -- of the Board's intent  
8 to modify the rules was published in the  
9 June '09 issue of the Register,  
10 directing anyone with questions  
11 concerned to contact me directly to  
12 voice those concerns. I received no  
13 calls concerning any of these changes.

14 Before you now for the final  
15 approval are these rules, and they will  
16 be affect [sic] on publication in the  
17 Register on December 20th.

18 Is there any questions?

19 CHAIRMAN MORGAN: Any questions? We  
20 need a motion to -- for final adoption

21 of the rules.

22 MR. JONES: I'll so move.

23 CHAIRMAN MORGAN: Motion by

24 Mr. Jones, seconded by Major Mercer. Is

25 there any objection? [No response.]

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1 Hearing none they're adopted. Thanks.

2 Easy day's work for you.

3 X. PROPOSED SETTLEMENTS/APPEALS FROM HEARING

4 OFFICERS' DECISIONS

5 1. In Re: LKM Daiquiris, LLC d/b/a Rick's

6 Daiquiris - No. 3601115699 (proposed

7 settlement)

8 3. In Re: LKM Chinese, LLC d/b/a China

9 Palace - No. 3601215700 (proposed

10 settlement)

11 CHAIRMAN MORGAN: All right. Item X

12 is Proposed Settlements/Appeals from

13 Hearing Officers' Decisions. Number one

14 is LKM Daiquiris, LLC.

15 MS. BOGRAN: Olga Bogran, the

16 Attorney General's Office in the Gaming

17 Division. With the Board's approval,

18 I'd like to combine LKM Chinese, LLC,

19 d/b/a China Palace and LKM Daiquiris,

20 LLC, Rick's Daiquiris? They're

21 concerning the same individual.

22 CHAIRMAN MORGAN: That's one and

23 three?

24 MS. BOGRAN: One and three.

25 CHAIRMAN MORGAN: Yeah, okay.

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1 MS. BOGRAN: Okay. These  
2 settlements which involve the same  
3 individual concern the licensee's  
4 failure to timely attend the required  
5 compulsive gaming training classes. The  
6 civil penalty is \$500 in the  
7 settlements, and the Division is asking  
8 for final approval.

9 CHAIRMAN MORGAN: Okay. Do we have  
10 a motion?

11 MS. ROGERS: I so move.

12 CHAIRMAN MORGAN: Okay, a motion by  
13 Miss Rogers to approve.

14 MR. JUNEAU: Second.

15 CHAIRMAN MORGAN: Seconded by  
16 Mr. Juneau. Is there any objection?

17 MR. SINGLETON: Is it \$500 per or  
18 \$500 for each --

19 MS. BOGRAN: For each licensee.

20 MR. SINGLETON: So it's a thousand  
21 dollars if you're taking them together?

22 MS. BOGRAN: Correct.

23 MR. SINGLETON: Okay.

24 CHAIRMAN MORGAN: Is there any  
25 objection? [No response.] Hearing

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1 none.

2 4. In Re: 90 West Restaurant, L.L.C., d/b/a  
3 90 West - No. 4500215323 (proposed  
4 settlement)

5 MS. BOGRAN: And I also have number  
6 four.

7 CHAIRMAN MORGAN: Okay.

8 MS. BOGRAN: Okay, 90 West  
9 Restaurant. This violation, this is a  
10 Type Two licensee, and the violation  
11 arose from the licensee's failure to  
12 timely advise the Division that the  
13 restaurant was closed in excess of 30  
14 days. The agreed upon civil penalty is  
15 also \$500, which is consistent with the  
16 penalties levied for timely failure to  
17 disclose. The Division asks for final  
18 approval of this settlement, as well.

19 CHAIRMAN MORGAN: Are there any  
20 questions?

21 MR. JUNEAU: I'll make a motion.

22 CHAIRMAN MORGAN: Okay, Mr. Juneau  
23 makes a motion to accept the settlement.

24 MR. SINGLETON: Second.

25 CHAIRMAN MORGAN: Seconded by Mr.

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1 Singleton. Is there any objection? [No  
2 response.] Hearing none, it's approved.

3 2. In Re: Natalbany Creek Campground Bar &

4 Grill, Inc., d/b/a Natalbany Creek  
5 Campground Bar & Grill - No. 4600115604

6 CHAIRMAN MORGAN: Okay. We're back  
7 at number two now, Natalbany Creek  
8 Campground Bar & grill. I didn't know a  
9 campground had a bar.

10 MR. SCHMOLKE: Good morning, Mr.  
11 Chairman, Members of the Board,  
12 Assistant Attorney, Brandt Schmolke,  
13 appearing in the matter of the matter of  
14 Natalbany Creek Campground Bar & Grill.

15 This is a matter where the licensee  
16 failed to attend the mandatory  
17 compulsive gambling training seminar,  
18 and as a result of that, a notice of  
19 recommendation of administrative  
20 action -- excuse me, a notice of  
21 recommendation of administrative action  
22 was issued. The Division and the  
23 licensee have agreed to settle this  
24 matter for \$500.

25 CHAIRMAN MORGAN: Okay. Do we have

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1 any questions?

2 MR. BRADFORD: I'll make a motion.

3 CHAIRMAN MORGAN: Okay. A motion by  
4 Mr. Bradford to approve the proposed  
5 settlement, seconded by Mr. Juneau. Is  
6 there any opposition? [No response.]

7 Hearing none, it's approved.

8 5. In Re: KD Hoffman Enterprises, LLC,  
9 d/b/a Community Grill - No. 4400215801  
10 (proposed settlement)

11 MR. SCHMOLKE: I also have number  
12 five. This is a --

13 CHAIRMAN MORGAN: Go ahead and  
14 introduce it.

15 MR. SCHMOLKE: Assistant Attorney  
16 General, Brandt Schmolke, appearing in  
17 the matter of KD Hoffman Enterprises  
18 doing business as Community Grill,  
19 license number 4400215801.

20 The licensee was found to have been  
21 operating without a valid ATC permit for  
22 a period of three months, and as a  
23 result of that, the Division and the  
24 licensee agreed to a \$3,500 civil  
25 penalty.

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1 CHAIRMAN MORGAN: You know my  
2 standard question: This falls in line  
3 with --

4 MR. SCHMOLKE: Yes, sir.

5 CHAIRMAN MORGAN: -- is consistent?  
6 Any questions? Do we have a motion to  
7 approve the proposed settlement?

8 MR. JUNEAU: So moved.

9 CHAIRMAN MORGAN: Motion by



10 Mr. Juneau, and seconded by  
11 Mr. Singleton. Is there any objection?  
12 [No response.] Hearing none, it's  
13 approved. Thank you.

14 6. In Re: Kenny Gray d/b/a Kenny's Rhythm &  
15 Blues Club - No. 4800115439 (proposed  
16 settlement)

17 CHAIRMAN MORGAN: Number seven is an  
18 appeal in reference to Nan -- oh, wait a  
19 minute. I'm sorry, six; we're still on  
20 six, in reference to Kenny Gray, Kenny's  
21 Rhythm & Blues Club, a proposed  
22 settlement.

23 MR. TYLER: Chairman Morgan, Members  
24 of the Board, I'm Assistant Attorney  
25 General, Michael Tyler. I'm appearing

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1 on behalf of the Division in the matter  
2 of the proposed settlement of Kenny Gray  
3 d/b/a Kenny's Rhythm & Blues Club.

4 This matter comes before you from  
5 the standpoint of Kenny's Rhythm & Blues  
6 Club operated from May 1st, 2009, to  
7 July 28th, 2009, without an active ATC  
8 permit. They have since received all of  
9 their ATC permits and have agreed to  
10 settle this matter with the Division for  
11 \$3,000. This matter has been approved  
12 by the hearing officer, and I will

13 submit it for your approval.

14 CHAIRMAN MORGAN: Okay. We have --

15 MS. ROGERS: Excuse me, is there a  
16 point where they need to report  
17 themselves, or is somebody else  
18 responsible for that?

19 MR. TYLER: The licensee is always  
20 under a duty to inform the Division of  
21 matters such as this.

22 MR. JONES: I just had a question.  
23 Usually you report how much revenue they  
24 receive during that period of time when  
25 the license wasn't valid. I didn't see

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1 that in this one.

2 MR. TYLER: In this one, since we  
3 decided to go with the newly adopted ATC  
4 penalty setup, we decided to move away  
5 from reporting or going with device  
6 revenue in these matters because if  
7 we're going to go with the schedule,  
8 there's no need to actually look at  
9 device revenue.

10 MR. JONES: That's fine.

11 MS. ROGERS: But it's to their  
12 advantage if you don't report it, right?  
13 Is the fine based on a percentage?

14 MR. TYLER: No. The fine is not  
15 based on a percentage.

16 MS. ROGERS: What determines it?

17 MR. TYLER: The fine is based upon  
18 months they are out of operation.

19 CHAIRMAN MORGAN: I think I've  
20 talked to the Major. I think it would  
21 behoove all of us to have State Police  
22 communicate with ATC and be a little bit  
23 more proactive, and we might be able to  
24 nip some of this in the butt.

25 Anyway, we have an issue before us,

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1 a proposed settlement. Do we have any  
2 other questions? Do we have a motion?

3 MAJOR MERCER: I move we approve.

4 CHAIRMAN MORGAN: A motion by Major  
5 Mercer to approve. Do we have a second?

6 MR. BRADFORD: Second.

7 CHAIRMAN MORGAN: Seconded by  
8 Mr. Bradford. Is there any objection?

9 [No response.] Hearing none, it's  
10 approved.

11 MR. TYLER: Thank you very much.

12 7. In Re: Nan, Incorporated, d/b/a  
13 Randazzo's Deli & Catering - No.  
14 2600213600A (appeal)

15 CHAIRMAN MORGAN: Now, we have an  
16 appeal which is in reference to Nan,  
17 Incorporated, d/b/a Randazzo's Deli &  
18 Catering, number 2600213600A.

19 Ma'am, introduce yourself.

20 MS. NORMAN: Yes, good morning. My  
21 name is Diana Norman, and I have Nan,  
22 Incorporated, doing business as  
23 Randazzo's Deli & Catering.

24 MR. SCHMOLKE: Assistant Attorney  
25 General, Brandt Schmolke.

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1 CHAIRMAN MORGAN: Miss Norman?

2 MS. NORMAN: Yes.

3 CHAIRMAN MORGAN: You had applied  
4 for the appeal, so you get to go first  
5 stating your case for the Board.

6 MS. NORMAN: Yes. I was appealing  
7 because -- I know I was late with the  
8 license. I had a lot going on in my  
9 life. My husband has cancer, and I've  
10 spent a lot of time in the hospital. I  
11 thought that the license and everything  
12 was being taken care of at the  
13 restaurant, but it obviously wasn't.  
14 And when I found out about it, I right  
15 away, you know, started working on it.

16 I now have my liquor license. I got  
17 the ATC permit now, and I was just  
18 trying to see if I could get my video  
19 poker back again.

20 CHAIRMAN MORGAN: You do have a  
21 valid ATC permit?

22 MS. NORMAN: Yes, I do. I do have  
23 it now, and I really need the video  
24 poker. I think it would help me with a  
25 lot of bills that I have, whatever

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1 income I can get coming in from that. I  
2 have the license with me.

3 CHAIRMAN MORGAN: Okay.

4 MR. SCHMOLKE: The Division would  
5 just like to, you know, reiterate the  
6 fact that Nan was out of compliance for  
7 a period of 26 months. They were out of  
8 compliance as of the date of the  
9 emergency suspension hearing, and I  
10 believe we had a 60 days or maybe 90  
11 days between that period and the time of  
12 the revocation hearing; and at the  
13 revocation hearing, they were still  
14 without their ATC permit. And the  
15 hearing officer also waited a full 30  
16 days before rendering his, you know,  
17 decision to allow them the opportunity  
18 to get that ATC permit, and as of the  
19 time that he rendered his decision, they  
20 were still without that ATC permit.

21 So that is why the hearing officer  
22 went ahead and revoked the license from  
23 Nan, because they were out of compliance  
24 for 26 months. And they had several

25 opportunities to try to get that license

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1 and -- excuse me, that permit, and they  
2 still did not do that.

3 CHAIRMAN MORGAN: Have you -- has  
4 anyone from the Division or A.G.  
5 verified?

6 MR. SCHMOLKE: I have not seen  
7 anything from, you know, Nan evidencing  
8 that they have -- I see that she has it  
9 with her right now.

10 CHAIRMAN MORGAN: When did you  
11 receive it, ma'am?

12 MS. NORMAN: I want to say it was  
13 about a month ago we got it.

14 MR. SCHMOLKE: It was issued  
15 October 26th of 2009.

16 CHAIRMAN MORGAN: Okay. Would the  
17 Attorney General's Office or the  
18 Division object to a remand to the  
19 hearing officer for consideration since  
20 she has the ATC permit?

21 MR. SCHMOLKE: I will defer that  
22 question to Sergeant Sibley with the  
23 Division.

24 SERGEANT SIBLEY: Good morning,  
25 Chairman, Board Members. My name is

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1 Sergeant Sibley with the Louisiana State

2 Police.

3 In reference to this particular  
4 situation, the gaming license in  
5 question expired in June of this year.  
6 So if a decision is made to allow her to  
7 continue operation, I believe she will  
8 be required to submit a brand new video  
9 gaming application with a fee.

10 CHAIRMAN MORGAN: Okay. Any  
11 questions? Ma'am, have you applied for  
12 your renewal of your license?

13 MS. NORMAN: For video poker?

14 CHAIRMAN MORGAN: It expired in  
15 June, according to --

16 MS. NORMAN: Yes, we have.

17 CHAIRMAN MORGAN: They have?

18 SERGEANT SIBLEY: No, sir.

19 CHAIRMAN MORGAN: Y'all don't have  
20 it on file?

21 SERGEANT SIBLEY: No, sir.

22 MS. NORMAN: Y'all don't have a  
23 record of it?

24 SERGEANT SIBLEY: No, ma'am.

25 MS. ROGERS: I'm confused.

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1 According to your report, the revenue  
2 generated was almost \$26,000?

3 MR. SCHMOLKE: That's correct.

4 MS. ROGERS: This -- there's no

5 reflection on her, but it kind of goes  
6 back to what we were talking a little  
7 bit ago -- I'm not -- the fine, that  
8 just doesn't tally.

9 MR. SCHMOLKE: I'm sorry?

10 MS. ROGERS: I said, the fines -- of  
11 course, we haven't decided on that here,  
12 but would you explain that?

13 MR. SCHMOLKE: Yes, ma'am. This  
14 one, this file came to our office prior  
15 to the Division trying to come up with a  
16 more, I guess, streamlined approach to  
17 this, something that has a little more  
18 where everything's more along the same  
19 lines as far as penalties go, because we  
20 were having some penalties that were --  
21 you know, there was a pretty big  
22 disparity in what the penalties for the  
23 amount of time that licensees were  
24 without their permits.

25 So this one here was submitted to

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1 the hearing officer prior to this -- the  
2 new, I guess, penalty schedule.

3 Basically what that is, is State Police  
4 has given the Division -- I mean, the  
5 Attorney General's Office a -- I guess  
6 you could say, a range for settling  
7 these matters.



8           When people are out of compliance,  
9           there's automatically a \$2,500 penalty  
10          for being out of compliance, and then  
11          for every month after that up to the  
12          period, up to six months, is a \$500  
13          penalty.

14          So anytime it's after -- if you've  
15          been without a permit for longer than  
16          six months, the Division is going to  
17          seek revocation, and they're not going  
18          to settle matters or go and ask for a,  
19          you know, penalty amount.

20          In this matter here, like I said, it  
21          was prior to this new, you know, system  
22          being adopted by the Division and the  
23          Attorney General's Office, but in this  
24          instance it would definitely be a  
25          revocation, because they were without

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1          their permits for a period of 26 months.

2           And the ones that you had earlier,  
3          the people were without their permits  
4          for less than six months, so we were  
5          able to negotiate the settlements with  
6          them according to that new schedule.

7           MS. ROGERS: Thanks.

8           CHAIRMAN MORGAN: Any other  
9          questions?

10          MR. JONES: The new schedule, does

11 it have provisions if someone goes  
12 beyond six months, or is it just  
13 revocation?

14 MR. SCHMOLKE: The Division has  
15 instructed us to not settle matters that  
16 are outside of six months, and at that  
17 point, we go to the hearing officer and  
18 allow the hearing officer to render a  
19 decision at that point.

20 CHAIRMAN MORGAN: This schedule  
21 should be guidelines; a schedule should  
22 be approved by the Board.

23 MR. SCHMOLKE: Right. That's  
24 probably incorrect terminology. It's,  
25 basically, I like to say, it's --

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1 CHAIRMAN MORGAN: Guidelines.

2 MR. SCHMOLKE: -- guidelines that  
3 State Police has given us to settle  
4 matters.

5 CHAIRMAN MORGAN: Sure.

6 The problem, ma'am, is that your  
7 license has expired, and the other  
8 problem is that you're not eligible for  
9 a permit -- a license because -- at  
10 least the issue before the Board is that  
11 you weren't eligible because your ATC  
12 permit was expired.

13 So the Board doesn't have a lot of

14 leeway here. In fact, what compounds it  
15 is that your license is expired, and,  
16 apparently, they do not have an  
17 application on file.

18 Any other questions?

19 MR. SINGLETON: Is that something in  
20 the process that says -- I heard her say  
21 she had reapplied -- they don't have a  
22 copy of it. But what is the process  
23 that she goes now and reapply for her  
24 license? Is she prohibited from doing  
25 that?

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1 SERGEANT SIBLEY: She can make  
2 application for a gaming license under a  
3 new company, not for the company that  
4 she will be revoked on; but she can make  
5 another application for a new company,  
6 and if she's -- if she's approved at  
7 that time --

8 MR. SINGLETON: Same person, new  
9 company?

10 SERGEANT SIBLEY: Yes, sir.

11 MR. SINGLETON: Okay. Ma'am, do you  
12 understand that?

13 MS. NORMAN: Yes, thank you. I  
14 understand that.

15 MR. BRADFORD: Same person?

16 SERGEANT SIBLEY: Yes, sir.

17 MR. BRADFORD: New company?

18 SERGEANT SIBLEY: Yes, sir.

19 MS. ROGERS: A new corporation, a  
20 whole new LLC or whatever, new  
21 corporation?

22 SERGEANT SIBLEY: Yes, ma'am, a new  
23 corporation.

24 CHAIRMAN MORGAN: I think this board  
25 has previously ruled that if a person's

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1 status has changed, that that could be  
2 taken under consideration. I don't --  
3 you know, I'd have to defer to the  
4 Attorney General's Office, whoever has  
5 more experience at that, but I don't  
6 know that you would have to have a new  
7 company, though. I don't know that  
8 that's -- is that accurate?

9 MR. SCHMOLKE: I'm not sure. I  
10 would have to check into that for you.

11 CHAIRMAN MORGAN: I think since the  
12 situation of her status, I think the  
13 board can't -- it doesn't get to remand  
14 it back, in my appreciation, because the  
15 license has expired.

16 So the fact of the matter is, you  
17 know, it seems like the appropriate  
18 consequence would be to affirm the  
19 hearing officer's decision, but she

20 would have an opportunity to reapply  
21 because her situation has changed. She  
22 does have an ATC permit.

23 MR. SCHMOLKE: Right. But I would  
24 also like to point out that if you're  
25 affirming the hearing officer's decision

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1 to revoke the license, then in order for  
2 her to reapply, I'm assuming, under the  
3 same entity, she would have to wait the  
4 five years.

5 CHAIRMAN MORGAN: I don't know if  
6 that's correct.

7 MS. SMITH: It depends on the  
8 circumstances. The Board in the past  
9 has ruled that if there's a change in  
10 the circumstances, then they can  
11 reapply; and that happened in instances  
12 where a corporation had an unsuitable  
13 owner, and the unsuitable owner was no  
14 longer part of the corporation.

15 So instead of holding the  
16 corporation for five years, the Board  
17 had ruled, in the past, that since there  
18 was a change in circumstances, they  
19 could reapply.

20 CHAIRMAN MORGAN: Give us some  
21 guidance.

22 MR. HEBERT: Good morning, Board

23 Members, Christopher Hebert representing  
24 the Louisiana Office of State Police. I  
25 would caution you that if you are

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1 remanding it based on the fact that the  
2 license has expired, previous rulings  
3 have shown that even where a license has  
4 expired, where an action has been  
5 brought prior to the expiration of that  
6 license, we still have jurisdiction, and  
7 you can still make a ruling with regard  
8 to that license, okay?

9 CHAIRMAN MORGAN: Even if it's  
10 expired?

11 MR. HEBERT: Yes.

12 CHAIRMAN MORGAN: The bottom line,  
13 ma'am, is I understand you had a loft  
14 issues, and I appreciate that. We all  
15 do; but if this is your livelihood, I  
16 would encourage you to have the means in  
17 place, the mechanisms to ensure that  
18 things remain current, or we would not  
19 be in this situation.

20 MS. NORMAN: I do now. I have  
21 someone handling everything.

22 CHAIRMAN MORGAN: Well,  
23 unfortunately, it's probably too late.  
24 Do we have a motion? Any other  
25 questions?

1 MR. SINGLETON: I so make a motion.  
2 I'd just like to make an observation, if  
3 I can; and, I guess, Mr. Chairman, just  
4 to say thanks to you in terms of your  
5 foresight and how you're looking at this  
6 board and running this board, and I had  
7 an opportunity last week to be with you  
8 in New Orleans where we were able to  
9 visit two of the casinos. And I think  
10 my eyes was open to some of the things  
11 that are going on.

12 For instance, we sit here and do the  
13 regulatory part of this, but when you go  
14 out and visit some of the casinos, you  
15 discover that there are issues that are  
16 out there that they're having, problems  
17 that they're having, and you compare it  
18 with, say, Mississippi and then other,  
19 it could be that we're losing things  
20 that we could be doing to help the  
21 State. And I know we can't lobby, but I  
22 think we can clear roads and educate  
23 with our legislators and the others, the  
24 things that would help bring more money  
25 into the state and to help the casinos

1 at the same time.

2 So it's not just an issue of we sit

3 here and try to find out what they doing  
4 wrong and fine them and do things for  
5 that. There are other options that we  
6 have, and I just want to say thank you  
7 for kind of starting to open my eyes a  
8 little bit to what's going on.

9 And the second part of this: I came  
10 here with some skepticisms about the  
11 Attorney General's Office and the State  
12 Police, and it's not because you left  
13 there and come over here. It's just, I  
14 observe what's going on. They work very  
15 hard. They do a good job, I think, of  
16 trying to protect the interests of the  
17 gaming industry and the public at the  
18 same time, and I just thought, since  
19 I've been here to observe that, my  
20 skepticisms have changed, at least as it  
21 relates to the State Police and the U.S.  
22 Attorney -- I mean, the Attorney  
23 General, as it relates to gaming. I'm  
24 not sure I've gotten over all of the  
25 other things over time, but for those

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1 two, I just had to say that. Thank you.

2 CHAIRMAN MORGAN: Thank you, sir.  
3 Okay. We have an issue before us. Do  
4 we have a motion?

5 MR. BRADFORD: Mr. Chairman, I have



6 a comment. I'm sensing a somewhat  
7 desire of this Board to try to help --  
8 not have the death penalty on  
9 Miss Norman here; and I just wondered if  
10 Mr. Hebert's comment about we can vote  
11 to revoke her license even though it's  
12 expired, and she is still free to apply  
13 for a new license without waiting the  
14 five years; is that correct? Is it  
15 necessary to vote to revoke an expired  
16 license?

17 CHAIRMAN MORGAN: You can remand it  
18 back to the hearing officer, or you can  
19 affirm his decision, I believe, are our  
20 options.

21 MR. HEBERT: The ramifications of a  
22 revocation would mean that that  
23 particular license, she will be  
24 prohibited from being able to apply  
25 again for a period of five years, okay.

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1 And I would ask: If you're remanding it  
2 to the hearing office, what are you  
3 remanding for him to do?

4 CHAIRMAN MORGAN: Well, it would be  
5 to consider the ATC permit.

6 MR. BRADFORD: To reach some type of  
7 settlement.

8 CHAIRMAN MORGAN: Now, the fact that

9 the license is expired adds a new --  
10 compounds the issue.

11 MR. JONES: I move we affirm the  
12 ruling of the hearing officer.

13 CHAIRMAN MORGAN: Okay. We have a  
14 motion to affirm the ruling of the  
15 hearing officer. Do we have a second?

16 MR. JUNEAU: Second.

17 CHAIRMAN MORGAN: Seconded by  
18 Mr. Juneau. Let's go ahead and call the  
19 roll.

20 MR. SINGLETON: One question before:  
21 What does this actually do now?

22 CHAIRMAN MORGAN: This affirms the  
23 hearing officer's decision that -- and  
24 it revokes the license.

25 MR. SINGLETON: Okay. But what

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1 about the five years before she could  
2 reapply, or can she reapply now?

3 CHAIRMAN MORGAN: I don't think she  
4 can reapply. I think it would be --  
5 well, it would be revoked for five years  
6 pursuant to --

7 MR. SINGLETON: So she can't apply  
8 for five years?

9 CHAIRMAN MORGAN: I think they had  
10 mentioned that she could change the  
11 company.

12 MR. SINGLETON: Okay. Well, we had  
13 that, but I thought had we got -- the  
14 gentleman came up here and said  
15 something else. That's why I wanted to  
16 make sure. She can go now and just  
17 create another company and apply under a  
18 new company rather than what she is now;  
19 that's possible?

20 CHAIRMAN MORGAN: I don't know that  
21 I like promoting that idea, but, you  
22 know, it kind of circumvents the whole  
23 purpose of us making a decision.

24 MR. SINGLETON: I understand that.  
25 That's why I'm trying to ask the

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1 question and be clear on what we're  
2 doing.

3 CHAIRMAN MORGAN: Yeah. The current  
4 motion is to affirm the hearing officer  
5 which, in effect, would -- she would be  
6 revoked for a period of five years.

7 MR. SINGLETON: Okay.

8 MR. BRADFORD: Is there a procedure  
9 in place for reinstating an expired  
10 license separate and apart from the  
11 issue we're faced here with?

12 CHAIRMAN MORGAN: This would be a  
13 revoked license, so, no. I think a  
14 court could take action to overrule us.

15           Okay. So we have a motion and a --  
16           by Mr. Jones, a second by Mr. Juneau.  
17           No other questions? Let's go ahead and  
18           call the roll.

19           THE CLERK: Major Mercer?

20           MAJOR MERCER: Yes.

21           THE CLERK: Miss Rogers?

22           MS. ROGERS: Yes.

23           THE CLERK: Mr. Bradford?

24           MR. BRADFORD: No.

25           THE CLERK: Mr. Jones?

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1           MR. JONES: Yes.

2           THE CLERK: Mr. Juneau?

3           MR. JUNEAU: Yes.

4           THE CLERK: Mr. Singleton?

5           MR. SINGLETON: No.

6           THE CLERK: Chairman Morgan?

7           CHAIRMAN MORGAN: Yes.

8           Okay, thank you. Motion carries --

9           THE CLERK: Five to two.

10          CHAIRMAN MORGAN: -- five to two to  
11          affirm it.

12          8. In Re: Armand & Guidry, Inc., d/b/a  
13          Tastee #61 - No. 2602207392, B.B.B.J,  
14          LLC, d/b/a Joe's Cafe 2 - No.  
15          2600212727, James Armand - No. 07019,  
16          Stacey Armand - No. 07020, Helen Byrne  
17          - No. 07021, Marilyn Guidry - No.

18 07022 (appeal)

19 CHAIRMAN MORGAN: The next issue is  
20 Number Eight in reference to Armand &  
21 Guidry, Incorporated, doing business as  
22 Tastee #61. I believe that's going to  
23 be continued, correct? Do you need to  
24 approach the Board?

25 MS. ROVIRA: No.

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1 CHAIRMAN MORGAN: That matter will  
2 be continued.

### 3 XI. PUBLIC COMMENTS

4 CHAIRMAN MORGAN: We have -- the  
5 next item is Public Comments. Any  
6 public comments? Mr. Young, why are you  
7 getting up? Why are you rising?

8 MR. YOUNG: I'm leaving.

### 9 XII. ADJOURNMENT

10 CHAIRMAN MORGAN: Do we have a  
11 motion to adjourn?

12 MS. ROGERS: I so move.

13 CHAIRMAN MORGAN: A motion by Miss  
14 Rogers, seconded by Mr. Singleton. No  
15 objection, we're adjourned. Thank you.

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

1 STATE OF LOUISIANA

2 PARISH OF EAST BATON ROUGE

3           I, Shelley G. Parola, Certified Court  
4 Reporter and Registered Professional Reporter, do  
5 hereby certify that the foregoing is a true and  
6 correct transcript of the proceedings on November  
7 17, 2009, 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 13th day of  
19 December, 2009.

20

21

22           \_\_\_\_\_

              SHELLEY G. PAROLA, CCR, RPR

CERTIFICATE NO. 96001

23

24